

**oerlikon**  
fairfield

***FAIRFIELD ATLAS LIMITED***



27th  
ANNUAL REPORT  
2016-2017



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# ***FAIRFIELD ATLAS LIMITED***

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# FAIRFIELD ATLAS LIMITED

<b>BOARD OF DIRECTORS</b>	:	Mr. Oliver Dohn Chairman
		Mr. D.E.Jacob Managing Director
		Mrs. Milagros M.C. Perez
		Mr. Sunil Sehgal
		Mr. J.M.Mapgaonkar Independent Director
		Mr. Keshwa N. Rattan Independent Director
<b>COMPANY SECRETARY</b>	:	Mr. Marcel Rebello
<b>CHIEF FINANCIAL OFFICER</b>	:	Mr. Vijay Kumar Sinha
<b>AUDITORS</b>	:	Price Waterhouse Chartered Accountants LLP, Pune
<b>BANKERS</b>	:	AXIS Bank Limited HDFC Bank Limited
<b>REGISTERED OFFICE AND DOMESTIC UNIT</b>	:	Survey 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur, Maharashtra-416507 Tel.: (02320) 236605/6 Email: fairfieldatlas @vsnl.com
<b>EXPORT ORIENTED UNIT Upto June 5, 2017</b>	:	Survey 116 and 119, Shinoli (Budruk) Chandgad Taluka, Dist. Kolhapur, Maharashtra-416507 Tel.: (02320) 236605/6
<b>CORRESPONDENCE ADDRESS</b>	:	3941/2B-9, Club Road, Basav Nagar, Belgaum-590 001 Tel.: (0831) 2434906 Telefax: (0831) 2427210
<b>REGISTRARS AND TRANSFER AGENTS</b>	:	Sharex Dynamic (India) Private Limited Unit-1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072 Tel: 2851 5606, 2851 5644 Fax 2851 2885 Emai: sharexindia@vsnl.com
<b>CIN NO.</b>	:	U34300MH1990PLC055300
<b>WEBSITE</b>	:	<a href="http://www.oerlikon.com/fairfield/">www.oerlikon.com/fairfield/</a> .



**NOTICE**

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting of Members of Fairfield Atlas Limited (the "Company") will be held on Wednesday, 27th September, 2017 at 4.00.p.m. at the Registered Office of the Company at Survey No 157, Devarwadi, Chandgad Taluka, Dist Kolhapur, Maharashtra 416507 to transact the following business :

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2017, the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Milagros M.C.Perez (holding DIN 07123006) who retires by rotation and being eligible, offers herself for re-election.
3. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the resolution passed by the members at the 26th Annual General Meeting held on 27th September, 2016 and pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the Company hereby ratifies the appointment of Price Waterhouse Chartered Accountants LLP(Firm's Registration number No.012754N/N500016) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as shall be fixed by the Board of Directors of the Company in consultation with them"

4. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 149, 152 of the Companies Act 2013 ("the Act") and such other applicable provisions, if any, of the Act and Rules made thereunder read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014(including any statutory modifications or re-enactment (s) thereof for the time being in force) Mr. J.M.Mapgaonkar (holding DIN 00348345), who was appointed Independent Director and who holds office as Independent Director upto September 27, 2017 and being eligible and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a second term from September 27, 2017 upto the conclusion of the 30th Annual General Meeting of the Company."

5. To ratify the remuneration of Cost Auditors for financial year 2017-2018 and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendation of the Audit Committee in this regard, the remuneration payable to M/s M.P. Turakhia & Associates, Cost Accountants (Registration No.000417), who were appointed as Cost Auditors by the Board of Directors of the Company for the conduct of the cost audit of the Company's "other machinery" for the financial year ending March 31, 2018 amounting to ₹2,00,000 (Rupees Two Lakhs) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or to authorize any person to do all such acts, deeds, matters, and things as may be considered necessary, relevant, usual, customary, proper or expedient to give effect to aforesaid resolution."

6. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 196,197, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule V and subject to such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded to the revision in the remuneration payable to Mr. Devanand E. Jacob,( holding DIN 02387819) as Managing Director of the Company with effect from 1st April, 2016 till 31st October, 2016 upon terms and conditions set out in the Supplemental Agreement dated 20th January, 2015, 2nd Supplemental Agreement dated 1st December, 2016 and 3rd Supplemental Agreement dated 2nd December, 2016 entered into between Mr. D.E. Jacob and the Company."

"FURTHER RESOLVED THAT, subject to the limits prescribed under Schedule V of the Companies Act 2013 for payment of remuneration, perquisites and benefits, the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee constituted by the Board or any person(s) authorized by the Board) be and is hereby authorised to approve any changes or amendments to the aforesaid Supplemental Agreements and to review the remuneration, perquisites and benefits payable to Mr. Devanand E. Jacob from time to time."

"FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. D.E. Jacob, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. D.E. Jacob shall be as per the limit prescribed in Schedule V of the Act"

"FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. D.E. Jacob, the Company has no profits or its profits are inadequate, the Company may pay to Mr. D.E. Jacob the above stated remuneration as the minimum remuneration by way of salaries, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any".

"FURTHER RESOLVED THAT for the purpose of giving effect to the aforesaid Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard to decide break up of the remuneration within the maximum permissible limit and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient in order to give effect to the aforesaid Resolution."

7. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 196,197, 203 and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder and limits laid down therein read with Schedule V thereof and subject to such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded to the appointment of Mr. Devanand E. Jacob,( holding DIN 02387819) as Managing Director of the Company for a further period commencing from 1st November 2016 and ending on 31st October, 2019 upon existing terms of remuneration and conditions set out in the Agreement dated 3rd December, 2016 entered into between Mr. Devanand E. Jacob and the Company and detailed in the Explanatory Statement annexed to this Notice."

"FURTHER RESOLVED THAT, subject to the limits, prescribed under Schedule V of the Companies Act 2013 for payment of remuneration, perquisites and benefits, the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee constituted by the Board or any person(s) authorized by the Board) be and is hereby authorised to approve any changes or amendments to the aforesaid Agreement and to review the remuneration, perquisites and benefits payable to Mr. Devanand E. Jacob from time to time."

"FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. D.E. Jacob, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. D.E. Jacob shall be as per the limit prescribed in Schedule V of the Act"

“FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. D.E. Jacob, the Company has no profits or its profits are inadequate, the Company may pay to Mr. D.E. Jacob the above stated remuneration as the minimum remuneration by way of salary, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.”

“FURTHER RESOLVED THAT for the purpose of giving effect to the aforesaid Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard to decide break up of the remuneration within the maximum permissible limit and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient in order to give effect to the aforesaid Resolution.”

#### NOTES:

- a) The relative Explanatory Statement as required by Section 102 of the Companies Act, 2013 in regard to item nos. 4 to 7 is annexed hereto.
- b) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the Company’s registered office not less than 48 hours before the commencement of the meeting.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total 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 person or shareholder.**
- c) The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 20, 2017 to Wednesday, September 27, 2017 (both days inclusive).
- d) Members holding shares in electronic form are requested to intimate any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address to the Company/ Registrars and Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd., and quote folio numbers in all their correspondence.
- e) Members who have not registered their email addresses so far are requested to register their email addresses with the Depository Participant (in case of shares held in dematerialised form) or with The Registrar and Transfer Agents (for shares held in physical form) for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
- f) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- g) Mr. Mahesh Soni, ( Membership No. FCS 3706, COP 2324) Partner GMJ Associates Practising Company Secretaries has been appointed as the scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- h) Procedure for remote e-voting
  1. In compliance with the provisions of section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 the Company is pleased to offer e-voting facility to its members in respect of the businesses to be transacted at the 27th Annual General Meeting (AGM). The Company has engaged the services of Central Depository Services Limited (CDSL) as the Authorised Agency to provide e-voting facility.

2. Members are requested to note that the Company is providing facility for remote e-voting and the business can be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/its discretion as per the instructions provided herein.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Sunday, September 24, 2017 at 9.00 A.M. and ends on Tuesday, September 26, 2017 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, September 20, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member he/she shall not be allowed to change it subsequently or cast the vote again. Members who have cast their vote through remote e-voting may also attend the meeting but shall not be entitled to cast their vote again. A member present at the AGM who has not availed the facility of remote e-voting can vote through Ballot/Poll Paper at the AGM.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Fairfield Atlas Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(xix) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on Wednesday, September 20, 2017 being the cut off date. Members are eligible to cast their vote only if they are holding shares as on that date.
- (xxii) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares on the cut off date, may cast their vote by remote e-voting or through Poll at the meeting. However if you are already registered with CDSL for remote e-voting then you can use existing user ID and password for casting your vote. If you forget your password you can reset your password by using Forgot Password option available on [www.evotingindia.com](http://www.evotingindia.com).
- i) The results shall be declared not later than forty-eight hours from conclusion of the meeting. The results declared along with scrutiniser's report will be placed on the website of the Company at [www.oerlikon.com/fairfield/](http://www.oerlikon.com/fairfield/) and website of CDSL : <https://www.evoting.cdsl.com> immediately after the result is declared by the Chairman.

By Order of the Board of Directors  
**Marcel Rebello**  
Company Secretary

Place: Delhi  
Date: July 13, 2017  
CIN No. U34300MH1990PLC055300

**Registered Office :**

Survey No 157,  
Devarwadi Village,  
Post Shinoli, Chandgad Taluka,  
Dist. Kolhapur,  
Maharashtra 416507  
Website: <http://www.oerlikon.com/fairfield/>

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 ('Act')**

### **Item No. 4**

As per the provisions of the Companies Act 2013 Mr. J.M.Mapgaonkar (holding DIN 00348345) was appointed Independent Director at the 24th Annual General Meeting held on September 27, 2014 for a term of three years. He holds office as Independent Director upto September 27, 2017. Since he has completed one term, he is eligible for reappointment for one more term.

The performance evaluation of Mr. Mapgaonkar was conducted by the entire Board (excluding Mr. Mapgaonkar) on the basis of certain criteria and was found to be satisfactory. Based on the report of performance evaluation the Nomination and Remuneration Committee recommended reappointment of Mr. Mapgaonkar for a second term upto conclusion of 30th Annual General Meeting of the Company. The Board of Directors based on the performance evaluation and as per recommendation of the Nomination and Remuneration Committee and considering the contribution made by him during his current tenure have at their meeting held on July 13, 2017 approved the proposed reappointment of Mr. Mapgaonkar as Independent Director for a second term as mentioned in the resolution. Mr. Mapgaonkar will not be liable to retire by rotation at the Annual General Meeting as provided in Section 152(6) of the Companies Act, 2013.

The Company has received declaration from Mr. Mapgaonkar confirming that he meets with the criteria of independence as prescribed under sub-section(6) of Section 149 of the Companies Act 2013 and his consent to act as Director. In the opinion of the Board Mr. Mapgaonkar fulfills the conditions specified in the Act for reappointment as Independent Director and is independent of the management.

The Company has received a notice from a member pursuant to Section 160 of the Companies Act 2013 alongwith requisite deposit amount proposing the candidature for appointment of Mr. Mapgaonkar as Independent Director. Copy of the draft letter of appointment of Mr. Mapgaonkar as an Independent Director would be available for inspection by members at the Registered Office of the Company during normal business hours on any working day.

Mr. Mapgaonkar is 68 years old and is a graduate in Engineering. He has been on the Board of Directors of the Company since 1995 and is presently member of various Committees like Audit, Nomination and Remuneration etc. Mr. Mapgaonkar possesses the experience and knowledge relating to the business of the Company having been associated with the Company for more than two decades. Mr. Mapgaonkar is also a Director in Investment and Precision Castings Limited and is Chairman of its Audit and Nomination and Remuneration Committees.

The Board considers that in view of his vast experience and knowledge his continued association would be of immense benefit to the Company as Independent Director. Accordingly the Board recommends the Special Resolution set out at item No.4 of the Notice in relation to the appointment of Mr. Mapgaonkar as an Independent Director for approval of the members of the Company. Mr. Mapgaonkar does not hold by himself or for any other person on a beneficial basis any shares in the Company.

Except Mr. Mapgaonkar none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financial or otherwise in the resolutions set out at item No 4 of the Notice except to the extent of their shareholding interest, if any, in the Company.

### **Item No.5**

In terms of the provisions of Section 148 of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board on the recommendation of the Audit Committee at its meeting held on July 13, 2017 has considered and approved the appointment and remuneration of M/s M.P. Turakhia & Associates, Cost Accountants (Registration No. 000417), for the conduct of the audit of cost accounts maintained by the Company for its "other machinery" for the financial year ending March 31, 2018. As approved by the Board the Annual remuneration payable to M/s M.P. Turakhia & Associates for the financial year ending March 31, 2018 is ₹ 2,00,000 (Rupees Two Lakhs) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 5 of the Notice except to the extent of their shareholding interest, if any, in the Company.

**Item Nos. 6 and 7**

In order to align the remuneration package of Mr. D.E. Jacob, Managing Director of the Company in line with other Senior Executives of the Oerlikon group the Board of Directors at its meeting held on 28th October, 2016 approved on the recommendation of the Nomination and Remuneration Committee revision/increase in the remuneration to be paid to Mr. D.E. Jacob as Managing Director of the Company on a monthly basis for the period (including increase due to change in quantum of incentives) commencing from 1st April 2016 to 31st October, 2016 as set out in the Supplemental Agreement dated 2nd December, 2016 ('Agreement') the salient features of which are mentioned below:

<b>A.</b>		<b>Further Revised (Current)</b>
1. Basic Salary	₹ 275894	₹ 306549
2. Bonus/Incentive: In accordance with Oerlikon Group Bonus Policy applicable to Senior Managerial personnel of the Company from time to time.		
3. Perquisites and benefits as appearing hereinafter:		
		<b>Further Revised (Current)</b>
HRA to be paid	₹ 110358	HRA ₹ 122620
Special Allowance	₹ 41938	Special Allowance ₹ 50157
LTA	₹ 5000	LTA ₹ 5000
Medical	₹ 1250	Medical ₹ 1250
PF Employer Contribution	₹ 33107	PF Employer Contribution ₹ 36785
Total	₹ 467,547	Total ₹ 522,362
Annual CTC	₹ 5,610,560	Annual CTC ₹ 6,268,343

Apart from above revision/addition in remuneration the other terms and conditions including perquisites and other benefits as approved by the Nomination and Remuneration Committee, the Board of Directors and contained in the Principal Agreement dated 23rd November, 2013 and Supplemental Agreement dated 20th January, 2015 and Second Supplemental Agreement dated 1st December, 2016 entered into between Mr. D.E. Jacob and the Company remain unchanged".

**B.** Subject to the approval of the members at the General Meeting and other necessary approvals, if any, it is proposed that Mr. D.E. Jacob be appointed as Managing Director of the Company for the period commencing from 1st November, 2016 and ending 31st October, 2019 upon existing terms and conditions as mentioned above and as set out in the Employment Agreement dated 3rd December, 2016

The following additional information as required by Schedule V to the Act is given below.

**I. General Information :**

i. Nature of industry

The Company's core business operations fall in the broad categories of agriculture, construction, automotive, energy, mining and more specifically the on-off highway power transmission sector.

ii. Date or expected date of commencement of commercial production.

The Company was incorporated on 1st February 1990 as a private company and commenced commercial production in the year 1993. The export oriented unit of the Company commenced operations in the year 2003.

- iii. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus.

Not Applicable

- iv. Financial performance based on given indicators – as per Audited Financial results for the year ended March 31, 2017.

<b>Particulars</b>	<b>₹ in lakhs</b>
Total Revenue	41643.04
Profit before Depreciation, Interest and Tax	7007.54
Interest and other Finance Charges	8.40
Depreciation and Amortization	2024.88
Profit before taxation	4974.26
Income tax Expenses	
Current Tax	1809.76
Deferred Tax (credit)/charge	(136.32)
Profit after taxation	3300.82

- v. Foreign investments of collaborators, if any.

TH Licensing Inc., USA, a wholly owned subsidiary of Fairfield Manufacturing Co. Inc. USA, presently holds 26875095 equity shares of ₹10/- each constituting 98.37% of the paid up share capital of the Company.

## **II. Information about the appointee.**

- i. Background details

Mr. Jacob is an Engineer by profession and has been the Managing Director of the Company since October 24, 2008 being stationed at the Company's Plant for more than 22 years. Prior to his appointment as Managing Director Mr. Jacob held senior positions in the Company both in the operations, commercial and administrative fields thus acquiring cross functional experience across several departments. In his present capacity as the Managing Director of the Company he oversees the entire plant operations both of the DTA Unit and EOU Unit. Mr. Jacob has received training at the Plant of the Company's Principals, Fairfield Manufacturing Co., Inc., USA and the Company's other foreign associates.

- ii. Past remuneration during financial year ended March 31, 2017.

The total remuneration drawn by Mr. D. E. Jacob as Managing Director for the year ended March 31, 2017 was ₹ 74.06 lakhs including perquisites.

- iii. Recognition or Awards

Not applicable

- iv. Job Profile and their suitability.

Mr. D. E. Jacob is the Managing Director of the Company since 24th October 2008. The Board has delegated substantial powers of management of the Company to Mr. D. E. Jacob, in his capacity as Managing Director of the Company. Mr. Jacob is an Engineer by profession and has been stationed at the Company's plant for the past 22 years and hence has acquired in depth knowledge and cross functional experience across various departments in technical, commercial and administrative fields. He has received training at the Plant of the Company's Principals, Fairfield Manufacturing Co., Inc., USA and the company's other foreign associates. Mr. Jacob is responsible interalia for development of the business of the Company and implementing its strategy. In his present capacity he oversees the entire Plant Operations both of the Domestic and Export Units. Since Mr. Jacob is the sole Managing Director he is required to shoulder substantial responsibilities of the company's growing business which includes both domestic and export business. Therefore, taking into consideration his long association, experience and intimate knowledge of the working and business of the company, Mr. Jacob is best suited for the position he occupies.

v. Remuneration proposed.

During the term of his reappointment Mr. D.E. Jacob be paid remuneration and perquisites existing at present but further subject to review/revision in future in accordance with Oerlikon Group Remuneration Policy applicable to senior managerial personnel of the Company from time to time.

The existing terms and remuneration including perquisites presently being paid to Mr.D.E. Jacob were approved by the Nomination and Remuneration Committee and the Board of Directors at their meetings held on 28th October, 2016 and are set out under 'A' above.

vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect of the country of his origin).

Considering the size of the company and volume of its operations both in the domestic and export fields, the background, experience and profile of Mr. D. E. Jacob and the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with remuneration packages given to similar senior level executives in other companies and in the Oerlikon group.

vii. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any.

Apart from the proposed remuneration, Mr. Jacob does not have any other pecuniary relationship with the Company or relationship with any managerial personnel. However, Mr. Jacob holds 2 fully paid up equity shares in the Company.

**III. Other information**

1. Reason of loss or inadequate profits.

Not Applicable as the company has posted a net profit after tax of ₹ 3300.82 lakhs during the year ended March 31, 2017.

2. Steps taken or proposed to be taken for improvement and

3. Expected increase in productivity and profits in measurable terms.

Not applicable as the Company has adequate profits.

**IV. Disclosures**

Not Applicable

The Board commends the Special Resolutions set out at item Nos.6 and 7 of the Notice for approval by the members.

Except Mr. Jacob none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolutions set out at Item Nos. 6 and 7 of the Notice except to the extent of their shareholding interest, if any, in the Company.

**Inspection of Documents**

The Supplemental and Employment Agreements referred to in this Explanatory Statement will be available for inspection by members at the Registered Office of the Company between 10 a.m. to 12 noon on any working day prior to the date of the meeting.

By Order of the Board of Directors

**Marcel Rebello**

Company Secretary

Place: Delhi

Date: July 13, 2017

CIN No. U34300MH1990PLC055300

**Registered Office :**

Survey No 157, Devarwadi Village,

Post Shinoli, Chandgad Taluka,

Dist. Kolhapur, Maharashtra – 416507

Website: <http://www.oerlikon.com/fairfield/>

## DIRECTORS' REPORT

The Directors are pleased to present their Twentyseventh Annual Report together with the audited accounts of Fairfield Atlas Limited (the "Company") for the year ended March 31, 2017

### i. Financial Results

	(₹ in lakhs)	
	2016-17	2015-2016
Total Revenue	<b>41643.04</b>	38304.78
Profit before depreciation, Interest and Tax	<b>7007.54</b>	7373.41
Interest and other finance charges	<b>8.40</b>	90.71
Depreciation and Amortisation	<b>2024.88</b>	1771.31
Profit before Tax	<b>4974.26</b>	5511.39
Income tax expenses:		
Current tax	<b>1809.76</b>	2341.60
Deferred Tax charge (credit)/charge	<b>(136.32)</b>	13.64
Profit after tax	<b>3300.82</b>	3156.15

### ii. Dividend

The Directors did not recommend dividend for the year ended March 31, 2017.

### iii. Performance

During the financial year under review the Company was able to stabilize its performance both in the Domestic and Export Sector. Global repositioning measures were undertaken in the Drive segment, of which the Company is a part which favourably impacted the performance and operating profitability of the Company.

As a result there was an increase in total income for the financial year under review from ₹ 38304.78 lakhs in the previous year to ₹ 41643.04 lakhs in the financial year under review. Further due to substantial drop in finance charges consequent upon repayment of foreign currency loans Net Profit after tax for the year recorded an increase at ₹ 3300.82 lakhs as against ₹ 3156.15 lakhs in the previous financial year.

Business outlook for current financial year both in the Domestic and Export Sector continues to be positive. Forecast of normal monsoon this year augurs well for demand recovery. The Company continues to focus on cost controls coupled with process efficiencies. Efforts are on to diversify the customer portfolio and explore new market segments. The impact of these measures could help the Company to overcome several challenging situations.

### iv. Directors Responsibility Statement

Pursuant to the provisions of subsection (3)(c) of Section 134 of the Companies Act, 2013, the Board of Directors confirm:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are 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 as on March 31, 2017 and of the profit of the Company for the year ended on that date;

- (iii) that the Directors had taken proper and sufficient care for the 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) that the Directors had prepared the annual accounts for the year ended March 31, 2017 on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vii) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**v. Voluntary Offer**

Total shares acquired by the Promoters pursuant to the Voluntary offer was 47974 equity shares. Accordingly as on year end the Promoters hold 26875095 equity shares constituting 98.37 % of the issued and paid-up capital of the Company.

**vi. Finance**

The Company has no debts outstanding as on year end. Finance expenses were incurred only on foreign exchange transactions.

**vii. Number of meetings of the Board of Directors**

During financial year ended March 31, 2017 five Board Meetings were held

The dates on which the Board Meeting were held are May 4, 2016, July 27, 2016, October 28, 2016 November 16, 2016, and January 31, 2017.

The Attendance of the Directors at these meetings was as under:

<b>Directors</b>	<b>Number of Board Meetings attended</b>
Mr. Oliver Dohn (Chairman)	1
Mrs. Milagros M.C. Perez	2
Mr. J.M. Mapgaonkar	4
Mr. Sunil Sehgal	5
Mr. K.N. Rattan	4
Mr. D.E. Jacob	4

**viii. Statement on Declaration given by Independent Directors under sub-section (6) of Section 149**

The Independent Directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act 2013 stating that they meet the criteria of independence as provided in subsection (6). During the Financial year a meeting of the Independent Directors was held on 16th November, 2016.

**ix. Subsidiaries**

The Company does not have any subsidiary.

**x. Particulars of Loans, Guarantees or Investments under Section 186**

No Loans, Guarantees were given and no Investments made during the Financial year ended March 31, 2017.



**xi. Extract of Annual Return**

The Extracts of the Annual Return is prepared in Form MGT-9 as per provisions of the Companies Act 2013 and Rule 12 of the Companies (Management and Administration) Rules 2014 and the same is enclosed as Annexure I to this Report.

**xii. Particulars of Contracts or arrangements with related parties referred to in sub-section(1) of Section 188.**

The particulars of contracts or arrangements with related parties referred to in sub-section(1) of Section 188 is prepared in Form No. AOC-2 pursuant to clause (h) of sub-section(3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014 and the same is enclosed as Annexure II to this Report.

**xiii. Transfer of Amount to Reserves**

The Company proposes to transfer ₹ 3300.82 lakhs to General Reserve for the Financial year ended March 31, 2017.

**xiv. Corporate Social Responsibility**

Corporate Social Responsibility (CSR) as recommended by the Committee and accepted and adopted by the Board encompasses mechanism for undertaking socially useful programs for welfare and sustainable development of the underprivileged groups of Urban and Rural Communities. These programs would focus on education issues, empowerment of women, health care including working with elderly citizens and old age homes, developing source of pure drinking water specifically in rural areas, environment sustainability etc. These would help the development of not only stakeholders but Society as a whole. A Corporate Social Responsibility Committee is constituted with Mr. Sunil Sehgal, Mr. D.E. Jacob and Mr. J.M. Mapgaonkar (independent director) as members.

A Report on Corporate Social Responsibility in the format as per Rule 8 of Company (Corporate Social Responsibility Policy) Rules 2014 is enclosed as Annexure III to this Report.

Reason for shortfall of ₹ 24,12,117/- in CSR spend.

It was planned to develop a pond at Charal Village, Sanand, Gujarat which got delayed due to non-receipt of necessary approvals from Panchayat authorities and obtaining drawings from the Architect for the said development. The unspent amounts are planned to be spent in FY 2017-18.

During the Financial year, Corporate Social Responsibility Committee meetings were held on July 27, 2016 and November 16, 2016.

Attendance at these meetings was as under:

<b>Members</b>	<b>Number of meetings attended</b>
Mr. Sunil Sehgal (Chairman)	2
Mr. J. M. Mapgaonkar	2
Mr. K.N.Rattan	2

**xv. Industrial Relations**

During the financial year, Industrial relations at the Company's Plant continued to be cordial and harmonious. During the year, the Company organized various training programs, seminars and inter-active sessions for the benefit of the employees and enhancing their capabilities.

**xvi. Particulars of Employees**

The Company had no employee who was in receipt of remuneration of ₹ 102 lakhs or more during the financial year under review or ₹ 8.50 lakhs or more per month during any part of the said year. Further as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 as amended a statement including the names and other particulars of the top ten employees in terms of remuneration drawn is set out in Annexure IV to this Report.

The Company does not have any employee who was employed throughout the financial year or part thereof and was in receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate is in excess of that drawn by the Managing Director and holds by himself or along with his spouse and dependent children not less than two percent of the equity shares in the Company.

**xvii. Conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act 2013 read with the Companies (Accounts) Rules**

The information required in respect to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules is furnished and is enclosed as Annexure V to this Report.

**xviii. Risk Management**

The Company has a risk management framework that works at various levels of the organization to oversee the various risks the Company faces. It has an organizational process for managing and reporting on risks and dealing with risk factors affecting the organization. The Company's risk management is carried out by a treasury department of the Company under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board gives directions for overall risk management.

Further some of the strategic risks are broadly monitored by the Oerlikon organization through monthly reports and management systems.

**xix. Mechanism for Evaluation of Board**

The evaluation of all Board members is done so as to ascertain appropriate skills and experience for effective functioning of the Board and individual directors.

The Board of Directors as a whole would be evaluated on the number of meetings held during the year, the duration of meetings the information given to the Board Members and the information exchanged between them.

Parameters for evaluating individual directors

- i. Attendance and level of active participation at Board Meetings.
- ii. Professional and educational qualifications and knowledge of the Company's activities and business environment.
- iii. Independence of judgement and contribution.
- iv. Safeguarding interests of Company.

**xx. Nomination and Remuneration Committee**

The members of the present Nomination and Remuneration Committee are Mr. J.M.Mapgaonkar and Mr. Keshwa N. Rattan (Independent Directors) and Mr. Sunil Sehgal. The Committee sets out a

Policy on remuneration of Senior Managerial Personnel and Managing Director. During the financial year one meeting of the Nomination and Remuneration Committee was held on 28th October, 2016.

Attendance at this meeting was as under:

Members	Number of meetings attended
Mr. J. M. Mapgaonkar (Chairman)	1
Mr. Sunil Sehgal	1
Mr. K.N.Rattan	1

Remuneration Policy for Managing Director and Senior Managing Personnel

- i. Managing Director would be paid such remuneration as mutually agreed between him and the Company within overall limits of the Companies Act 2013 and remuneration policy of Oerlikon Group as applicable to Senior Managerial Personnel and is subject to shareholder approval.
- ii. The remuneration of Key Managerial Personnel consists mainly of salary, allowances, perquisites, incentives.
- iii. Remuneration level is considered depending on the individual's role, experience and achievement of results.
- iv. Salary increases are determined on overall performance and in achieving success in key result areas.

Criteria of Independence of Directors would be as laid down in the Companies Act 2013. The Independent Directors would be required to abide by the Code of Conduct of Independence as specified in Schedule IV to the Companies Act 2013.

#### **xxi. Audit Committee**

The members of the present Audit Committee are Mr. J.M.Mapgaonkar and Mr. Keshwa N. Rattan (Independent Directors) and Mr. Sunil Sehgal. The Committee reviews with the Management the financial results prior to recommending them to the Board. The Committee recommends appointment of Statutory, Internal and Cost Auditors and fixing their remuneration. It formulates the scope, functioning, periodicity and methodicity for conducting the internal audit. All recommendations of Audit Committee were accepted by the Board. During the financial year two meetings of the Audit Committee were held on July 27, 2016 and November 16, 2016.

Attendance at these meetings was as under:

Members	Number of meetings attended
Mr. J. M. Mapgaonkar (Chairman)	2
Mr. Sunil Sehgal	2
Mr. K.N. Rattan	2

#### **xxii. Stakeholders Relationship Committee**

The members of the present Stakeholders Relationship Committee are Mr. J.M.Mapgaonkar, Mr. Sunil Sehgal and Mr. D.E. Jacob. The Committee meets as and when required to interalia deal with matters relating to transfer/transmission of shares, request for duplicate certificates and monitor redressal and grievances of shareholders. No meetings of Stakeholders Relationship Committee were required to be held during the financial year.

**xxiii. Material changes and commitments**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

**xxiv. Debonding of EOU**

The Company had set up a unit at Survey 116 & 119, Shinoli (Budruk) Taluka Chandgad, Dist Kolhapur, Maharashtra 416507 under EOU Scheme and accordingly Letter of Permission dated March 13, 2001 was issued to it. Subsequently the Company was granted continuation of EOU status for period of 5 years from time to time. The last year of current block ended in 2016-2017.

Income of this unit was fully exempted under Income Tax Act till Financial Year 2010-11. After Financial Year 2010-11, there was no such benefit available to this unit. Besides this there were apparently so many restrictions, reporting and cumbersome documentations for the transactions being made from this unit. Considering all these facts, the Company decided to de-bond this unit from EOU status and hence filed application with SEEPZ, Mumbai on December 4, 2015 for de-bonding of this unit. SEEPZ, Mumbai had given the Company in principle approval for de-bonding vide their letter dated January 14, 2016, subject to obtaining the no objection certificate from the jurisdictional Central Excise authority, Kolhapur.

Central Excise authority vide their letter dated February 20, 2017 had issued no objection certificate for final de-bonding of the unit from SEEPZ. Accordingly the Development Commissioner, SEEPZ Special Economic Zone, Mumbai approved and issued letter for final de-bonding of the E.O.U. unit with immediate effect vide his letter dated June 6, 2017.

**xxv. Directors and Key Managerial Personnel (KMP)**

It has been decided by Mr. Sunil Sehgal and Mrs. Milagros M.C. Perez who were appointed Directors on the same day i.e. 26th September, 2015 that Mrs. Milagros M.C. Perez will retire at this Annual General Meeting. Mrs. Milagros M.C. Perez being eligible offers herself for reappointment as Director.

During the year the Board of Directors of the Company at its meeting held on 28th October, 2016 upon recommendation of Nomination and Remuneration Committee and subject to the approval of the members at the ensuing Annual General Meeting appointed Mr. D.E. Jacob as Managing Director for a period of 3 years with effect from 1st November, 2016.

Mr. J.M. Mapgaonkar was appointed Independent Director for a term of 3 years with effect from September 27, 2014. Accordingly his tenure expires on September 27, 2017. The Nomination and Remuneration Committee has recommended a second term for Mr. Mapgaonkar as Independent Director. The Board of Directors has also approved the appointment of Mr. J.M. Mapgaonkar as Independent Director for a second term from September 27, 2017 upto the conclusion of 30th Annual General Meeting of the Company subject to approval of the members at the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Mapgaonkar for appointment as Independent Director. The Company has also received declaration from Mr. Mapgaonkar that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 Of the Companies Act, 2013 and his consent to act as Independent Director.

None of the directors of the Company is disqualified as on March 31, 2017 for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013.

There has been no other change in the Key Managerial Personnel of the Company during the year.

**xxvi. Auditors**

The Company's Auditors, Price Waterhouse Chartered Accountants LLP bearing firm Registration number 012754N/N500016, were appointed as the Statutory Auditors for a period of five years at the 26th Annual General Meeting upto the conclusion of the 31st Annual General Meeting of

the Company subject to ratification of their appointment by the members at every Annual General Meeting. They have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for reappointment as Auditors of the Company.

The members are requested to ratify appointment of the Auditors as aforesaid and fix their remuneration.

#### **xxvii. Cost Auditors**

The Board of Directors has upon recommendation of the Audit Committee re-appointed M/s. M.P. Turakhia and Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2017-18 subject to approval of the Central Government.

Necessary certificate/confirmation has been obtained from M/s. M.P. Turakhia and Associates to the effect that they are eligible for appointment as Cost Auditors under Sec 141(3)(g) of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

#### **xxviii. Internal Auditors**

The Board has appointed M/s.T.R. Chadha & Co LLP a reputed firm of Chartered Accountants as Internal Auditors for the Financial year ending March 31, 2018. The Company also has adequate internal financial controls commensurate with its scale of operations. These are regularly monitored by Oerlikon group financial controls.

#### **xxix. Secretarial Auditor's Report**

As per the provisions of Section 204 of the Companies Act 2013, the Board of Directors have appointed GMJ Associates Practising Company Secretaries as Secretarial Auditor to conduct secretarial audit of the Company for the Financial year ended March 31, 2017.

Secretarial Audit Report issued by GMJ Associates in form MR-3 is enclosed as Annexure VI to this Report.

There are no qualifications, reservation or adverse remark in the Secretarial Audit Report.

#### **xxx. Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year the Company has not received any complaints pertaining to sexual harassment.

#### **xxxi. Auditors' Report**

The notes on Accounts, referred to in the Auditors' Report are self-explanatory. The Auditor's Report does not contain any qualification, reservation or adverse remark.

#### **xxxii. Acknowledgement**

The Directors express their sincere thanks for the continued support and valuable co-operation extended by Oerlikon Corporation and Oerlikon Fairfield USA and commitment and contribution of the employees at all levels to the performance of the Company.

**For and on behalf of the Board of Directors**  
**OLIVER DOHN**  
**Chairman**

Place: Delhi  
Date: July 13, 2017

**ANNEXURE I**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 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	U34300MH1990PLC55300
ii) Registration Date	1st February, 1990
iii) Name of the Company	Fairfield Atlas Limited
iv) Category/Sub-Category of the Company	Company Limited by Shares/Public Company
v) Address of the Registered Office and contact details	Survey No. 157, Devarwadi, Post Shinoli, Taluka Chandgad, Dist. Kolhapur, Maharashtra 416507 Tel: (02320)236605/6
Whether listed Company	NO
vii) Name, Address and contact details of Registrar and Transfer Agents, if any.	Sharex Dynamic (India) Private Limited Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400072 Tel: 28515606, 28515644 Fax: 28512885 Email:sharexindia@vsnl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company:

Serial No.	Name and Description of Main products/services	NIC Code of the product/service	% to total turnover of the company
1	Manufacture of bearings,gears,gearing and driving elements	28140	100%

**III.PARTICULARS OF HOLDING, SUSIDIARY AND ASSOCIATE COMPANIES**

Serial No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	TH Licensing Inc 1150, North Market Street,Suite 1300,Wilmington, Delaware, 19810 USA	Not Applicable	Holding	98.37	2(46)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

##### (i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year April 1, 2016				No. of shares held at the end of the year March 31, 2017				% change during the year
	Demat	Physical	Total	%of total shares	Demat	Physical	Total	%of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govts.	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks/FII	-	-	-	-	-	-	-	-	-
f. Any other									-
<b>Sub-Total (A)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	26827121	-	26827121	98.193	26875095	-	26875095	98.37	0.18
d. Banks/FII	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>26827121</b>	<b>-</b>	<b>26827121</b>	<b>98.193</b>	<b>26875095</b>	<b>-</b>	<b>26875095</b>	<b>98.37</b>	<b>0.18</b>
<b>Total shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	<b>26827121</b>	<b>-</b>	<b>26827121</b>	<b>98.193</b>	<b>26875095</b>	<b>-</b>	<b>26875095</b>	<b>98.37</b>	<b>0.18</b>
<b>B. Public</b>									
<b>1. Institutions</b>									
a. Mutual Funds	0	5500	5500	0.02	0	5500	5500	0.02	0
b. Banks/FI	0	100	100	0	0	100	100	0	0
c. Central Govt	0	0	0	0	0	0	0	0	0
d. State Govt.	0	0	0	0	0	0	0	0	0
e. Venture Capital	0	500	500	.002	0	500	500	.002	0
f. Insurance Companies	0	0	0	0	0	0	0		0
g. FIIs	0	9200	9200	0.034	0	9200	9200	0.034	0
h. Foreign Venture	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>15300</b>	<b>15300</b>	<b>0.056</b>	<b>0</b>	<b>15300</b>	<b>15300</b>	<b>0.056</b>	<b>0</b>

**2. Non Institutions**

a. Bodies Corporate									
i) Indian	31119	11500	42619	0.156	14539	11500	26039	0.095	(0.61)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	188928	241330	430258	1.575	165162	232930	398092	1.457	(0.118)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) HUF									
ii) Non Resident Indians	3242	2000	5242	0.019	3292	2000	5292	0.019	Nil
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iv) Foreign Nationals	-	-	-	-	-	-	-	-	-
v) Trusts	-	-	-	-	-	-	-	-	-
vi) Clearing members	-	-	-	-	722	-	722	0.003	0.003
<b>Sub-Total (B)(2)</b>	<b>223289</b>	<b>254830</b>	<b>478119</b>	<b>1.750</b>	<b>183715</b>	<b>246430</b>	<b>430145</b>	<b>1.574</b>	<b>(0.176)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>223289</b>	<b>270130</b>	<b>493419</b>	<b>1.81</b>	<b>183715</b>	<b>261730</b>	<b>445445</b>	<b>1.630</b>	<b>(0.18)</b>
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>27050410</b>	<b>270130</b>	<b>27320540</b>	<b>100.00</b>	<b>27058810</b>	<b>261730</b>	<b>27320540</b>	<b>100.00</b>	<b>Nil</b>

**(ii) Shareholding of Promoters**

Serial No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2016			Shareholding at the end of the year March 31, 2017			% change in shareholding During the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	<b>TH LICENSING INC.</b>	26827121	98.193	NIL	26875095	98.37	NIL	0.18
	<b>TOTAL</b>	<b>26827121</b>	<b>98.193</b>	<b>NIL</b>	<b>26875095</b>	<b>98.37</b>	<b>NIL</b>	<b>0.18</b>



**(iii) Change in Promoters' Shareholding:**

1.	TH LICENSING INC.	Date	Shareholding at the beginning of the year April 1, 2016		Increase or Decrease/ Reasons	No. of shares	Cumulative shareholding during the year ended March 31, 2017	
			No. of shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	<b>At the beginning of the year</b>	01.04.2016	26827121	98.193			26827121	98.193
		24.06.2016			Increase/ Transfer	28445	26855566	98.298
		30.06.2016			Increase/ Transfer	4500	26860066	98.315
		05.08.2016			Increase/ Transfer	5093	26865159	98.333
		09.09.2016			Increase/ Transfer	6436	26871595	98.357
		11.11.2016			Increase/ Transfer	3500	26875095	98.37
	<b>At the end of the year</b>	<b>31.03.2017</b>					<b>26875095</b>	<b>98.37</b>

**(iv) Shareholding pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Date	Name of the Shareholders	Shareholding at the beginning of the year		Increase/ Decrease Reasons	No. of Shares	Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1.		<b>Adroit Fin Ser Pvt. Ltd</b>						
	01.04.2016	At the beginning of the year	6144	0.022	-	-	6144	0.022
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	6144	0.022
2.		<b>SHCIL A/c GIC Mutual Fund</b>						
	01.04.2016	At the beginning of the year	5500	0.02			5500	0.02
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	5500	0.02
3.		<b>Shabbir Pardawalla</b>						
	01.04.2016	At the beginning of the year	5397	0.020	-	-	5397	0.020
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	5397	0.020
4.		<b>20th Century Finance</b>						
	01.04.2016	At the beginning of the year	3900	0.014	-	-	3900	0.014
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	3900	0.014

<b>5.</b>		<b>Trans global Resources</b>						
	01.04.2016	At the beginning of the year	3700	0.014	-	-	3700	0.014
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	3700	0.014
<b>6.</b>		<b>Mangirish Bhandarkar</b>						
	01.04.2016	At the beginning of the year	3000	0.011	-	-	3000	0.011
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	3000	0.011
<b>7.</b>		<b>Vijay Gupta (HUF)</b>						
	01.04.2016	At the beginning of the year	3000	0.011	-	-	3000	0.011
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	3000	0.011
<b>8.</b>		<b>Transnational Finance Company</b>						
	01.04.2016	At the beginning of the year	2500	0.009	-	-	2500	0.009
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	2500	0.009
<b>9.</b>		<b>Transnational Finance Companyi</b>						
	01.04.2016	At the beginning of the year	2500	0.009	-	-	2500	0.009
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	2500	0.009
<b>10.</b>		<b>Jaywanti Anil Savai</b>						
	01.04.2016	At the beginning of the year	2500	0.009	-	-	2500	0.009
		Nil movement during the year	-	-	-	-	-	-
	31.03.2017	At the end of the year	-	-	-	-	2500	0.009
<b>11.</b>		<b>Bina M.Shah</b>						
	01.04.2016	At the beginning of the year	5000	0.018	-	-	5000	0.018
	08.04.2016		-	-	Decrease/ Transfer	5000	-	-
	31.03.2017	At the end of the year	-	-	-	-	-	Nil
<b>12.</b>		<b>Aarti Lall Gupta</b>						
	01.04.2016	At the beginning of the year	2800	0.01	-	-	2800	0.01
	08.04.2016		-	-	Decrease/ Transfer	2800	-	-
	31.03.2017	At the end of the year	-	-	-	-	-	Nil

**(v) Shareholding of Directors and Key Managerial Personnel**

Serial No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year	% of total shares of the Company	Cumulative shareholding during the year	% of total shares of the Company
	<b>Directors</b>	No of Shares		No of Shares	
1.	Mr. D.E. Jacob				
	At the beginning of the year 01.04.2016	2	-	2	-
	Nil movement during year	-	-	-	
	At the end of the year 31.3.2017	-	-	<b>2</b>	-
	<b>Key Managerial Personnel</b>	-	-	-	-
1.	Mr. Marcel Rebello Company Secretary				
	At the beginning of the year 01.04.2016	2	-	2	-
	Nil movement during year	-	-	-	
	At the end of the year 31.3.2017	-	-	<b>2</b>	-

Note: Mr. Oliver Dohn, Mrs. Milagros M.C. Perez, Mr. J.M.Mapgaonkar, Mr. Sunil Sehgal, Mr. Keshwa N. Rattan being Directors and Mr. Vijay Sinha CFO did not hold any shares of the Company during Financial year 2016-2017.

**V. INDEBTEDNESS Amount in ₹**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the year</b>				
(i) Principal Amount	NIL	NIL	NIL	NIL
(ii) Interest due but not paid	NIL	NIL	NIL	NIL
(iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	
Reduction	NIL	NIL	NIL	
<b>Net change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	NIL	NIL	NIL	NIL
(ii) Interest due but not paid	NIL	NIL	NIL	NIL
(iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		<b>Mr. D.E. Jacob Managing Director</b>	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income –tax Act, 1961	₹ 74,05,678	₹ 74,05,678
	(b) Value of perquisites u/s 17(2) of Income-tax Act 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	NIL	NIL
2.	Stock Option		
3.	Sweat Option	NIL	NIL
4.	Commission -as % of profit -others specify	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>Total (A)</b>	<b>₹ 74,05,678</b>	<b>₹ 74,05,678</b>
	Ceiling as per Act being 5% of the net profits calculated as per section 198 of the Companies Act 2013	₹ 24,682,178	

**B. Remuneration to other Directors Amount in ₹**

Sl. No	Particulars of Remuneration	Names of Directors			
1.	Independent Directors	<b>Mr. J.M. Mapgaonkar</b>	<b>Mr. Keshwa N. Rattan</b>		<b>Total</b>
	-Fee for attending Board/ Committee Meetings -Commission -Others, please specify	100,000	80,000		180,000
	<b>Total (1)</b>	<b>100,000</b>	<b>80,000</b>		<b>180,000</b>
2.	Other Non-Executive Directors	<b>Mr. Sunil Sehgal</b>	<b>Mr. Oliver Dohn</b>	<b>Mrs. Milagros M.C.Perez</b>	
	-Fee for attending Board/ Committee Meetings -Commission -Others, please specify	NIL	NIL	NIL	
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	
	<b>Total (B)=(1+2)</b>	<b>100,000</b>	<b>80,000</b>		<b>180,000</b>
	Total Managerial Remuneration*				<b>7,585,678</b>
	Overall ceiling as per the Act#	1,00,000			

\* Total remuneration to Managing and other Directors (being total of A and B)

# The Company pays ₹ 20,000 as sitting fees to Directors for attending the Meeting of the Board or Committee thereof.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD Amount in ₹**

Particulars of Remuneration		Company Secretary	Chief Financial Officer	Total
Key Managerial Personnel		Mr. Marcel Rebello	Mr. Vijay Sinha	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income –tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act 1961 (c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	832,991	3,174,408	4,007,399
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, please specify	- -	- -	- -
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>832,991</b>	<b>3,174,408</b>	<b>4,007,399</b>

**VII.PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/NCLT/COURT]	Appeal made if any(give details)
<b>A. COMPANY</b> Penalty Punishment Compounding					
<b>B. DIRECTORS</b> Penalty Punishment Compounding			NOT APPLICABLE		
<b>C. OTHER OFFICERS IN DEFAULT</b>					

For and on behalf of the Board of Directors

Place: Delhi  
Date: July 13, 2017**OLIVER DOHN**  
Chairman

**ANNEXURE II  
Form AOC-2**

**(Pursuant to clause (h) of sub-section 3 of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

**a) Names of related parties and nature of relationship where control exists**

<b>Sr. No.</b>	<b>Category of related parties</b>	<b>Names</b>
1.	Ultimate Holding Company	OC Oerlikon Corporation A.G. Pfaffikon
2.	Subsidiary of Ultimate Holding Company	Fairfield Manufacturing Company Inc., U.S.A
3.	Holding Company	TH Licensing Inc. U S.A.
<b>Names of parties with whom transactions have taken place</b>		
4.	Fellow Subsidiaries	Graziano Trasmissioni India Private Limited Oerlikon Balzers Coating India Limited (Balzers) Oerlikon Drive systems (SUZHOU) Co. Ltd (earlier known as Oerlikon (China) Technology Co. Limited (OCTL) Oerlikon IT Solutions Ltd. PFAFFIKON Oerlikon Textile India Private Limited Graziano Transmission Czech S R O (GTC) Oerlikon Drive Systems GMBH Pfaffikon Graziano Transmission SPA (GTS) Oerlikon Graziano SPA
5.	Key Managerial Personnel	Mr. D. E. Jacob- Managing Director

## b) Transactions with related parties

Amount in ₹

	Holding		Fellow Subsidiaries	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Sale of goods</b>				
Fairfield Mfg. Co. USA	-	-	1,899,142,976	1,997,031,928
Graziano Trasmissioni India Pvt Ltd	-	-	73,636,677	6,312,519
Oerlikon Drive Systems (Suzhou) Co Ltd	-	-	385,596,816	217,533,521
Oerlikon Graziano SPA	-	-	34,883,958	31,558,046
<b>Total</b>	-	-	2,393,260,427	2,252,436,014
<b>Reimbursement receivable for expense</b>	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Purchase of Fixed Assets</b>				
Fairfield Mfg. Co. USA	-	-	19,452,195	8,751,305
Graziano Trasmissioni India Pvt Ltd	-	-	10,655,088	-
<b>Total</b>	-	-	30,107,283	8,751,305
<b>Trade Mark Fees</b>				
OC Oerlikon Corporation A.G., Pfaffikon	20,142,221	20,889,074	-	-
<b>Total</b>	20,142,221	20,889,074	-	-
<b>Legal Fees</b>				
OC Oerlikon Corporation A.G., Pfaffikon	-	356,849	-	-
<b>Total</b>	-	356,849	-	-
<b>Interest Paid / Provided</b>				
TH Licensing Inc., USA	-	8,518,379	-	-
<b>Total</b>	-	8,518,379	-	-
<b>Purchase of goods</b>				
Fairfield Mfg. Co. USA	-	-	17,843,445	39,940,534
Oerlikon Balzers Coating India Ltd	-	-	29,070,207	21,714,370
Oerlikon Drive Systems (Suzhou) Co Ltd	-	-	137,930	14,514
Graziano Trasmissioni India Pvt Ltd	-	-	60,332,696	28,105,441
<b>Total</b>	-	-	107,384,278	89,774,859

Amount in ₹

	Holding		Fellow Subsidiaries	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Development Tooling Income</b>				
Fairfield Mfg. Co. USA	-	-	779,110	1,989,540
Graziano Trasmissioni Ind (P) Ltd	-	-	12,471,565	-
<b>Total</b>	-	-	13,250,675	1,989,540
<b>Loan Repayment</b>				
Fairfield Mfg. Co. USA	-	-	-	59,028,772
TH Licensing Inc., USA	-	190,440,000	-	-
<b>Total</b>	-	190,440,000	-	59,028,772
<b>Management Fees</b>				
Oerlikon Textile India Private Ltd.	-	-	2,139,575	13,070,719
Oerlikon Drive Systems GMBH Pfaffikon	-	-	38,461,815	33,760,731
<b>Total</b>	-	-	40,601,390	46,831,450
<b>Information Technology Services</b>				
Oerlikon IT Solutions Ltd. PFA	-	-	17,627,383	18,427,574
Oerlikon Textile India Private Ltd.	-	-	2,265,178	2,348,135
<b>Total</b>	-	-	19,892,561	20,775,709

**c. Balances with related parties**

	Holdings		Fellow Subsidiaries	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>Outstanding receivables</b>				
Fairfield Mfg. Co. USA	-	-	262,641,434	432,932,910
Graziano Trasmissioni India Pvt Ltd	-	-	29,215,947	1,229,163
Oerlikon Drive Systems (Suzhou) Co Ltd	-	-	197,307,923	33,185,980
Oerlikon Graziano SPA	-	-	12,911,427	461,781
<b>Total</b>	-	-	502,076,731	467,809,834
<b>Trade balances due from</b>				
OC Oerlikon Corporation A.G., Pfaffikon	5,337,638	10,745,907	-	-
Fairfield Mfg. Co. USA	-	-	15,929,593	5,445,060



Amount in ₹

	Holdings		Fellow Subsidiaries	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Graziano Trasmissioni India Pvt Ltd	-	-	68,613,482	6,444,188
Oerlikon Balzers Coating India Ltd	-	-	7,146,612	5,982,523
Oerlikon IT Solutions Ltd. PFA	-	-	1,426,288	4,420,368
Oerlikon Textile India Private Ltd.	-	-	-	3,158,346
Oerlikon Drive Systems GMBH Pfaffikon	-	-	27,346,203	23,898,606
<b>Total</b>	<b>5,337,638</b>	<b>10,745,907</b>	<b>120,462,178</b>	<b>49,349,091</b>

Balances in foreign currency have been restated as per RBI rates as at the end of reporting period.

#### d. Transactions with KMP

Salary and perquisites* and contribution to provident fund and superannuation fund**	For the year ended March 31, 2017	For the year ended March 31, 2016
Mr. D. E. Jacob	7,405,678	7,179,197
<b>Total</b>	<b>7,405,678</b>	<b>7,179,197</b>

#### Notes:

\* Perquisites to KMP have been valued as per Incometax Act, 1961 and rules framed thereunder or at actuals as the case may be.

\*\* Excludes amount accrued towards Gratuity and compensated absences determined for the Company as a whole.

# includes goods in transit is Nil (previous year: ₹ 1,167,301)

#### c) Duration of the contracts/arrangements/transactions

The transactions pertain to the year April 1, 2016 to March 31, 2017.

d) **Dates of Approval of the Board if, any-** Nil as the contracts are in ordinary course of business and at arm's length basis.

#### e) Amounts paid as advances if, any

There are no advances paid during the year 2016-2017.

For and on behalf of the Board of Directors

Place: Delhi

Date: July 13, 2017

**OLIVER DOHN**  
Chairman

## ANNEXURE III

## CSR Report 2016-17

**Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules 2014**

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company's Corporate Social Responsibility ("CSR") Policy encompasses the philosophy for delineating its responsibility as a social corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the underprivileged group of Urban and Rural community.

In line with this statement, the Company's CSR Objectives are :

- To enhance value creation in the society through the Company's CSR initiatives and projects;
- To develop sustainable projects through responsible business practices and good governance;
- To design a process for and ensure an increased commitment at all levels in the organization towards social responsibility; and
- To involve its stakeholders and create a support in the process of social transformation
- Accordingly the Company's CSR Policy will focus on
- Promotion of Education
- Empowerment of Women
- Promotion of Health Care
- Developing source of pure drinking water specifically in rural areas
- Working with elderly citizens and supporting old age homes
- Skill Development
- Environment sustainability and community development and projects
- Promotion and development of traditional arts and handicrafts
- Promotion of sports for the underprivileged group.

Web link: [www.oerlikon.com/fairfield/](http://www.oerlikon.com/fairfield/).

2. Composition of CSR Committee

Serial Number	Name	Designation
1	Mr. Sunil Sehgal	Chairman
2	Mr. D. E. Jacob	Member
3	Mr. J.M. Mapgaonkar	Member (Independent Director)

3. Average Net Profits for the last three financial years

For financial year ended	Net Profits (₹ In lakhs)	Average Net Profits for preceding three financial years (₹ In lakhs)
March 31, 2016	₹ 5511.39	₹ 6506.61
March 31, 2015	₹ 6116.30	
March 31, 2014	₹ 7892.15	

4. Prescribed CSR expenditure (2% of Average Net Profits) : ₹ 130.13 lakhs

## 5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: ₹ 130.13 lakhs
- b. Amount unspent, if any: ₹ 24,12,117/-
- c. Manner in which the amount is spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State & district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	School Bags & Stationary - 3200 students of 40 schools surrounding of company	Education	Shinoli and surrounding of 40	5,657,811	5,729,381	5,729,381	Direct
	Infrastructure - Kowad Hostel & 1 Class Room, Solar Heaters		Kowad, Maharashtra				
2	Tree Plantation	Environment	Shinoli, Maharashtra	60,000	56,800	5,786,181	Direct
3	Medical Assistance	Healthcare	Shinoli, Maharashtra	711,996	823,071	6,609,252	Direct
	Additional Nutrition to HIV Infected Children - Milk		Belgaum, Karnataka				
	Fumigation		Shinoli & nearby villages, Maharashtra				
	Additional Nutrition to Kowad		Kowad, Maharashtra				
4	VTC - Teachers Salary, Building Rent, Study Material, Electricity, Gen Set & Water Charges, 3 Best Students Awards etc.	VTC	Shinoli, Maharashtra	957,900	887,971	7,497,223	Direct
5	Pond Development	Rural Development	Charal, Gujarat	5,625,293	3,103,660	10,600,883	Direct
	Bio Gas Installation						
				<b>13,013,000</b>	<b>Grand Total</b>	<b>10,600,883</b>	<b>Direct</b>

6. In case the Company has failed to spend the two per cent of average net profits 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.

It was planned to develop a pond at Charal Village, Sanand, Gujarat which got delayed due to non-receipt of necessary approvals from Panchayat authorities and obtaining drawings from the Architect for the said development. The unspent amounts are planned to be spent in FY2017-18.

7. We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

For and on behalf of the Corporate Social Responsibility Committee  
**D.E. Jacob** **Sunil Sehgal**  
**Managing Director** **Chairman (CSR Committee)**

For and on behalf of the Board of Directors

**Oliver Dohn**  
**Chairman**

Place: Delhi  
Date: July 13, 2017

**ANNEXURE IV**

**Statement of Particulars of Employees pursuant to the provisions of Rule (5) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name and designation	Remuneration Received in Rupees lakhs	Nature of Employment	Qualifications and experience of Employee	Date of commencement of employment	Age In years	Last employment held before joining company	The percentage of equity shares held within the meaning of clause(iii) of subrule (2) of Rule 5	Whether is a relative of any director or manager of the Company
1	D.E. Jacob Managing Director	74.06	contractual	B.E. 24 years	24th October, 2008	48	N.A.	N.A.	N.A.
2	V.A. Muthu Associate Vice-President	32.46	contractual	Dip. In Mech. Engg PG Diploma 23 years	26th September, 2003	45	RSB Transmission (I) Ltd.	N.A.	N.A.
3	Vijay K. Sinha General Manager	31.74	contractual	B.Sc. Maths, C.W.A 23 years	5th October, 2015	46	Helical Sprigs / Manesar, Gurgaon	N.A.	N.A.
4	Maruti A. Dolekar Senior Manager	24.89	contractual	Diploma in Business Mgt. 37 years	1st July, 1992	61	N.A.	N.A.	N.A.
5	Nilesh Gopaldas Lad General Manager	22.59	contractual	B.E. Mech 24 years	23rd August 2002	45	RSB Transmission (I) Ltd.	N.A.	N.A.
6	Suryakant Dadu Mane Dy. General Manager	18.79	contractual	Diploma in Mech. 25 years	1st November 1992	44	Singg Engg Work (training) / 10 months	N.A.	N.A.
7	Gopakumar M.Menon Asstt. General Manager	17.41	contractual	B.E. Electronics 25 years	12th October, 2008	49	Enkei Castalloy Limited / Pune	N.A.	N.A.
8	Nuthi E. Rao Asstt. General Manager	16.58	contractual	Diploma in Metallurgical Engg. 21 years	30th August, 2014	42	Hitech Gears Ltd.	N.A.	N.A.
9	Anil D. Jende Asstt. General Manager	13.96	contractual	Diploma in Mech. Engg 32 years	30th December 2006	50	Kientic Engg. Ltd., Ahmedabad	N.A.	N.A.
10	Anand V. Panse Senior Manager	13.72	contractual	BE Mech, MBS in Production 17 years	19th March 2016	47	Hendrickson Suspensions Pvt. Ltd., Pune	N.A.	N.A.

For and on behalf of the Board of Directors

Place: Delhi  
Date : July 13, 2017

**OLIVER DOHN**  
Chairman

## ANNEXURE: V

### CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Section 134(3)(M) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is forming part of the Directors Report for the year ended 31st March, 2017

#### (A) Conservation of Energy

The Company has recognized energy conservation as an important area in its operations. Accordingly it has made efforts to monitor and improve energy performance. To this end energy efficiency initiatives have been implemented across its Plants. The Company will continue its efforts at energy conservation in future by taking other measures on energy saving. Few of such steps that have been taken on energy conservation are listed below:

##### (i) The steps taken/impact on conservation of energy

#### **Energy Conservation Activities**

- Continued Open access power purchase from power trader at a benefit of 9 MINR per year.
- Replaced normal compressor of 1000 cfm with 625 cfm with VFD at saving of 3.2 MINR per year
- Air net piping system in place of GI piping in Blanking area.
- Conducted Energy Audit of entire compressed air system including compressors, distribution and consumption points
- Introduced VFD to 100 HP motor of Broaching machine at a saving of 0.50 MINR per year.
- Introduced VFD to 20 HP motor -2 Nos of Shot Blasting machine at a saving of 0.25 MINR per year.
- Open loop lubrication to closed loop lubrication system on shaping machine for saving of lubrication oil.
- Replaced conventional tube fittings to panel LED lights in all office area and assembly section.
- 100% elimination of T-5 tube fittings with LED tubes in EOU shop floor without affecting the lux level.
- Introduced VFD to high HP motors for energy saving.
- Maintained power factor as Unity throughout the year.
- Phase wise implementation of IE3 grade energy efficient motors.

#### **Proposed Energy Conservation Activities**

- Energy recovery system for compressor.
- Air net piping system in place of GI piping at assembly area.
- Installation of constant voltage stabilizers to lighting system
- 500 CFM VFD compressor in place of 3 Nos of 200 CFM compressors at DTA plant.
- Installation of LED street lights.

##### (ii) The steps taken by the Company for utilizing Alternate sources of Energy:

During the financial year under review the Company did not have any plans for utilizing alternate sources of energy.

(iii) The capital investments on energy conservation equipments:

No specific investments on energy conservation equipments made during the year

**(B) Technology Absorption**

(i) The efforts made towards technology absorption : NIL

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(iii) In case of imported technology(imported during the last three years reckoned from the beginning of the financial year)

No Technology has been imported during last three years

(iv) The expenditure incurred on Research and Development NIL

**(C) Foreign Exchange Earnings and outgo**

The information on foreign exchange earnings and outgo is furnished in Note to financial statements at Notes No: 34 and 35

For and on behalf of the Board of Directors

Place: Delhi  
Date: July 13, 2017

**OLIVER DOHN**  
Chairman

**Annexure VI****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

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

To,  
The Members,  
**FAIRFIELD ATLAS LIMITED**  
Survey. No. 157, Devarwadi Village,  
Chandgad Taluk,  
Dist: Kolhapur – 416 507

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FAIRFIELD ATLAS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions of the applicable Acts 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of the Companies Act, 1956.
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
- iv. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

Further being an Automotive Transmission Gears and Gear boxes (Manufacturing Industry), there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to

monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour and social security laws, environmental laws, safety laws, IPR laws and competition laws etc.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors as on March 31, 2017. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Majority of the decisions being carried through were captured and recorded as part of the minutes.

We 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.

For **GMJ & ASSOCIATES**  
Company Secretaries

sd/-  
**[MAHESH SONI]**  
PARTNER  
FCS: 3706 COP: 2324

PLACE: MUMBAI

DATE: July 13, 2017.

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



## ANNEXURE A

**To,  
The Members,  
M/s. FAIRFIELD ATLAS LIMITED**  
Survey. No. 157, Devarwadi Village,  
Chandgad Taluk,  
Dist: Kolhapur - 416507

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of 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 and regulations, standards is the responsibility of the 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.

For **GMJ & ASSOCIATES**  
Company Secretaries

sd/-  
**[MAHESH SONI]**  
PARTNER  
FCS: 3706 COP: 2324

PLACE: MUMBAI  
DATE: July 13, 2017.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF FAIRFIELD ATLAS LIMITED**

#### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of Fairfield Atlas Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

2. 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 financial statements to 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2017, and its profit and its cash flow for the year ended on that date.

## Other Matter

9. The financial statements of the Company for the year ended March 31, 2016, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated July 29, 2016, expressed an unmodified opinion on those financial statements

## Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 it appears from our examination of those books, except that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid 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 the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A.
  - (g) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph (b) above that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements – Refer note 27.
    - ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
    - iv. The Company has provided 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 the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 40.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N-500016  
Chartered Accountants

Place: Pune  
Date: July 13 , 2017

**Amit Borkar**  
Partner  
Membership Number: 109846

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Fairfield Atlas Limited on the financial statements for the year ended March 31, 2017

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Fairfield Atlas Limited (the "Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. 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 Act.

#### **Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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 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 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 financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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**

8. 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 March 31, 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 **Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N-500016  
Chartered Accountants

Place: Pune  
Date: July 13, 2017

**Amit Borkar**  
Partner  
Membership Number: 109846

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Fairfield Atlas Limited on the standalone financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 10A on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory, including stocks with third parties, have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Employee State Insurance, the Company is regular in depositing undisputed statutory dues, including provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2017, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment
Employee State Insurance Act 1948	Contribution to Fund	329,114	August 2016 to September 2016	21st of following month	May 20, 2017

- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Total Disputed Amount (₹)</b>	<b>Amount paid under protest /Adjusted (₹)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Bombay Sales tax, 1959	Sales Tax	7,811,284	3,900,739	Financial Year 1998 – 2000	Maharashtra Sales Tax Tribunal, Mumbai
Central Sales Tax, 1956	Sales Tax	440,938	70,000	Financial Year 2009-2010	Assistant Commercial Tax officer
		6,085,420	-	Financial Year 2010-2011	The Joint Commissioner, Sales Tax (Appeal)
		10,005,214	-	Financial Year 2011-2012	The Joint Commissioner, Sales Tax (Appeal)
		17,014,790	-	Financial Year 2012-2013	The Deputy commissioner of Sales Tax (Appeal)
Central Excise Act, 1944	Excise Duty	330,614	-	August 2014 to September 2015	The Assistant commissioner of Central Excise.
		396,163,581	9,904,090	August 2009 to March 2014	Custom Excise & Service Tax Appellate Tribunal
		5,571,180	-	April 2003 to March 2007	The Commissioner, Central Excise (Appeals)
		224,374	-	Sept 2013 to October 2014	The Assistant commissioner of Central Excise.
		109,491	-	March 2015 to Sept 2015	The Superintendent of Central Excise
		85,009	-	April 2011 to March 2014	The Superintendent of Central Excise
The Income Tax Act 1961	Income Tax	1,227,174	1,222,174	Financial year 2007-08	The Commissioner of Income Tax (Appeals)
		1,658,972	1,658,972	Financial year 2008-09	Income tax Appellate Tribunal
		339,671	-	Financial year 2009-10	Income tax Appellate Tribunal
		143,140	-	Financial year 2010-11	The Commissioner of Income Tax (Appeals)
		93,046,962	-	Financial year 2011-2012	Income tax Appellate Tribunal
		2,155,056	-	Financial year 2012-2013	Dispute Resolution Panel



- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N-500016  
Chartered Accountants

Place: Pune  
Date: July 13 , 2017

**Amit Borkar**  
Partner  
Membership Number: 109846

**Balance Sheet as at March 31, 2017**

(All amounts in rupees, unless otherwise stated)

	Note	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	273,205,400	273,205,400
Reserves and surplus	4	2,459,565,478	2,114,381,359
		<u>2,732,770,878</u>	<u>2,387,586,759</u>
<b>Non-current liabilities</b>			
Deferred tax liability (net)	5	-	26,868
Long-term provisions	6	66,334,269	40,966,086
		<u>66,334,269</u>	<u>40,992,954</u>
<b>Current liabilities</b>			
<b>Trade payables</b>			
total outstanding dues of micro enterprises and small enterprises; and	7	2,104,055	9,645,053
total outstanding dues of creditors other than micro enterprises and small enterprises		721,605,481	557,036,460
<b>Other current liabilities</b>			
Short-term provisions	8	82,895,318	69,202,033
	9	135,132,654	161,356,166
		<u>941,737,508</u>	<u>797,239,712</u>
		<u>3,740,842,655</u>	<u>3,225,819,425</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
(i) Tangible fixed assets	10A	1,064,001,140	1,091,260,287
(ii) Intangible fixed assets	10B	7,646,202	9,749,994
(iii) Capital work-in-progress		67,287,542	29,522,761
Deferred tax assets (net)	5	5,613,014	-
Long-term loans and advances	11	330,899,852	219,815,752
Other non-current assets	12	-	1,500,000
		<u>1,475,447,750</u>	<u>1,351,848,794</u>
<b>Current assets</b>			
Inventories	13	585,578,408	479,269,591
Trade receivables	14	844,098,064	821,758,798
Cash and bank balances	15	168,961,749	202,991,163
Short-term loans and advances	16	606,830,594	366,584,368
Other current assets	17	59,926,090	3,366,711
		<u>2,265,394,905</u>	<u>1,873,970,631</u>
		<u>3,740,842,655</u>	<u>3,225,819,425</u>

The accompanying notes are an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

 For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm's Registration No: 012754N/N500016

**Amit Borkar**

Partner

Membership No:109846

 For and on behalf of the Board of Directors of  
**Fairfield Atlas Limited**
**D.E. Jacob**

Managing Director

DIN:02387819

**Sunil Sehgal**

Director

DIN: 05121461

**Vijay Sinha**

Chief Financial Officer

**Marcel Rebello**

Company Secretary

Place: Pune

Date: July 13, 2017

Place: Delhi

Date: July 13, 2017

**Statement of profit and loss for year ended March 31, 2017**

(All amounts in rupees, unless otherwise stated)

	Note	Year ended March 31, 2017	Year ended March 31, 2016
<b>Revenue from operations</b>			
Sale of products (gross)	18	4,081,210,109	3,782,148,862
Less: Excise duty		150,179,463	145,381,892
Sale of products (net)		3,931,030,646	3,636,766,970
Other operating revenues	19	129,944,014	114,867,743
<b>Total revenue from operations</b>		<b>4,060,974,660</b>	<b>3,751,634,713</b>
<b>Other income</b>	20	<b>103,329,281</b>	<b>78,843,498</b>
<b>Total revenue</b>		<b>4,164,303,941</b>	<b>3,830,478,211</b>
<b>Expenses</b>			
Cost of materials consumed	21	2,280,734,239	1,977,344,605
Changes in inventories of finished goods and work-in-progress	22	(60,434,110)	(53,965,955)
Employee benefits	23	414,105,650	317,899,795
Finance costs	24	840,569	9,071,081
Depreciation and amortisation	25	202,487,984	177,131,348
Other expenses	26	829,143,706	851,857,859
<b>Total expenses</b>		<b>3,666,878,038</b>	<b>3,279,338,733</b>
<b>Profit before tax</b>		<b>497,425,903</b>	<b>551,139,478</b>
<b>Income tax expense:</b>			
- Current tax		180,976,000	234,160,000
- Deferred tax (credit) / charge		(13,632,367)	1,364,334
<b>Profit after taxation for the year</b>		<b>330,082,270</b>	<b>315,615,144</b>
Earnings per equity share of ₹10 each (previous year ₹10 each)			
Basic and diluted earnings per share (₹)	29	12.08	11.55
<b>Significant accounting policies</b>	2		

The accompanying notes are an integral part of these financial statements.  
This is the Statement of Profit & Loss referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Chartered Accountants  
Firm's Registration No: 012754N/N500016

For and on behalf of the Board of Directors of  
**Fairfield Atlas Limited**

**Amit Borkar**  
Partner  
Membership No:109846

**D.E. Jacob**  
Managing Director  
DIN:02387819

**Sunil Sehgal**  
Director  
DIN: 05121461

**Vijay Sinha**  
Chief Financial Officer

**Marcel Rebello**  
Company Secretary

Place: Pune  
Date: July 13, 2017

Place: Delhi  
Date: July 13, 2017

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

(All amounts in rupees, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash flows from operating activities</b>		
Net profit before tax	497,425,903	551,139,478
<b>Adjustments:-</b>		
- Depreciation and amortisation	202,487,984	177,131,348
- Interest income	(2,112,202)	(2,422,669)
- Finance cost	840,569	9,071,081
- Loss/(gain) on sale / retirement of fixed assets (net)	2,987,251	2,694,708
- Provision no longer required written back	-	-
- Provision for doubtful receivables and advances	901,217	3,286,510
- Provision for excise duty demand	-	106,666,720
- Unrealised foreign exchange loss/ (gain)	14,309,137	11,206,935
<b>Operating cash flow before working capital changes</b>	<b>716,839,859</b>	<b>858,774,111</b>
<b>Adjustments for:</b>		
- (Increase)/Decrease in inventories	(106,308,817)	(51,798,948)
- (Increase)/Decrease in trade receivables	(37,549,620)	155,545,388
- (Increase)/Decrease in short term loans and advances	(240,246,226)	(300,616,469)
- (Increase)/Decrease in long terms loans and advances	(101,717,746)	19,571,540
- (Increase)/Decrease in other current assets	(33,070,111)	(860,719)
- Increase /(Decrease) in trade payables	157,028,022	(22,214,919)
- Increase/(Decrease) in other current liabilities	2,433,310	2,488,227
- (Decrease)/Increase in short term provision	5,746,128	(6,899,396)
- (Decrease)/Increase in long term provision	25,368,183	6,409,159
<b>Cash generated from operations</b>	<b>388,522,983</b>	<b>660,397,974</b>
- Income tax paid (net)	(199,384,772)	(202,743,354)
<b>Net cash generated from operating activities (A)</b>	<b>189,138,211</b>	<b>457,654,620</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (tangible and intangible fixed assets and capital work-in-progress)	(233,078,182)	(162,991,177)
Proceeds from sale of fixed assets	7,533,865	2,240,445
Interest received	1,717,261	1,986,693
Movement in fixed deposits (net)	(26,415,308)	(4,400,000)
<b>Net cash (used) in investing activities (B)</b>	<b>(250,242,364)</b>	<b>(163,164,039)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of borrowings	-	(250,028,680)
Interest paid	(840,569)	(9,075,243)
<b>Net cash (used) in financing activities (C)</b>	<b>(840,569)</b>	<b>(259,103,923)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(61,944,722)</b>	<b>35,386,658</b>
<b>Cash and cash equivalents at the beginning of year (see below)</b>	<b>197,062,059</b>	<b>161,675,401</b>
<b>Cash and cash equivalents at the end of year (see below)</b>	<b>135,117,337</b>	<b>197,062,059</b>

**Cash flow statement for the year ended March 31, 2017 (Continued)**

(All amounts in rupees, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Notes to cash flow statement</b>		
<b>1</b> Components of cash and cash equivalents:		
Cash in hand	45,818	54,739
Balances with banks		
- in current accounts	51,916,217	150,726,318
- in Exchange Earner's Foreign Currency (EEFC) account	83,155,302	46,281,002
- Effect of exchange difference on balances with banks in foreign currency	-	-
	<b>135,117,337</b>	<b>197,062,059</b>

**2** The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash flow statements prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

**3** Figures in bracket represent cash outflow during the year.

This is the cash flow statement referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**  
Chartered Accountants  
Firm's Registration No: 012754N/N500016

**Amit Borkar**  
Partner  
Membership No:109846

Place: Pune  
Date: July 13, 2017

**For and on behalf of the Board of Directors of  
Fairfield Atlas Limited**

**D.E. Jacob**  
Managing Director  
DIN:02387819

**Vijay Sinha**  
Chief Financial Officer

Place: Delhi  
Date: July 13, 2017

**Sunil Sehgal**  
Director  
DIN: 05121461

**Marcel Rebello**  
Company Secretary

**Notes to the financial statements**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**1 General Information**

Fairfield Atlas Limited ('the Company') is primarily engaged in manufacturing and selling of automotive transmission gears and gear assemblies. The Company has manufacturing plant located in chandgad, Maharashtra and it sales its product within India as well as exports outside India.

**2 Summary of Significant accounting policies****2.1 Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 1, 2016.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current — non-current classification of assets and liabilities.

**2.2 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. The estimate of the assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the financial statements. Any revision to accounting estimates is recognised prospectively.

**2.3 Revenue recognition**

Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides

With the delivery of goods and are recognised net of trade discounts, rebates, sales taxes and excise duties and sales return.

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**2.4 Other Income**

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from duty drawback and premium of sale of import licenses is recognised on an accrual basis.

**2.5 Fixed assets and depreciation/amortisation****Tangible fixed assets**

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under the head 'Other current assets'. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost or revalued amount are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated. Useful lives of the assets, which are different than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the asset.

The estimates of useful lives of the tangible assets are as follows:

<b>Assets</b>	<b>Useful life</b>
Building	30 years
Bore well	5 years
Plant and equipment	15 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers	3 years
Material Handling Equipment	3 years
Tools & dies	Based on the number of units expected to be produced

accordingly based on the internal assessment and independent technical evaluation carried the management believes that the useful lives as given above best represents the period over which the management expects to use these assets.

Freehold land is not depreciated.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

Plant and machinery and furniture and fittings, costing individually ₹ 5,000 or less, are depreciated fully in the year of purchase.

Depreciation for the year is recognised in the Statement of Profit and Loss.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

**Intangible Assets and Amortization****A) Acquired Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The estimated useful lives of intangible assets are as follows

Assets	Useful life
Software	6 years

**Impairment**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**2.6 Inventories**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw



**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories which comprise raw materials, work-in-progress, finished goods, packing materials and stores and spares are carried at the lower of cost and net realisable value.

**2.7 Current and deferred taxes**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**2.8 Leases**

As a lessee:

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor is classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

**2.9 Foreign exchange transactions****Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**Subsequent Recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

**Derivatives and hedging activities**

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

**2.10 Employee benefits****(a) Provident Fund**

Contribution towards provident fund for employees is made to the Regulatory Authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further Obligations, apart from the contributions made on a monthly basis.

**(b) Gratuity**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Company's gratuity benefit scheme is a defined benefit plan funded with Life Insurance Corporation of India ('LIC'). The Company's obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified independent actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

**(c) Compensated absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**2.11 Earnings per share (EPS)**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2.12 Provisions**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingencies**

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

**2.13 Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**3 Share capital**

	As at March 31, 2017	As at March 31, 2016
Authorised:		
28,000,000 (previous year: 28,000,000) equity shares of ₹ 10 each	<u>280,000,000</u>	280,000,000
	<u>280,000,000</u>	<u>280,000,000</u>
Issued, subscribed and fully paid up:		
27,320,540 (previous year: 27,320,540) equity shares of ₹ 10 each, fully paid-up	<u>273,205,400</u>	273,205,400
	<u>273,205,400</u>	<u>273,205,400</u>

**a. Reconciliation of number of shares**

	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Equity shares				
As at the beginning and end of the year	27,320,540	273,205,400	27,320,540	273,205,400

**b. Rights, preference and restrictions attached to equity shares**

The Company has a single class of equity shares having face value of ₹10 each. Accordingly, all equity shares rank equally with regard to dividend and share in Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each shareholder is eligible for voting rights which cannot be exercised in respect of shares on which any call or other sum presently payable have not been paid. In the event of liquidation, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to their holding.

**c. Shares held by holding company and subsidiary of holding company**

	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Equity share of ₹10 each fully paid up held by T-H Licensing Inc., USA., a wholly-owned subsidiary of Fairfield Manufacturing Company Inc., U.S.A.	26,875,095	268,750,950	26,827,121	268,271,210
The ultimate holding company is OC Oerlikon Corporation A.G. Pfaffikon.				

**d. Particulars of shareholders holding more than 5% shares of a class of shares**

	As at March 31, 2017		As at March 31, 2016	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 10 each fully paid up				
T-H Licensing Inc., U. S. A	26,875,095	98.37%	26,827,121	98.19%

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**4 Reserves and surplus**

	As at March 31, 2017	As at March 31, 2016
Capital reserve		
Balance as at beginning and end of the year (refer note below)	5,500,000	5,500,000
<b>Surplus (Profit and loss balance)</b>		
At the commencement of the year	2,108,881,359	1,793,266,215
Transition effect as per the provision of Guidance Note on accounting of Derivatives Contracts (net of tax) Refer Note 33	15,101,849	-
Profit for the year	330,082,270	315,615,144
At the end of the year	2,454,065,478	2,108,881,359
<b>Total reserves and surplus</b>	<b>2,459,565,478</b>	<b>2,114,381,359</b>

Note : The Company had received cash subsidy from State Industrial and Investment Corporation of Maharashtra Limited (SICOM) under the 1988 package scheme of incentives in the nature of promoter's contribution.

**5 Deferred tax (liability)/asset (net)**

	As at March 31, 2017	As at March 31, 2016
<b>Deferred tax liability</b>		
Mark-to-Market gain on derivatives ( Refer Note)	18,350,760	-
Depreciation	37,508,457	51,528,824
	<b>55,859,217</b>	<b>51,528,824</b>
<b>Deferred tax assets</b>		
Provision for employee benefits	36,627,957	27,213,168
Provision for doubtful receivables / advances	3,348,567	3,036,673
Others	21,495,707	21,252,114
	<b>61,472,231</b>	<b>51,501,956</b>
<b>Deferred tax (liability)/asset (net)</b>	<b>5,613,014</b>	<b>(26,868)</b>

Note :- Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws. The Deferred tax liability of ₹7,992,485 relating to transition adjustments (refer note no. 33) has been netted against opening reserves in accordance with the transition provision.

**6 Long Tem Provisions**

	As at March 31, 2017	As at March 31, 2016
<b>Provision for employee benefits</b>		
Gratuity (Refer note 30)	5,465,994	297,866
Compensated absences	60,868,275	40,668,220
	<b>66,334,269</b>	<b>40,966,086</b>

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**7 Trade payables**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Dues to		
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 28 ) and	<b>2,104,055</b>	9,645,053
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	<b>140,612,243</b>	-
(ii) Others	<b>580,993,238</b>	557,036,460
	<b>723,709,536</b>	566,681,513

**8 Other current liabilities**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Advances received from customers	<b>3,192,964</b>	5,518,149
Employee benefits payables	<b>46,686,595</b>	41,084,268
Statutory dues including provident fund and tax deducted at source	<b>13,774,708</b>	14,668,727
Other liabilities	<b>245,304</b>	195,117
Creditors for capital goods	<b>18,995,747</b>	7,735,772
	<b>82,895,318</b>	69,202,033

**9 Short term Provision**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>Provision for employee benefits</b>		
Gratuity (Refer note 30)	<b>8,513,414</b>	-
Compensated absences	<b>2,976,520</b>	5,743,806
<b>Other provisions</b>		
Provision for current income tax (net of advance tax)	<b>16,976,000</b>	48,945,640
Provision for excise demand	<b>106,666,720</b>	106,666,720
	<b>135,132,654</b>	161,356,166

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**10A Fixed assets**

Particulars	Gross block				Accumulated depreciation and amortisation				Net block
	As at April 1, 2016	Additions during the year	Deletion during the year	As at March 31, 2017	As at April 1, 2016	Charge for the year	On deletion during the year	As at March 31, 2017	As at March 31, 2017
<b>TANGIBLE FIXED ASSETS</b>									
Freehold land	9,751,561	-	-	9,751,561	-	-	-	-	9,751,561
Borewell	1,694,214	-	-	1,694,214	1,195,836	307,689	-	1,503,525	190,689
Factory building	283,327,075	25,085,626	-	308,412,701	58,823,081	10,722,035	-	69,545,116	238,867,585
Plant and machinery	1,971,533,324	149,908,377	28,959,335	2,092,482,366	1,155,762,246	178,076,672	21,204,376	1,312,634,542	779,847,824
Office equipments	27,664,068	3,410,566	42,851	31,031,783	13,113,213	5,196,165	25,100	18,284,278	12,747,505
Furniture and fittings	20,816,304	558,734	-	21,375,038	7,382,314	1,895,438	-	9,277,752	12,097,286
Computer	22,219,505	3,832,858	166,551	25,885,812	17,466,514	2,649,347	149,101	19,966,760	5,919,052
Vehicles	13,756,242	850,000	6,301,936	8,304,306	5,758,802	1,536,846	3,570,980	3,724,668	4,579,638
	<b>2,350,762,293</b>	<b>183,646,161</b>	<b>35,470,673</b>	<b>2,498,937,781</b>	<b>1,259,502,006</b>	<b>200,384,192</b>	<b>24,949,557</b>	<b>1,434,936,641</b>	<b>1,064,001,140</b>

Particulars	Gross block				Accumulated depreciation and amortisation				Net block
	As at April 1, 2015	Additions during the year	Deletion during the year	As at March 31, 2016	As at April 1, 2015	Charge for the year	On deletion during the year	As at March 31, 2016	As at March 31, 2016
<b>TANGIBLE FIXED ASSETS</b>									
Freehold land	9,751,561	-	-	9,751,561	-	-	-	-	9,751,561
Borewell	1,694,214	-	-	1,694,214	793,184	402,652	-	1,195,836	498,378
Factory building	249,515,876	39,031,729	5,220,530	283,327,075	51,478,942	9,816,333	2,472,194	58,823,081	224,503,994
Plant and machinery	1,733,355,724	250,659,978	12,482,378	1,971,533,324	1,013,938,028	153,156,140	11,331,922	1,155,762,246	815,771,078
Office equipments	23,229,113	4,547,463	112,508	27,664,068	7,989,646	5,216,306	92,739	13,113,213	14,550,855
Furniture and fittings	19,546,871	1,269,433	-	20,816,304	5,457,226	1,925,088	-	7,382,314	13,433,990
Computer	21,547,295	1,160,464	488,254	22,219,505	15,361,959	2,592,809	488,254	17,466,514	4,752,991
Vehicles	14,640,425	-	884,183	13,756,242	4,269,785	1,944,683	455,666	5,758,802	7,997,440
	<b>2,073,281,079</b>	<b>296,669,067</b>	<b>19,187,853</b>	<b>2,350,762,293</b>	<b>1,099,288,770</b>	<b>175,054,011</b>	<b>14,840,775</b>	<b>1,259,502,006</b>	<b>1,091,260,287</b>

**10B Fixed assets**

Particulars	Gross block				Accumulated depreciation and amortisation				Net block
	As at April 1, 2016	Additions during the year	Deletion during the year	As at March 31, 2017	As at April 1, 2016	Charge for the year	On deletion during the year	As at March 31, 2017	As at March 31, 2017
<b>INTANGIBLE ASSETS</b>									
Software	12,835,924	-	-	12,835,924	3,085,930	2,103,792	-	5,189,722	7,646,202
	<b>12,835,924</b>	<b>-</b>	<b>-</b>	<b>12,835,924</b>	<b>3,085,930</b>	<b>2,103,792</b>	<b>-</b>	<b>5,189,722</b>	<b>7,646,202</b>

Particulars	Gross block				Accumulated depreciation and amortisation				Net block
	As at April 1, 2015	Additions during the year	Deletion during the year	As at March 31, 2016	As at April 1, 2015	Charge for the year	On deletion during the year	As at March 31, 2016	As at March 31, 2016
<b>INTANGIBLE ASSETS</b>									
Software	2,851,353	10,572,646	588,075	12,835,924	1,008,593	2,077,337	-	3,085,930	9,749,994
	<b>2,851,353</b>	<b>10,572,646</b>	<b>588,075</b>	<b>12,835,924</b>	<b>1,008,593</b>	<b>2,077,337</b>	<b>-</b>	<b>3,085,930</b>	<b>9,749,994</b>

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**11 Long-term loans and advances**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Unsecured, considered good (unless otherwise stated)		
Capital advances	<b>29,059,807</b>	6,132,585
Security deposits	<b>11,665,813</b>	11,595,322
Balances with excise, customs and sales tax authorities	<b>249,874,034</b>	148,174,037
Prepaid expenses	<b>571,096</b>	623,838
Advance tax recoverable and Tax deducted at source (Net of tax provision ₹ 180,976,000, March 31, 2016 - ₹ 234,160,000)	<b>39,729,102</b>	53,289,970
	<b>330,899,852</b>	219,815,752

**12 Other non-current assets**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Deposits with maturity more than 12 months	-	1,500,000
	-	1,500,000

Note: Fixed Deposit of ₹ Nil (Previous year: ₹ 1,500,000) is under lien with bank for the bank guarantee issued.

**13 Inventories**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Raw materials [includes in transit: ₹ 3,372,589 (March 31, 2016 ₹ 1,167,301)]	<b>196,628,485</b>	170,154,252
Work-in-progress	<b>215,481,816</b>	150,070,468
Finished goods [includes in transit: ₹ 99,479,639 (March 31, 2016 ₹ 74,930,657)]	<b>111,509,433</b>	116,486,671
Stores and spares	<b>61,958,674</b>	42,558,200
	<b>585,578,408</b>	479,269,591



**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**14 Trade receivables**

	As at March 31, 2017	As at March 31, 2016
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	-	-
- Doubtful	-	3,900,649
	-	3,900,649
Less: Provision for doubtful receivables	-	3,900,649
<b>(A)</b>	-	-
Other receivables		
- Considered good*	<b>844,098,064</b>	821,758,798
- Doubtful	<b>8,823,117</b>	4,021,251
	<b>852,921,181</b>	825,780,049
Less: Provision for doubtful receivables	<b>8,823,117</b>	4,021,251
<b>(B)</b>	<b>844,098,064</b>	821,758,798
<b>(A) + (B)</b>	<b>844,098,064</b>	821,758,798

\* Includes receivable of ₹ 32,408,005 (Previous year ₹ 1,229,163) from Graziano Transmission India (Private) Limited, in which directors of the company are directors.

**15 Cash and bank balances**

	As at March 31, 2017	As at March 31, 2016
<b>Cash and cash equivalents</b>		
Cash on hand	<b>45,818</b>	54,739
Balances with banks		
- In current accounts	<b>51,916,217</b>	150,726,318
- Exchange earners foreign currency account [USD 1,264,912 (previous year USD 707,552)]	<b>83,155,302</b>	46,281,002
	<b>135,117,337</b>	197,062,059
<b>Other bank balances</b>		
Deposit with maturity less than 12 months (Refer note below)	<b>33,844,412</b>	5,929,104
	<b>168,961,749</b>	202,991,163

Note: Fixed Deposit of ₹ 33,844,412 (Previous year: ₹ 5,929,104) is under lien with bank for various bank guarantees issued.

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**16 Short-term loans and advances**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
(Unsecured, considered good, unless otherwise stated)		
Security deposits	<b>175,000</b>	175,000
Balances with excise, customs and sales tax authorities	<b>575,611,354</b>	337,926,881
Prepaid expenses	<b>4,390,857</b>	5,540,715
Advance given to employees	<b>8,077,960</b>	5,823,915
Advance for supply of goods		
Considered good	<b>18,575,422</b>	17,117,857
Considered doubtful	<b>852,585</b>	852,584
	<b>19,428,008</b>	17,970,441
Less:- Provision for doubtful advances	<b>852,585</b>	852,584
	<b>18,575,423</b>	17,117,857
	<b>606,830,594</b>	366,584,368

**17 Other current assets**

	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
(Unsecured and considered good)		
Interest accrued on deposits	<b>1,999,728</b>	1,604,787
Mark-to-Market gain receivable on derivatives	<b>53,024,619</b>	-
Others Receivables	<b>3,097,757</b>	-
Insurance claim receivable	<b>1,803,986</b>	1,761,924
	<b>59,926,090</b>	3,366,711

**18 Revenue from operations**

	<b>Year ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>
Sale of products	<b>4,081,210,109</b>	3,782,148,862
Less: Excise duty	<b>150,179,463</b>	145,381,892
Sale of products (Total)	<b>3,931,030,646</b>	3,636,766,970
<b>Details of sales</b>		
Automotive transmission gears and gear assemblies	<b>3,931,030,646</b>	3,636,766,970
	<b>3,931,030,646</b>	3,636,766,970

**19 Other operating revenue**

	<b>Year ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>
Scrap sales	<b>24,232,630</b>	24,276,536
Sales tax refund	-	16,664,391
Export incentive	<b>71,701,451</b>	68,421,478
Tooling sale	<b>32,038,691</b>	5,306,610
Others	<b>1,971,242</b>	198,728
	<b>129,944,014</b>	114,867,743

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**20 Other income**

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on deposits	2,112,202	2,422,669
Net gain on account of foreign exchange fluctuations	44,850,668	73,979,726
Mark-to-Market gain on derivatives	53,024,619	-
Miscellaneous income	3,341,792	2,441,103
	<u>103,329,281</u>	<u>78,843,498</u>

**21 Cost of materials consumed**

	Year ended March 31, 2017	Year ended March 31, 2016
Raw materials and packing materials consumed		
Opening Inventory	170,154,252	166,509,887
Purchases	2,265,762,295	1,948,535,003
	<u>2,435,916,547</u>	<u>2,115,044,890</u>
Less: Closing inventory	196,628,485	170,154,252
	<u>2,239,288,062</u>	<u>1,944,890,638</u>
Freight inwards	41,446,177	32,453,967
	<u>2,280,734,239</u>	<u>1,977,344,605</u>

**22 Changes in inventories of finished goods and work-in-progress**

	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock		
-- Work-in-progress	150,070,468	149,728,486
-- Finished goods	116,486,671	62,862,698
<b>Total A</b>	<u>266,557,139</u>	<u>212,591,184</u>
Closing stock		
-- Work-in-progress	215,481,816	150,070,468
-- Finished goods	111,509,433	116,486,671
<b>Total B</b>	<u>326,991,249</u>	<u>266,557,139</u>
<b>(Increase)/Decrease in finished goods and work-in-progress (A-B)</b>	<u>(60,434,110)</u>	<u>(53,965,955)</u>

**23 Employee benefits**

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	313,588,436	266,256,602
Contribution to provident and other funds (Refer note 30)	20,332,839	15,655,738
Compensated absences	21,836,633	15,683,038
Gratuity expenses (Refer note 30)	20,451,801	794,774
Staff welfare expenses	37,895,941	19,509,643
	<u>414,105,650</u>	<u>317,899,795</u>

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**24 Finance costs**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Interest expense on</b>		
- Loans	-	8,518,379
- Others	267,462	153,790
Other bank charges	573,107	398,912
	<u>840,569</u>	<u>9,071,081</u>

**25 Depreciation and amortisation**

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of tangible fixed assets	200,384,192	175,054,011
Amortisation of intangible fixed assets	2,103,792	2,077,337
	<u>202,487,984</u>	<u>177,131,348</u>

**26 Other expenses**

	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of stores and spare parts	119,090,438	99,769,449
Excise duty related to increase/decrease in inventory of finished goods	631,973	(299,635)
Labour charges for re-sharpening tools	30,853,161	26,875,362
Wages to Sub-contractors	37,365,772	24,314,801
Power and fuel	196,414,464	194,000,564
Job work charges	98,317,299	103,945,351
Insurance	7,447,800	5,641,670
Rent (Refer note 38)	740,381	693,042
Rates and taxes	32,596,255	16,325,645
Repairs and maintenance:		
-- Building	10,976,667	11,980,896
-- Plant and machinery	35,484,625	26,565,982
-- Others	29,319,591	17,325,917
Legal and professional fees	11,650,568	11,818,578
Travelling and conveyance	26,065,893	22,094,152
Communication	4,660,919	5,328,298
Freight outward and forwarding expenses	51,073,444	37,651,952
Directors' sitting fees	180,000	400,000
Payment to Auditors' (excluding service tax)		
-- Statutory audit	1,748,450	1,543,400
-- Tax audit	250,000	250,000
-- Out-of-pocket expenses	-	-
Trade mark fees	20,142,221	20,889,074
Information Technology Fees	26,422,306	26,724,482
Management fees	40,601,390	46,831,450
Net loss on sale/retirement of fixed assets	2,987,251	2,694,708
Provision for doubtful receivables	901,217	3,286,510
Provision for excise duty demand	-	106,666,720
CSR Expenses (Refer note 39)	10,600,883	11,727,809
Miscellaneous expenses	32,620,738	26,811,682
	<u>829,143,706</u>	<u>851,857,858</u>

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**27 a) Contingent liabilities not provided for:**

Sr. no	Particulars	Year ended As at March 31, 2017	Year ended As at March 31, 2016
i)	Sales Tax/ VAT Liability under appeal	37,271,539	20,256,749
ii)	Excise duty and Service Tax Liability under appeal	295,817,529	306,625,139
iii)	Income Tax Liability under appeal	98,570,975	-
iv)	Others	600,000	-

**b) Capital commitments**

Estimated value of contracts in capital account remaining to be executed	79,771,594	66,294,131
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**c) Export commitments**

Export Obligations	210,323,286	-
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**28 Dues to Micro, small and Medium enterprise suppliers**

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
The Amount remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	2,104,055.00	9,645,053.24
- Interest	Nil	Nil
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006)	Nil	Nil
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil
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 MSMED Act.	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
The amount of future interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible of disallowance as a deductible expenditure under the MSMED Act, 2006.	Nil	Nil

**29 Earnings per Share**

	Year ended As at March 31, 2017	Year ended March 31, 2016
Net profit attributable to equity share holders (A)	330,082,270	315,615,144
Weighted average number of equity shares of ₹10 each outstanding during the year (B)	27,320,540	27,320,540
Basic and diluted earnings per share (₹ per equity share of ₹10 each) (A/B)	12.08	11.55

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**30A Employment benefits**
**Defined Benefit Plan**

	<b>Year ended As at March 31, 2017</b>	<b>Year ended March 31, 2016</b>
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**a) Gratuity**

The Gratuity scheme is funded with an insurance company in the form of qualifying insurance policy.

**(i) Present value of defined benefit obligation**

Balance at the beginning of the year	67,672,204	64,366,935
Interest cost	5,346,104	5,123,608
Current service cost	7,022,665	5,075,879
Actuarial (gain) / loss	13,919,156	(4,422,789)
Benefits paid	(1,778,340)	(2,471,429)
Balance at the end of the year	92,181,789	67,672,204

**(ii) Fair Value of Plan Assets**

Balance at the beginning of the year	67,374,338	49,861,383
Expected return on plan assets	5,625,757	3,968,966
Actuarial gain / (loss)	174,915	1,012,958
Contribution by the Company	6,805,711	15,002,460
Benefits paid	(1,778,340)	(2,471,429)
Balance at the end of the year	78,202,381	67,374,338

**Actual return on Plan Assets\***

\* Fair value of plan assets represent balances as confirmed by the Insurer managed fund

**(iii) Assets and Liabilities recognised in the Balance Sheet**

Present Value of Defined Benefit Obligation	92,181,789	67,672,204
Less: Fair Value of Plan Assets	78,202,381	67,374,338
<b>Amounts recognised as liability</b>	<b>13,979,408</b>	<b>297,866</b>
<b>Recognised under:</b>		
Long Term Provision	5,465,994	297,866
Short Term Provision (Refer Note 9)	8,513,414	-
<b>Total</b>	<b>13,979,408</b>	<b>297,866</b>

**(iv) Expense recognised in the Statement of Profit and Loss**

Current service cost	7,022,665	5,075,879
Interest cost	5,346,104	5,123,608
Expected return on plan assets	(5,625,757)	(3,968,966)
Actuarial (gain) / loss	13,744,241	(5,435,747)
<b>Total Expense</b>	<b>20,487,253</b>	<b>794,774</b>

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
<b>(v) Major category of plan assets as a % of total plan assets:</b>		
Insurer Managed Funds		
<b>(vi) Actuarial Assumptions</b>		
Discount rate	7.50%	7.90%
Salary growth rate	9.00%	8.00%
Expected return on plan assets	7.90%	8.35%
Expected average remaining working life	23.68	24.46
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

**(vii) Amounts recognised in current year and previous four years**

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>Gratuity</b>					
Defined benefit obligation	92,181,789	67,672,204			
Plan asset	78,202,381	67,374,338			
Surplus / deficit	(13,979,408)	(297,866)			
Experience adjustments in plan liabilities	1,270,077	(4,965,959)	2,116,010	10,104,505	2,490,738
Experience adjustments in plan assets	174,915	1,012,958	207,004	15,491	176,673

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
<b>(viii) Expected contribution to the gratuity fund in the next year</b>	8,513,414	5,760,945

**b) Compensated absences**

All eligible employees are entitled to receive benefits under the compensated absences policy. The Company provides for such liability on the basis of actuarial valuation for leaves encashable as at the year end.

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
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**Assumptions used**

Discount rate	7.50%	7.90%
Salary growth rate	9.00%	8.00%
Expected average remaining working life (Years)	23.68	24.46

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**c) Defined Contribution Plans**

Amount recognised in the Statement of Profit and Loss

(i) Contribution to Provident fund	18,214,035	15,449,146
(ii) Contribution to Employee state insurance plan	1,905,930	-
(iii) Contribution to Labour Welfare Fund	212,874	206,592

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**30B Longterm employee incentive plan**

The Company participates in the long term incentive (LTI) Plan of OC Oerlikon Management AG, Switzerland (the ultimate holding company) whereby selected employees are granted Performance Share Awards (PSA). These PSA are converted into Oerlikon shares if on the transfer date, the respective participant has an on-going employment relationship with the OC Oerlikon Group. The LTI plan is based on performance and vesting conditions that are measured for a period of 3 years. The Company has to pay OC Oerlikon Management AG, Switzerland an amount equivalent to the value of OC Oerlikon shares on the date of transfer of shares, delivered to the employee. The Company has recognized Nil expense (previous year ₹ 319,600) in respect of Company's long term incentive plan.

**31 Segment reporting**

**a. Primary segment : Business segment**

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of products and services. Consequently, the geographical segment has been considered as a secondary segment. Since the 100% of the Company's business is from automotive transmission gears, there are not other primary reportable segments.

**b. Secondary Segment: Geographic Segment**

	Year ended As at March 31, 2017			Year ended As at March 31, 2016		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue by location of customers	1,656,815,194	2,404,159,466	<b>4,060,974,660</b>	1,364,408,527	2,318,804,708	3,683,213,235
Carrying amount of segment assets	3,260,946,380	479,896,276	<b>3,740,842,655</b>	2,699,499,530	526,319,895	3,225,819,425
Additions to tangible and intangible assets	183,646,161	-	<b>183,646,161</b>	224,732,149	-	224,732,149

**32 Related party disclosures**

**a) Names of related parties and nature of relationship:**

Relationship	Name
Ultimate holding company	OC Oerlikon Corporation A. G. Pfaffikon
Holding company	TH Licensing Inc., U. S. A.
Subsidiary of ultimate holding company	Fairfield Manufacturing Company Inc., U. S. A.
Key management personnel (KMP)	Mr. D. E. Jacob – Managing Director
Fellow subsidiaries	Graziano Transmission India (Private) Limited (GTIPL)
	Oerlikon Balzers Coating India Ltd (Balzers)
	Oerlikon Drive Systems ( SUZHOU) Co. Ltd. (earlier know as Oerlikon (China) Technology Co. Ltd. (OCTL))
	Oerlikon IT Solutions Ltd. PFAFFIKON
	Oerlikon Textile India Private Limited.
	Graziano Transmission Czech S R O (GTC)
	Graziano Transmission SPA (GTS)
	Oerlikon Graziano SPA
	Oerlikon Drive Systems GMBH Pfaffikon



**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**b) Transactions with related parties**

	Holding		Fellow Subsidiaries	
	Year ended As at March 31, 2017	Year ended As at March 31, 2016	Year ended As at March 31, 2017	Year ended As at March 31, 2016
<b>Sale of goods</b>				
Fairfield Mfg. Co. USA	-	-	<b>1,899,142,976</b>	1,997,031,928
Graziano Transmission India Pvt Ltd	-	-	<b>73,636,677</b>	6,312,519
Oerlikon Drive Systems (Suzhou) Co Ltd	-	-	<b>385,596,816</b>	217,533,521
Oerlikon Graziano SPA	-	-	<b>34,883,958</b>	31,558,046
<b>Total</b>	-	-	<b>2,393,260,427</b>	2,252,436,014
<b>Reimbursement receivable for expense</b>	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Purchase of Fixed Assets</b>				
Fairfield Mfg. Co. USA	-	-	<b>19,452,195</b>	8,751,305
Graziano Transmission India Pvt Ltd	-	-	<b>10,655,088</b>	
<b>Total</b>	-	-	<b>30,107,283</b>	8,751,305
<b>Trade Mark Fees</b>				
OC Oerlikon Corporation A.G., Pfaffikon	<b>20,142,221</b>	20,889,074	-	-
<b>Total</b>	<b>20,142,221</b>	20,889,074	-	-
<b>Legal Fees</b>				
OC Oerlikon Corporation A.G., Pfaffikon	-	356,849	-	-
<b>Total</b>	-	356,849	-	-
<b>Interest Paid / Provided</b>				
TH Licensing Inc., USA	-	8,518,379	-	-
<b>Total</b>	-	8,518,379	-	-
<b>Purchase of goods</b>				
Fairfield Mfg. Co. USA	-	-	<b>17,843,445</b>	39,940,534
Oerlikon Balzers Coating India Ltd	-	-	<b>29,070,207</b>	21,714,370
Oerlikon Drive Systems (Suzhou) Co Ltd	-	-	<b>137,930</b>	14,514
GRAZIANO TRASMISSIONI IND (P) LTD	-	-	<b>60,332,696</b>	28,105,441
<b>Total</b>	-	-	<b>107,384,278</b>	89,774,859
<b>Development Tooling Income</b>				
Fairfield Mfg. Co. USA	-	-	<b>779,110</b>	1,989,540
GRAZIANO TRASMISSIONI IND (P) LTD	-	-	<b>12,471,565</b>	-
<b>Total</b>	-	-	<b>13,250,675</b>	1,989,540

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

	<b>Holding</b>		<b>Fellow Subsidiaries</b>	
	Year ended As at March 31, 2017	Year ended As at March 31, 2016	Year ended As at March 31, 2017	Year ended As at March 31, 2016
<b>Loan Repayment</b>				
Fairfield Mfg. Co. USA	-	-	-	59,028,772
TH Licensing Inc., USA	-	190,440,000	-	-
<b>Total</b>	<u>-</u>	<u>190,440,000</u>	<u>-</u>	<u>59,028,772</u>
<b>Management Fees</b>				
Oerlikon Textile India Private Ltd.	-	-	2,139,575	13,070,719
Oerlikon Drive Systems GMBH Pfaffikon	-	-	38,461,815	33,760,731
<b>Total</b>	<u>-</u>	<u>-</u>	<u>40,601,390</u>	<u>46,831,450</u>
<b>Information Technology Services</b>				
Oerlikon IT Solutions Ltd. PFA	-	-	17,627,383	18,427,574
Oerlikon Textile India Private Ltd.	-	-	2,265,178	2,348,135
<b>Total</b>	<u>-</u>	<u>-</u>	<u>19,892,561</u>	<u>20,775,709</u>
<b>c) Balances with related parties</b>				
<b>Outstanding receivables</b>				
Fairfield Mfg. Co. USA	-	-	-	432,932,910
			<b>262,641,434</b>	
Graziano Transmission India Pvt Ltd	-	-	29,215,947	1,229,163
Oerlikon Drive Systems (Suzhou) Co Ltd	-	-	-	33,185,980
			<b>197,307,923</b>	
Oerlikon Graziano SPA	-	-	12,911,427	461,781
<b>Total</b>	<u>-</u>	<u>-</u>	<u>502,076,731</u>	<u>467,809,834</u>
<b>Trade balances due from</b>				
OC Oerlikon Corporation A.G., Pfaffikon	5,337,638	10,745,907	-	-
Fairfield Mfg. Co. USA	-	-	15,929,593	5,445,060
Graziano Transmission India Pvt Ltd	-	-	68,613,482	6,444,188
Oerlikon Balzers Coating India Ltd	-	-	7,146,612	5,982,523
Oerlikon IT Solutions Ltd. PFA	-	-	1,426,288	4,420,368
Oerlikon Textile India Private Ltd.	-	-	-	3,158,346
Oerlikon Drive Systems GMBH Pfaffikon	-	-	27,346,203	23,898,606
<b>Total</b>	<u>5,337,638</u>	<u>10,745,907</u>	<u>120,462,178</u>	<u>49,349,091</u>

Balances in foreign currency have been restated as per RBI rates as at the end of reporting period.

**d) Transactions with KMP**

Salary and perquisites\* and contribution to provident fund and superannuation fund\*\*

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
	Mr. D. E. Jacob	7,405,678
<b>Total</b>	<u>7,405,678</u>	<u>7,179,197</u>

\* Perquisites to KMP have been valued as per Income tax Act, 1961 and rules framed thereunder or at actuals as the case may be.

\*\* Excludes amount accrued towards Gratuity and compensated absences, determined for the Company as a whole.

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**33 Unhedged foreign currency exposure as at the reporting date**

a) Derivatives outstanding as at the reporting Date.		Year ended As at March 31, 2017		Year ended As at March 31, 2016	
		Foreign Currency	Amount ₹	Foreign Currency	Amount ₹
Forward Contract to Sell	USD	16,800,000	1,145,928,000	13,500,000	917,460,000
b) Particulars of unhedged foreign currency exposures as at the reporting date					
Currency					
Receivables					
USD		7,397,696	472,860,752	8,128,540	531,687,797
Payables					
USD		269,465	17,714,597	155,443	10,450,433
CHF		494,422	33,274,602	558,948	39,064,881

\*\*As notified by the Reserve Bank of India

**c) Technique used to determined fair value:**

The fair value of forward foreign exchange contracts is determined using forward exchange rates as at the balance sheet date

**d) Financial Risk Management**

The Company's activities expose it to market risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's risk management is carried out by a treasury department of the Company under policies approved by the Board of Directors.

The treasury department identifies, evaluates and hedges financial risks. The Board gives direction for overall risk management as well as policies covering specific areas, such as foreign exchange risk, use of derivative financial instruments and non-derivative financial instruments. The note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.

**Foreign Exchange Rate**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable USD Income. The objective of the hedge is to minimise the impact of the volatility of the foreign currency cost on highly probable forecast income. The Company has applied the provisions of Guidance note on Accounting for Derivative Contracts effective April 01, 2016 in respect of outstanding foreign exchange forward contracts. Accordingly fair value gains/losses on account of foreign exchange derivative contracts (other than those covered under AS 11) are recognised as income/expense for the year. Consequent to change in the accounting policy, an amount of ₹ 15,101,842, (Net of Deferred tax of ₹7,992,484 ) has been recognised in the opening retained earning as of April 01, 2016 in respect of contracts outstanding as on that date. Profit for the year ended March 31, 2017 is higher by ₹53,024,619 on account of the change in the policy.

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**34 Earnings in foreign currency (accrual basis)**

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
Revenue from exports on FOB basis	2,404,159,466	2,316,815,168
Development Tooling Income	779,110	1,989,540
<b>Total</b>	<b>2,404,938,576</b>	<b>2,318,804,708</b>

**35 Expenditure in foreign currency (accrual basis)**

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
Travelling and Conveyance	384,434	645,736
Trade-mark fees	20,142,221	20,889,074
Country Cost Exp / Segment Fees	38,461,815	33,760,731
Interest on Loan	-	8,518,379
IT fees	17,627,383	24,827,885
Legal and Professional Fees	-	1,469,881
Job work charges Others	10,582,072	36,119,748
<b>Total</b>	<b>87,197,925</b>	<b>126,231,434</b>

**36 Value of imported and indigenous materials consumed**

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
Raw materials, components and spares		
- <b>Imported</b>		
- Amount	309,676,541	151,132,391
- Percentage	13.58%	7.64%
- <b>Indigenous</b>		
- Amount	1,971,057,698	1,826,212,214
- Percentage	86.42%	92.36%
- Total		
- Amount	2,280,734,239	1,977,344,605
- Percentage	100.00%	100.00%

**37 CIF Value of Imports**

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
Raw materials	240,840,554	273,706,315
Stores, spare Parts and packing materials	8,054,588	8,985,542
Capital goods	42,066,528	66,807,576
<b>Total</b>	<b>290,961,670</b>	<b>349,499,433</b>

**Notes to the financial statements (Continued)**

For the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**38 Operating Lease**

	Year ended As at March 31, 2017	Year ended As at March 31, 2016
As Lessee	740,381	693,042
<b>Total</b>	<b>740,381</b>	<b>693,042</b>

**39 Corporate Social Responsibility Expenditure**

- Gross amount required to be spent by the company during the financial year 2016-17 ₹13,133,000/-

Amount spent during the year on:

	In Cash	Yet to Paid in cash	Total
Construction/acquisition of any asset	2,283,256	-	2,283,256
On purposes other than (i) above	8,317,627	-	8,317,627
	10,600,883		10,600,883

**40 Specific bank note disclosures**

	Specific bank note	Other notes	Total	Date of Deposit
Balance as at 8 November 2016	51,000	2,102	53,102	
Less : Paid for permitted transactions			-	
Less : Deposited in bank accounts	51,000	200	51,200	₹3,500 /- Dt.22/11/2016 & ₹47,700/- Dt. 16/11/2016
Less : Paid for non-permitted transactions (if relevant)			-	
Add : Receipts for permitted transactions			-	
Add : Receipts for non-permitted transactions (if relevant)			-	
Closing balance as at 30 December 2016	-	1,902	1,902	

**41** Previous year figures have been regrouped/ reclassified, wherever required, to conform to current year classification.**For Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm's Registration No: 012754N/N500016

**Amit Borkar**

Partner

Membership No:109846

**For and on behalf of the Board of Directors of  
Fairfield Atlas Limited****D.E. Jacob**

Managing Director

DIN:02387819

**Sunil Sehgal**

Director

DIN: 05121461

**Vijay Sinha**

Chief Financial Officer

**Marcel Rebello**

Company Secretary

Place: Pune

Date: July 13, 2017

Place: Delhi

Date: July 13, 2017

**FAIRFIELD ATLAS LIMITED**

Registered Office: Survey 157, Devarwadi, Taluka Chandgad, Post Shinoli, Dist. Kolhapur, Maharashtra 416507  
 CIN U34300MH1990PLC055300 • Website: www.oerlikon.com/fairfield/  
 Telephone: 02320236605/06 • Fax: 02320236615 • Email: fairfieldatlas@vsnl.com

**PROXY FORM**

**27TH Annual General Meeting, Wednesday, September 27, 2017**

Name of the Member(s).....  
 (In Block Letters)  
 Registered Address.....  
 E-Mail Id.....  
 Folio No./ Client ID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID.....

I/We being member(s) of.....  
 shares of the above named Company, hereby appoint

- Name .....  
 Address.....  
 Email Id ..... Signature....., or failing him/her
- Name .....  
 Address.....  
 Email Id ..... Signature....., or failing him/her
- Name .....  
 Address.....  
 Email Id ..... Signature....., or failing him/her

and whose signatures are appended below as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentyseventh Annual General Meeting of the Company, to be held on Wednesday September 27, 2017 at 4.00 p.m. at the Registered Office of the Company situated at Survey 157, Devarwadi, Taluka Chandgad, Post Shinoli Dist. Kolhapur, Maharashtra 416507 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution	FOR	AGAINST
1	Consider and Adopt Audited Statement of Profit and Loss for the year ended March 31, 2017, the Balance Sheet and the Reports of the Directors and Auditors thereon		
2	Reappointment of Mrs. Milagros M.C.Perez Director who retires by rotation		
3	Ratification of appointment of Price Waterhouse Chartered Accountants LLP as Statutory Auditors and fixing their remuneration		
4	Appointment of Mr. J.M.Mapgaonkar as Independent Director for a second term		
5	Ratification of remuneration payable to M/s M.P.Turakhia Cost Auditors for the financial year 2017-2018		
6	Increase in remuneration payable to Mr. D.E. Jacob Managing Director w.e.f. April 1, 2016		
7	Appointment of Mr. D.E.Jacob as Managing Director for a further period of 3 years w.e.f. November 1, 2016		

Signed this.....day of.....2017

Affix  
 Revenue  
 Stamp

Signature of shareholder(s).....

Signature of Proxy holder(s).....

**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the Annual General Meeting.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total 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 person or member.
- A Proxy need not be a Member of the Company



**oerlikon**  
**fairfield**

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Dist Kolhapur, Maharashtra 416507.