

HARITA FEHRER LIMITED

Ninth Annual Report 2016-2017

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 - 600 002

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 Location

1. Survey Nos.29, 30 and 31,
Vellanthalangal Village,
No. 55, Thandalam Group,
Irrungattukottai,
Sriperumbudur 602 105, Tamilnadu, India.
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
4. Site No. 40, Kadakola Industrial Area,
Mysuru - 571311, Karnataka, India.

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Notice of Annual General Meeting

NOTICE is hereby given that the ninth annual general meeting of the shareholders of the Company will be held on Thursday the 27th July 2017 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 2017, 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 H Lakshmanan (holding DIN 00057973), 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 Mr C N Prasad (holding DIN 01950656), 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.”

4. 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 fourth 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 applicable taxes, travelling and out of pocket expenses, be and is hereby ratified.

For and on behalf of the board

Chennai
5th May 2017

S. Sudarshan
Company Secretary

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

Notes:

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.

Encl: Proxy form

Directors' Report to the Shareholders

The directors are pleased to present the ninth annual report together with the audited financial statements for the year ended 31st March 2017.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in lakhs)	
	Year ended 31.03.2017	Year ended 31.03.2016
Sales and other income	39,780.92	36,260.86
Profit before finance cost, depreciation and tax	3,577.93	3,042.66
Less: Finance cost	8.36	26.93
Depreciation	963.83	943.01
Profit before tax	2,605.74	2,072.72
Less: Provision for taxation (including deferred Tax & prior period adjustment)	884.84	746.28
Profit after tax	1,720.90	1,326.44
Appropriations:		
First Interim Dividend Paid	301.47	301.47
Second Interim Dividend Paid	703.43	602.94
Dividend tax paid	204.57	185.21
Balance surplus in statement of profit and loss carried forward to Balance Sheet	511.43	236.82
	1,720.90	1326.44

DIVIDEND

The board of directors, (the board), at their meeting held on 8th November 2016, 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 14th February 2017 again declared a second interim dividend of Rs.3.50 per share (35%) on 2,00,98,040 equity shares of Rs.10 each fully paid up, absorbing a sum of Rs.846.63 lakhs including dividend distribution tax.

Hence, the total amount of dividend per share aggregated to Rs. 5.00 per share (50%) for the year ended 31st March 2017 on 2,00,98,040 equity shares of Rs.10 each absorbing a sum of Rs.1,209.47 lakhs including dividend distribution tax.

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

PERFORMANCE

Industry Performance:

During the year 2016-17, Gross Domestic Product (GDP) registered a growth of 6.8% as against 7.6% in 2015-16.

The Index for Industrial Production (IIP) for the year 2016-17 ended up with 0.6% growth as against 2.4% in previous year. (Source: Central Statistics Office (CSO)).

Automotive industry experienced significant growth during first half of the year 2016-17 until enforcement of demonetization during the 3rd quarter, which dampened the growth to less than 1%.

During the year under review, the two wheeler industry registered a growth of 5%, due to continued increase in demand for scooters. The scooter segment registered a double digit growth of 11.5% for third consecutive year, the moped segment registered a phenomenal growth of 23.3% compared to de-growth in last year, mainly led by revival in rural sector clubbed by upgradation to 4 stroke engine from 2 stroke. The motorcycle segment grew by mere 1.6%.

The passenger car industry registered a growth of 10.6% on account of strong domestic demand, led by new launches, and lower interest rates. The commercial vehicles industry registered a 2.6% growth owing to increased infrastructure activity as compared to last year (Source: SIAM).

Company Performance:

The Company achieved a turnover of Rs.39,780.92 lakhs with a growth of 9.7% over the previous year and registered a profit before tax of Rs.2,605.74 lakhs during the year under review with a phenomenal growth of 26.15% over the previous year.

During the year, the Company added new customers like United Motors, Ather energy and Motherson Automotive Technologies & Engineering (MATE). The Company obtained new orders for supply of head rests and arm rests to Fiat Chrysler Automotive Limited, foams for Hyundai Tucson and new variant of Hyundai Grand i10 vehicle through Dymos. Orders for two wheeler seat assemblies were obtained from United Motors for Renegade model, Ather energy for electric scooter and Royal Enfield for Electra and new platform projects.

The Company established a new manufacturing facility at Mysuru, Karnataka. The Company has also invested in Paper Honey Comb- new technology during the year under review and the commencement of commercial production is expected to be in Q1 of 2017-18.

Awards & recognition

The Company received “Gold award” from Endurance Technologies Limited for best supplier in proprietary part vendor category and also received best Kaizen supplier award from Toyoda Gosei South India Private Limited.

Business outlook & overview

For the year 2017-18, the GDP is expected to be between 6.8-7.2% and the inflation is expected to stabilize at 4.5% levels.

The two wheeler segment is expected to grow by 6%-8% in 2017-18. The growth in this segment will continue to be driven by urban demand in terms of scooters and revival in rural demand on expectations of normal monsoon for executive segment motorcycles.

The passenger vehicle segment also is expected to grow in the range of 6-8% owing to continued demand for compact SUV’s and new product launches. Commercial vehicle segment is expected to see a growth of 4-6% owing to lower interest rates and increased infrastructure activities.

Considering the auto industry growth estimates, share of business with key customers and with new product introductions, the Company is expected to grow by 9.8%. As a regular practice, the Company has identified various cost reduction projects to make it competitive in the industry.

The focus for the Company in 2017-18 would be to obtain raw material compensation and procure new orders for two-wheeler seat assembly and new technology products from major OEMs.

RISKS AND CONCERNS

The moderate growth of the industry in the event of global uncertainties and delayed monsoon are expected to mute the revenue growth.

Mandatory adherence to BSIV emission norms in all automotives sold in India will increase the final cost of vehicle which expected to be compensated

by OEMs by demanding for price reduction from suppliers.

The polyurethane raw material prices are expected to bottom out and are expected to move upward due to various global factors such as crude oil price increase which would make a significant impact on the Company’s performance.

Though the increased capital expenditure 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 focusses on automation in foaming and assembly lines to improve efficiency and productivity.

The Company has rolled out, Total Productive Maintenance (TPM) in two of its three manufacturing facilities and will implement in Hosur facility by 2017-18.

The Company will start production from its new manufacturing facility at Mysuru in 2017-18 by implementing all the best practices available across plants.

(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 Cross Functional Team approach, Total Employee Involvement (TEI) 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 and productivity improvement through

process engineering & automation 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 2017, the Company had 324 employees on its rolls.

RISK MANAGEMENT

The Board has established a Risk Minimisation Policy which formalizes Company's approach to oversee and manage 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 the 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 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any,
- 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 for the financial year ended 31st March 2017 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 Act, 2013) the Company has appointed two independent directors viz., Mr S I Jaffar Ali and Mr L Bhadri. IDs hold office for a fixed term of office and are not liable to retire by rotation.

In accordance with Section 149(7) of the Act, 2013, all IDs have declared that they meet 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 www.haritafehrer.co.in.

Separate meeting of Independent Directors

During the year under review, a separate meeting of IDs was held on 3rd March 2017 and all the independent directors were present at the Meeting.

Complete feedback on Non-Independent Directors and details of various activities undertaken by the Company were provided to them to facilitate their review / evaluation through a set of questionnaire.

Non-Independent Directors (Non-IDs)

IDs were accomplished with the criteria and methodology and inputs for evaluation of Non-IDs M/s. H Lakshmanan, C N Prasad, Christian Prause and Anke Kuhlmann Cattau, directors of the board and board as a whole.

IDs evaluated the performance of all Non-IDs individually, through a set of questionnaires and reviewed their attributes towards overall level of contribution to the Company's growth.

IDs were completely satisfied with the versatile performance of all Non-IDs.

Board

IDs have evaluated board's composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow up action, so as to improve governance and enhance personal effectiveness of directors.

The board upon evaluation concluded that it is well balanced in terms of diversity of experience and had an expert in each domain viz., Engineering, Finance, Marketing and Administration. The Company endeavours to have a diverse board representing a range of experience at policy-making levels in business and technology.

The IDs unanimously evaluated the prerequisites of the board viz., formulation of strategy, acquisition & allocation of overall resources, setting policies, directors' selection and cohesiveness on key issues and satisfied themselves that they were adequate.

Quality, Quantity and Timeliness of flow of Information between the Company, Management and the Board

All IDs have expressed their overall satisfaction with the support received from the management and the excellent work done by the management during the last year.

The IDs appreciated the management for their hard work and commitment to meet the corporate goals and also expressed that the relationship between the top management and board is smooth and seamless.

Directors liable to retire by rotation

In terms of 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 which, one-third is liable to retire by rotation at every annual general meeting.

Mr H Lakshmanan and Mr C N Prasad, non-executive and non-independent directors are liable to retire at the ensuing AGM, and being eligible, offers themselves for re-appointment.

The nomination and remuneration committee of directors at their meeting held on 5th May 2017 recommended the re-appointment of Mr H Lakshmanan and Mr C N Prasad as directors of the Company.

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 approval of the shareholders by way of a special resolution was obtained at the eighth annual general meeting held on 11th August 2016, in terms of Sections 197 and 198 and other applicable provisions of the Act 2013.

The board has approved the payment of remuneration by way of profit related commission to the non-executive independent directors, for the financial year 2016-17, based on the recommendation of the Nomination and Remuneration Committee.

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)

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. Hence, the Company is fully compliant with the provisions of Section 203 of the Act, 2013.

CORPORATE GOVERNANCE

Board meetings:

During the year, the board met four times, viz., 6th May 2016, 11th August 2016, 8th November 2016 and 14th February 2017 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 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 and 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.

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 limits prescribed by the 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, chairman and non-independent director
2. Mr S I Jaffar Ali, independent director
3. Ms Anke Kuhlmann Cattau, non - independent director

Based on the recommendation of the CSR Committee, the board has approved the projects / programmes to be carried out as CSR activities by Srinivasan Services Trust (SST) by undertaking these programmes / projects, in compliance with the CSR policy of the Company and contributed Rs. 35 lakhs constituting 2% of average net profits, for the immediate past three financial years, towards CSR spending for the financial year 2016-2017.

SST, over 21 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.

The Company is eligible to spend on their ongoing projects / programmes, falling within the CSR activities specified under the Act 2013, as mandated by MCA for carrying out its CSR activities.

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 V attached to this Report.

AUDITORS

Statutory Auditors:

The Company at its 6th AGM held on 30th July 2014, appointed 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, for five consecutive years in the second term of five years, from the conclusion of the said AGM, subject to ratification at every AGM, at such remuneration in addition to reimbursement of all applicable taxes, out of pocket expenses, travelling and other expenses,

as may be mutually agreed between the Board of Directors of the Company and the Auditors.

It is, therefore, proposed to re-appoint them as statutory auditors for the fourth year in the second term of five years, from the conclusion of this AGM, subject to ratification by the members at the AGM.

The Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being statutory auditors of the Company for the year 2017-18.

The Auditors' Report for the financial year 2016-17 does not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Secretarial Auditor:

Mr T N Sridharan, Practicing Company Secretary, Chennai, was appointed as Secretarial Auditor for carrying out the secretarial audit for the financial year 2016-17.

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2016-17, given by him is attached to this report. The Secretarial Audit Report does not contain any qualifications, reservations or other remarks.

The Board at its meeting held on 5th May 2017 has re-appointed Mr T N Sridharan, Practising Company Secretary as Secretarial Auditor for the financial year 2017-18.

STATUTORY STATEMENTS

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 2017 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.:

The information is 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, in terms of the requirements of Section 134(3)(a) of the Act, 2013 read with the Companies (Accounts) Rules, 2014.

Employee's remuneration:

Details of employees receiving the remuneration as prescribed under Section 197 of the Act 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure III. In terms of first proviso to Section 136(1) of the Act, 2013, the Annual Report, excluding the aforesaid annexure is being sent to the shareholders of the Company. The annexure is available for inspection at the Registered Office of the Company during business hours and any shareholders interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

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 IV 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 2016-17, 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 2016-17, for details of investments made by the Company.

Reporting of fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

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 : 5th May 2017

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 2016-17:

- a. Usage of wind energy power at Hosur and Chennai;
- b. Installation of hydraulic power packs for air cooling in moulds;
- c. Installation of VFD for frequency reduction in compressor; and
- d. Improvement in power factor across plants.

1.2 Proposed measures for the year 2017-18:

- a. Shutting of foaming lines through consolidation across plants;
- b. Replacement of LED fittings as power source across plants;
- c. Installation of heat recovery systems across plants; and
- d. Usage of third party solar power.

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

During the year 2016-17, the Company has utilized the power generated through wind energy to an extent of 47,30,000 kWh. The Company is planning to continue the utilization of the wind energy for the year 2017-18 to an extent of 53,00,000 kWh. The Company is further planning to utilize solar power in 2017-18 either through third party purchase or contract based installation of solar panels. The Company is also focusing on consolidation of lines across plants.

3. Capital investment- Energy conservation Equipments

The Company during the year 2016-17 has invested in "upgradation of compressors to

Kaeser make compressor", water heating through solar energy in LFI at Hosur, 100% LED installation at Chennai plant and installation of harmonic filters. The total investment stands at Rs.40 lakhs. The annual savings realized during the year was 1,50,000 units.

B. Technology Absorption

The Company has not incurred any expenses towards research and development 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.765.37 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

Foreign exchange earned : Rs.765.37 lakhs

Foreign exchange used : Rs.4,349.34 lakhs

For and on behalf of the board

H Lakshmanan
Director
DIN: 00057973

C N Prasad
Director
DIN: 01950656

Place : Chennai

Date : 5th May 2017

Annexure - II to Directors' Report to the shareholders

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
for the financial year ended 31st March 2017**

[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 Limited Company
- v) Address of the Registered office and contact details : "Jayalakshmi Estates",
No.29, Haddows Road,
Chennai - 600 006
Tele : (044) 2827 22 33
- 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:-

Sl. No.	Name and Description of main products	NIC Code of the product	% to total turnover of the Company
1.	Automotive seat foams	4043	46.91%
2.	Two Wheelers / Three Wheelers Seat foams	4027	45.82%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section – Companies Act, 2013
1.	Harita Seating Systems Limited Jayalakshmi Estates, No. 29, Haddows Road, Chennai – 600006.	L27209TN1996PLC035293	Holding Company	51%	2(87)

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

- i) Category-wise Share Holding: Not Applicable
 ii) Shareholding of Promoters

S. No	Name of the Shareholders (M/s.)	Shareholding at the beginning of the year (as on 1 st April 2016)		Shareholding at the end of the year (as on 31 st March 2017)		% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1.	Harita Seating Systems Limited (Holding Company) and its six nominees	1,02,50,000	51%	1,02,50,000	51%	-
2.	F S Fehrer Automotive GmbH, Germany	98,48,040	49%	98,48,040	49%	-
TOTAL		2,00,98,040	100%	2,00,98,040	100%	-

- iii) Change in Promoters' Shareholding : No Change
 iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): N.A.
 v) Shareholding of Directors and Key Managerial Personnel: Nil

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Wholetime director and / or Manager: Nil
B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
		JA	LB			
1.	Independent Directors	50,000	45,000			95,000
	Fee for attending board / committee meetings					
	Commission	9,00,000	-			9,00,000
	Others	-	-			-
	Total (A)	9,50,000	45,000			9,95,000
		HL	CNP	CP	AKC	Total Amount
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings	45,000	25,000	25,000	5,000	1,00,000
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (B)	45,000	25,000	25,000	5,000	1,00,000
	Total (A) + (B)					10,95,000
	Overall Ceiling as per the Act					78,44,200

JA - Mr S I Jaffar Ali; LB - Mr L Bhadri; HL - Mr H Lakshmanan; CNP - Mr C N Prasad; CP - Mr Christian Prause; AKC - Ms Anke Kuhlmann Cattau

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr A G Giridharan CEO	Mr S Jagannathan CFO	Mr S Sudarshan CS	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	45.47	4.52	49.99
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5.	Others	-	1.73	-	1.73
	Total	-	47.20	4.52	51.72

CEO - Chief Executive Officer; CFO - Chief Financial Officer; CS - Company Secretary

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the board

Place: Chennai
Date : 5th May 2017

H Lakshmanan
Director
DIN: 00057973

C N Prasad
Director
DIN: 01950656

Annexure - IV to Directors' Report to the shareholders

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 arm's length transactions under third proviso thereto

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

Nil

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

(a)	Name of the related party	Harita Seating Systems Limited
(b)	Nature of relationship	Holding Company
(c)	Duration of the contracts/ arrangements/ transactions	2016-17
(d)	Date (s) of approval by the Board, if any:	6 th May 2016 and 14 th February 2017

Nature of contracts/ arrangements/ transactions	Goods / Services	Salient terms of the contracts or arrangements or transactions	Amount of contract or arrangement (Rs. In Lacs)
There were no material contract, arrangement or transaction at arm's length for the year ended March 31, 2017.			

For and on behalf of the board

Place : Chennai
Date : 5th May 2017

H Lakshmanan
Director
DIN: 00057973

C N Prasad
Director
DIN: 01950656

Annexure - V to Directors' Report to the shareholders

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 programmes for the transformation and sustainable development of the rural communities at large.

2. Overview of projects or programmes being undertaken:

Focus areas relate to economic development, quality education, 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 programmes-www.haritafehrer.co.in/pdf/CSR-Policy.pdf.

7. Details of CSR spent during the financial year

(a) Total amount spent for the financial year - Rs. 0.35 Cr

(b) Amount unspent, if any - Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below.

4. Composition of the CSR Committee

Sl. No.	Name of the Member (M/s.)	Designation	Status
1.	H Lakshmanan	Non Independent director	Chairman
2.	S I Jaffar Ali	Independent Director	Member
3.	Anke Kuhlmann Cattau	Non Independent director	Member

5. Average net profit of the Company for last three financial years - Rs. 17.05 Cr

6. Prescribed CSR Expenditure (2% of the amount as in item 5 above) - Rs. 0.35 Cr

1.	Name of the Implementing Agency	Srinivasan Services Trust Jayalakshmi Estates, No. 29, Haddows Road Chennai - 600 006, Tamil Nadu, Phone No: 044-28332115 Mail ID: aj@scl.co.in
2.	CSR Project or activity identified as mentioned in Schedule VII to the Companies Act, 2013	<ul style="list-style-type: none"> Eradicating hunger, poverty, promoting preventive healthcare and sanitation and making available safe drinking water; Promotion of Education, including special education and employment, enhancing vocation skills especially among children, women and livelihood enhancement projects, Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups; Ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water; and Rural development projects
3.	Sector in which the Project is covered	Economic Development, Education, Environment, Health and Infrastructure

HARITA FEHRER LIMITED

4.	Local Area / Others	• Shirur block, Pune
	State & district	- Maharashtra : Pune
	Amount outlay (budget) project or programme-wise	Rs.91.22 lakhs
5.	Amount spent on the projects or programmes	Rs.91.22 Lakhs (including contribution of Harita Fehrer Limited of Rs.35 Lakhs)
6.	Direct expenses On projects / programmes	Rs.91.22 Lakhs
	Overheads	Nil
7.	Cumulative expenditure upto the reporting period	Rs.91.22 Lakhs (including contribution of Harita Fehrer Limited of Rs.35 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, members of the CSR Committee visit places where SST is doing service.

For and on behalf of the Board

Chennai
5th May 2017

H LAKSHMANAN
Chairman of CSR Committee

Form No. MR-3

Secretarial Audit Report for the financial year ended 31.03.2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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, 2017 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, 2017 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; (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (f) 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; (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (h) 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. 35 lacs, constituting 2% of average net profits for the immediate past three financial years, for the financial year 2016-17 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
Company Secretary
C P No.: 4191

Place: Chennai
Date : 5th May, 2017

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
Company Secretary
C P No.: 4191

Place: Chennai
Date : 5th May, 2017

Independent Auditors' Report for the year ended 31st March 2017

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, 2017, 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, 2017, 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, 2017 ("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 31st March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, 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. 3 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.
- iv) The Company has made requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on management representation we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the management. Refer point no. 10 of Notes XXIII to the standalone financial statements.

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.: 007761S
V. SATHYANARAYANAN
Partner
Membership No.: 27716

Place : Chennai
Date : 5th May, 2017

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 31st March 2017

We report that:

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b) The company has a regular programme of physically verifying all its Fixed Assets at reasonable intervals. No material discrepancies have been noticed on such verifications;
- c) All the title deeds of the immovable properties owned by the company are held in the name of the company;
- ii) The inventory, other than in-transit, has been physically verified at reasonable intervals during the year under review by the management. The discrepancies noticed on verification between the book stock and physical stock were not material and have been properly dealt with in the books of account.
- iii) The Company has not granted any loan to a company, firm or other parties covered in the register maintained under section 189 to the Companies Act 2013.
- iv) 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 any deposits from the public. Therefore the provisions of sub-clause (v) of paragraph 3 of the Order are not applicable to the Company;
- vi) We have broadly 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 Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, Income-tax, sales-tax, custom duty, excise duty, service tax, value added tax, cess and any other material statutory dues with the appropriate authorities, except for certain marginal delays in remittances. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, sales-tax, custom duty, excise duty, service tax, value added tax, cess were in arrear as at 31st March 2017 for a period of more than 6 months from the date they became payable.

- b) According to the information and explanations given to us, following are the disputed amounts in respect of Service Tax, Value added tax and Income tax which have not been deposited on account of any dispute as on 31st March 2017:

(in Lakhs)

FY	Nature of Dues	Amount of Disputed Tax	Forum where dispute is pending
2010-11	Income Tax Appeal	48.65	Commissioner of Income Tax (Appeals) Chennai
2012-13	Income Tax Appeal	108.09	Commissioner of Income Tax
2013-14	Income Tax Appeal	37.29	Commissioner of Income Tax
2013-14	Commercial Tax TN	20.81	Commissioner of Commercial Tax
2014-15	Commercial Tax TN	60.85	Commissioner of Commercial Tax Appeal Chennai
2016-17	Central Excise Appeal	13.67	Commissioner of Central Excise Appeals

- 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) Based on the audit procedures adopted and the information and explanation given to us, no fraud by the Company or on the Company has been noticed or reported during the year under review;
- xi) 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 sub-clause (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 them.
- 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 : 5th May, 2017

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 31st March 2017 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 31st March 2017, 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

Place : Chennai

Date : 5th May, 2017

Membership No.: 27716

**FINANCIAL STATEMENTS OF
HARITA FEHRER LIMITED**

HARITA FEHRER LIMITED

Balance Sheet as at 31st March, 2017

		(Rs. in Lakhs)		
		Note No	As at 31.03.2017	As at 31.03.2016
I EQUITY AND LIABILITIES				
1 Shareholders Fund				
a) Share Capital	I	2,009.80	2,009.80	
b) Reserves and Surplus	II	11,235.16	10,723.74	
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		50.52	40.50	
4 Current Liabilities				
a) Short Term Borrowings	III	-	-	
b) Trade Payables		7,231.95	5,911.94	
c) Other Current Liabilities	IV	349.68	416.64	
d) Short Term Provisions	V	1,166.52	680.34	
5 Deferred Tax Liabilities				
(Net of Deffered Tax Assets)				
Total		22,715.18	20,472.46	
II ASSETS				
1 Non-Current Assets				
a) Fixed Assets				
i) Tangible Assets	VI	9,740.73	8,596.54	
ii) Intangible Assets		46.60	20.55	
iii) Capital Work in Progress		258.93	142.25	
iv) Intangible Assets Under Development		-	-	
b) Non-Current Investments	VII	77.80	77.60	
c) Deffered Tax Assets (net)		-	-	
d) Long term Loans and Advances	VIII	117.36	160.14	
e) Other Non-Current Assets		-	-	
2 Current Assets				
a) Current Investments	IX	1,351.05	1,208.76	
b) Inventories	X	1,888.58	1,918.98	
c) Trade Receivables	XI	6,974.44	6,546.51	
d) Cash and Cash Equivalents	XII	654.77	868.20	
e) Short Term Loans and Advances	XIII	402.09	256.20	
f) Other Current Assets	XIV	1,202.83	676.73	
Total		22,715.18	20,472.46	

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

V SATHYANARAYANAN
Partner
Membership No. 027716
Chennai
5th May, 2017

A G GIRIDHARAN
Chief Executive Officer

for and on Behalf of Board of Directors

H LAKSHMANAN
Director

C N PRASAD
Director

S JAGANNATHAN
Chief Financial Officer

S SUDARSHAN
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2017

		(Rs. in Lakhs)	
		As at 31.03.2017	As at 31.03.2016
	Note No		
1	Gross Revenue From Operation	44,374.86	40,570.66
	Less: Excise Duty & Service Tax	4,906.80	4,474.00
	Revenue From Operation(Net)	<u>39,468.06</u>	<u>36,096.66</u>
2	Other Income	312.86	164.20
	Total Revenue	<u>39,780.92</u>	<u>36,260.86</u>
3	Expenses		
a)	Raw Material & Components Consumed	28,216.58	25,912.41
b)	Changes in Inventory of Finished Goods and Work-in-Process	(52.70)	22.80
c)	Employee Benefit Expenses	4,137.52	3,543.33
d)	Finance Costs	8.36	26.93
e)	Depreciation and Amortization Expenses	963.83	943.01
f)	Other Expenses	3,901.59	3,739.67
	Total Expenses	<u>37,175.18</u>	<u>34,188.14</u>
4	Profit/(Loss) before Tax	<u>2,605.74</u>	<u>2,072.72</u>
5	Tax Expenses		
a)	Current Tax expense for the current year	902.80	525.67
b)	MAT Credit	-	231.86
c)	Deferred Tax	(17.96)	(20.34)
		<u>884.84</u>	<u>737.19</u>
6	Profit/(Loss) for the Period Before Prior Period Adjustment	<u>1,720.90</u>	<u>1,335.53</u>
7	Prior period Adjustment		
	Tax expense	-	9.09
		<u>-</u>	<u>9.09</u>
8	Balance Surplus Carried Forward to Balance sheet	<u>1,720.90</u>	<u>1,326.44</u>
	Earnings Per Share		
a)	Basic	8.56	6.60
b)	Diluted	8.56	6.60
	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
5th May, 2017

A G GIRIDHARAN
Chief Executive Officer

for and on Behalf of Board of Directors

H LAKSHMANAN
Director

C N PRASAD
Director

S JAGANNATHAN
Chief Financial Officer

S SUDARSHAN
Company Secretary

Notes on accounts

Rs. in Lakhs

As at
31.03.2017

As at
31.03.2016

I. SHARE CAPITAL

Authorised Share Capital

2,01,00,000 Equity shares of Rs.10/- each 2,010.00 2,010.00

Issued, subscribed and paid up

2,00,98,040 Equity Shares of Rs 10/- fully paid up 2,009.80 2,009.80

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

Particulars	As at 31.03.2017 Equity Shares		As at 31.03.2016 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	20,098,040	2,009.80
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,00,98,040	2,009.80	20,098,040	2,009.80

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		10,250,000	10,250,000
% of holding		51.00%	51.00%

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

Particulars	As at 31.03.2017 Equity Shares		As at 31.03.2016 Equity Shares	
	No. of Shares	% Holding	No. of Shares	% Holding
Harita Seating Systems Limited	1,02,50,000	51.00%	1,02,50,000	51.00%
F S Fehrer Automotive GMBH	98,48,040	49.00%	98,48,040	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

Equity shares of Rs 10/- issued in the Financial Year 2009-10 as fully paid up	10,200,000	10,200,000
Fully paid up by way of bonus shares	-	-
Shares bought back	-	-

Notes on accounts - (Continued)

	As at 31.03.2017	Rs. in Lakhs As at 31.0.2016
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		
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	1,393.28	1,156.46
Add: Profit for the year	1,720.90	1,326.44
Less: Interim Dividend	(1,004.90)	(904.41)
Less: Proposed Dividend		
Less: Dividend Distribution Tax		
Less: Interim Dividend Distribution Tax	(204.58)	(185.21)
Net Surplus in the Statement of Profit and Loss	<u>1,904.70</u>	<u>1,393.28</u>
Total	<u>11,235.16</u>	<u>10,723.74</u>
III. SHORT TERM BORROWINGS		
Secured Loans Repayable on Demand - From Banks	-	-
IV. OTHER CURRENT LIABILITIES		
a) Interest Accrued and Due on Borrowings		
b) Other Payables		
i. Statutory Dues	64.86	89.01
ii. Payables on purchase of fixed assets	-	-
iii. Trade / security deposits received	2.10	1.50
vi. Advances from customers	107.31	86.29
v. Other Payables	175.41	239.84
Total	<u>349.68</u>	<u>416.64</u>

Notes on accounts - (Continued)

	As at 31.03.2017	As at 31.0.2016
V. SHORT TERM PROVISIONS		
a) Provision for Employee Benefits		
Salary & Reimbursement	93.92	69.45
Leave Encashment	2.36	1.74
Bonus	167.44	83.48
b) Others		
Taxation -Income Tax	902.80	525.67
Proposed Dividend - Interim/Final	-	-
Dividend Distribution Tax	-	-
Total	<u>1,166.52</u>	<u>680.34</u>
VII INVESTMENTS (AT COST)		
Investments in Equity Instrument		
a) Non-trade unquoted shares (long term fully paid)	77.80	77.60
b) Investments - Trade Unquoted	-	-
Total	<u>77.80</u>	<u>77.60</u>
VIII LONG TERM LOAN AND ADVANCES		
Unsecured and Considered Good		
a) Capital Advances	-	-
b) Security Deposits	117.24	141.86
c) Loans and Advance to Related Parties (Refer Point 10 of Note XXIII)	-	-
d) Other Loans and Advances	-	-
e) Current Assets - MAT Credit Entitlement	-	-
f) Income Tax (Net)	0.12	18.28
Total	<u>117.36</u>	<u>160.14</u>

Notes on accounts - (Continued)

VI FIXED ASSETS

Description	Tangible Assets										Intangible Assets		Total
	Land (Own)	Land (Lease)	Building	Plant & Machinery	Electrical Equipments	Vehicles	Office Equipment	Moulds	Furniture & Fittings	Computers	Software	Non Compete Fee	
Cost of the assets													
As at 01.04.2016	1,343.92	-	2,406.43	9,304.95	471.54	70.07	163.04	316.75	86.51	68.87	102.87	550.00	14,884.96
Additions	187.30	428.64	762.12	719.85	271.15	23.77	34.43	18.57	1.45	15.76	32.38	-	2,495.42
Less: Sales / Deletions	295.61	-	-	168.89	-	9.46	-	-	-	0.79	-	-	474.75
Total	1,235.61	428.64	3,168.55	9,855.91	742.69	84.38	197.47	335.32	87.96	83.84	135.25	550.00	16,905.63
Depreciation													
Upto 01.04.2016	-	-	521.19	4,567.79	231.89	52.89	67.88	98.31	46.24	49.36	82.32	550.00	6,267.87
For the year	-	-	83.23	768.94	29.71	4.80	15.95	35.05	10.54	9.28	6.33	-	963.83
Withdrawn on assets sold/ deleted	-	-	-	105.09	-	7.56	-	-	-	0.75	-	-	113.40
Total	-	-	604.42	5,231.64	261.60	50.13	83.83	133.36	56.78	57.89	88.65	550.00	7,118.30
Written down Value													
As at 31.03.2017	1,235.61	428.64	2,564.13	4,624.27	481.09	34.26	113.64	201.96	31.18	25.95	46.60	-	9,787.33
As at 31.03.2016	1,343.92	-	1,885.24	4,737.16	239.65	17.17	95.16	218.45	40.28	19.51	20.55	-	8,617.09

Notes on accounts - (Continued)

IX CURRENT INVESTMENTS

Rs. in Lakhs

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units	No. of Shares / Units	Amount	Amount	Basis of Valuation (Cost Value / Market Value)	
		2017	2016	2017	2016	2017	2016
Investment in Mutual Funds Instruments							
UTI Liquid Fund	others	-	6,220	-	153.80	Cost	Cost
SBI Magnum Insta cash fund	others	4,228	5,990	150.00	200.00	Cost	Cost
IDFC funds-Ultra short term funds	others	1,566,509	1,374,857	345.00	289.96	Cost	Cost
ICICI Prudential ultra short term	others	2,525,977	1,283,114	404.48	195.00	Cost	Cost
Franklin India TMA Growth	others	-	4,428	-	100.00	Cost	Cost
ICIC Prudential Money Market	others	106,785	95,763	251.57	200.00	Cost	Cost
L&T LIQUID FUND	others	-	3,380	-	70.00	Cost	Cost
L&T Liquid fund-regular growth	others	9,063	-	200.00	-	Cost	Cost
		4,212,562	2,773,752	1,351.05	1,208.76		

Rs. in Lakhs

**As at
31.03.2017**

**As at
31.03.2016**

X. INVENTORIES*

Valued at Lower of Cost or Net Realisable Value

Raw materials and components	909.49	1,082.45
Work-in-Process	186.60	154.79
Finished Goods	367.91	347.03
Stores, Tools & Dies	424.58	334.71

*(As valued & certified by the Management)

Total

1,888.58

1,918.98

XI TRADE RECEIVABLES

a) Debts outstanding for a period exceeding six months

- Unsecured considered good	19.50	-
- Unsecured considered doubtful	-	-
	(A) 19.50	-

b) Other debts

- Unsecured considered good	6,954.94	6,546.51
- Unsecured considered doubtful	-	-
	(B) 6,954.94	6,546.51

Total

(A)+(B) 6,974.44

6,546.51

Notes on accounts - (Continued)

Rs. in Lakhs

	As at 31.03. 2017	As at 31.03.2016
XII. CASH AND CASH EQUIVALENTS		
a) Balance with Banks		
- in Current account	653.16	866.47
- in Fixed deposit	-	-
b) Cash on hand	1.61	1.73
Total	654.77	868.20
XIII. SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
a) Other Loans and Advances	38.48	16.55
b) Advance to Suppliers/Service Provider	363.61	231.62
c) Others	-	8.03
Total	402.09	256.20
XIV. OTHER CURRENT ASSETS		
a) Prepaid expenses	25.49	35.11
b) Income-Tax Deducted at Source	47.75	34.79
c) Advance Income Tax Paid	887.00	440.00
d) Others Advances Recoverable in Cash or Kind or for value to be received		
Employee Advance	27.84	31.60
Others	140.32	81.67
e) Balance with Government Authorities	74.43	53.56
Total	1,202.83	676.73
	For the year ended	For the year ended
	31.03.2017	31.03.2016
XV. GROSS REVENUE FROM OPERATION		
a) Sale of Products - Gross	44,473.07	40,518.91
Less: Rate Discount	223.56	94.31
Sale of Products - Net	44,249.51	40,424.60
b) Other Operating Revenues		
- Scrap Sales	125.35	146.06
Total	44,374.86	40,570.66

Notes on accounts - (Continued)

Rs. in Lakhs

	For the year ended 31.03.2017	For the year ended 31.03.2016
XVI. OTHER INCOME		
a) Profit on sale of Land	73.56	
b) Interest Income	9.92	21.34
c) Net Gain or (Loss) on Sale of Traded Quoted Investment	108.37	90.91
d) Sourcing Commission received	-	5.74
e) Discount	58.27	-
f) Rental Income	57.41	43.05
g) Duty Drawback	5.33	3.15
Total	312.86	164.20
XVII. RAW MATERIAL & COMPONENTS CONSUMED		
Opening Stock of Raw materials	1,082.45	998.48
Purchase of Raw Materials and Components	28,043.62	25,996.38
Less: Closing Stock of Raw Materials	909.49	1,082.45
Total	28,216.58	25,912.41
a) Chemicals		
Opening Stock	416.43	364.49
Purchase	13,290.31	12,980.65
Closing Stock	455.11	416.43
Consumption	13,251.63	12,928.71
b) Bought Out Components		
Opening Stock	475.84	306.78
Purchase	8,794.91	6,946.38
Closing Stock	294.29	475.84
Consumption	8,976.46	6,777.32
c) Others		
Opening Stock	190.18	327.21
Purchase	5,958.39	6,069.35
Closing Stock	160.09	190.18
Consumption	5,988.48	6,206.38

Notes on accounts - (Continued)

	For the year ended 31.03.2017	Rs. in Lakhs For the year ended 31.03.2016
XVIII. CHANGES IN INVENTORY		
Opening Stock of Finished Goods and Work-in-process	501.81	524.61
Less: Closing Stock of Finished Goods and Work-in-process	554.51	501.81
Changes In Inventory	<u>(52.70)</u>	<u>22.80</u>
XIX. EMPLOYEE BENEFIT EXPENSES		
a) Salary, Wages and Bonus*	3,274.00	2,799.32
b) Contribution to provident and other funds*	154.59	151.70
c) Staff welfare expenses*	708.93	592.31
Total	<u>4,137.52</u>	<u>3,543.33</u>
XX. FINANCE COST		
a) Interest Expense	0.49	0.72
b) Other Borrowing Cost	-	-
c) Net Gain/Loss on foreign currency fluctuation	7.87	26.21
Total	<u>8.36</u>	<u>26.93</u>
XXI. DEPRECIATION AND AMORTIZATION		
Depreciation	963.83	943.01
Total	<u>963.83</u>	<u>943.01</u>
* Net of recoveries		

Notes on accounts - (Continued)

	For the year ended 31.03.2017	Rs. in Lakhs For the year ended 31.03.2016
XXII. OTHER EXPENSES		
Consumption of stores and spare parts	730.12	735.62
Payments to auditors		
- As auditors - statutory audit	11.00	9.00
- For taxation matters	1.00	1.00
- For other services	1.00	1.00
- Reimbursement of expenses	4.42	3.89
Legal and professional Charges	284.76	316.55
Repairs and maintenance *		
- Buildings	82.38	37.64
- Machinery	871.90	879.47
- Computers	34.40	56.92
- Others	58.41	62.89
Power and fuel *	625.28	648.97
Travelling and Conveyance	247.51	144.53
Transportation Expense	326.67	319.03
Rent including lease rentals *	159.92	138.53
Security detective Charges	92.13	89.27
Rates and taxes *	40.81	32.54
Printing & stationery	33.20	32.51
Insurance	26.19	16.26
Bank Charges	33.98	33.89
Other Administrative Expenses*	95.39	60.06
Trade and other receivables written off	1.92	1.19
Sales Promotion	37.17	16.12
Corporate Social Responsibility Expenses	35.00	35.00
Donations and contributions	15.00	29.50
Loss on fixed assets sold / scrapped / written off *	52.03	38.29
Total	3,901.59	3,739.67

* Net of recoveries

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Rs. in Lakhs

As at / year ended 31.03.2017 **As at / year ended 31.03.2016**

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.

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) - Net Profit or Loss for the period , Prior Period Items and changes in accounting policies

i) Provision for taxation - earlier years (Expense)	-	9.09
ii) Other administrative expenses of earlier years (Expense)	0.90	
iii) There is no change in accounting policies		

ACCOUNTING STANDARD (6) - Depreciation Accounting

This standard is withdrawn from 30.03.2016 and is clubbed with accounting standard - 10

ACCOUNTING STANDARD (7)- Construction contracts	Not Applicable	Not Applicable
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ACCOUNTING STANDARD (8) - R & D

This standard is deleted from 1st 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 are 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

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

	Rs. in Lakhs	
	As at / year ended 31.03.2017	As at / year ended 31.03.2016
ACCOUNTING STANDARD (10) - Accounting for fixed assets		
“All the fixed assets are valued at cost including expenditure incurred in bringing them to usable condition as reduced by depreciation.”		
Depreciation has been provided under the straight line method based on the useful life as per the requirements of Schedule II of the Companies Act, 2013		
“The Company has evaluated the useful life of all the assets through a Chartered Engineer and that useful life has been considered for providing depreciation charge. 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.”		
The estimated useful life of the Tangible fixed assets is given below :		
“Factory Building - 30 years Plant and Equipment - 14 years Computers - 3 years Vehicles - 8 years”		
“Amortisation of Moulds: Till 31.03.2014 Moulds were amortised on the basis of shot each mould has undergone over the estimated number of shots for which each such mould will last. From 01.04.2015, the amortisation has been provided under the straight line method on the basis of life of the assets as ascertained by the management based on Chartered Engineer estimate i.e. 14 years”		
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	(7.87)	(26.21)
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 ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

	Rs. in Lakhs	
	As at / year ended 31.03.2017	As at / year ended 31.03.2016
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.	5.33	3.15
ACCOUNTING STANDARD (13) - Accounting for Investments		
Non Current Investment		
Investments that are intended to be held for more than a year are classified as Noncurrent investments.		
The Company has invested in equity shares (750000 equity shares at Rs. 10 each) of M/s Green Infra Wind Energy Theni Limited (erstwhile M/s TVS Wind Energy Ltd)	75.00	75.00
The Company has also invested in the capital of M/s Paras Green Power LLP	2.60	2.60
During the financial year under review the Company has invested in equity shares (2048 equity shares at Rs. 10 each) of M/s Shree Mother Capfin and Securities Private Limited	0.20	
Current Investment		
Investments that are intended to be held for less than a year are classified as Current investments.		
Carrying Amount of Current Investment are stated at Lower of Cost and Fair Value		
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.		

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

Rs. in Lakhs

	As at / year ended 31.03.2017	As at / year ended 31.03.2016
(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 2016-17	Leave salary 2015-16
a) Expenses recognised in the Profit & Loss Account		
(i) Current service cost	1.28	2.26
(ii) Interest cost	3.38	2.70
(iii) Expected return on plan assets	-	-
(iv) Net actuarial loss/(gain) recognised during the period	5.97	3.59
Total	10.63	8.55
b) Change in defined benefit obligation during the period ended 31 st March, 2017		
(i) Present total value of obligation as the beginning of the period	42.25	33.69
(ii) Interest cost	3.38	2.70
(iii) Current service cost	1.28	2.26
(iv) Benefits paid	-	-
(v) Actuarial loss on obligation	5.97	3.59
(vi) Present value of obligation as at the end of the period (31.03.2017)	52.88	42.24

Note: The net asset in respect of gratuity plan is not recognised as it is lying in irrevocable trust fund

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

	Leave salary 2016-17	Leave salary 2015-16
c) Change in fair value of plan assets during the period ended 31 st March 2017		
Leave Salary	Nil	Nil
Gratuity		
(i) Fair value of plan assets at the beginning of the period	155.54	155.54
(ii) Expected return on plan assets	12.44	-
(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 (31.03.2017)	167.98	155.54
d) Balance sheet movements		
(i) Value benefit obligations / (net assets) at the beginning of the period	42.25	33.69
(ii) Contributions made during the period.	10.63	8.55
(iii) Benefits paid	-	-
(v) Value of benefit	52.88	42.24
Note: The net asset in respect of gratuity plan is not recognised as it is lying in irrevocable trust fund		
e) Actuarial assumptions		
(i) Discount rate used	7%	8%
(ii) Expected return on plan assets	Not Applicable	Not Applicable

ACCOUNTING STANDARD (16) - Borrowing cost

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 ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

	As at / year ended 31.03.2017	Rs. in Lakhs As at / year ended 31.03.2016
ACCOUNTING STANDARD (19) - Accounting for lease		
Lease rent paid during the year	159.92	138.53
Lease rent received during the year	57.41	43.05
ACCOUNTING STANDARD (20) - Earnings per share		
Profit after tax as per Statement of Profit & Loss	1,720.90	1,326.44
Add/(Less): Prior period adjustment (Refer disclosure under Accounting Standard 5)	-	9.09
Adjusted Profit for the Current Period	1,720.90	1,335.53
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.	8.56	6.60
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	689.85	704.12
- tax on expenses claimed on payment basis under the Income - tax Act,1961.	-	-
	689.85	704.12
2 Deferred tax asset consist of :		
- tax on provision in respect of expenditure which will be allowed under the income-tax Act,1961 only on payment basis	18.30	14.62
- Provision for bad and doubtful debts	-	-
	18.30	14.62
Deferred tax Liability (net of deferred tax asset)	671.55	689.50
ACCOUNTING STANDARD (23) - Investment in associates	Nil	Nil
ACCOUNTING STANDARD (24) - Discontinuing operations		
The Company has not discontinued any operation during the year		

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

	As at / year ended 31.03.2017	Rs. in Lakhs As at / year ended 31.03.2016
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	82.89	81.16
Addition during the Year	32.38	1.73
Total	115.27	82.89
Amortised as Depreciation	81.65	79.32
Closing Balance	33.62	3.57
2. Testing Software		
- Useful life of the asset	5 Years	5 Years
- Amortisation rates used	20% each year as Depreciation	20% each year as Depreciation
Gross carrying amount at the beginning and at the end of the period		
Opening Balance	19.98	-
Addition during the Year	-	19.98
Total	19.98	19.98
Amortised as Depreciation	6.99	3.00
Closing Balance	12.99	16.98
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 liability and contingent asset		
i . Provisions		
Provisions have been made in the books of accounts for all ascertained liabilities.		

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

	As at / year ended 31.03.2017	Rs. in Lakhs As at / year ended 31.03.2016
ii. Contingent liabilities		
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	3.39
3. Contested liabilities not provided for		
- on account of Income tax for the F Y 2010-11 in respect of which an appeal is preferred with CIT Appeal Chennai	48.65	48.65
- on account of Income tax for the F Y 2012-13 in respect of which an appeal is preferred with CIT Appeal Chennai	108.09	122.66
- on account of Income tax for the F Y 2013-14 in respect of which an appeal is preferred with CIT Appeal Chennai	37.29	-
- on account of TN Commercial Tax for the F Y 2013-14 in respect of which an appeal is preferred with Commissioner of Commercial Tax Appeal Chennai	20.81	-
- on account of TN Commercial Tax for the F Y 2014-15 in respect of which an appeal is preferred with Commissioner of Commercial Tax Appeal Chennai	60.85	-
- on account of non renewal of Letter of Under Taking on time with excise department in respect of which an appeal is preferred with Commissioner of Central Excise Appeal	13.67	-
- on account of 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
4 Trade payables include amount due to micro and small scale industrial units	2137.18	1644.56
Disclosure under Micro, Small and Medium Enterprises Development Act, 2006		
i "The principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year:"		

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

	Rs. in Lakhs		
	As at / year ended 31.03.2017	As at / year ended 31.03.2016	
a) Principal (all are within agreed credit period and not due for payment)	2,137.18	1,644.56	
b) Interest (as no amount is overdue)	-	-	
ii "The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year."	-	-	
iii The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	
iv The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	
v "The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006"	-	-	
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 Specified Bank Notes (SBN) held and transacted during the period from 8 th November, 2016 to 30 th December, 2016:-			
	SBNs	"Other denomination notes"	Total
Closing cash in hand as on 08.11.2016	1.95	0.45	2.40
(+) Permitted receipts	-	8.64	8.64
(-) Permitted payments	-	6.68	6.68
(-) Amount deposited in Banks	1.95	-	1.95
Closing cash in hand as on 30.12.2016	-	2.41	2.41
8 Previous year's figures have regrouped wherever necessary to conform to current year's classification			

HARITA FEHRER LIMITED

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 Limited

Associate F.S. Fehrer Automotive GMBH, Germany

Key Managerial Personnel Mr A G Giridharan, President & CEO
Mr S Jagannathan, Chief Financial Officer
Mr S Sudarshan, Company Secretary

Particulars of transactions with related parties

		Rs. In Lakhs	
Sl. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
1	Purchases		
	a) from Harita Seating Systems Limited	3.94	-
	b) F S Fehrer	26.29	34.05
2	Sales to Harita Seating Systems Limited	3,331.01	3,104.56
3	Equity Contribution:		
	a) Harita Seating Systems Limited	-	-
4	Rendering of Services to HSSL & F S fehrer:		
	a) Harita Seating Systems Limited	144.95	113.45
	b) F S Fehrer Limited	4.33	4.13
5	Receipt of Services from HSSL & F S Fehrer:		
	a) Harita Seating Systems Limited	691.65	599.74
	b) F S Fehrer Ltd	66.16	71.36
6	Amount outstanding as at Balance Sheet Date:- Payable:		
	a) Harita Seating Systems Limited	49.61	95.28
	b) F S Fehrer Limited	13.12	15.53
7	Receivable		
	a) Harita Seating Systems Limited	869.14	697.11
	b) F S Fehrer Limited		
8	Remuneration to KMP	47.20	45.69

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

13. Information pursuant to provisions of Companies Act 2013

Rs. in Lakhs

	Unit	Year ended 31.03.2017		Year ended 31.03.2016	
		Quantity	Value	Quantity	Value
I. RAW MATERIALS CONSUMED					
A. Basic raw materials					
a) Polyol	Kgs	5,488,511	8,124.49	5,167,477	7,991.75
b) Isocyanate-Inde	Kgs	1,258,911	2,075.44	1,291,204	2,223.30
c) Isocyanate-Imported	Kgs	1,966,837	2,951.08	1,737,927	2,713.66
d) Others			15,065.57		12,983.70
(which includes rods, upholstery materials, Frames etc., which individually do not account for 10% or more of the total value of consumption)					
			<u>28,216.58</u>	<u>25,912.41</u>	

B. Consumption of raw materials and components

	% of total Consumption	Value	% of total Consumption	Value
a) Imported	12.10%	3,413.86	15.61%	4,044.11
b) Indigenous	87.90%	24,802.72	84.39%	21,868.30
	<u>100.00%</u>	<u>28,216.58</u>	<u>100%</u>	<u>25,912.41</u>

C. Consumption of machinery spares

	% of total Consumption	Value	% of total Consumption	Value
a) Imported	28.44%	131.35	11.59%	53.96
b) Indigenous	65.03%	300.33	83.91%	390.75
c) Labour charges	6.53%	30.17	4.50%	20.97
	<u>100.00%</u>	<u>461.85</u>	<u>100%</u>	<u>465.68</u>

Rs. in Lakhs

II IMPORTS - CIF VALUE

	As at/year ended 31.03.2017	As at/year ended 31.03.2016
a) Raw materials & components	3,857.87	3,706.16
b) Capital Goods	15.12	47.12
c) Spares	333.22	53.96
d) Moulds	-	-
	<u>4,206.21</u>	<u>3,807.24</u>

XXIII ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS - (continued)

	As at/year ended 31.03.2017	Rs. in Lakhs As at/year ended 31.03.2016		
III OTHER EXPENDITURE IN FOREIGN CURRENCY				
a) Travel	76.98	24.62		
b) Royalty	-	6.30		
c) Professional Charges	66.15	80.05		
	143.13	110.97		
IV EARNINGS IN FOREIGN CURRENCY				
Exports - F.O.B	765.37	438.85		
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	492.40	590.88		
VI SALE BY CLASS OF GOODS				
	Quantity(Nos)	Value	Quantity(Nos)	Value
Automotive Seat Foams	11,797,801	37,186.86	13,722,987	33,200.12
Moulds	-	387.70	-	684.16
Headrests	1,800,234	2,351.00	1,664,567	2,064.83
Others	-	11.91	-	146.06
		<u>39,937.47</u>		<u>36,095.17</u>

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

V SATHYANARAYANAN
Partner
Membership No. 027716
Chennai
5th May, 2017

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

Cash flow statement for the year ended 31st March, 2017

	Year ended 31.03.2017	Rs. in Lakhs Year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax and extra ordinary items	1,720.90	1,326.44
Add:		
Depreciation (net)	963.83	981.30
Dividend income	-	-
Interest Income	(9.92)	(21.34)
Interest Expenditure	0.49	0.72
Net Gain on Sale of Traded Quoted Investment	(108.37)	
Profit on sale of Fixed Assets	(21.53)	
Miscellaneous Expenditure written off	-	-
Operating profit before working capital changes	2,545.40	2,287.12
Adjusted for: Working Capital changes		
Trade Payables	1,320.02	132.43
Other Current Liabilities	(66.94)	(94.71)
Short Term Provisions	496.19	(87.59)
Long Term Loans and Advances	42.78	229.15
Current Investment	(142.29)	(1,208.77)
Inventories	30.39	(90.20)
Trade Receivables	(427.93)	525.05
Short Term Loans and Advances	(145.89)	(109.51)
Other Current Assets	(526.10)	65.64
Cash generated from operations	3,125.63	1,648.61
Adjusted for: Tax Liability		
Direct tax paid	-	-
deferred tax	(17.96)	(20.34)
Net cash from operating activities - (A)	3,107.67	1,628.26
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,612.09)	(468.61)
Sale of fixed assets	382.88	6.00
Purchase of investments	(0.20)	-
Sale of investments	-	-
Profit/(Loss) Sale of Investments	108.37	
Interest received	9.92	21.34
Dividend received		
Net cash used in investing activities - (B)	(2,111.12)	(441.28)

Cash flow statement for the year ended 31st March, 2017 (Contd.)

	Year ended 31.03.2017	Rs. in Lakhs Year ended 31.03.2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	-	-
Share Premium	-	-
Long Term Borrowings	-	-
Short Term Borrowings	-	-
Interest paid	(0.49)	(0.72)
Dividend and dividend tax paid	(1,209.48)	(1,089.62)
Net cash from financing activities - (C)	(1,209.97)	(1,090.34)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(213.42)	96.65
Cash and cash equivalents at the beginning of the year	868.20	771.55
Cash and cash equivalents at the end of the year	654.78	868.20

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

<p>In terms of our Reports Attached For RAGHAVAN, CHAUDHURI & NARAYANAN Chartered Accountants Firm Regn. No: 07761S V SATHYANARAYANAN Partner Membership No. 027716 Chennai 5th May, 2017</p>	<p>for and on Behalf of Board of Directors H LAKSHMANAN Director C N PRASAD Director S JAGANNATHAN Chief Financial Officer S SUDARSHAN Company Secretary</p>
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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 9th ANNUAL GENERAL MEETING of the Company being held on Thursday, 27th July 2017 at 10.00 a.m. at the Registered Office of the Company at No. 29, Haddows Road, Chennai 600 006 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:

No.	Resolution	Vote	
		For	Against
1.	Adoption of audited financial statements of the Company for the year ended 31 st March 2017 together with the reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr H Lakshmanan as director, who retires by rotation.		
3.	Re-appointment of Mr C N Prasad as director, who retires by rotation.		
4.	Re-appointment of M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants, Bengaluru as Statutory Auditors and fixing their remuneration.		

.....
Signature of Share holder

.....
Signature of Proxy holder

Affix
Revenue
Stamp of
Re.1

Notes:

1. 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.
2. A Proxy need not be a member of the Company.
3. 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.
- **4. 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.
5. Appointing a Proxy does not prevent a member from attending the meeting in person, if he / she so wishes.
6. 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.

