

HARITA FEHRER LIMITED

Eighth Annual Report 2015-2016

HARITA FEHRER LIMITED

Board of Directors

H Lakshmanan
C N Prasad
Christian Prause
Anke Kuhlmann Cattau
S I Jaffar Ali
L Bhadri

Audit Committee

H Lakshmanan
S I Jaffar Ali
L Bhadri

Nomination and Remuneration Committee

S I Jaffar Ali, Chairman
C N Prasad
Christian Prause
L Bhadri

Corporate Social Responsibility Committee

H Lakshmanan, Chairman
Anke Kuhlmann Cattau
S I Jaffar Ali

President and Chief Executive Officer

A G Giridharan

Chief Financial Officer

S Jagannathan

Company Secretary

S Sudarshan

Bankers

State Bank of Mysore
Industrial Finance Branch
Chennai - 600 001

Statutory Auditors

Raghavan, Chaudhuri & Narayanan
Chartered Accountants
No.17/12, II Floor, Casa Capitol
Wood Street, Ashoknagar,
Bangalore - 560 025
Tel: 080 - 2556 7578 / 2551 4771
Email: Sathya@nca-india.com

Secretarial Auditor

T N Sridharan
No. 4, Viswanathan Street,
Vivekananda Nagar, Ambattur,
Chennai - 600 053
Tel: 044 - 26581508
Email: tn_sridhar@yahoo.com

Registered Office

"Jayalakshmi Estates"
No.29 (Old No.8) Haddows Road
Chennai - 600 006, Tamilnadu, India.
Tel.: 044-28272233
Fax: 044-28257121
CIN: U25200TN2008PLC068513
E-mail: corpsec@scl.co.in
Website: www.haritafehrer.co.in

Plant Locations

1. Survey Nos.29, 30 and 31,
Vellanthalangal Village,
No. 55, Thandalam Group,
Irrungattukottai,
Sriperumbudur 602 105
Tel : 044- 27156470
Fax : 044- 27156472
2. Belagondapalli, Thally Road,
Hosur - 635 114, Tamilnadu, India.
Tel : 04347-233445
Fax : 04347-233460
3. Plot A2 MIDC Industrial area
Ranjangaon, Koregaon village
Shirur taluk, Pune District - 412 210
Maharashtra, India.
Tel : 02138-610800

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Notice to the Shareholders

NOTICE is hereby given that the eighth annual general meeting of the shareholders of the Company will be held on Thursday, the 11th August 2016, at 10.00 a.m. at the Registered Office of the Company at No. 29, Haddows Road, Chennai 600 006 to transact the following businesses:

ORDINARY BUSINESS

1. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT the audited balance sheet as at 31st March 2016, the statement of profit and loss, notes forming part thereof and cash flow statement of the Company for the year ended on that date, 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."

2. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT Mr Christian Prause (holding DIN 07102417), 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."

3. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT the re-appointment of M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants, Bengaluru, having firm registration No. 007761S, 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 for the third year in the second term of five 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 and the statutory auditors plus reimbursement of service tax, travelling and out of pocket expenses, be and is hereby ratified.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT, subject to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act, 2013) (including any statutory modification(s) or re-enactment thereof for the time being in force), as recommended by the Nomination and Remuneration Committee and the board of directors of the Company, all non-executive directors of the Company, in addition to sitting fees for attending the meetings of the board or of a committee thereof and travelling and stay expenses, such sum as commission be paid at such intervals, for each such director of the Company, as may be determined by the board of directors of the Company, from time to time, for each financial year, for a period of five years commencing from 1st April 2015, within the overall limit, calculated in accordance with the provisions of Sections 197 and 198 of the Act, 2013."

For and on behalf of the board

Chennai
6th May 2016

S. Sudarshan
Company Secretary

Registered Office:
"Jayalakshmi Estates"
No.29 (Old No.8), Haddows Road
Chennai - 600 006

Notes:

- 1) **A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the Proxy and the power of attorney or other authority, if any, under**

which it is signed or a notarially certified copy of that power of attorney or other authority shall be deposited at the registered office of the Company, not later than 48 hours before the time fixed for holding the meeting. A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy

for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

2. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business as set out in the notice is annexed hereto.

Encl: Proxy form

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 6th May 2016 and shall be taken as forming part of the notice.

Item No. 4

As per second proviso to Section 197(1) of the Companies Act, 2013 (the Act), remuneration payable to directors is permissible upto 3% of the net profits of the Company for every year where the Company does not have a managing or whole time director or manager, subject to approval of the shareholders of the Company in general meeting.

The non-executive directors devote considerable time in deliberating the operational and other issues of the Company and provide valuable advice to the management of the Company, from time to time and the Company also derives substantial benefit through their expertise and advice. Hence, it is suggested that they be compensated by way of payment of commission.

The board, therefore, considered it expedient to recommend the payment of commission to the non-executive directors from 1st April 2015, in view of the increased involvement and participation in the meetings of audit committee and board.

It is therefore proposed to seek the authorization of the shareholders, by way of a resolution, in terms of Section 197 of the Act for payment of commission to non-executive directors from 1st April 2015.

The directors, therefore, recommend that the special resolution as set out in item no.4 be approved by the shareholders.

All the directors of the Company, is deemed to be concerned / interested in the above said resolution.

For and on behalf of the board

Chennai
6th May 2016

S. Sudarshan
Company Secretary

Registered Office:
"Jayalakshmi Estates"
No.29 (Old No.8), Haddows Road
Chennai - 600 006

Directors' Report to the Shareholders

The directors have pleasure in presenting the eighth annual report together with the audited statement of accounts for the year ended 31st March 2016.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in lakhs)	
	Year ended 31.03.2016	Year ended 31.03.2015
Sales and other income	36260.86	33515.74
Profit before finance cost, depreciation and tax	3042.66	2795.30
Less: Finance cost	26.93	104.31
Depreciation	943.01	926.69
Profit before tax	2072.72	1764.30
Less: Provision for taxation (including deferred tax & prior period adjustment)	746.28	612.63
Profit after tax	1326.44	1151.67
Balance Surplus carried forward to Balance Sheet	1326.44	1151.67

Appropriations:

First Interim Dividend Paid	301.47	301.47
Second Interim Dividend Paid	602.94	–
Proposed Final Dividend	–	301.47
Dividend tax paid	185.21	60.28
Dividend tax payable	–	60.28
Balance surplus in profit and loss statement	236.82	428.17
carried forward	1326.44	1151.67

The Company earned a profit before tax (PBT) of Rs. 2072.72 Lakhs as against Rs. 1764.30 Lakhs in the previous year, registering a growth of 17%. Total revenue for the year stood at Rs. 36260.86 Lakhs as against Rs. 33515.74 Lakhs in the previous year.

DIVIDEND

The board of directors, (the board), at their meeting held on 5th November 2015, declared a first interim

dividend of Rs.1.50 per share (15%) on 2,00,98,040 equity shares of Rs. 10/- each fully paid up, absorbing a sum of Rs.362.84 lakhs including dividend distribution tax.

The board, at its meeting held on 15th March 2016 again declared a second interim dividend of Rs.3.00 per share (30%) on 2,00,98,040 equity shares of Rs. 10/- each fully paid up, absorbing a sum of Rs.725.68 lakhs including dividend distribution tax.

Hence, the total amount of both dividends, for the year ended 31st March 2016 aggregate to Rs. 4.50 per share (45%) on 2,00,98,040 equity shares of Rs.10/- each absorbing a sum of Rs. 1088.52 lakhs including dividend distribution tax.

The board does not recommend any further dividend for the year under consideration.

PERFORMANCE

Industry Performance:

During the year 2015-16, Gross Domestic Product (GDP) registered a growth rate of 7.4% as against 7.3% in 2014-15 (Source: Central Statistics Office (CSO)).

The Index for Industrial Production (IIP) for the year 2015-16 is estimated to end up with 4.8% growth as against 2.8% in previous year.

During the year under review, the two wheeler industry registered a moderate growth of 2.7%, mainly led by continued increase in demand for scooters. While the scooter segment registered a double digit growth of 12.6% for second consecutive year, the moped (-2.6%) and motorcycles (-0.5%) registered a de growth.

The passenger car industry registered a growth of 5.7% on account of strong domestic demand, led by new launches, decreased fuel cost and lower interest rates. The heavy commercial vehicles registered a phenomenal 28% growth owing to a lower base last year, lower diesel prices, and increased infrastructure activity as compared to last year.

Company Performance:

The Company achieved a turnover of Rs. 36260.86 Lakhs, a growth of 8% over the previous year and registered a profit before tax of Rs. 2072.72 Lakhs during the year under review with a growth of 17% over the previous year.

During the year, the Company obtained new orders for supply of head rests and arm rests to Fiat Chrysler Automotive Limited for their Indian Jeep program and to Yongsan for Creta vehicle. Orders were obtained for foams for Volkswagen Indian compact sedan and polo Taiwan vehicles through Lear and Hyundai Creta vehicle through Dymos. Orders for two wheeler seat foams were also obtained from Loncin-BWM China and from Royal Enfield Himalayan motorcycle. Orders were also received for supply of LFI bonnet parts to Tractors and Farm Equipments Limited (TAFE) and MCU bump stops to Gabriel for Maruti WagonR vehicle.

During the year, the Company added new customers like Fiat Chrysler Automotive Limited, Loncin-BWM China and TAFE.

Awards & recognition

The Company received recognition from Toyoda Gosei South India Private Limited for best project management of new product development in their vendor meet.

Business outlook & overview

For the year 2016-17, the GDP is expected to be between 7.5-7.8% and the inflation is expected to stabilize at 6% levels.

The two wheeler segment is expected to grow only by 2% to 4% in 2016-17 as delayed and un-seasonal rain is expected to hit rural demand. The growth in this segment will continue to be driven by urban demand in terms of scooters and high end motorcycles.

The passenger vehicle segment is expected to grow in the range of 5-8% owing to continued demand in SUV's and reduced fuel prices. Commercial vehicle segment is expected to see a growth of 15-18% owing to lower interest rates and lower diesel prices. Considering the auto industry growth estimates, the Company is expected to grow by 8%. The Company has identified various cost reduction projects which would make it competitive in the industry.

The focus for the Company in 2016-17 would be to obtain new orders in two wheeler seats and composites, achieve planned cost reduction and timely setting up of a new plant at Mysuru, Karnataka for establishing supplies to TVS Motor Company Limited (TVSM), Mysuru.

The Company is increasing the utilization of blended polyol across all plants to reduce its material cost.

RISKS AND CONCERNS

The moderate growth of the industry in the face of global uncertainties and delayed monsoon are visible. The risk of topline erosion due to slowdown in industry is expected. Also with large number of customers buying foaming machinery, there is a probability of the Company losing its share of business for in-house foam production.

The polyurethane raw material prices are expected to bottom out and are expected to move upward due to various global factors and this would make a significant impact on the Company's performance.

Though the increased capex requirements for coming years, would put strain on the free cash flow management, the Company is however confident of maintaining positive free cash flow.

MANUFACTURING REVIEW

(i) Manufacturing:

The Company practices Just-in-Time (JIT) supplies to all its major customers with best-in-class practices for safety, work environment, water and energy conservation.

The Company is planning to rollout Total Productive Maintenance (TPM) scheme across all its three plants in 2016-17.

(ii) Quality:

The quality system at the factory aims at achieving total customer satisfaction through its continuous focus in improving product quality to world standards. This is achieved through total employee involvement and continuous improvement culture.

All the three plants are certified for TS16949. The Company has obtained Integrated Management Systems (IMS) - ISO 14001 & OHSAS 18001 certification.

(iii) Focus on cost:

The Company has undertaken various measures like value engineering, alternate materials & process, elimination of non-value added activities, productivity improvement through process engineering, waste elimination, process

& material optimization, in order to stay competitive.

HUMAN RESOURCE DEVELOPMENT

In keeping with the Company's objective that employees are the assets of a successful organisation, the Company has a well planned in-house training program on a continuous basis to upgrade the skills of employees at all levels. The Company also recruits fresh graduates in various disciplines to meet the future needs of manpower requirements.

As of 31st March 2016, the Company had 306 employees on its rolls.

RISK MANAGEMENT

The Board has established a Risk Management Policy which formalizes Company's approach to the oversight and management of material business risks. The Policy is implemented through a top down and bottom up approach for identifying, assessing, monitoring and managing key risks across the Company's business units.

Risks and effectiveness of management are internally reviewed and reported regularly to the Board. Management has reported to the Board that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. Company's audit committee reviews reports given by members of the management team and recommends suitable action from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

- i) in the preparation of the annual accounts for the year ended 31st March 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable

and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- iii) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts on a going concern basis; and
- v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Independent Directors (ID's)

In line with the requirements of the Companies Act, 2013, the Company has appointed two independent directors viz., Mr S I Jaffar Ali and Mr L Bhadri.

Declaration as to Independence

In accordance with Section 149 (7) of the Companies Act, 2013 (the Act 2013), all IDs have declared that they met the criteria of independence as provided under Section 149 (6) of the Act, 2013.

The detailed terms of appointment of IDs is disclosed on the Company's website in the following link <http://www.haritafehrer.co.in/>

Separate meeting of Independent Directors

The IDs were fully kept informed of the Company's activities in all its spheres.

During the year under review, a separate meeting of IDs was held on March 22, 2016 and they reviewed the performance of:

- i. Non-IDs viz., M/s. H Lakshmanan, C N Prasad, Christian Prause and Anke Kuhlmann Cattau, directors; and
- ii. The board as a whole.

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Both the IDs were present at the Meeting.

Directors liable to retire by rotation

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act, 2013 two-third of the total number of directors i.e., excluding IDs, are liable to retire by rotation and out of them, one-third is liable to retire by rotation at every annual general meeting.

In terms of the applicable provisions of the Act, 2013, Mr Christian Prause, non-executive and non-independent director is liable to retire at the AGM, and being eligible, offers himself for re-appointment.

Woman Director

In terms of Section 149 of the Act, 2013, the Company is required to have a woman director on its board.

Ms Anke Kuhlmann Cattau was appointed as non-executive and non-independent director of the Company in terms of Section 161 read with Section 149 of the Companies Act, 2013, effective 26th February 2015. Her appointment was regularized at the AGM held on 5th August, 2015.

Policy on Directors Appointment and Remuneration of Directors and Key Managerial Personnel

In accordance with Section 178 of the Act, 2013 the Nomination and Remuneration Committee has formulated a Nomination & Remuneration Policy (NRC Policy) to ensure that executive directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

REMUNERATION POLICY

Directors:

NRC will recommend the remuneration for executive and non-executive directors. This will be then approved by the board and shareholders. The non-executive independent directors are appointed to the board of the Company in terms of regulatory requirements.

The board has approved the payment of remuneration by way of profit related commission to the non-executive independent directors, in aggregate, not exceeding 3% of the net profits of the Company from the financial year 2015-16, based on the recommendation of the Nomination and Remuneration Committee. The approval of the shareholders by way of a special resolution will be obtained at the ensuing annual general meeting, in terms of Section 197 and 198 and any other applicable provisions of the Act 2013.

Key Managerial Personnel:

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company's policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits and performance of each employee.

The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of senior executives is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

CRITERIA FOR BOARD MEMBERSHIP

Directors:

The Company will generally consider (i) the director's relevant experience in Finance / Law / Management / Sales / Marketing / Administration/ Research / Corporate Governance/ Technical Operations or the other disciplines related to company's business, (ii) the director's highest personal and professional ethics, integrity and values and (iii) the director's willingness to devote sufficient time and energy in carrying out their duties and responsibilities.

Independent Directors:

Independent Director is a director who has no direct or indirect material pecuniary relationship with the Company and or any of its officers. They should meet all criteria specified in Section 149(7) of the Act, 2013 and rules made thereunder.

Key Managerial Personnel (KMPs)

Change in Company Secretary:

During the year under review, Ms N Iswarya Lakshmi resigned as the Company Secretary of the Company effective 15th March 2016 and Mr S Sudarshan was appointed as the Company Secretary on the same date.

Mr A G Giridharan, chief executive officer, Mr S Jagannathan, chief financial officer and Mr S Sudarshan, company secretary are the key managerial personnel of the Company as on the date of this report.

CORPORATE GOVERNANCE

Board meetings:

During the year, the board met five times, namely on 14th May 2015, 5th August 2015, 5th November 2015, 17th February 2016 and 15th March 2016 and the gap between two meetings did not exceed one hundred and twenty days.

Audit Committee:

In terms of Section 177 of the Act, 2013, the Audit Committee is required to consist of minimum of three members, with majority of independent directors.

The Audit Committee of the Company comprises of three members out of which two are independent directors. All members of the Audit Committee possess requisite qualification and have sound knowledge of finance, accounts and internal control.

The following directors are the members of Audit Committee of the Company as on the date of this Report:

1. Mr H Lakshmanan, non - independent director
2. Mr S I Jaffar Ali, independent director
3. Mr L Bhadri, independent director

Nomination and Remuneration Committee:

In terms of Section 178 of the Act, 2013, the Nomination and Remuneration Committee is required to consist of minimum of three members, of which not less than one-half shall be independent directors.

The Nomination and Remuneration Committee comprises of four members out of which two are independent directors.

The following are the members of Nomination and Remuneration Committee of the Company as on the date of this Report:

1. Mr S I Jaffar Ali, chairman & independent director
2. Mr L Bhadri, independent director
3. Mr C N Prasad, non - independent director
4. Mr Christian Prause, non - independent director

Remuneration criteria to Directors:

The non - executive / independent director(s) will receive remuneration by way of fees for attending meetings of board or any committee in which director(s) is member, provided that, the amount of such sitting fees shall not exceed (i) INR 1,00,000 (Indian Rupees One lakh) per meeting of the board or any committee in which the Director(s) is member or (ii) such other amount as may be prescribed by the Central Government from time to time.

In addition to the sitting fees, the non - executive independent director(s) shall be entitled to commission from the Company subject to the monetary limit approved by shareholders of the Company and aggregate commission amount would not exceed the limit of 3% (three percent) of the profits of the Company computed in accordance with applicable provisions of the Act 2013.

Corporate Social Responsibility (CSR) Committee:

In terms of Section 135 of the Act, 2013, the CSR Committee is required to consist of three or more directors, out of which at least one director shall be an independent director.

The CSR Committee comprises of three members out of which one is an independent director.

The following are the members of the CSR Committee as on date of this Report:

1. Mr H Lakshmanan, non - independent director
2. Mr S I Jaffar Ali, independent director
3. Ms Anke Kuhlmann Cattau, non - independent director

The Committee formulated and recommended a CSR policy in terms of Section 135 of the Act, 2013, along with the list of projects / programmes to be undertaken for CSR spending, in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

The Company, in order to carry out its CSR activities, contributed to Srinivasan Services Trust (SST), which was established in 1996 with the vision of building self-reliant rural community. SST, in over 20 years of service, has played a pivotal role in changing lives of people in many villages in rural India by creating self-reliant communities that are models of sustainable development.

Presently, SST is working in 3,449 villages spread across Tamil Nadu, Karnataka, Maharashtra, Himachal Pradesh and Andhra Pradesh covering about 20,90,000 population in 4,63,500 families. Its major focus areas include Economic development, Health care, Quality education, Environment and Infrastructure.

Of the 3,449 villages, 216 villages (72,186 population and 13,480 families) have been funded by the Company during the year.

Achievements in 216 villages are:

Economic development:

- 8,523 families living in these villages have a monthly income of above Rs.15,000/-. They have financial security.
- 244 farmers groups have been formed with 3,661 members.
- Improved agriculture practices enabled 5,940 farmers owning 19,676 hectares have increased the yields higher than the state average by 15%.
- 7,608 families earn more than Rs 3,500/- per month through livestock.

Women empowerment:

- Formed 793 Self Help Groups. These groups have 11,412 women as members.
- Of the 11,412 members, 9,944 members are in income generation activities. They earn a minimum income of Rs. 2500/- per month.

Health care:

- 5,543 children in the age group below 5 are not malnourished.
- 18,905 women are freed from anemia.
- 9,246 households made access to toilet facilities.
- The morbidity percentage reduced from 9% to 4%.
- Enrolment in anganwadis increased from 86% to 100% and attendance is 99%.
- 67 anganwadis have met all the Integrated Child Development Services Scheme (ICDS) standards.
- 82% involvement of mother volunteers in the functioning of anganwadis. They volunteer their time to ensure proper functioning.

Quality education:

- 100% enrolment of children in schools. There are no drop outs in the schools.
- Number of percentage of slow learners reduced in schools from 27% to 14 %
- Out of 104 schools, 68 schools are now model schools.
- 4,235 illiterate women out of 4,331 have been made literates.

Environment and Infrastructure:

- 8,844 households dispose solid waste through individual and common compost pits. 26 tons of vermi compost generated per month from wastes.
 - Sewage water from 7,580 households disposed through soak pits, kitchen gardens and drain.
 - Safe drinking water is available to 99 villages.
- Community takes care of their development needs. 668 social leaders are active in this effort.

As required under Section 135 of the Act 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on CSR containing the particulars of the projects / programmes approved and recommended by CSR Committee and approved by the board are given by way of Annexure IV attached to this Report.

AUDITORS

Statutory Auditors:

The Company, in terms of Section 139 (1) and (2) of the Act, 2013, is required to appoint a statutory auditor for a term of five consecutive years i.e., till the conclusion of sixth annual general meeting and ratify their appointment in every annual general meeting, during continuance of their term, i.e., till sixth meeting by way of passing of an ordinary resolution.

However, if any firm has held office as auditor prior to the commencement of the Act 2013, the period of office will be taken into account for calculating the period of two term of five consecutive years, as per the fourth proviso to Section 139(2) of the Act, 2013 read with Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014.

In view of these requirements, M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants, Bengaluru, who has been the statutory auditors of the Company were appointed as statutory auditors for the second term of five consecutive years at the sixth annual general meeting held on 30th July 2014, subject to the approval and ratification by the shareholders at every annual general meeting.

It is, therefore, proposed to recommend the ratification of re-appointment of M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants, Bengaluru, as statutory auditors for the third year in the second term of five years subject to the approval and ratification by the shareholders.

The Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being re-appointed as statutory auditors of the Company for the year 2016-17.

The audit committee and board reviewed their eligibility criteria, as laid down under Section 141 of the Act 2013.

Secretarial Auditor:

As required under Section 204 of the Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (the Act 2013), the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the Company and a report received from them is required to be enclosed along with the annual report of the Company.

Accordingly, Mr T N Sridharan, Practicing Company Secretary, secretarial auditor of the Company for the year 2015-16 submitted his report in terms of the requirements of Section 134(b) of the Act, 2013 and the said report is free from any adverse remarks or qualification.

Mr T N Sridharan, Practicing Company Secretary, Chennai has been appointed as Secretarial Auditor for carrying out the secretarial audit for the financial year 2016-17 for attaching his report with the Board's report to the shareholders.

Both the Statutory Auditors Report and Secretarial Audit Report are free from any qualification, reservation or adverse remark or disclaimer, and hence do not warrant any explanation or comments by the board.

DISCLOSURES

Deposits:

The Company has not accepted any deposit from the shareholders and others within the meaning of Chapter V of the Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31st March 2016 and hence the question of furnishing any details relating to deposits covered under Chapter V of the Act, 2013, does not arise.

Information on conservation of energy, technology absorption, foreign exchange etc.:

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure I to this report, in terms of the requirements of Section 134(3)(m) of the Act 2013 read with the Companies (Accounts) Rules 2014.

Material changes and commitments:

There have been no material changes and commitments affecting the financial position of the

Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company:

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations.

Annual Return:

Extract of Annual Return in the prescribed form is given as Annexure II to this report.

Employee's remuneration:

None of the employees of the Company receive remuneration in excess of the limits prescribed under Section 197 of the Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Related Party Transactions:

Particulars of contracts / arrangements with related parties referred to in sub-section (1) of Section 188 of the Act, 2013 are given in Annexure III to this report in the prescribed form.

Details of loans / guarantees / investments made:

As regards furnishing the details of loans and guarantees under Section 186 of the Act, 2013, for

the financial year 2015-16, the Company has not extended any guarantee or loans to other companies during the year under review.

However, please refer note no. IX to Notes on accounts for the financial year 2015-16, for details of investments made by the Company.

OTHER LAWS

During the year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

The directors gratefully acknowledge the continued support and co-operation received from the promoters, M/s. Harita Seating Systems Limited and M/s. F.S Fehrer Automotive GmbH, Germany.

The directors thank the suppliers, customers and bankers for their continued support and assistance.

The directors wish to place on record their appreciation of the excellent work done by all the employees of the Company.

For and on behalf of the board

H Lakshmanan
Director
DIN: 00057973

C N Prasad
Director
DIN: 01950656

Place: Chennai
Date : 6th May 2016

Annexure - I to Directors' Report to the shareholders information pursuant to Section 134(3)(M) of the Companies Act, 2013

A. CONSERVATION OF ENERGY

- 1.1 Measures taken in the year 2015-16
- Use of wind energy power at Hosur and Chennai
 - Upgradation of compressors to more energy efficient models
 - Optimization of foaming lines and consolidation of shifts.
- 1.2 Proposed measures for the year 2016-17
- Consolidation of foaming lines across plants.
 - Solar water heater system in foaming lines for mould heating.
 - Installation of heat recovery systems across plants.
 - Arresting air leakages.

2. Steps taken for utilizing alternate sources of energy during the year 2016-17

During the year 2015-16, the Company has utilized the power generated through wind energy to an extent of 26,53,000 kWh. The Company is planning to continue the utilization of the wind energy for the year 2016-17 to an extent of 31,50,000 kWh. The Company's primary initiative for the year 2016-17 is taking up the project of foaming lines consolidation across the three plants and also the installation of LED panels as a power source for factory and office lightings.

3. Capital investment- Energy conservation Equipments

The Company during the year 2015-16 has invested in "upgradation of compressors to Kaeser make compressor". The total investment

in this project is Rs.19 lakhs. The annual savings realized during the year was 1,05,000 units.

B. TECHNOLOGY ABSORPTION

The Company has not incurred any research and development expenses during the year other than those in the normal course of process formulation and design and development and has not imported any technology so far other than using JV partner's expertise.

C. Foreign Exchange Actual Earnings and Outgo

1. Activities relating to export

The Company has made an export sale of Rs. 438.85 Lakhs during the year under review, and has specific plans to be laid out for expansion of exports in the current financial year with new customers and new parts.

2. Total foreign exchange earned and used

(Rs. in lakhs)

Foreign exchange earned : 438.85

Foreign exchange used : 3918.21

For and on behalf of the board

H Lakshmanan
Director
DIN: 00057973

C N Prasad
Director
DIN: 01950656

Place : Chennai
Date : 6th May 2016

Annexure - II

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U25200TN2008PLC068513
- ii) Registration Date : 09.07.2008
- iii) Name of the Company : Harita Fehrer Limited
- iv) Category / Sub-Category of the Company : Public Company
- v) Address of the Registered office and contact details : "Jayalakshmi Estates",
No.29, Haddows Road,
Chennai - 600 006
- vi) Whether listed company Yes / No : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No	Name and Description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Automotive Seat foams	4043	46.38%
2	Two Wheelers / 3 Wheelers Seat foams	4027	46.36%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	Harita Seating Systems Limited, "Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006	L27209TN1996PLC035293	Holding Company	51%	2(87)

HARITA FEHRER LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding: Not Applicable

ii) Shareholding of Promoters

Name of the Shareholders (M/s.)	No. of shares	% of Shareholding
Harita Seating Systems Limited (Holding Company and its six nominees)	1,02,50,000	51.00
F S Fehrer Automotive GmbH , Germany	98,48,040	49.00
TOTAL	2,00,98,040	100.00
iii) Change in Promoters' Shareholding (please specify, if there is no change) -	N.A	N.A
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	N.A	N.A
v) Shareholding of Directors and Key Managerial Personnel:	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime director and / or Manager:

Mr Rajesh Oommen held the position as Manager under the Companies Act, 2013 without remuneration up to 14th May 2015.

B. Remuneration to other directors:

All the directors of the Company are non-executive directors. The directors of the Company do not draw any remuneration from the Company except Rs.5000 per meeting as sitting fees for attending the meetings of the board and committees thereof.

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Mr A G Giridharan	Mr S Jagannathan	Ms N Iswarya Lakshmi / Mr S Sudarshan*
		w.e.f. 14-05-2015	CEO	CFO
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	44.08	-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, specify			
5.	Others, please specify (Provident Fund and Gratuity)	-	1.61	-
	Total	-	45.69	-

* Ms N Iswarya Lakshmi upto 15th March 2016; Mr S Sudarshan effective 15th March 2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

Annexure - III

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length:

NIL

2. Details of material contract, arrangement or transaction at arm's length:

(a)	Name of the related party	Harita Seating Systems Limited
(b)	Nature of relationship	Holding Company
(c)	Duration of the contracts / arrangements / transactions	2015-16
(d)	Date (s) of approval by the Board, if any:	14 th May 2015 and 17 th February 2016

Nature of contracts / arrangements / transactions	Goods / Services	Salient terms of the contracts or arrangements or transactions	Amount of contract or arrangement (Rs. in lakhs)
Sale	Foam Pads	Mark-up on cost of raw materials and conversion cost	3104.56
Availing of Services	Share of cost of salary, training expenses, Rent, sharing of common expenses, Management services	At Cost	599.74
Rendering of Services	Lease of premises	At Cost	43.05

Annexure - IV

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013

1. A brief outline of the Company's CSR Policy:
This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.
2. Overview of projects or programs proposed to be undertaken:
Focus areas relates to economic development, quality education, empowerment of women, health care, conservation of environment and the creation, maintenance of infrastructure, art, culture and protection of places of public and historical importance.
3. Web-link to the CSR policy and projects or programs- www.haritafehrer.co.in
4. Composition of the CSR Committee consists of the following independent directors.

#	Name of the Director (M/s.)	Status
1.	H Lakshmanan	Chairman
2.	Anke Kuhlmann Cattau	Member
3.	S I Jaffar Ali	Member
5. Average net profit of the Company for last three financial years - Rs. 12.90 crores
6. Prescribed CSR Expenditure (2% of the amount as in item 5 above) - Rs. 0.26 crores
7. Details of CSR spent during the financial year
 - (a) Total amount spent for the financial year - Rs. 0.26 crores
 - (b) Amount unspent, if any - Not Applicable
 - (c) Manner in which the amount spent during the financial year is detailed below.

1	Name of the Implementing Agency	Srinivasan Services Trust (SST) Jayalakshmi Estates, No. 29, Haddows Road, Chennai - 600 006, Tamil Nadu Phone No: 044-2827 2233 mail id: sst@scl.co.in
2	CSR Project or activity identified as mentioned in Schedule VII to the Companies Act, 2013	i) Eradicating hunger, poverty, promoting preventive healthcare and sanitation and making available safe drinking water; ii) Promotion of Education, including special education and employment enhancing vocation skills especially among children, women and livelihood enhancement projects; iii) Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups; iv) ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water; and v) rural development project
3	Sector in which the Project is covered	Economic Development, Health care, Quality education, Environment and Infrastructure
4	Areas in which Projects / Programmes undertaken:	Shirur Block, Pune

HARITA FEHRER LIMITED

5	Local Area / Others:	
	State & District :	Pune, Maharashtra
	Amount of outlay (budget) project or program-wise:	Rs.55.00 lakhs
6	Amount spent on the projects or programs	Rs.53.58 lakhs (Including contribution of Harita Fehrer Limited of Rs. 26.00 Lakhs)
	Sub heads: Direct expenses on projects / programs	Rs.53.58 lakhs
	Overheads	Nil
7	Cumulative expenditure upto the reporting period	Rs.53.58 lakhs (Including contribution of Harita Fehrer Limited of Rs. 26.00 Lakhs)

8. In case, the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

- Not applicable -

9. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

To discharge the duties cast under provisions of the Act 2013, members of the CSR Committee visit places where SST is doing services.

For and on behalf of the Board

Chennai
6th May 2016

H LAKSHMANAN
Chairman of CSR Committee

Form No. MR-3

**SECRETARIAL AUDIT REPORT
for the financial year ended 31.03.2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To the Members of
HARITA FEHRER LIMITED,
[CIN: U25200TN2008PLC068513]
Jayalakshmi Estates,
No. 29 (8) Haddows Road,
Chennai - 600006.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Harita Fehrer Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Harita Fehrer Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Company being unlisted public limited company, the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder are not applicable;
- iii) The Company being unlisted public limited company, the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable;

- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The Company being unlisted public limited company, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 are not applicable to the company.

- vi) The Company has materially complied with laws applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India, though the same is not enforceable as per the provisions of the Companies Act, 2013 for the financial year
- ii) The Company being unlisted public limited company, the company is not required to enter into Listing Agreements with any Stock Exchange(s), and hence compliance in relation thereto is not applicable.

From the verification of records and as per the information and explanation furnished to me, during the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable.

I further report that

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However on perusal of the minutes of the board or audit committee meetings, it was observed that there was no dissenting note made by any of the member.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The company has

- i) Constituted Nomination and Remuneration Committee of Directors and has formulated 'Nomination and Remuneration Policy' in terms of Section 178 of the Companies Act, 2013 and the Rules made thereunder;
- ii) Constituted the Audit Committee of directors in terms of Section 177 of the Companies Act, 2013;
- iii) Constituted Corporate Social Responsibility Committee of Directors (CSR) and has formulated CSR Policy and the projects / programmes, to be undertaken for CSR spending in terms of the Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. It was observed on

verification of records that an amount of Rs. 26 lacs, constituting 2% of average net profits for the immediate past three financial years, for the financial year 2015-16 has been spent on the projects / programs that have been identified to be undertaken for this purpose through Srinivasan Services Trust (SST), an independent Trust (NGO) in existence since 1996;

- iv) Considered and recorded the Risk Management Policy followed by the Company in terms of Section 134(3)(n) of the Companies Act, 2013 including identification therein of elements of risk, if any, which in the opinion of the board, may threaten the existence of the company;
- v) Considered and approved the "Code of Business Conduct and Ethics" of the Company framed in terms of Section 149 read with Schedule IV of the Companies Act, 2013;
- vi) has appointed woman director in compliance with the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

I further report that from the information and explanations furnished to me, during the audit period the company has

- i) not made any Public / Right / Preferential issue of shares / debentures / sweat equity etc.
- ii) not done any Redemption / buyback of securities;
- iii) no major decisions were taken by the members in pursuance to Section 180 of the Companies Act 2013
- iv) no Merger / amalgamation / reconstruction etc. took place during the year under review
- v) No Foreign technical collaborations have been entered into during the year under review.

T.N. SRIDHARAN
Practising Company Secretary
C P No.: 4191

Place : Chennai
Date : 6th May, 2016

HARITA FEHRER LIMITED

To the Members of
HARITA FEHRER LIMITED,
[CIN: U25200TN2008PLC068513]
Jayalakshmi Estates,
No. 29 (8) Haddows Road,
Chennai - 600006.

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

T.N. SRIDHARAN
Practising Company Secretary
C P No.: 4191

Place: Chennai
Date : 6th May, 2016

Independent Auditors' Report for the year ended 31st March 2016

To the Members of
Harita Fehrer Limited,
29 Haddows Road, Chennai.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Harita Fehrer Limited ("the Company"), Jayalakshmi Estates, #29, Haddows Road, Chennai - 600 006, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required under the Companies (Auditor's Report) Order, 2016 ("The Order"), issued by the Central Government of India in terms of sub section (11) of Section 143 of the Companies Act 2013, we give in the "Annexure A" a statement of the matters specified in paragraphs 3 and 4 of The Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financials statements - Refer point no. 10 of Notes XXIII to the standalone financial statements;
- ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii) There are no amounts required to be transferred to investor education and Protection fund.

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 27716

Place : Chennai
Date : 6th May, 2016

Annexure 'A' to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of Harita Fehrer Limited on the standalone financial statements for the year ended on March 31, 2016.

We report that:

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b) According to the information and explanation given to us and in our opinion the management has carried out physical verification of Fixed Assets at reasonable intervals and no material discrepancies have been noticed on such verification;
- c) All the title deeds of the immovable properties owned by the Company are held in the name of the Company;
- ii) According to the information and explanation given to us and in our opinion the inventory, other than in-transit, has been physically verified at reasonable intervals during the year under review by the management and no material discrepancies have been noticed on such verification.
- iii) The Company has granted unsecured loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013
- a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest and as on the end of the financial year the said loan has been fully recovered;
- b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular and there are no overdue;
- iv) According to the information and explanation given to us and in our opinion, there are no loans, investments, guarantees and security granted and accepted by the Company which attracts provisions of section 185 and 186 of the Companies Act, 2013 and hence reporting sub-clause (iv) of paragraph 3 of the Order does not arise;;
- v) The Company has not accepted deposits and hence reporting under sub-clause (v) of paragraph 3 of the Order does not arise;
- vi) We have reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Companies Act, 2013 for the maintenance of cost records and we are of the opinion that, prima facie the prescribed accounts and records have been made and maintained;

- vii) a) According to the information and explanation given to us, and on the basis of our examination of the records of the company, the amount deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, Income-tax, sales-tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities, except for certain marginal delays in remittances;
- b) According to the information and explanations given to us, there are no disputed amounts in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added tax and Cess as on 31st March 2016 except as detailed below:

FY	Nature of dues	Amount of disputed Tax (in Rs.)	Forum where dispute is pending
2012-13	Income Tax	1,22,65,963/-	Commissioner of Income Tax (Appeals) Chennai

- viii) The Company has not defaulted in the repayment of dues to Financial institutions, Banks and there are no borrowings from Government or Debenture holder;
- ix) The Company did not raise any money by way of initial public offer or further public offer including debt instruments and the Company has not availed any term loan during the year under review and hence reporting sub-clause (ix) of paragraph 3 of the Order does not arise;
- x) According to the information and explanation given to us and in our opinion, no fraud by or on the Company has been noticed or reported during the year under review;
- xi) According to the information and explanation given to us and in our opinion, the Managerial remuneration paid /

- provided are in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act and hence reporting sub-clause (xi) of paragraph 3 of the Order does not arise;
- xii) As the Company is not in the nature of Nidhi Company reporting under subclause (xii) of paragraph 3 of the Order does not arise;
- xiii) According to the information and explanation given to us and in our opinion, transactions with all the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and where applicable, the company has disclosed the details in the standalone financial statements as required by the applicable accounting standards;
- xiv) According to the information and explanation given to us and in our opinion, the company has not made any preferential or private placement of shares or fully or partly convertible debentures during the year under review ;
- xv) According to the information and explanation given to us and in our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under sub-clause (xv) of paragraph 3 of the Order does not arise.
- xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank Act, 1934.

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 27716

Place : Chennai
Date : 6th May, 2016

Annexure ‘B’ to the Independent Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s Harita Fehrer Limited (“the Company”), Jayalakshmi Estates, #29, Haddows Road, Chennai - 600 006, as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.: 007761S

V. SATHYANARAYANAN
Partner
Membership No.: 27716

Place : Chennai
Date : 6th May, 2016

HARITA FEHRER LIMITED

Balance Sheet as at 31st March, 2016

(Rs. in Lakhs)

	Note No	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share Capital	I	2,009.80	2,009.80
b) Reserves and Surplus	II	10,723.74	10,486.93
c) Money Received against Share Warrants			
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
a) Long Term borrowings			
b) Other Long Term Liabilities			
c) Long Term Provisions			
(4) Current Liabilities			
a) Short Term Borrowings	III		
b) Trade Payables		5,912.42	5,779.99
c) Other Current Liabilities	IV	416.62	511.33
d) Short Term Provisions	V	720.85	808.44
(5) Deferred Tax Liabilities			
(Net of Deferred Tax Assets)		689.50	709.85
Total		20,472.93	20,306.33
II. ASSETS			
(1) Non-current assets			
a) Fixed assets			
i) Tangible Assets	VI	8,596.54	9,208.68
ii) Intangible Assets		20.55	4.37
iii) Capital Work in Progress		142.25	64.97
iv) Intangible Assets Under Development			
b) Non-current Investments	VII	77.60	77.60
c) Deferred Tax Assets (net)			
d) Long term Loans and Advances	VIII	160.14	389.29
e) Other Non-current Assets			
Control Account		-	-
(2) Current assets			
a) Current Investments	IX	1,208.77	
b) Inventories	X	1,918.97	1,828.77
c) Trade Receivables	XI	6,546.51	7,071.55
d) Cash and Cash Equivalents	XII	868.20	771.55
e) Short Term Loans and Advances	XIII	256.68	147.17
f) Other Current Assets	XIV	676.73	742.37
Total		20,472.93	20,306.33

Accompanying Notes to the financial statements

XXIII

In terms of our Reports Attached
For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
Firm Regn. No: 07761S

for and on Behalf of Board of Directors

V SATHYANARAYANAN
Partner
Membership No. 027716
Chennai
6th May, 2016

A G GIRIDHARAN
Chief Executive Officer

H LAKSHMANAN
Director

S JAGANNATHAN
Chief Financial Officer

C N PRASAD
Director

S SUDARSHAN
Company Secretary

HARITA FEHRER LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

		(Rs. in Lakhs)		
	Note No	Year ended 31.03.2016	Year ended 31.03.2015	
1	Gross Revenue From Operation	XV	40,570.66	37,184.31
	Less: Excise Duty & Service Tax		4,474.00	4,062.11
	Revenue From Operation(Net)		36,096.66	33,122.20
2	Other Income	XVI	164.20	393.54
	Total Revenue		36,260.86	33,515.74
3	Expenses			
a)	Raw Material & Components Consumed	XVII	25,912.41	24,469.73
b)	Changes in Inventory of Finished Goods and Work-in-Process	XVIII	22.80	(76.32)
c)	Employee Benefit Expenses	XIX	3,543.33	3,056.33
d)	Finance Costs	XX	26.93	104.31
e)	Depreciation and Amortization Expenses	XXI	943.01	926.69
f)	Other Expenses	XXII	3,739.67	3,270.70
	Total Expenses		34,188.14	31,751.44
4	Profit / (Loss) before Tax		2,072.72	1,764.30
5	Tax Expenses			
a)	Current Tax expense for the current year		525.67	370.42
b)	MAT Credit		231.86	203.72
c)	Deferred Tax		(20.34)	33.47
			737.19	607.61
6	Profit / (Loss) for the Period Before Prior Period Adjustment		1,335.53	1,156.69
7	Prior period Adjustment			
-	Tax expense		9.09	5.02
			9.09	5.02
8	Balance Surplus Carried Forward to Balance sheet		1,326.44	1,151.67
	Earnings Per Share			
a)	Basic		6.60	5.73
b)	Diluted		6.60	5.73
Accompanying Notes to the financial statements		XXIII		

In terms of our Reports Attached
For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
Firm Regn. No: 07761S

V SATHYANARAYANAN
Partner
Membership No. 027716
Chennai
6th May, 2016

A G GIRIDHARAN
Chief Executive Officer

H LAKSHMANAN
Director

S JAGANNATHAN
Chief Financial Officer

for and on Behalf of Board of Directors

C N PRASAD
Director

S SUDARSHAN
Company Secretary

Notes on accounts

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
I. SHARE CAPITAL		
Authorised		
2,01,00,000 Equity shares of Rs.10/- each	<u>2,010.00</u>	<u>2,010.00</u>
Issued, subscribed and fully paid up		
2,00,98,040 Equity Shares of Rs 10/- fully paid up	<u>2,009.80</u>	<u>2,009.80</u>

a) Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2016 Equity Shares		As at 31.03.2015 Equity Shares	
	Number	Rs. in Lakhs	Number	Rs. in Lakhs
Shares outstanding at the beginning of the year	2,00,98,040	2,009.80	2,00,98,040	2,009.80
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>2,00,98,040</u>	<u>2,009.80</u>	<u>2,00,98,040</u>	<u>2,009.80</u>

b) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Shares Held by the Holding Company and its Nominees		
Harita Seating Systems Limited (in Lakhs)	102.50	102.50
% of holding	51.00%	51.00%

c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2016 Equity Shares		As at 31.03.2015 Equity Shares	
	No. of Shares (in Lakhs)	% Holding	No. of Shares (in Lakhs)	% Holding
Harita Seating Systems Limited	102.50	51.00%	102.50	51.00%
F S Fehrer Automotive GmbH	98.48	49.00%	98.48	49.00%

d) Details of Shares Issued for consideration other than for Cash

Equity Shares :

Fully paid up pursuant to contract(s) without payment being received in cash

1,02,00,000 Equity shares of Rs 10/- issued in the Financial Year 2009-10 as fully paid up.

Notes on accounts - (Continued)

	As at 31.03.2016	Rs. in Lakhs As at 31.03.2015
II. RESERVES AND SURPLUS		
a. Share Premium		
Opening Balance	9,248.79	9,248.79
Add: Premium on share issued During the year	-	-
Less: Utilized during the year	-	-
Closing Balance	<u>9,248.79</u>	<u>9,248.79</u>
b. General Reserves	81.67	81.67
Add: Current Year Transfer	-	-
Closing Balance	<u>81.67</u>	<u>81.67</u>
c. Surplus / (deficit) in Statement of Profit and Loss		
Opening Balance	1,156.46	728.29
Add: Profit for the year	1,326.44	1,151.67
Less: Interim Dividend	(904.41)	(301.47)
Less: Proposed Dividend	-	(301.47)
Less: Transfer To Reserves	-	-
Less: Dividend Distribution Tax	(185.21)	(60.28)
Less: Interim Dividend Distribution Tax		(60.28)
Net Surplus in the Statement of Profit and Loss	<u>1,393.28</u>	<u>1,156.46</u>
Total	<u>10,723.74</u>	<u>10,486.93</u>
III. SHORT TERM BORROWINGS		
Secured Loans Repayable on Demand - From Banks		
a) Working Capital Demand Loan		
Secured by a First Charge on entire current assets and a Charge on the Fixed assets excluding land and building of the Company		
Total	<u><u>-</u></u>	<u><u>-</u></u>

Notes on accounts - (Continued)

	As at 31.03. 2016	Rs. in Lakhs As at 31.03.2015
IV. OTHER CURRENT LIABILITIES		
a) Interest Accrued and Due on Borrowings		
b) Other Payables		
i. Statutory Dues	89.01	57.29
vi. Trade / security deposits received	1.50	2.60
vii. Advances from customers	86.28	96.10
viii. Other Payables	239.83	355.34
Total	416.62	511.33
V. SHORT TERM PROVISIONS		
a) Provision for Employee Benefits		
Salary & Reimbursement	69.45	42.57
Leave Encashment	42.25	33.70
Bonus	83.48	-
b) Others		
Taxation - Income Tax	525.67	370.42
Proposed Dividend - Interim/Final	-	301.47
Dividend Distribution Tax	-	60.28
Total	720.85	808.44
VII. INVESTMENTS (AT COST)		
Investments in Equity Instrument		
a) Non-trade unquoted shares (long term fully paid)	77.60	77.60
b) Investments - Trade Unquoted		
Total	77.60	77.60
VIII. LONG TERM LOAN AND ADVANCES		
Unsecured and Considered Good		
a) Capital Advances		
b) Security Deposits	141.86	91.99
c) Loans and Advance to Related Parties (Refer Point 10 of Note XXIII)	-	41.42
d) Other Loans and Advances	-	-
e) Current Assets - MAT Credit Entitlement	-	241.28
f) Income Tax (Net)	18.28	14.60
Total	160.14	389.29

Notes on accounts - (Continued)

VI FIXED ASSETS

Description	Tangible Assets										Intangible Assets		Total		
	Land	Buildings	Plant & Machinery	Vehicles	Office Equipment	Moulds	Furniture & Fittings	Computers	Software	Non Comp-ete Fee	As at 31.03.2016		As at 31.03.2015		
											As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	
Cost of assets															
As at 01.04.2015	1,343.92	2,389.90	9,550.11	63.51	156.97	295.48	88.39	57.55	81.15	550.00	14,576.98	14,272.83			
Additions	-	16.53	307.87	6.55	6.08	21.28	-	11.32	21.71	-	391.34	306.82			
Sales / Deletions	-	-	83.36	-	-	-	-	-	-	-	83.36	2.67			
Total	1,343.92	2,406.43	9,774.62	70.07	163.04	316.75	88.39	68.87	102.87	550.00	14,884.96	14,576.98			
Depreciation															
Upto 01.04.2015	-	440.93	4,052.79	47.28	53.00	64.67	35.88	42.60	76.78	550.00	5,363.93	4,439.66			
For the year	-	80.26	786.57	5.61	14.88	33.64	10.36	6.15	5.53	-	943.01	926.69			
Withdrawn on assets sold / deleted			39.07								39.07	2.42			
Total	-	521.19	4,800.29	52.89	67.88	98.31	46.24	48.75	82.32	550.00	6,267.87	5,363.93			
Written down Value															
As at 31.03.2016	1,343.92	1,885.24	4,974.33	17.17	95.16	218.45	42.15	20.11	20.55	-	8,617.09	8,617.09			
As at 31.03.2015	1,343.92	1,948.97	5,497.32	16.23	103.96	230.81	52.51	14.95	4.37	-	9,213.05	9,213.05			

Rs. in Lakhs

Notes on accounts - (Continued)
Rs. in Lakhs
IX.

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of	No. of	Amount	Amount	Basis of Valuation (Cost Value / Market Value)	
			Shares / Units	Shares / Units	2016	2015	2016	2015
1	Investment in Mutual Funds Instruments							
	UTI Liquid Fund	others	6,220	-	153.80	-	Cost	-
	SBI Magnum Insta cash fund	others	5,990	-	200.00	-	Cost	-
	IDFC funds-Ultra short term funds	others	1,374,857	-	289.96	-	Cost	-
	ICICI Prudential ultra short term	others	1,283,114	-	195.00	-	Cost	-
	Franklin India TMA Growth	others	4,428	-	100.00	-	Cost	-
	ICICI Prudential Money Market	others	95,763	-	200.00	-	Cost	-
	L&T LIQUID FUND	others	3,380	-	70.00	-	Cost	-
			2,773,752		1,208.77			

Rs. in Lakhs
X. INVENTORIES*

Valued at Lower of Cost or Net Realisable Value

	As at 31.03.2016	As at 31.03.2015
Raw materials and components	1,082.45	998.48
Work-in-Process	154.79	119.94
Finished Goods	347.03	404.67
Stores, Tools & Dies	334.71	305.68
*(As valued & certified by the Management;)		
Total	<u>1,918.97</u>	<u>1,828.77</u>

XI. TRADE RECEIVABLES

a) Debts outstanding for a period exceeding six months		
- Unsecured considered good	-	19.09
- Unsecured considered doubtful	-	19.09
b) Other debts		
- Unsecured considered good	6,546.51	7,071.55
- Unsecured considered doubtful	-	-
Total	<u>6,546.51</u>	<u>7,090.64</u>

Notes on accounts - (Continued)

	As at 31.03. 2016	Rs. in Lakhs As at 31.03.2015
XII. CASH AND CASH EQUIVALENTS		
a) Balance with Banks		
- in Current account	866.47	768.74
- in Fixed deposit		
b) Cash on hand	1.73	2.81
Total	<u>868.20</u>	<u>771.55</u>
XIII. SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
a) Other Loans and Advances	16.55	10.12
b) Advance to Suppliers / Service Provider	232.10	137.05
c) Others	8.03	-
Total	<u>256.68</u>	<u>147.17</u>
XIV. OTHER CURRENT ASSETS		
a) Prepaid expenses	35.11	55.42
b) Income-Tax Deducted at Source	34.79	33.24
c) Advance Income Tax Paid	440.00	306.00
d) Receivables on sale of fixed assets		
e) Others Advances Recoverable in Cash or Kind or for value to be received		
Employee Advance	31.60	14.13
Others	81.67	281.56
f) Balance with Government Authorities	53.56	52.03
Total	<u>676.73</u>	<u>742.37</u>
XV. GROSS REVENUE FROM OPERATION		
	For the year ended 31.03.2016	For the year ended 31.03.2015
a) Sale of Products - Gross	40,424.60	37,359.59
Less: Rate Discount	-	(334.36)
Sale of Products - Net	40,424.60	37,025.23
b) Other Operating Revenues	-	-
- Scrap Sales	146.06	159.08
Total	<u>40,570.66</u>	<u>37,184.31</u>

Notes on accounts - (Continued)

	For the year ended 31.03.2016	Rs. in Lakhs For the year ended 31.03.2015
XVI. OTHER INCOME		
a) Profit on sale of assets	–	–
b) Interest Income	21.34	15.26
c) Interest on Income Tax refund	–	–
d) Net Gain or (Loss) on Sale of Traded Quoted Investment	90.91	–
e) Sourcing Commission received	5.74	12.16
f) Subsidy from the Govt. of Maharashtra	–	366.13
g) Rental Income	43.05	–
h) Duty Drawback	3.15	–
Total	<u>164.20</u>	<u>393.54</u>
XVII. RAW MATERIAL & COMPONENTS CONSUMED		
Opening Stock of Raw materials	998.48	1,106.59
Purchase of Raw Materials and Components	25,996.38	24,361.62
Closing Stock of Raw Materials	1,082.45	998.48
Total	<u>25,912.41</u>	<u>24,469.73</u>
a) Chemicals		
Opening Stock	364.49	574.39
Purchase	13,015.65	13,331.57
Closing Stock	451.43	364.49
Consumption	12,928.71	13,541.47
b) Bought Out Components		
Opening Stock	306.78	235.62
Purchase	7,576.41	7,575.30
Closing Stock	475.84	306.78
Consumption	7,407.36	7,504.14
c) Others		
Opening Stock	327.21	296.58
Purchase	5,404.31	3,454.75
Closing Stock	155.18	327.21
Consumption	5,576.34	3,424.12

Notes on accounts - (Continued)

	For the year ended 31.03.2016	Rs. in Lakhs For the year ended 31.03.2015
XVIII. CHANGES IN INVENTORY		
Opening Stock of Finished Goods and Work-in-process	524.61	448.29
Less: Closing Stock of Finished Goods and Work-in-process	501.81	524.61
Changes In Inventory	<u>22.80</u>	<u>(76.32)</u>
XIX. EMPLOYEE BENEFIT EXPENSES		
a) Salary, Wages and Bonus *	2,808.32	2,385.01
b) Contribution to provident and other funds*	151.70	133.71
c) Staff welfare expenses*	592.31	537.61
Total	<u>3,552.33</u>	<u>3,056.33</u>
XX. FINANCE COST		
a) Interest Expense	0.72	27.08
b) Other Borrowing Cost	-	-
c) Net Loss on foreign currency transactions and translation	26.21	77.23
Total	<u>26.93</u>	<u>104.31</u>
XXI. DEPRECIATION AND AMORTIZATION		
Depreciation	943.01	926.69
Total	<u>943.01</u>	<u>926.69</u>

Notes on accounts - (Continued)

	For the year ended 31.03.2016	Rs. in Lakhs For the year ended 31.03.2015
XXII. OTHER EXPENSES		
Consumption of stores and spare parts	735.62	675.53
Payments to auditors		
- As auditors - statutory audit	9.00	8.00
- For taxation matters	1.00	0.50
- For other services	1.00	0.50
- Reimbursement of expenses	3.89	3.53
Legal and professional Charges	316.55	335.34
Repairs and maintenance *		
- Buildings	37.64	27.50
- Machinery	879.47	657.26
- Computers	56.92	35.90
- Others	62.89	50.53
Power and fuel *	648.97	562.88
Travelling and Conveyance	144.53	133.09
Transportation Expense	319.03	308.31
Rent including lease rentals *	138.53	138.33
Security detective Charges	89.27	78.69
Rates and taxes *	32.54	27.82
Printing & stationery	32.51	30.30
Insurance	16.26	20.31
Bank Charges	33.89	28.36
Other Administrative Expenses*	60.06	67.86
Trade and other receivables written off	1.19	43.92
Sales Promotion	16.12	14.56
Corporate Social Responsibility Expenses	35.00	21.53
Donations and contributions	29.50	-
Loss on fixed assets sold / scrapped / written off	38.29	0.16
Total	<u>3,739.67</u>	<u>3,270.70</u>

* Net of recoveries

XXIII Accounting Standards, additional disclosures and notes on accounts

	As at/year ended 31.03.2016	Rs. in Lakhs As at/year ended 31.03.2015
Notes on accounting Standards Prescribed by The Institute of Chartered Accountants of India		

ACCOUNTING STANDARD (1) - Disclosure of accounting policies

The accounts are maintained on accrual basis as a going concern. Till the Previous financial year, 2014-15, Bonus paid was accounted on cash basis.

ACCOUNTING STANDARD (2) - Valuation of inventories

Inventories are valued in accordance with the method of valuation prescribed by The Institute of Chartered Accountants of India at weighted average rates and in applicable cases, at lower of cost or net realisable value.

ACCOUNTING STANDARD (3) - Cash flow statement

The cash flow statement is prepared under "Indirect Method" and the same is annexed

ACCOUNTING STANDARD (4) - Contingencies and events occurring after the Balance Sheet date

Details regarding contested liabilities are furnished in Clause 3 herein below and also disclosed under accounting standard -29.

ACCOUNTING STANDARD (5) Prior Period Items

Provision for taxation - earlier years (Expense)

9.09

5.02

Details are disclosed under Accounting Standard 22

ACCOUNTING STANDARD (6) - Depreciation accounting

Depreciation has been provided on the basis of life of the assets as ascertained by the management of the company based on the assessment by an independent Chartered Engineer and not as prescribed under part "C" of schedule II of the Companies Act,

Further depreciation is provided on pro-rata basis from the month of addition for the assets acquired and to the month prior to the month of sale for the assets sold during the year.

Life of the assets as ascertained by the Chartered Engineer is as follows:

Plant and machinery - 14 years

Building - 30 years

Computers - 3 years

Vehicles - 8 years

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	As at/year ended 31.03.2016	As at/year ended 31.03.2015
		Rs. in Lakhs
ACCOUNTING STANDARD (7) - Construction contracts	Not applicable	Not applicable
ACCOUNTING STANDARD (8) - R & D		
This standard is deleted from 1 st April, 2003		
ACCOUNTING STANDARD (9) - Revenue recognition		
The income of the company is derived primarily from manufacture and sale of foams, accessories and other parts for automotive and non automotive applications. Domestic Sales are recognised based on raising invoices and delivery of goods to the carrier.		
Export Sales is recognized on the basis of the date of Let Export Certificate.		
The revenue and expenditure are accounted on a going concern concept.		
Interest income/expense is recognised using the time proportion method based on rates implicit in the transaction.		
ACCOUNTING STANDARD (10) - Accounting for fixed assets		
Fixed assets are stated at cost less accumulated depreciation		
ACCOUNTING STANDARD (11) - Accounting for effects of changes in foreign exchange rates		
Purchase of imported raw materials, components, spares and capital goods are accounted based on retirement memos from banks. In respect of liabilities on import of raw materials, components, spare parts and capital goods which are in transit and where invoices/ bills are yet to be received, liability is accounted based on the advance copies of documents at the market exchange rate prevailing on the date of the Balance Sheet		
Net Exchange difference (Debited)/Credited to Profit and Loss account	(26.21)	(77.23)
Foreign currency loan or deposit made outside India.	Nil	Nil
External commercial borrowings for acquisition of an asset	Not Applicable	Not Applicable
The company has not entered in to any transaction in derivative instruments and hence reporting on currency swapping / interest rate structure does not arise.		

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	As at/year ended 31.03.2016	As at/year ended 31.03.2015
		Rs. in Lakhs
ACCOUNTING STANDARD (12) - Accounting for Government grants		
a) During the financial year under review the Company has received and recognised duty draw back claim on its exports.	3.15	—
b) During the previous financial year, 2014-15, the company had received Eligibility Certificate for Rs. 366.12 lakh towards Industrial Promotion Subsidy under IPS-2007 of Department of Industry, Government of Maharashtra on the basis of Investment made till 31-03-2013 in fixed assets of its Pune plant. The said Certificate further gave an electricity duty exemption from the date of Electricity connection for a period of 13 years and 6 months i.e. from 05.08.2010 to 04.08.2023 for the Pune Plant. Accordingly sum of Rs. 366.12 lakh towards subsidy has been recognized in the previous financial year as non operating Income.	—	414.63
Electricity duty already paid and therefore recoverable based on the Subsidy Certificate was quantified as Rs. 48.51 lakh and acknowledged by the relevant authority in the previous financial year and the same has been given as credit to be adjusted against future electricity bills.		
Out of the above subsidy of Rs. 366.12 lakh Rs. 311.12 Lakhs has been fully sanctioned and received, the balance of Rs. 54 lakhs is yet to be sanctioned pending VAT Assessment order for the F Y 2012-13 as on the balance sheet date.		
ACCOUNTING STANDARD (13) - Accounting for Investments		
Non Current Investments		
The Company has Invested Rs 75 Lakh in Equity Share Capital of M/s Green Infra Wind Energy Theni Limited (erstwhile M/s TVS Wind Energy Ltd).		
The Company has also invested Rs. 2.6 Lakh in the equity of M/s Paras Green Power LLP	77.60	77.60
Current Investment		
Carrying Amount of Current Investment are stated at Lower of Cost and Fair Value		

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	As at/year ended 31.03.2016	As at/year ended 31.03.2015
		Rs. in Lakhs
ACCOUNTING STANDARD (14) - Accounting for amalgamation	Not applicable	Not applicable
ACCOUNTING STANDARD (15) - Employee benefits		
A Defined contribution plan		
(a) Contribution to provident fund is in the nature of defined contribution plan and are made to provident fund account maintained by the Government on its account.		
(b) Contribution to superannuation fund	Not applicable	Not applicable
B Defined benefit plan		
(a) The Company extends defined benefit plans in the form of leave salary to employees. Provision for leave salary is made on actuarial valuation.		
(b) The Company extends defined benefit plans in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India in accordance with the scheme framed by the corporation.		
(c) Contribution to Gratuity Fund The Company has formed "Harita Fehrer Limited Employees Group Gratuity Scheme with Life Insurance Corporation of India. The Company has made contribution towards Gratuity based on the actuarial valuation.		
C. Disclosure as required by Accounting Standard 15	Leave Salary 2015-16	Leave Salary 2014-15
a) Expenses recognised in the Statement of Profit and Loss		
(i) Current service cost	2.26	6.34
(ii) Interest cost	2.70	1.92
(iii) Expected return on plan assets		
(iv) Net actuarial loss / (gain) recognised during the period	3.59	30.30
Total	8.55	38.56
b) Change in defined benefit obligation during the year ended 31 st March 2016		
(i) Present total value of obligation as the beginning of the period	33.69	24.02
(ii) Interest cost	-	-
(iii) Current service cost	-	-
(iv) Benefits paid	-	(28.89)
(v) Actuarial loss on obligation	-	-
(vi) Present value of obligation as at the end of the period (31.03.2016)	42.24	33.69

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	Leave Salary 2015-16	Rs. in Lakhs Leave Salary 2014-15
c) Change in fair value of plan assets during the year ended 31 st March 2016		
(i) Fair value of plan assets at the beginning of the period		
(ii) Expected return on plan assets		
(iii) Contributions made during the period		
(iv) Benefits paid		
(v) Actuarial gain on plan assets		
(vi) Fair value of plan assets as at the end of period (31.03.2016)		
d) Balance Sheet movements		
(i) Value benefit obligations / (net assets) at the beginning of the period	33.69	24.02
(ii) Contributions made during the period.	8.55	9.67
(iii) Benefits paid		
(iv) Value of benefit	42.24	33.69
<p>Note: The net asset in respect of gratuity plan is not recognised as it is lying in irrevocable trust fund approved by income tax authorities.</p>		
e) Actuarial assumptions		
(i) Discount rate used	8.00%	8.00%
(ii) Expected return on plan assets	Not applicable	Not applicable

ACCOUNTING STANDARD (16) - Borrowing costs

The borrowing cost has been treated in accordance with Accounting Standard issued by the The Institute of Chartered Accountants of India.

ACCOUNTING STANDARD (17) - Segment reporting

The operations of the entity relate to manufacture of Foams, accessories and Other parts for automotive and non automotive applications. The income from sale of other parts and accessories being individually less than ten percent of total revenue, no separate disclosure is made.

ACCOUNTING STANDARD (18) - Related party disclosure

As per Annexure

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	As at/year ended 31.03.2016	As at/year ended 31.03.2015
		Rs. in Lakhs
ACCOUNTING STANDARD (19) - Accounting for leases		
Lease rent paid during the year	138.53	138.33
Lease rent received during the year	43.05	-
ACCOUNTING STANDARD (20) - Earnings per share		
Profit after tax as per Statement of Profit & Loss	1,326.44	1,151.67
Add / (Less): Prior period adjustment (Refer disclosure under Accounting Standard 5)	9.09	5.02
Adjusted Profit for the Current Period	1,335.53	1,156.69
Weighted Average No of equity shares	20,098,040	20,098,040
Nominal value of equity shares -Rs.	10	10
Basic and diluted earnings per share - Rs.	6.60	5.73
ACCOUNTING STANDARD (21) - Consolidated financial statements	Not Applicable	Not Applicable
ACCOUNTING STANDARD (22) - Accounting for taxes on income		
Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax liability and asset are recognised based on timing difference.		
1 Deferred tax liability consists of:		
- tax on Depreciation	704.12	730.55
- tax on expenses claimed on payment basis under the Income - tax Act,1961.	<u>-</u>	<u>-</u>
	704.12	730.55
2 Deferred tax asset consists of:		
- tax on provision in respect of expenditure which will be allowed under the income-tax Act,1961 only on payment basis	14.62	20.71
- Provision for bad and doubtful debts	-	-
- Carry Forward of Losses and MAT Credit	-	-
	<u>14.62</u>	<u>20.71</u>
Deferred tax Liability (net of deferred tax asset)	689.50	709.85
3 Long term Loans and advances includes MAT credit Entitlement that can be set off in the future years when the Company is Liable to pay taxes under the Normal Provisions of the Income Tax Act	-	241.28

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	As at/year ended 31.03.2016	Rs. in Lakhs As at/year ended 31.03.2015
ACCOUNTING STANDARD (23) - Investment in associates	Nil	Nil
ACCOUNTING STANDARD (24) - Discontinuing operations	Nil	Nil
ACCOUNTING STANDARD (25) - Interim financial reporting	Not applicable	Not applicable

ACCOUNTING STANDARD (26) - Intangible assets

During the period under review the company acquired the following assets falling under the definition of Intangible Assets as per the Accounting Standard and the following disclosure is made in respect of these assets:

1. Software:

- Useful life of the asset	2 years	2 years
- Amortisation rates used	50% each year as depreciation	50% each year as depreciation

Gross carrying amount at the beginning and at the end of the period

Opening Balance	81.16	77.58
Addition during the Year	1.73	3.58
Total	82.89	81.16
Amortised as Depreciation	79.32	76.79
Closing Balance	3.57	4.37

2. Testing Software

- Useful life of the asset	5 Years
- Amortisation rates used	20% each year as Depreciation

Gross carrying amount at the beginning and at the end of the period

Opening Balance	-
Addition during the Year	19.98
Total	19.98
Amortised as Depreciation	3.00
Closing Balance	16.98

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	As at/year ended 31.03.2016	As at/year ended 31.03.2015
		Rs. in Lakhs
ACCOUNTING STANDARD (27) - Financial reporting of interest in joint venture	Not applicable	Not applicable
ACCOUNTING STANDARD (28) - Impairment of assets		
As on the balance sheet date, the carrying amounts of the balance assets net of accumulated depreciation is not less than the recoverable amount of those assets. Hence there is no impairment loss on the balance assets of the Company.	Nil	Nil
ACCOUNTING STANDARD (29) - Provisions, contingent liabilities and contingent assets		
i. Provisions		
Provisions have been made in the books of accounts for all ascertained liabilities.		
ii. Contingent liabilities	1,426.05	1,302.86
The amount for which the company is contingently liable are disclosed in Clause 2 herein below		
iii. Contingent assets which are likely to give rise to the possibility of inflow of economic benefits	Nil	Nil
iv. Contested liabilities are detailed in Clause 3 herein below		
2 Contingent liabilities not provided for		
- on account of Import Letter of Credit	-	-
- on account of counter guarantees furnished to Customs	1300.00	1300.00
- on account of UP State Micro & small enterprises facilitation council order towards supplier liability	3.39	2.86
- on account of Income tax for the F Y 2012-13 in respect of which an appeal is preferred with CIT Appeal Chennai	122.66	-
3 Other Loans and advances includes deposit with central excise	16.55	10.12
4 Trade Payables include :		
a) Dues to Micro, Small and Medium Scale industrial undertakings	1644.56	678.21
b) Dues to creditors other than Micro, Small and Medium Scale industrial undertakings	4267.86	5,101.78
The Company has written to all suppliers to ascertain if they are covered by the said Act. No information has been received in reply.		

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	As at/year ended 31.03.2016	Rs. in Lakhs As at/year ended 31.03.2015
<p>However, the suppliers generally extend credit for 45 days within which all payments are made. Hence, the question of payment of interest or provision thereof for belated payments does not arise.</p>		
5 Other Expense:		
No Individual expense is in excess of 1% of the Gross Revenue		
6 Expenses, wherever applicable are inclusive of Service tax at appropriate rates and net off where set off is permissible		
7 Trade receivables include due from Companies under the same management		
a) under Debts outstanding for more than 180 days unsecured considered good :		
Harita Seating Systems Limited	-	-
TVS Motor Company Limited	-	12.34
b) under other debts		
Harita Seating Systems Limited	697.11	879.24
TVS Motor Company Limited	1963.73	2,122.36
8 Trade Payables under Current liabilities include dues to		
Harita Seating Systems Limited	95.28	64.40
Sundaram Auto Components Limited	557.80	643.56
Sundaram Clayton Limited	94.37	7.71
9 Long term Loans and advances include advances to Companies under the same management		
Harita Seating Systems Limited	-	41.42
Total advance made : Rs 347.42 Lacs		
Repayment monthly Installment : Rs 9 lacs		
Amount outstanding as at 31.03.2016 : Rs Nil		
Rate of Interest charged on monthly rest : 13.5 % p.a.		
10 The Payment of Bonus (Amendment) Act 2015 amended bonus eligibility limit and extended the minimum wage limit for Bonus with retrospective effect from April 2014. The Company has obtained a Stay Order from High court of Chennai with respect to the retrospective applicability and hence no provision for the same has been made for the period prior to this financial year.	28.18	
11 Previous year's figures have regrouped wherever necessary to conform to current year's classification		

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

Annexure to AS-18 Related party disclosure

Disclosure is made as per the requirements of the standard and the same is furnished below:

Reporting entity Harita Fehrer Limited

List of related parties:

Holding Company Harita Seating Systems Ltd

Associate F.S. Fehrer Automotive GMBH, Germany

Key Management Personnel Mr. A G Giridharan
 Chief Executive Officer (CEO) and Key Managerial Personnel (KMP)
 In accordance with the provision of section 203 read with the
 Companies (Appointment and Remuneration of Managerial Personnel)
 Rules 2014 of The Companies Act 2013, w.e.f. 14.05.2015

Particulars of transactions with related parties

	As at/year ended 31.03.2016	Rs. in Lakhs As at/year ended 31.03.2015
1 Purchases		
a) from Harita Seating Systems Limited		
b) F S Fehrer Automotive GMBH, Germany	34.05	3.62
2 Sales to Harita Seating Systems Limited	3,104.56	2,453.36
3 Equity Contribution:		
a) Harita Seating Systems Limited	-	-
b) F S Fehrer Automotive GMBH, Germany	-	-
4 Key Management Personnel	-	-
5. Rendering of Services:		
a) Harita Seating Systems Limited	113.45	-
b) F S Fehrer Automotive GmbH, Germany	4.13	3.68
6. Receipt of Services:		
a) Harita Seating Systems Limited	599.74	623.45
b) F S Fehrer Automotive GmbH, Germany	71.36	68.65
7. Amount outstanding as at Balance Sheet Date:- Payable:		
a) Harita Seating Systems Limited	95.28	64.40
b) F S Fehrer Automotive GmbH Germany	15.53	14.92
8. Receivable		
a) Harita Seating Systems Limited	697.11	879.24
b) F S Fehrer Automotive GMBH Germany	-	-
9. Loans and advances		
a) Harita Seating Systems Limited	-	41.42

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

13. Information pursuant to provisions of Companies Act 2013

Rs. in Lakhs

	Unit	Year ended 31.03.2016		Year ended 31.03.2015	
		Quantity	Value	Quantity	Value
I RAW MATERIALS CONSUMED					
A. Basic raw materials					
a) Polyol	Kgs	5,167,477	7,991.75	5,036,334	8,465.55
b) Isocyanate-Inde	Kgs	1,291,204	2,223.30	1,236,667	2,059.36
c) Isocyanate-Imported	Kgs	1,737,927	2,713.66	1,675,418	3,017.78
d) Others			12,983.70		10,927.04
(which includes rods, upholstery materials, Frames etc., which individually do not account for 10% or more of the total value of consumption)					
			<u>25,912.41</u>	<u>24,469.73</u>	

B. Consumption of raw materials and components

	% of total consumption	Value	% of total consumption	Value
a) Imported	15.61%	4,044.11	15.70%	3,841.09
b) Indigenous	84.39%	21,868.30	84.30%	20,628.64
	<u>100%</u>	<u>25,912.41</u>	<u>100%</u>	<u>24,469.73</u>

C. Consumption of machinery spares

	% of total consumption	Value	% of total consumption	Value
a) Imported	11.59%	53.96	29.53%	105.33
b) Indigenous	83.91%	390.75	64.24%	229.15
c) Labour charges	4.50%	20.97	6.23%	22.23
	<u>100.00%</u>	<u>465.68</u>	<u>100%</u>	<u>356.71</u>

Rs. in Lakhs

	As at/year ended 31.03.2016	As at/year ended 31.03.2015
II IMPORTS - CIF VALUE		
a) Raw materials & components	3,706.16	3,584.15
b) Capital Goods	47.12	12.73
c) Spares	53.96	105.33
d) Moulds	-	-
	<u>3,807.24</u>	<u>3,702.21</u>

HARITA FEHRER LIMITED

XXIII Accounting Standards, additional disclosures and notes on accounts - (continued)

	Rs. in Lakhs			
	As at/year ended 31.03.2016	As at/year ended 31.03.2015		
III OTHER EXPENDITURE IN FOREIGN CURRENCY				
a) Travel	24.62	16.67		
b) Royalty	6.30	–		
c) Professional charges	80.05	76.07		
	<u>110.97</u>	<u>92.74</u>		
IV EARNINGS IN FOREIGN EXCHANGE				
Exports - F.O.B	438.85	229.82		
V PAYMENT TO NON-RESIDENT SHAREHOLDERS				
a) No. of non-resident shareholders	1	1		
b) No. of shares held by non-residents	9848040	9848040		
c) Interim Dividend	590.88	393.92		
VI SALE BY CLASS OF GOODS				
	Quantity (Nos.)	Value	Quantity (Nos.)	Value
Automotive Seat Foams	13,722,987	33,200.12	10,603,416	31,105.50
Moulds	–	684.16	–	497.49
Headrests	1,664,567	2,064.83	1,233,446	1,360.13
Others	–	146.06	–	159.08
		<u>36,095.17</u>		<u>33,122.20</u>

In terms of our Reports Attached
For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
Firm Regn. No: 07761S

V SATHYANARAYANAN
Partner
Membership No. 027716
Chennai
6th May, 2016

A G GIRIDHARAN
Chief Executive Officer

for and on Behalf of Board of Directors
H LAKSHMANAN
Director

S JAGANNATHAN
Chief Financial Officer

C N PRASAD
Director

S SUDARSHAN
Company Secretary

Cash flow statement for the year ended 31st March, 2016

	Year ended 31.03.2016	Rs. in Lakhs Year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax and extra ordinary items	1,326.44	1,151.67
Add:		
Depreciation (net)	981.30	926.85
Dividend income	-	-
Interest Income	(21.34)	(15.26)
Interest Expenditure	0.72	27.08
Miscellaneous Expenditure written off	-	-
Operating profit before working capital changes	2,287.12	2,090.34
Adjusted for: Working Capital changes		
Trade Payables	132.43	676.61
Other Current Liabilities	(94.71)	(44.42)
Short Term Provisions	(87.59)	(889.53)
Long Term Loans and Advances	229.15	255.92
Current Investment	(1,208.77)	
Inventories	(90.20)	(63.81)
Trade Receivables	525.05	(1,252.69)
Short Term Loans and Advances	(109.51)	1.03
Other Current Assets	65.64	451.20
Cash generated from operations	1,648.61	1,224.65
Adjusted for: Tax Liability		
Direct tax paid	-	(306.00)
deferred tax	(20.34)	33.47
Net cash from operating activities - (A)	1,628.26	952.12
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(468.61)	(320.75)
Sale of fixed assets	6.00	0.11
Purchase of investments	-	(2.60)
Sale of investments	-	-
Interest received	21.34	15.26
Dividend received		
Net cash used in investing activities - (B)	(441.28)	(307.98)

Cash flow statement for the year ended 31st March, 2016 (Contd.)

	Year ended 31.03.2016	Rs. in Lakhs Year ended 31.03.2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	-	-
Share Premium	-	-
Long Term Borrowings	-	-
Short Term Borrowings	-	-
Interest paid	(0.72)	(27.08)
Dividend and dividend tax paid	(1,089.62)	(361.75)
Net cash from financing activities - (C)	(1,090.34)	(388.83)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		
CASH EQUIVALENTS (A)+(B)+(C)	96.64	255.31
Cash and cash equivalents at the beginning of the year	771.55	516.24
Cash and cash equivalents at the end of the year	868.20	771.55

Notes: 1) Cash and Cah equivalent represents cash and bank balances

In terms of our Reports Attached		for and on Behalf of Board of Directors	
For RAGHAVAN, CHAUDHURI & NARAYANAN		H LAKSHMANAN	C N PRASAD
Chartered Accountants		Director	Director
Firm Regn. No: 07761S			
V SATHYANARAYANAN	A G GIRIDHARAN	S JAGANNATHAN	S SUDARSHAN
Partner	Chief Executive Officer	Chief Financial Officer	Company Secretary
Membership No. 027716			
Chennai			
6 th May, 2016			

HARITA FEHRER LIMITED

Regd. Office: "Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006
CIN: U25200TN2008PLC068513, Email: corpsec@scl.co.in
Phone: 044-28272233, Fax: 044-28257121

FORM No. : MGT 11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	:
Registered Address	:
E-Mail ID	:
Folio No.	:
No. of Shares	:

I/We being the Member(s) of Equity Shares of Harita Fehrer Limited, hereby appoint:

S.No.	Name	Address	Email id	Signature	
1					Or failing him
2					Or failing him
3					

as my / our Proxy to attend and vote on my / our behalf at the 8th ANNUAL GENERAL MEETING of the Company being held at the Registered Office of the Company at No. 29, Haddows Road, Chennai 600 006 on Thursday, 11th August 2016 at 10.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my/our above Proxy to vote in the manner as indicated in the box below:

Ordinary Business		For	Against
1.	Adoption of audited financial statements for the year ended 31 st March 2016 and the reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr Christian Prause as director, who retires by rotation.		
3.	Re-appointment of M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants, Bengaluru as Statutory Auditors and fixing their remuneration.		
Special Business			
4.	Approving the payment of commission to non-executive directors of the Company effective 1 st April 2015.		

Signed this day of 2016

.....
Signature of Share holder

.....
Signature of Proxy holder

Affix
Revenue
Stamp

Notes:

- This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company at "Jayalakshmi Estates", No.29, Haddows Road, Chennai 600 006, not less than 48 hours before the commencement of the meeting.
- A Proxy need not be a member of the Company.
- A person can act as a Proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total paid up share capital of the Company carrying voting rights. A member holding more than 10% of the total paid up share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other shareholder.
- It is optional to put a ✓ in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Appointing a Proxy does not prevent a member from attending the meeting in person, if he / she so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

