

oerlikon
fairfield

FAIRFIELD ATLAS LIMITED



26th
ANNUAL REPORT
2015-2016



FAIRFIELD ATLAS LIMITED

Contents:

Notice	1
Explanatory Statement	6
Directors' Report	7
Independent Auditor's Report.....	37
Balance Sheet as at 31st March 2016.....	44
Statement of Profit and Loss for the year ended 31st March, 2016.....	45
Cash Flow for the year ended 31st March 2016	46
Notes to the Financial Statements.....	48
Proxy Form.....	84

FAIRFIELD ATLAS LIMITED

BOARD OF DIRECTORS

: Mr. Oliver Dohn
Chairman

Mr. D.E. Jacob
Managing Director

Mrs. Milagros M.C. Perez

Mr. J.M. Mapgaonkar
Independent Director

Mr. Sunil Sehgal

Mr. Keshwa N. Rattan
Independent Director

Mr. Riad Fyzee upto 30th September 2015

Mr. Rajesh Aggarwal upto 6th November, 2015

Mr. Khurshed M. Thanawalla upto 31st March, 2016

COMPANY SECRETARY

: Mr. Marcel Rebello

CHIEF FINANCIAL OFFICER

: Mr. Vijay Kumar Sinha

AUDITORS

: B S R & Associates LLP
Chartered Accountants
Mumbai

BANKERS

: AXIS Bank Limited
HDFC Bank Limited

REGISTERED OFFICE AND DOMESTIC UNIT

: Survey 157,
Devarwadi Village, Post Shinoli, Chandgad Taluka,
Dist. Kolhapur, Maharashtra 416507
Tel.: (02320) 236605/6
Email: fairfieldatlas@vsnl.com

EXPORT ORIENTED UNIT

: Survey 116 and 119,
Shinoli (Budruk) Chandgad Taluka,
Dist. Kolhapur, Maharashtra 416507
Tel.: (02320) 236605/6

CORRESPONDENCE ADDRESS

: 3941/2B-9, Club Road, Basav Nagar,
Belgaum-590 001
Tel.: (0831) 2434906 Telefax: (0831) 2427210

REGISTRARS AND SHARE TRANSFER AGENTS

: 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
Email : sharexindia@vsnl.com

CIN NO

: U34300MH1990PLC055300

WEBSITE:

: www.oerlikon.com/fairfield/.

NOTICE

NOTICE is hereby given that the Twenty-Sixth Annual General Meeting of Members of Fairfield Atlas Limited (the "Company") will be held on Tuesday 27th September 2016 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 31st March, 2016, 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 Mr. Oliver Dohn (holding DIN 07055101) who retires by rotation and being eligible, offers himself 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 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 and pursuant to the recommendation of the Audit Committee Price Waterhouse Chartered Accountants LLP(Firm's Registration number No.012754N/N500016) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of their appointment at every Annual General Meeting) 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.

4. To ratify the remuneration of Cost Auditors for financial year 2016-2017 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 Agro machinery for the financial year ending 31st March, 2017 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"

NOTES:

- a) The relative Explanatory Statement as required by Section 102 of the Companies Act, 2013 in regard to item no. 4 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 Tuesday, 20th September, 2016 to Tuesday, 27th September, 2016 (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 Share 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 Share 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 26th 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 Saturday, 24th September, 2016 at 9.00 A.M. and ends on Monday, 26th September, 2016 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 Tuesday, 20th September, 2016, 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.

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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:

	For Members holding shares in Demat Form and Physical Form
PAN	<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"> 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. 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.
DOB	<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>
Dividend Bank Details	<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"> 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)

- (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 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.
 - 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 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, under help section or write an email to 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 Tuesday 20th September, 2016 being the cut off date. Members are eligible to cast their vote only if they are holding share as on that date.
- (xxi) 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.
- 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/ 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: Noida
Date: 27th July, 2016
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')

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No.4

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 27th July, 2016 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 Agro machinery for the financial year ending 31st March, 2017. As approved by the Board the Annual remuneration payable to M/s .M.P.Turakhia & Associates for the financial year ending 31st March, 2017 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.4 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. 4 of the Notice except to the extent of their shareholding interest, if any, in the Company.

By Order of the Board of Directors
Marcel Rebello
Company Secretary

Place: Noida

Date: 27th July, 2016

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 Twentysixth Annual Report together with the audited accounts of Fairfield Atlas Limited (the "Company") for the year ended 31st March, 2016.

i. Financial Results

	(₹in lakhs)	
	2015-16	2014-2015
Total Revenue	38,304.78	42,281.27
Profit before depreciation, Interest and Tax	7,373.41	7,912.35
Interest and other finance charges	90.71	182.19
Depreciation and Amortisation	1,771.31	1,613.86
Profit before Tax	5,511.39	6,116.30
Income tax expenses:		
• Current tax	2,341.60	2,214.46
Deferred Tax charge (credit)/charge	13.64	(143.33)
Profit after tax	3,156.15	4,045.17

ii. Dividend

The Directors did not recommend dividend for the year ended 31st March, 2016.

iii. Performance

During the financial year under review the Company was able to deliver an improved performance in the Domestic sector. There was marginal decrease in Export business due to market conditions prevailing in the overseas markets. However a revival in the export business is expected during current financial year with steadfast support from worldwide Oerlikon Group of companies particularly from Oerlikon Fairfield USA.

As a result there was a marginal decrease in total income for the financial year under review from ₹42281.27 lakhs in the previous year to ₹38304.78 lakhs in the financial year under review. However due to major drop in finance charges consequent upon repayment of foreign currency loans, and provision for depreciation and amortization on account of capital investments made for future growth in business Net Profit after tax for the year recorded at ₹3156.15 lakhs as against ₹4045.17 lakhs in the previous financial year. The Company continues to focus on cost controls coupled with process efficiencies. The impact of these measures has helped the Company to overcome several challenging situations.

With expected increase in domestic business due to new customers, domestic demand is likely to rise. Coupled with expected revival of export business results for the current financial year appear to be bright.

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 31st March, 2016 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 31st March, 2016 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

Subsequent to the Exit Offer the Promoters made a Voluntary Offer to the residual shareholders. As of 30th June, 2016 the Promoters acquired 40238 shares pursuant to the Voluntary Offer.

vi. Finance

The Company has during the year under review repaid in full the foreign currency loans to the foreign lenders as per the terms and conditions agreed with them. Accordingly forms for satisfaction of charges created in favour of the lenders on the assets of the Company were filed and necessary registration certificates obtained from Registrar of Companies, Maharashtra.

vii. Number of meetings of the Board of Directors

During financial year ended 31st March, 2016 five Board Meetings were held

The dates on which the Board Meeting were held are 23rd June, 2015, 26th September, 2015, 22nd December, 2015, 2nd February, 2016 and 29th March, 2016

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 26th September, 2015

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 31st March, 2016

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 ₹3156.15 lakhs to General Reserve for the Financial year ended 31st March, 2016

xiv. Corporate Social Responsibility

Corporate Social Responsibility 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 Community. 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 was 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.

During the Financial year, Corporate Social Responsibility Committee meetings were held on 23rd June, 2015 and 22nd December, 2015.

Reason for shortfall of ₹5,29,191/- in CSR spend

Implementation of the 2 activities planned i.e. Installation of Solar Water Heaters at Kowad School and DG Gen Set at VTC amounting to ₹5,29,191/- was delayed. Material Inwarding was closed and hence the material could not be inwards before 31st March 2016.

xv. Industrial Relations

During the financial year, Industrial relations at the Company's Plant continued to be cordial. 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 two employees who were in receipt of remuneration of not less than ₹60 lakhs during the year or ₹5 lakhs per month during any part of the said year. In terms of the provisions of Section 197 of the Companies Act 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the name and other particulars of such employees is set out in Annexure IV to this Report

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.

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 Board of Directors has recently reconstituted the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 consequent upon resignation of Mr. Riad Fyzee by inducting Mr. Sunil Sehgal as member. The members of the present Committee are Mr. J.M.Mapgaonkar and Mr. Keshwa N. Rattan (Independent Directors) and Mr. Sunil Sehgal. The Committee will set out a Policy on remuneration of Senior Managerial Personnel and Managing Director.

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 Audit Committee was earlier reconstituted as per Section 177 of the Companies Act 2013 after resignation of Mr. Fyzee by induction of Mr. Thanawalla. However upon the resignation of Mr. Thanawalla it was once again reconstituted by induction of Mr. Sunil Sehgal. The members of the present 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 and Internal Auditors and 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.

xxii. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was reconstituted as per Section 178 of the Companies Act 2013 consequent upon the resignation of Mr. Riad Fyzee with induction of Mr. Sunil Sehgal. The members of the present Committee are Mr. J.M. Mapgaonkar, Mr. Sunil Sehgal and Mr. D.E. Jacob. The Committee meets as and when required to inter alia deal with matters relating to transfer/transmission of shares, request for duplicate certificates and monitor redressal and grievances of shareholders.

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. Directors and Key Managerial Personnel (KMP)

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

Mr. Riad Fyzee, Mr. Rajesh Aggarwal and Mr. Khurshed M. Thanawalla resigned from the Board with effect from 1st October, 2015, 7th November, 2015 and 1st April, 2016 respectively.

The Board placed on record their appreciation of the counsel and advice rendered by these gentlemen during the tenure of their office.

Intimations of resignations were posted on the Company's website.

None of the directors of the Company is disqualified as on 31st March, 2016 for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013.

During the course of the year Mr. Vikram Nagar one of the Key Managerial Person resigned as CFO with effect from 16th October, 2015. The Board appointed Mr. Vijay Kumar Sinha as CFO and Key Managerial Personnel with effect from 22nd December 2015 on the recommendation of Nomination and Remuneration Committee.

xxv. Auditors

The current Statutory Auditors B S R & Associates LLP, Chartered Accountants retire at this Annual General Meeting but have given the Company Notice in writing expressing their unwillingness to be reappointed.

In terms of the provisions of the Companies Act 2013 ("the Act") and the Rules framed thereunder it is proposed to appoint Price Waterhouse Chartered Accountants LLP bearing firm Registration number 012754N/N500016, as Statutory Auditors from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of their appointment at every Annual General Meeting)

As required under the provisions of section 139(1) of the Act, the Company has received a written consent from Price Waterhouse Chartered Accountants LLP to their appointment and a Certificate to the effect that their appointment, if made, would be in accordance with the Act and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Act.

The members are requested to appoint the Auditors as aforesaid and fix their remuneration.

xxvi. 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 2016-17 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.

xxvii. Internal Auditors

The Board has appointed M/s.T.R. Chadha & Co. a reputed firm of Chartered Accountants as Internal Auditors for the Financial year ending 31st March, 2017. The Company also has adequate internal financial controls commensurate with its scale of operations. These are regularly monitored by Oerlikon group financial controls.

xxviii. 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 31st March, 2016.

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

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

xxx. 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.

xxxi. Acknowledgement

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

For and on behalf of the Board of Directors

Place: Noida
Date: 27th July, 2016

D.E. JACOB
Managing Director
DIN 02387819

SUNIL SEHGAL
Director
DIN 05121461

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS

i) CIN	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 automotive transmission gears and gear boxes	Section C Division 29 Group 293	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	98.19	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				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	%of total shares	Demat	Physical	Total	%of total shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c.State Govts.	-	-	-	-	-	-	-	-	-
d.Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks/FII	-	-	-	-	-	-	-	-	-
f. Any other									-
Sub-Total (A)(1)	-	-	-	-	-	-	-	-	-
(2) Foreign									-
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c.Bodies Corporate	26808621	18500	26827121	98.193	26827121	-	26827121	98.193	Nil
d. Banks/FII	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	26808621	18500	26827121	98.193	26827121	-	26827121	98.193	Nil
Total shareholding of Promoter (A)=(A)(1)+ (A)(2)	26808621	18500	26827121	98.193	26827121	-	26827121	98.193	Nil

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	%of total shares	Demat	Physical	Total	%of total shares	
B. Public									
1. Institutions									
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. FIs	0	9200	9200	0.034	0	9200	9200	0.034	0
h. Foreign Venture	0	0	0	0	0	9	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	0	15300	15300	0.056	0	15300	15300	0.056	0
2. Non Institutions									
a. Bodies Corporate									
i) Indian	19440	11500	30940	0.113	31119	11500	42619	0.156	0.043
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	198312	243625	441937	1.617	188928	241330	430258	1.575	(0.042)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) HUF									
ii) Non Resident Individuals	3242	2000	5242	0.019	3242	2000	5242	0.019	Nil
iii) Trusts	-	-	-	-	-	-	-	-	-
iv) Clearing members	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	220994	257125	478119	1.75	223289	254830	478119	1.750	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	220994	272425	493419	1.81	223289	270130	493419	1.81	Nil

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	27029615	290925	27320540	100.00	27050410	270130	27320540	100.00	Nil

(ii) Shareholding of Promoters

Serial No.	Shareholder's Name	Shareholding at the beginning of the year 1st April 2015			Shareholding at the end of the year 31st March 2016			% 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.	TH LICENSING INC.	26827121	98.193	NIL	26827121	98.193	NIL	Nil
	TOTAL	26827121	98.193	NIL	26827121	98.193	NIL	Nil

(iii) Change in Promoters' Shareholding:

Serial No.	Date	Shareholding at the beginning of the year 1st April, 2015		Cumulative shareholding during the year 31st March, 2016		
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1.	TH LICENSING INC					
	At the beginning of the year	1.04.2015	26827121	98.193	26827121	98.193
	At the end of the year	31.03.2016			26827121	98.193

(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		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1		Adroit Fin Ser Pvt. Ltd				
	1.04.2015	At the beginning of the year	6144	0.022	6144	0.022
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	6144	0.022
2		Shabbir Pardawalla				
	1.04.2015	At the beginning of the year	5397	0.02	5397	0.02
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	5397	0.02
3		SHCIL A/c GIC Mutual Fund				
	1.04.2015	At the beginning of the year	5500	0.022	5500	0.022
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	5500	0.022
4		Bina M.Shah				
	1.04.2015	At the beginning of the year	5000	0.018	5000	0.018
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	5000	0.018
5		20th Century Finance				
	1.04.2015	At the beginning of the year	3900	0.014	3900	0.014
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	3900	0.014
6		Trans global Resources				
	1.04.2015	At the beginning of the year	3700	0.014	3700	0.014
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	3700	0.014
7		Mangirish Bhandarkar				
	1.04.2015	At the beginning of the year	3000	0.011	3000	0.011
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	3000	0.011

8		Vijay Gupta (HUF)				
	1.04.2015	At the beginning of the year	3000	0.011	3000	0.011
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	3000	0.011
9		Arti Lall Gupta				
	1.04.2015	At the beginning of the year	2800	0.01	2800	0.01
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	2800	0.01
10		Jaywanti A. Savai				
	1.04.2015	At the beginning of the year	2500	0.009	2500	0.009
		Nil movement during the year	-	-	-	-
	31.03.2016	At the end of the year	-	-	2500	0.009

(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			Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	Remarks	No. of Shares	% of total shares of the company
1.	Mr. Riad Fyzee	-	-		-	-
	At the beginning of the year	5	-	Mr. Fyzee resigned as Director with effect from 1.10.2015		-
2.	Mr. D.E.Jacob		-		-	-
	At the beginning of the year	2	-		-	-
	Nil movement during year	-	-		-	-
	At the end of the year 31.3.2016	-	-		2	-
	Key Managerial Personnel	-	-		-	-
1.	Mr. Marcel Rebello					
	At the beginning of the year	2	-			-
	Nil movement during year	-	-			-
	At the end of the year 31.3.2016	-			2	-
2.	Mr. Vikram Nagar					
	At the beginning of the year	1		Mr. Vikram Nagar resigned with effect from 16th October, 2015		-

Note: Mr. Oliver Dohn, Mrs. Milagros M.C. Perez, Mr. J.M. Mapgaonkar, Mr. Khurshed M. Thanawalla, Mr. Sunil Sehgal, Mr. Rajesh Aggarwal (resigned 7.11.2015) Mr. Keshwa N. Rattan being Directors and Mr. Vijay Sinha CFO did not hold any shares of the Company during Financial year 2015-2016

V. INDEBTEDNESS

Amount in ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the year				
(i) Principal Amount	250,028,680	NIL	NIL	250,028,680
(ii) Interest due but not paid	NIL	NIL	NIL	NIL
(iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	250,028,680	NIL	NIL	250,028,680
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	NIL
Reduction	(250,028,680)	NIL	NIL	(250,028,680)
Net change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
(i) Principal Amount	NIL	NIL	NIL	NIL
(ii) Interest due but not paid	NIL	NIL	NIL	NIL
(iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. D.E. Jacob Managing Director	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income –tax Act, 1961	₹7,179,197	₹7,179,197
	(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
	Total (A)	₹7,179,197	₹7,179,197
	Ceiling as per Act being 5% of the net profits calculated as per section 198 of the Companies Act 2013	₹28,050,670	

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

Sl. No	Particulars of Remuneration	Names of Directors						Total Amount
		Mr. J.M. Mappaonkar	Mr. Keshwa N. Rattan					
1.	Independent Directors	Mr. J.M. Mappaonkar	Mr. Keshwa N. Rattan					
	- Fee for attending Board/ Committee Meetings - Commission - Others, please specify	180,000	160,000					340,000
	Total (1)	180,000	160,000					340,000
2.	Other Non-Executive Directors	Mr. Riad Fyzee**	Mr. Sunil Sehgal	Mr. Khurshed M. Thanawalla	Mr. Rajesh Aggarwal	Mr. Oliver Dohn	Mrs. Milagros M.C.Perez	
	- Fee for attending Board/ Committee Meetings - Commission - Others, please specify	60,000	NIL	NIL	NIL	NIL	NIL	60,000
	Total (2)	60,000	NIL	NIL	NIL	NIL	NIL	60,000
	Total (B)=(1+2)	400,000	NIL	NIL	NIL	NIL	NIL	400,000
	Total Managerial Remuneration*							7,579,197
	Overall ceiling as per the Act#	100,000						

* 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.

** Mr. Riad Fyzee resigned with effect from from 1st October, 2015

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Chief Financial Officer	Chief Financial Officer	Total
		Mr. Marcel Rebello	Mr. Vikram Nagar	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	1,045,945	7,377,638*	1,380,164**	9,803,747

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Chief Financial Officer	Chief Financial Officer	Total
		Mr. Marcel Rebello	Mr. Vikram Nagar	Mr. Vijay Sinha	
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, please specify				
5.	Others, please specify				
	Total	1,045,945	7,377,638	1,380,164	9,803,747

* Mr. Vikram Nagar resigned with effect from 16th October 2015. The remuneration includes full and final settlement dues

** The amount represents remuneration for part of the year as Mr. Sinha was appointed CFO with effect from 22nd December, 2015

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)
A COMPANY Penalty Punishment Compounding					
B DIRECTORS Penalty Punishment Compounding			NOT APPLICABLE		
C OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

For and on behalf of the Board of Directors

Place: Noida
Date: 27th July, 2016

D.E. JACOB
Managing Director
DIN 02387819

SUNIL SEHGAL
Director
DIN 05121461

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

Sr. No.	Category of related parties	Names
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.

Names of parties with whom transactions have taken place

4.	Fellow Subsidiaries	Graziano Trasmissioni India Private Limited (GTIPL) 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

Party's Name	For the year ended 31st March 2016	For the year ended 31st March 2015
	Amount in ₹	Amount in ₹
Purchase of Raw Materials stores and spares and Job Work#		
Fairfield Manufacturing Co. USA	39,940,534	47,939,073
Oerlikon Balzers Coating India Ltd	21,714,370	20,881,879
Oerlikon Drive Systems (Suzhou) Co Ltd	14,514	-
Graziano Trasmissioni India Pvt Ltd	28,105,441	32,268,830
Purchase of Fixed Assets		
Fairfield Mfg. Co. USA	8,751,305	6,758,350
Graziano Trasmissioni India Pvt Ltd	-	8,508,050
Trade Mark Fees		
OC Oerlikon Corporation A.G., Pfaffikon	20,889,074	20,704,615
Legal Fees		
OC Oerlikon Corporation A.G., Pfaffikon	356,849	-
Interest Paid / Provided		
TH Licensing Inc., USA	8,518,379	9,344,302
Sale Of Goods & Services (Net)		
Fairfield Manufacturing Co. USA	1,997,031,928	2,400,395,959
Graziano Trasmissioni India Pvt Ltd	6,312,519	22,862,569
Oerlikon Drive Systems (Suzhou) Co Ltd	217,533,521	216,370,829
Oerlikon Graziano SPA	31,558,046	15,066,017
Development Tooling Income		
Fairfield Manufacturing Co. USA	1,989,540	1,515,198
Loan Repayment		
Fairfield Manufacturing Co. USA	59,028,772	46,456,000
TH Licensing Inc., USA	190,440,000	31,420,000

Party's Name	For the year ended 31st March 2016	For the year ended 31st March 2015
	Amount in ₹	Amount in ₹
Liabilities No Longer Require		
Fairfield Manufacturing Co. USA	-	9,329,388
Reimbursement of Expenses Paid		
OC Oerlikon Corporation A.G., Pfaffikon	-	725,387
Graziano Trasmissioni India Pvt Ltd	-	311,700
Management Fees		
Oerlikon Textile India Private Ltd.	13,070,719	12,851,795
Oerlikon Drive Systems GMBH Pfaffikon	33,760,731	-
Information Technology Services		
Oerlikon IT Solutions Ltd. PFA	18,427,574	16,742,808
Oerlikon Textile India Private Ltd.	2,348,135	-
Remuneration to key management personnel*		
Mr. D. E. Jacob	7,179,197	6,832,018
Outstanding receivables		
Fairfield Manufacturing Co. USA	432,932,910	612,146,161
Graziano Trasmissioni India Pvt Ltd	1,229,163	8,079,179
Oerlikon Drive Systems (Suzhou) Co Ltd	33,185,980	37,630,261
Oerlikon Graziano SPA	461,781	14,571,075
Outstanding payables		
OC Oerlikon Corporation A.G., Pfaffikon	10,745,907	5,769,084
Fairfield Manufacturing Co. USA	5,445,060	36,763,975
Graziano Trasmissioni India Pvt Ltd	6,444,188	27,174,949
Oerlikon Balzers Coating India Ltd	5,982,523	5,393,769
Oerlikon IT Solutions Ltd. PFA	4,420,368	17,827,019

Oerlikon Textile India Private Ltd.	3,158,346	3,198,889
Oerlikon Drive Systems GMBH Pfaffikon	23,898,606	-
Loan payables		
Fairfield Manufacturing Co. USA	-	59,028,772
TH Licensing Inc., USA	-	190,440,000

Notes:

* The above remuneration does not include contribution to Gratuity fund and leave encashment / entitlement as this contribution is a lump sum amount based on actuarial valuation.

Includes goods in transit ₹1,167,301 (previous year: ₹3,369,223)

c) Duration of the contracts/arrangements/transactions

The transactions pertain to the year 1st April, 2015 to 31st March, 2016

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 2015-2016

For and on behalf of the Board of Directors

Place: Noida
Date: 27th July, 2016

D.E. JACOB
Managing Director
(DIN 02387819)

SUNIL SEHGAL
Director
(DIN 05121461)

ANNEXURE III
CSR Report 2015-16

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/.

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)
31st March, 2015	₹6,116.30	₹6,128.60
31st March, 2014	₹7,892.15	
31st March, 2013	₹4,377.36	

4. Prescribed CSR expenditure (2% of Average Net Profits) : ₹122.57 lakhs
5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year: ₹122.57 lakhs

b. Amount unspent, if any: ₹5,29,191/-

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	Shool Bags	Education	Dholagarwadi, Maharashtra	7,984,103	8,413,946	8,413,946	Direct
	Infrastructure - Kowad Kitchen & Toilets Construction		Kowad, Maharashtra				
	School Stationary		39 schools in Chandgad, Maharashtra				
	Computers		Chandgad, Maharashtra				
	School Uniforms		Kowad, Maharashtra & Belgaum, Karnataka				
2	Tree Plantation	Environment	Shinoli, Maharashtra	654,195	508,581	8,922,527	Direct
	Borewell		Belgaum, Karnataka				
	Solarwater Heaters		Belgaum, Karnataka				
3	Additional Nutrition to HIV Infected Children - Milk	Healthcare	Belgaum, Karnataka	2,629,902	2,124,518	11,047,045	Direct
	Fumigation		Shinoli & nearby villages, Maharashtra				
	Medical Van		- do -				
	Eye Checkup & Specs Distribution		Kowad, Naganwadi & Kalasgade,				
	Blankets		Dholagarwadi, Kowad, Maharashtra				
Oldage Home-Water Beds, Rexin Rolls, Home Applicances, Foodgrains	Belgaum, Karnataka						
4	VTC	Women Empowerment	Shinoli, Maharashtra	988,800	680,764	11,727,809	Direct
				12,257,000	Grand Total	11,727,809	Direct

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.

Implementation of the 2 activities planned i.e. Installation of Solar Water Heaters at Kowad School and DG Gen Set at VTC amounting to ₹5,29,191/- was delayed. Material inwarding was closed and hence the material could not be inwarded before 31st March 2016.

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

J.M. Mapgaonkar
Member (CSR Committee)

D.E. Jacob
Managing Director

Sunil Sehgal
Chairman (CSR Committee)

Place: Noida

Date: 27th July, 2016

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	Nature of Employment	Qualifications and experience of the employee	Date of commencement of Employment	Age	Last employment held before joining the Company	The percentage of equity shares held within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether Is a relative of any director or manager of the Company
1.	Mr. D.E.Jacob Managing Director	₹7179197	Contractual	B.E. 22 years	24th October 2008	47 years	N.A.	N.A.	N.A.
2.	Mr. Vikram Nagar * Chief Financial Officer	₹7377638	Contractual	ICWA 20 years	8th April 2002	44 years	PT Noble Merak Carpets	N.A.	N.A.

* Mr. Vikram Nagar resigned with effect from 16th October 2015. The remuneration includes full and final settlement dues

For and on behalf of the Board of Directors

Place: Noida

Date: 27th July, 2016

D.E. JACOB
Managing Director
DIN 02387819

SUNIL SEHGAL
Director
DIN 05121461

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, 2016

(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

- Started Open access power purchase from power trader at a benefit of 1.5 MINR per month.
- Conducted Energy Audit of entire compressed air system including compressors, distribution and consumption points
- Introduced VFD to 200 CFM compressor – 3 Nos.
- Introduced VFD to 100 HP motor of 2 Nos of Broaching machine.
- Converted hydraulic servo control to AC motor servo control thereby eliminating hydraulic motor of 7.5 HP 2 Nos on shaping machine.
- Introduced 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 areas and assembly section.
- Retrofitted T-5 tube fittings with LED tubes in shop floor without affecting the lux level.
- Introduced energy saving of cooling tower by temperature monitoring system.
- Introduced VFD to high HP motors for energy saving.
- Maintained power factor as Unity throughout the year.
- Introduced IE3 grade energy efficient motors

Proposed Energy Conservation Activities

- Energy recovery system for compressor.
- Replacement of 1000 cfm normal compressor with 625 cfm alongwith VFD.
- Air net piping system in place of GI piping.

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

In its efforts at use of alternate energy the Company proposes to replace its electrical pumps by solar pumps

(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 Note No: 33

For and on behalf of the Board of Directors

Place: Noida

Date: 27th July, 2016

D.E. JACOB
Managing Director
DIN 02387819

SUNIL SEHGAL
Director
DIN 05121461

ANNEXURE VI**Form No.MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. 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, 2016 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, 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

We further report that the Company has a compliance system in place and we have examined the relevant documents and records with respect to other Acts applicable to the Company, which are as under:

- i. The Factories Act, 1948 and Maharashtra Factories Rules, 1963.
- ii. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- iii. The Payment of Bonus Act, 1965.

- iv. The Payment of Gratuity Act, 1972.
- v. The Payment of Wages Act, 1936
- vi. The Contract Labour (Regulation & Abolition) Act, 1970.
- vii. The Maternity Benefit Act, 1961
- viii. Environment Protection Act, 1986.
- ix. Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008.
- x. Water (Prevention and Control of Pollution) Cess Act, 1977 and Water (Prevention and Control of Pollution) Cess Rules, 1978.
- xi. The Air (Prevention & Control of Pollution) Act, 1981.
- xii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- xiii. The Income Tax Act, 1961.
- xiv. Central Sales Tax Act, 1956 and Central Sales Tax (Registration and Turnover) Rule, 1957
- xv. The Maharashtra Value Added Tax Act, 2002
- xvi. Chapter V of the Finance Act, 1994.
- xvii. The Customs Act, 1962
- xviii. The Central Excise Act, 1944

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015.

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting.

Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which is 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
ACS: 3706 COP: 2324

Place: Mumbai

Date: 27th July, 2016.

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 Taluka,
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
ACS: 3706 COP: 2324

Place: Mumbai
Date: 27th July, 2016.

INDEPENDENT AUDITORS' REPORT

To the Members of
Fairfield Atlas Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Fairfield Atlas Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, and 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

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 that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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

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

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

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

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 auditor's 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 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.

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

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 31 March 2016, and its profit and its cash flows for the year ended on that date.

Auditors' responsibility

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

Report on other legal and regulatory requirements

- (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 written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' and
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 27(A) to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Farhad Bamji

Partner

Membership No: 105234

Mumbai: 29 July 2016

Annexure A to the Independent Auditors' Report – 31 March 2016

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in note 10 to the financial statements, are held in the name of the Company.
- (ii) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and the discrepancies noticed on verification between the physical stock and book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, given any guarantee or provided any security for loans taken by others or made any investments covered under Section 185 and 186 of the Act, as applicable. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits in terms of the directives issued by the Reserve Bank of India or under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Sales tax, Value added tax, Duty of excise, Service tax, Duty of customs and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities by the Company. The amount deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax has generally been regularly deposited during the year with the appropriate authorities by the Company, however there has been delays in few cases. As explained to us, the Company did not have any dues on account of Employees' State Insurance and Cess.

Annexure A to the Independent Auditors' Report – 31 March 2016 (Continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales tax, Value added tax, Duty of excise, Service tax, Duty of customs and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Service tax, Sales tax, Value added tax, Duty of excise and which have not been deposited with the appropriate authorities on account of dispute other than those disclosed below:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise	Duty of excise	386,259,491	2009-14	Custom, Excise & Service Tax Appellate Tribunal, Mumbai
Central Excise	Duty of excise	767,389	2010-16	The Assistant Commissioner, Central Excise
Central Excise	Duty of excise	5,571,180	2003-07	The Commissioner, Central Excise
Central Excise	Duty of excise	8,014,878	2009-14	The Commissioner, Central Excise (Appeals)
Central Excise	Duty of excise	2,233,751	2015	The Joint Commissioner, Central Excise
Bombay Sales Tax Act, 1959	Sales tax	3,910,545	1998-00	Appellate Tribunal Sales Tax
Central Sales Tax Act, 1956	Sales tax	6,456,358	2009-11	Sales Tax Tribunal, Maharashtra
Central Sales Tax Act, 1956	Sales tax	10,005,214	2009-10	The Joint Commissioner, Sales Tax

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institutions or government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

Annexure A to the Independent Auditors' Report – 31 March 2016 (Continued)

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is 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, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Farhad Bamji

Partner

Membership No: 105234

Mumbai: 29 July 2016

Annexure B to the Independent Auditors' Report – 31 March 2016

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

We have audited the internal financial controls over financial reporting of Fairfield Atlas Limited ("the Company") as of 31 March 2016 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

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

Auditors' Responsibility

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

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

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

Annexure B to the Independent Auditors' Report – 31 March 2016 (Continued)**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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

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

Opinion

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

For **B S R & Associates LLP***Chartered Accountants*

Firm's Registration No: 116231W/W-100024

Farhad Bamji*Partner*

Membership No: 105234

Mumbai
29 July 2016

Balance sheet as at 31 March 2016

(Currency: Indian Rupees)

	Note	31 March 2016	31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	273,205,400	273,205,400
Reserves and surplus	4	2,114,381,359	1,798,766,215
		2,387,586,759	2,071,971,615
Non-current liabilities			
Long-term borrowings	5	-	-
Deferred tax liability (net)	6	26,868	-
Long-term provisions	7	147,632,806	34,556,927
		147,659,674	34,556,927
Current liabilities			
Trade payables	8		
(A) Dues to Micro and Small Enterprises		9,645,053	2,705,970
(B) Dues to other than Micro and Small Enterprises		557,036,460	586,190,462
Other current liabilities	9	69,202,033	329,590,130
Short-term provisions	7	54,689,446	30,172,198
		690,572,992	948,658,760
		3,225,819,425	3,055,187,302
ASSETS			
Non-current assets			
Fixed assets	10		
(i) Tangible fixed assets		1,091,260,287	973,992,309
(ii) Intangible fixed assets		9,749,994	1,842,760
(iii) Capital work-in-progress		29,522,761	103,278,947
(iv) Intangible fixed asset under development		-	8,753,378
Deferred tax assets (net)	6	-	1,337,466
Long-term loans and advances	11	219,815,752	313,971,748
Other non-current assets	12	1,500,000	2,000,000
		1,351,848,794	1,405,176,608
Current assets			
Inventories	13	479,269,591	427,470,643
Trade receivables	14	821,758,798	991,797,631
Cash and bank balances	15	202,991,163	162,704,505
Short-term loans and advances	16	366,584,368	65,967,899
Other current assets	17	3,366,711	2,070,016
		1,873,970,631	1,650,010,694
		3,225,819,425	3,055,187,302
Significant accounting policies	2		

The accompanying notes 2-45 form an integral part of the financial statements.

As per our report of even date attached.

 For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

Farhad Bamji

Partner

Membership No.: 105234

Mumbai

29 July 2016

For and on behalf of the Board of Directors of

Fairfield Atlas Limited
CIN: U34300MH1990PLC055300
D.E. Jacob

Managing Director

DIN: 02387819

Vijay Sinha

Chief Financial Officer

Noida

27 July 2016

Sunil Sehgal

Director

DIN: 05121461

Marcel Rebello

Company Secretary

Membership No: 1656

Statement of profit and loss for year ended 31 March 2016

(Currency: Indian Rupees)

	Note	31 March 2016	31 March 2015
Revenue from operations			
Sale of products (gross)	18	3,782,148,862	4,160,900,692
Less: Excise duty		145,381,892	141,857,892
Sale of products (net)		3,636,766,970	4,019,042,800
Other operating revenues	19	46,446,265	52,613,066
Total revenue from operations		3,683,213,235	4,071,655,866
Other income	20	147,264,976	156,471,656
Total revenue		3,830,478,211	4,228,127,522
Expenses			
Cost of materials consumed	21	1,977,344,605	2,174,755,111
Changes in inventories of finished goods and work-in-progress	22	(53,965,955)	72,581,092
Employee benefits	23	342,214,596	351,000,796
Finance costs	24	9,071,081	18,219,233
Depreciation and amortisation	25	177,131,348	161,385,760
Other expenses	26	827,543,058	838,555,552
Total expenses		3,279,338,733	3,616,497,544
Profit before tax		551,139,478	611,629,978
Income tax expense:			
- Current tax		234,160,000	221,446,000
- Deferred tax (credit)/ charge		1,364,334	(14,333,368)
Profit after taxation for the year		315,615,144	404,517,346
Earnings per equity share of ₹10 each (previous year ₹10 each)			
Basic and diluted earnings per share (₹)	35	11.55	14.81
Significant accounting policies	2		

The accompanying notes 2-45 form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors of

Fairfield Atlas Limited**CIN: U34300MH1990PLC055300****Farhad Bamji**

Partner

Membership No.: 105234

D.E. Jacob

Managing Director

DIN: 02387819

Sunil Sehgal

Director

DIN: 05121461

Vijay Sinha

Chief Financial Officer

Marcel Rebello

Company Secretary

Membership No: 1656

Mumbai
29 July 2016Noida
27 July 2016

Cash flow statement for the year ended 31 March 2016

(Currency: Indian Rupees)

	31 March 2016	31 March 2015
A. Cash flows from operating activities		
Net profit before tax	551,139,478	611,629,978
Adjustments:-		
- Depreciation and amortisation	177,131,348	161,385,760
- Interest income	(2,422,669)	(1,365,455)
- Finance cost	9,071,081	10,869,232
- Loss/(gain) on sale / retirement of fixed assets (net)	2,694,708	4,267,694
- Provision no longer required written back	-	(11,854,001)
- Provision for doubtful receivables and advances	3,286,510	3,483,825
- Provision for excise duty demand	106,666,720	-
- Unrealised foreign exchange loss/ (gain)	11,206,935	(12,657,703)
Operating cash flow before working capital changes	858,774,111	765,759,330
Adjustments for:		
- ((Increase)/ Decrease in inventories	(51,798,948)	90,076,442
- Decrease in trade receivables	155,545,388	112,082,958
- ((Increase)/ Decrease in short term loans and advances	(300,616,469)	99,099,397
- Decrease/ (Increase) in long terms loans and advances	19,571,540	(166,542,993)
- ((Increase) in other current assets	(860,719)	(801,895)
- (Decrease) in trade payables	(22,214,919)	(50,971,919)
- Increase/ (Decrease) in other current liabilities	2,488,227	(1,927,911)
- (Decrease)/ Increase in short term provision	(6,899,396)	6,193,789
- Increase in long-term provision	6,409,159	10,106,138
Cash generated from operations	660,397,974	863,073,336
- Income tax paid (net)	(202,743,354)	(271,520,390)
Net cash generated from operating activities (A)	457,654,620	591,552,946
B. Cash flows from investing activities		
Purchase of fixed assets (tangible and intangible fixed assets and capital work-in-progress)	(162,991,177)	(414,117,329)
Proceeds from sale of fixed assets	2,240,445	7,288,960
Interest received	1,986,693	1,270,255
Movement in fixed deposits (net)	(4,400,000)	581,058
Net cash (used) in investing activities (B)	(163,164,039)	(404,977,054)
C. Cash flows from financing activities		
Repayment of borrowings	(250,028,680)	(78,474,028)
Interest paid	(9,075,243)	(10,880,958)
Net cash (used) in financing activities (C)	(259,103,923)	(89,354,986)
Net increase in cash and cash equivalents (A+B+C)	35,386,658	97,220,906
Cash and cash equivalents at the beginning of year (see below)	161,675,401	64,454,495
Cash and cash equivalents at the end of year (see below)	197,062,059	161,675,401

Cash flow statement for the year ended 31 March 2016 (Continued)

(Currency: Indian Rupees)

31 March 2016 31 March 2015

Notes to cash flow statement

1	Components of cash and cash equivalents:		
	Cash in hand	54,739	94,597
	Balances with banks		
	- in current accounts	150,726,318	49,355,956
	- in Exchange Earner's Foreign Currency (EEFC) account	46,281,002	112,224,848
		197,062,059	161,675,401

- 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.

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors of
Fairfield Atlas Limited**CIN: U34300MH1990PLC055300****Farhad Bamji**

Partner

Membership No.: 105234

D.E. Jacob

Managing Director

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Vijay Sinha

Chief Financial Officer

Marcel Rebello

Company Secretary

Membership No: 1656

Mumbai
29 July 2016Noida
27 July 2016

Notes to the financial statements

For the year ended 31 March 2016 (Currency: Indian Rupees)

1 Company overview

Fairfield Atlas Limited ('the Company'), a subsidiary of T-H Licensing Inc., USA, ('the holding company'), a wholly owned subsidiary of Fairfield Manufacturing Company Inc., USA was incorporated on 1 February 1990. The ultimate holding company is OC Oerlikon Corporation A.G. Pfaffikon. The Company is primarily engaged in manufacturing and selling of automotive transmission gears and gear assemblies.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of financial statements

The accompanying financial statements have been prepared in compliance with Accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, and other generally accepted accounting principles (GAAP) in India, to the extent applicable, under the historical cost convention, on the accrual basis of accounting and other relevant provision of the Act.

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 estimates and assumptions used in the accompanying 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 accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current-non-current classification

The Schedule III to the Act requires all assets and liabilities to be classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Notes to the financial statements (Continued)

For the year ended 31 March 2016 (Currency: Indian Rupees)

2 Significant accounting policies (Continued)

2.3 Current-non-current classification (Continued)

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

2.4 Revenue recognition

Revenue from sale of transmission gears and gear assemblies is recognised on transfer of all significant risks and rewards of ownership to the buyer. Related services are recognised once the services are rendered.

Sales are recorded net of trade discounts, rebates, sales tax, excise duty and sales return.

Interest income is recognised using the time proportion method

2.5 Fixed assets and depreciation/amortisation

Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible 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.

Notes to the financial statements (Continued)

For the year ended 31 March 2016 (Currency: Indian Rupees)

2 Significant accounting policies (Continued)**2.5 Fixed assets and depreciation/amortisation (Continued)**

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

An intangible asset is derecognised on disposal or when no future economic benefits are expect from its use and disposal.

Impairment

Fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

If such recoverable amount of asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss; however, in the case of revalued assets, the reversal is credited directly to revaluation surplus except to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the Statement of Profit and Loss.

2.6 Inventories

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.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, first in first out (FIFO) basis is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

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.

Notes to the financial statements (Continued)

For the year ended 31 March 2016 (Currency: Indian Rupees)

2 Significant accounting policies (Continued)**2.6 Inventories (Continued)**

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

2.7 Income Taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid 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 period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.8 Leases*Operating leases*

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

2.9 Foreign exchange transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss of that year.

Notes to the financial statements (Continued)

For the year ended 31 March 2016 (Currency: Indian Rupees)

2 Significant accounting policies (Continued)**2.9 Foreign exchange transactions (Continued)**

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rates. The resultant exchange differences are recognised in the Statement of Profit and Loss.

The premium or discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortised as expense or income over the life of the contract.

Forward exchange contracts relating to firm commitments or highly probable forecast transactions are marked to market and the resultant net exchange loss is recorded in accordance with the concept of prudence.

2.10 Employee benefits**(a) Short-term employment benefits**

Employee benefits payable wholly within the twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(b) Post-employment benefits**Defined contribution plan:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan:

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.

Notes to the financial statements (Continued)

For the year ended 31 March 2016 (Currency: Indian Rupees)

2 Significant accounting policies (Continued)**2.10 Employee benefits (Continued)****(c) Compensated absences**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation, on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

2.11 Earnings per share (EPS)

Basic EPS is computed using net profit attributable to equity shareholders divided by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.

2.12 Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

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

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Notes to the financial statements (Continued)

as at 31 March 2016 (Currency: Indian Rupees)

31 March 2016 31 March 2015**3 Share capital**

Authorised:

28,000,000 (previous year: 28,000,000) equity shares of ₹10 each	280,000,000	280,000,000
	280,000,000	280,000,000

Issued, subscribed and fully paid up:

27,320,540 (previous year: 27,320,540) equity shares of ₹10 each, fully paid-up	273,205,400	273,205,400
	273,205,400	273,205,400

a. Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Equity shares	31 March 2016		31 March 2015	
	Number	Amount	Number	Amount
At the commencement and at 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. The voting rights of an equity share holder on a poll (not on show of hands) are in proportion to its share of the paid-up capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sum presently payable have not been paid. On winding up of the Company, the holders of equity share will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c. Shares held by the holding/ ultimate holding company and/ or their subsidiaries/ associates

Equity share of ₹10 each fully paid up held by	31 March 2016		31 March 2015	
	Number	Amount	Number	Amount
T-H Licensing Inc., USA., a wholly-owned subsidiary of Fairfield Manufacturing Company Inc., U.S.A.	26,827,121	268,271,210	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

Equity shares of ₹10 each fully paid up	31 March 2016		31 March 2015	
	Number	% of total shares in the class	Number	% of total shares in the class
T-H Licensing Inc., U. S. A	26,827,121	98.19%	26,827,121	98.19%

Notes to the financial statements (Continued)

as at 31 March 2016 (Currency: Indian Rupees)

4 Reserves and surplus	31 March 2016	31 March 2015
Capital reserve		
Special capital incentive (refer note below)		
At the commencement and at the end of the year	5,500,000	5,500,000
Surplus (Profit and loss balance)		
At the commencement of the year	1,793,266,215	1,388,748,869
Profit for the year	315,615,144	404,517,346
At the end of the year	2,108,881,359	1,793,266,215
Total reserves and surplus	2,114,381,359	1,798,766,215

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 Long-term borrowings

	Non current portion		Current portion*	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loans				
- from banks (secured)				
Vehicle loans	-	-	-	559,908
[Refer Note (a) below]				
Loans and advances from related parties				
External Commercial Borrowing				
From T H Licensing Inc., U. S. A., the holding company	-	-	-	190,440,000
[Refer Note (b) below]				
Other loan:				
From Fairfield Manufacturing Company Inc., U.S.A.	-	-	-	59,028,772
[Refer Note (c) below]				
	-	-	-	250,028,680

* Amount disclosed under "Other current liabilities" (Refer note 9)

Notes:

- a) Vehicle loans outstanding as on 31 March 2015 secured against vehicles purchased were fully paid during the financial year 2015-16.

Notes to the financial statements (Continued)

as at 31 March 2016 (Currency: Indian Rupees)

- b) Outstanding external commercial borrowing of USD Nil (previous year: USD 3,000,000) from T-H Licensing Inc., U.S.A. was secured by hypothecation charge on all the fixed and current assets, excluding land and building. The entire loan was originally repayable on 28 February 2011. On 21 January 2011, the Company received letter of Intent from T-H Licensing Inc., U. S. A. for extension of period of repayment of said loan by another 60 months, with all other terms and conditions remaining unchanged. Based on the letter of Intent, the Company had filed an application with Reserve Bank of India (RBI) through an Authorised Dealer(AD). During the previous years, RBI through the AD had provided the requisite approvals thereby confirming the terms and conditions as per the agreement between the Company and TH Licensing with regards to the said loan.

The loan was repayable in minimum equated annual instalments of USD 500,000 from the date of letter of extension and then balance left over, if any was payable in single bullet on due date. The interest on the said loan was 400 basis points over six months LIBOR payable at monthly intervals. During current financial year, the entire amount of outstanding loan of USD 3,000,000 has been repaid (previous year USD 500,000).

- c) Fairfield Manufacturing Company Inc., U.S.A. (FMC) had paid a sum of USD 11,967,023 (equivalent ₹543,792,583) to GE Capital Services India (GECSI) in fulfilment of its obligation under the corporate guarantee executed to secure the loan availed by the Company from GECSI. FMC had agreed to treat the said sum as External commercial loan to the Company, subject to the terms and conditions set forth in the letter of intent date January 15, 2004. Reserve Bank of India (RBI) and Ministry of Finance had not approved the application made by the Company to treat the payment as external commercial loan. Further, RBI had not approved the payment of interest on the amount paid by FMC and repayment of principal amount exceeding ₹543,792,583.

The entire Loan was originally repayable on 31 March 2011. On 21 March 2011, the Company received letter of Intent from FMC for extension of period of repayment of said loan by another 60 months, with all other terms and conditions remaining unchanged. The said loan was secured by creation of hypothecation charge on all the fixed and current assets, excluding land and building. As per the revised agreement, the loan was now repayable in minimum equated annual instalments of USD 500,000 from the date of letter of extension and then balance left over, if any was payable in single bullet on due date. Accordingly, the current payout portion was computed at the applicable conversion rate considered at each balance sheet date for the said loan.

During the current financial year 2015-16, the company has repaid the full outstanding loan of USD 1,750,000 (₹59,028,772) [previous year USD 750,000 (₹46,456,000)]. As at the year end, the Company owes USD Nil (previous year: USD 1,750,000) equivalent ₹Nil (previous year: ₹59,028,772) (maximum liability restricted by RBI to ₹59,028,772 to FMC towards the said loan).

Notes to the financial statements (Continued)

as at 31 March 2016 (Currency: Indian Rupees)

6 Deferred tax (liability)/asset (net)

	31 March 2016	31 March 2015
Deferred tax liability	51,528,824	39,009,575
Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	<u>51,528,824</u>	<u>39,009,575</u>
Deferred tax assets		
Provision for employee benefits (Disallowance under Section 43B of Income Tax Act, 1961)	27,213,168	26,733,514
Provision for doubtful receivables / advances	3,036,673	1,899,278
Others	21,252,114	11,714,249
	<u>51,501,956</u>	<u>40,347,041</u>
Deferred tax (liability)/asset (net)	<u>(26,868)</u>	<u>1,337,466</u>

7 Provisions

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Gratuity (Refer note 39)	297,866	6,223,177	-	8,282,375
Compensated absences	40,668,220	28,333,750	5,743,806	4,360,827
Other provisions				
Provision for current tax (net of advance tax ₹722,358,600, previous year ₹519,615,244)	-	-	48,945,640	17,528,996
Provision for excise demand (Refer note 27A and note 42)	106,666,720	-	-	-
	<u>147,632,806</u>	<u>34,556,927</u>	<u>54,689,446</u>	<u>30,172,198</u>

Notes to the financial statements (Continued)

as at 31 March 2016 (Currency: Indian Rupees)

8 Trade payables

	31 March 2016	31 March 2015
Dues to		
Micro and Small Enterprises (refer note 28)	9,645,053	2,705,970
Other than Micro and Small Enterprises	557,036,460	586,190,462
	<u>566,681,513</u>	<u>588,896,432</u>

9 Other current liabilities

	31 March 2016	31 March 2015
Current maturities of long-term borrowings (for details Refer note 5)	-	250,028,680
Interest accrued but not due on borrowings	-	4,161
Advances received from customers	5,518,149	5,340,745
Other payables		
Employee payables	41,084,268	43,667,087
Provident fund payable	2,544,057	2,274,285
Profession tax payable	161,625	166,500
Excise duty payable	2,719,026	3,018,661
Sales tax payable	701,669	702,408
Tax deducted at source payable	8,542,350	3,608,348
Other liabilities	195,117	200,000
Creditors for capital goods	7,735,772	20,579,255
	<u>69,202,033</u>	<u>329,590,130</u>

Notes to the financial statements (Continued)
as at 31 March 2016 (Currency: Indian Rupees)
10 Fixed assets

Particulars	Gross block				Accumulated depreciation and amortisation				Net block	
	As at 1 April 2015	Additions during the year	Deletions / Adjustments during the year	As at 31 March 2016	As at 1 April 2015	Charge for the year	On deletions/ adjustments	As at 31 March 2016	As at 31 March 2016	
TANGIBLE FIXED ASSETS										
Freehold land	9,751,561	-	-	9,751,561	-	-	-	-	9,751,561	
	<i>(9,751,561)</i>	-	-	<i>(9,751,561)</i>	-	-	-	-	<i>(9,751,561)</i>	
Borewell	1,694,214	-	-	1,694,214	793,184	402,652	-	1,195,836	498,378	
	<i>(1,311,449)</i>	<i>(382,765)</i>	-	<i>(1,694,214)</i>	<i>(121,752)</i>	<i>(671,432)</i>	-	<i>(793,184)</i>	<i>(901,030)</i>	
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	
	<i>(191,399,071)</i>	<i>(63,976,026)</i>	<i>(5,859,221)</i>	<i>(249,515,876)</i>	<i>(45,405,454)</i>	<i>(8,238,310)</i>	<i>(2,164,822)</i>	<i>(51,478,942)</i>	<i>(198,036,934)</i>	
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	
	<i>(1,583,656,510)</i>	<i>(175,907,302)</i>	<i>(26,208,087)</i>	<i>(1,733,355,724)</i>	<i>(894,809,813)</i>	<i>(138,992,915)</i>	<i>(19,864,699)</i>	<i>(1,013,938,028)</i>	<i>(719,417,696)</i>	
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	
	<i>(18,283,580)</i>	<i>(5,029,483)</i>	<i>(83,950)</i>	<i>(23,229,113)</i>	<i>(2,276,682)</i>	<i>(5,735,499)</i>	<i>(22,535)</i>	<i>(7,989,646)</i>	<i>(15,239,467)</i>	
Furniture and fittings	19,546,871	1,269,433	-	20,816,304	5,457,226	1,925,088	-	7,382,314	13,433,990	
	<i>(15,675,419)</i>	<i>(5,199,906)</i>	<i>(1,328,454)</i>	<i>(19,546,871)</i>	<i>(3,721,725)</i>	<i>(2,237,407)</i>	<i>(501,906)</i>	<i>(5,457,226)</i>	<i>(14,089,645)</i>	
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	
	<i>(16,420,233)</i>	<i>(5,127,062)</i>	-	<i>(21,547,295)</i>	<i>(12,219,183)</i>	<i>(3,142,776)</i>	-	<i>(15,361,959)</i>	<i>(6,185,336)</i>	
Vehicles [Refer note (b) below]	14,640,425	-	884,183	13,756,242	4,269,785	1,944,683	455,666	5,758,802	7,997,440	
	<i>(13,845,345)</i>	<i>(1,847,805)</i>	<i>(1,052,725)</i>	<i>(14,640,425)</i>	<i>(2,803,683)</i>	<i>(1,887,922)</i>	<i>(421,821)</i>	<i>(4,269,785)</i>	<i>(10,370,640)</i>	
	2,073,281,079	296,669,067	19,187,853	2,350,762,293	1,099,288,770	175,054,011	14,840,775	1,259,502,006	1,091,260,287	
	<i>(1,850,343,168)</i>	<i>(257,470,349)</i>	<i>(34,532,437)</i>	<i>(2,073,281,079)</i>	<i>(961,358,292)</i>	<i>(160,906,262)</i>	<i>(22,975,783)</i>	<i>(1,099,288,770)</i>	<i>(973,992,309)</i>	
INTANGIBLE ASSETS										
Technical know - how	88,507,364	-	-	88,507,364	88,507,364	-	-	88,507,364	-	
	<i>(88,507,364)</i>	-	-	<i>(88,507,364)</i>	<i>(88,507,364)</i>	-	-	<i>(88,507,364)</i>	-	
Software	2,851,353	10,572,646	588,075	12,835,924	1,008,593	2,077,337	-	3,085,930	9,749,994	
	<i>(2,851,353)</i>	-	-	<i>(2,851,353)</i>	<i>(529,094)</i>	<i>(479,498)</i>	-	<i>(1,008,593)</i>	<i>(1,842,760)</i>	
	91,358,717	10,572,646	588,075	101,343,288	89,515,957	2,077,337	-	91,593,294	9,749,994	
	<i>(91,358,717)</i>	-	-	<i>(91,358,717)</i>	<i>(89,036,458)</i>	<i>(479,498)</i>	-	<i>(89,515,957)</i>	<i>(1,842,760)</i>	
Capital work-in-progress								29,522,761	<i>(103,278,947)</i>	
Intangible fixed assets under development								-	<i>(8,753,378)</i>	

Notes :

- (a) Pursuant to the Companies Act, 2013 being effective from 1 April 2014, the Company is following the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act (except material handling equipments, tools and dies [Refer Note 2.5]).
- (b) Vehicles costing Rs NIL (previous year Rs 2,833,222) are under lien with banks towards the vehicle loans.
- (c) Figures in brackets and italics pertain to the previous year.

Notes to the financial statements (Continued)

as at 31 March 2016 (Currency: Indian Rupees)

11 Long-term loans and advances

	Non-current portion		Current portion*	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Unsecured, considered good				
To parties other than related parties				
Capital advances	6,132,585	80,717,040	-	-
Security deposits	11,595,322	10,181,622	175,000	351,700
Balances with excise, customs and sales tax authorities	148,174,037	169,192,921	337,926,881	45,503,176
Prepaid expenses	623,838	590,195	5,540,715	4,119,215
Advance tax recoverable and Tax deducted at source (net of provision for tax ₹245,121,000/-, previous year ₹245,121,000)	53,289,970	53,289,970	-	-
	219,815,752	313,971,748	343,642,596	49,974,091

* Amount disclosed under short-term loans and advances, Refer note 16

12 Other non-current assets*(Unsecured, considered good)*

Bank deposit (due to mature after 12 months from the reporting date)

	31 March 2016	31 March 2015
	1,500,000	2,000,000
	1,500,000	2,000,000

Note:

Fixed Deposit of ₹1,500,000 (Previous year: ₹2,000,000) is under lien with bank for the bank guarantee issued.

Notes to the financial statements (Continued)

as at 31 March 2016 (Currency: Indian Rupees)

13 Inventories

(valued at lower of cost and net realisable value)

	31 March 2016	31 March 2015
Raw materials [Refer note (a) below]	170,154,252	166,509,887
Work-in-progress	150,070,468	149,728,486
Finished goods	116,486,671	62,862,698
Stores and spares	42,558,200	48,234,646
Packing materials	-	134,926
	479,269,591	427,470,643

Note

a) Includes stock in transit amounting ₹1,167,301/- (previous year: ₹3,369,223/-)

b) During the year, the write down to the net realisable value amounted to ₹3,407,294/- (previous year: ₹3,354,143/-)

14 Trade receivables

(Unsecured)

Receivables outstanding for a period exceeding six months from the date they are due for payment

- Considered good	-	10,611,993
- Doubtful	3,900,649	3,657,293
	3,900,649	14,269,286
Less: Provision for doubtful receivables	3,900,649	3,657,293
(A)	-	10,611,993
Other receivables		
-Considered good*	821,758,798	981,185,638
-Doubtful	4,021,251	978,097
	825,780,049	982,163,735
Less: Provision for doubtful receivables	4,021,251	978,097
(B)	821,758,798	981,185,638
(A) + (B)	821,758,798	991,797,631

* Includes receivable of ₹1,229,163 (Previous year ₹8,079,179) from Graziano Transmission India (Private) Limited, in which directors are director.

Notes to the financial statements (Continued)

as at 31 March 2016 (Currency: Indian Rupees)

15 Cash and bank balances

	31 March 2016	31 March 2015
Cash and cash equivalents		
Cash on hand	54,739	94,597
Balances with banks		
- In current accounts	150,726,318	49,355,956
- Exchange earners foreign currency account (USD 707,552 previous year USD 1,820,059)	46,281,002	112,224,848
	197,062,059	161,675,401
Other bank balances		
Deposit account with banks (Refer note (a) below)	5,929,104	1,029,104
	202,991,163	162,704,505

Note:

a) Fixed Deposit of ₹5,929,104 (Previous year: ₹1,029,104) is under lien with bank for various bank guarantees issued.

Details of deposits

Bank balance available on demand/deposit with original maturity of 3 months or less included under Cash and cash equivalents	-	-
Bank deposits due to mature within 12 months of the reporting date included under Other bank balances	5,929,104	1,029,104
Bank deposits due to mature after 12 months of the reporting date included under Other non-current assets (Refer note 12)	1,500,000	2,000,000
	7,429,104	3,029,104

16 Short-term loans and advances*(Unsecured, considered good, unless otherwise stated)*

Current portion of long-term loans and advances (Refer note 11)	343,642,596	49,974,091
Other short-term loans and advances		
Advance given to employees	5,823,915	3,035,000
Advance for supply of goods		
Considered good	17,117,857	12,958,808
Considered doubtful	852,584	852,584
	17,970,441	13,811,392
Less:- Provision for doubtful advances	852,584	852,584
	17,117,857	12,958,808
	366,584,368	65,967,899

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

17 Other current assets*(Unsecured and considered good)*

31 March 2016	31 March 2015
1,604,787	1,168,811
1,761,924	901,205
<u>3,366,711</u>	<u>2,070,016</u>

Interest accrued on deposits

Insurance claim receivable

18 Revenue from operations

- Domestic sales

- Export sales

Sale of products (gross)

Less:- Excise duty

Sale of products (net)

Break-up of revenue from sale of products

Automotive transmission gears and gear assemblies

1,465,333,694	1,441,035,497
2,316,815,168	2,719,865,195
3,782,148,862	4,160,900,692
145,381,892	141,857,892
<u>3,636,766,970</u>	<u>4,019,042,800</u>
3,636,766,970	4,019,042,800
<u>3,636,766,970</u>	<u>4,019,042,800</u>

19 Other operating revenue

Scrap sales

Job work charges

Sales tax refund

Development tooling income

24,276,536	36,239,555
198,728	13,959
16,664,391	13,719,213
5,306,610	2,640,339
<u>46,446,265</u>	<u>52,613,066</u>

20 Other income

Interest income on deposits

Net gain on account of foreign exchange fluctuations

Liabilities / provisions no longer required written-back

Export incentive

Other non-operating income

2,422,669	1,365,455
73,979,726	137,359,503
-	11,854,001
68,421,478	-
2,441,103	5,892,697
<u>147,264,976</u>	<u>156,471,656</u>

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

21 Cost of materials consumed

	31 March 2016	31 March 2015
Raw materials and packing materials consumed*		
Inventory of raw materials at the beginning of the year	166,509,887	171,522,230
Purchases	1,889,545,025	2,062,128,709
	2,056,054,912	2,233,650,939
Less: Inventory of raw materials at the end of the year	170,154,252	166,509,887
	1,885,900,660	2,067,141,052
Packing material consumed	58,989,978	75,858,560
Freight inwards	32,453,967	31,755,499
	1,977,344,605	2,174,755,111

* Refer note 31(a)

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

Opening stock		
- Work-in-progress	149,728,486	205,829,383
- Finished goods	62,862,698	79,342,893
Closing stock		
- Work-in-progress	150,070,468	149,728,486
- Finished goods	116,486,671	62,862,698
(Increase)/Decrease in finished goods and work-in-progress	(53,965,955)	72,581,092

23 Employee benefits

Salaries, wages and bonus	290,571,403	271,963,557
Contribution to provident and other funds (Refer note 39)	15,655,738	14,725,886
Compensated absences	15,683,038	20,114,256
Gratuity expenses (Refer note 39)	794,774	10,735,411
Staff welfare expenses	19,509,643	33,461,686
	342,214,596	351,000,796

24 Finance costs**Interest expense on**

- Loans	8,518,379	9,468,576
- Others	153,790	771,351
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost	-	7,350,000
Bill discounting charges and other bank charges	398,912	629,306
	9,071,081	18,219,233

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

25 Depreciation and amortisation

	31 March 2016	31 March 2015
Depreciation of tangible fixed assets	175,054,011	160,906,262
Amortisation of intangible fixed assets	2,077,337	479,498
	177,131,348	161,385,760

26 Other expenses

Consumption of stores and spare parts	99,769,449	146,269,066
Excise duty related to increase/decrease in inventory of finished goods	(299,635)	(1,444,839)
Labour charges for re-sharpening tools	26,875,362	28,574,241
Power and fuel	194,000,564	239,743,053
Job work charges	103,945,351	149,057,787
Insurance	5,641,670	7,233,144
Rent (Refer note 34)	693,042	613,551
Repairs and maintenance	16,325,645	17,355,626
– Building	11,980,896	22,496,885
– Plant and machinery	26,565,982	40,485,971
– Others	17,325,917	10,419,946
Legal and professional fees	11,818,578	10,176,731
Travelling and conveyance	22,094,152	17,525,751
Communication	5,328,298	4,708,162
Freight outward and forwarding expenses	37,651,952	44,375,831
Directors' sitting fees	400,000	300,000
Payment to Auditors' (excluding service tax)		
– Statutory audit	1,543,400	1,543,400
– Tax audit	250,000	250,000
– Out-of-pocket expenses	-	92,279
Trade mark fees	20,889,074	20,704,615
Information Technology Fees	26,724,482	18,299,683
Management fees	46,831,450	12,851,795
Net loss on sale/retirement of fixed assets	2,694,708	4,267,694
Provision for doubtful receivables	3,286,510	3,483,825
Provision for excise duty demand (Refer note 27A)	106,666,720	-
CSR Expenses (Refer note 41)	11,727,809	5,312,086
Miscellaneous expenses	26,811,682	33,859,269
	827,543,058	838,555,552

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

27 A) Contingent liabilities not provided for:

Sr. No.	Particulars	31 March 2016	31 March 2015
	Claims against the Company not acknowledged as debts		
1)	Sales tax/ VAT liability that may arise in respect of matters in appeal	16,531,572	6,526,359
2)	Excise/ Service tax liability that may arise in respect of matters in appeal*	306,625,139	255,145,558
3)	Sales tax liability that may arise in respect of matters in appeal preferred by the department	3,725,177	7,811,284

*Includes excise duty demand (including interest and penalty) of ₹289,496,861 (previous year ₹234,425,978) (net of provision for excise duty demand made in the books (refer Note 26) of ₹106,666,720 (previous year ₹Nil)) in respect of show cause cum demand notice (SCN) from the Commissioner of Central Excise and Service tax, Kolhapur – Maharashtra. The Company has preferred an appeal against the aforesaid SCN. Based on management's internal assessment and basis legal opinion, the management believes that the probability of case being decided in favour of the Company is high and hence the management has not made provision in the books other than as stated above.

B) Capital commitments

Estimated amount of contracts, net of capital advances of ₹6,132,585 (previous year ₹80,717,040), remaining to be executed on capital account and not provided for ₹66,294,131 (Previous year ₹298,636,838).

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

28 Dues to micro and small enterprise suppliers

	31 Mar 2016	31 Mar 2015
The amount remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	9,645,053	2,705,970
- 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

On the basis of information and records available with the Company, the above disclosures are made in respect of amounts due to the micro, small and medium enterprises, who have registered with the relevant competent authorities. This has been relied upon by the auditors.

29 Unhedged foreign currency exposure

The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to movement in foreign exchange rates in accounts receivable. The Company does not enter in to any forward contracts for trading or speculation purposes.

I. Outstanding forward contracts

Category	Local Currency	Currency Hedged	Number of contracts	Amount in USD	Buy/Sell	Purpose
Forward exchange contracts	INR	USD	9	13,500,000	Sell	Hedging
			(68)	(22,000,000)	(Sell)	(Hedging)

Figures in bracket pertain to the previous year.

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

II. Unhedged foreign currency exposure

Foreign currency exposures on account of trade receivables/trade payables not hedged by derivative instruments are as follows:

Particulars	Foreign currency	Amount equivalent in Foreign currency 2016	Amount equivalent in Rupees 2016	Amount equivalent in Foreign Currency 2015	Amount equivalent in Rupees 2015
Foreign currency payables					
- representing trade payables	USD	155,443	10,450,408	640,933	40,686,448
	CHF	558,948	39,064,881	367,276	23,596,103
- representing advances	USD	120,118	8,075,543	170,379	10,505,531
	EURO	16,770	1,280,216	392,414	26,032,751
	YEN	-	-	42,000,000	21,353,675
- Loan from T H Licensing Inc. U.S.A. [(External commercial borrowing ('ECB'))]	USD	-	-	3,000,000	190,440,000
- Loan from FMC*	USD	-	-	944,170	59,028,772
Foreign currency receivables					
- representing receivables	USD	8,128,540	531,687,797	11,012,328	679,020,167

*amounts have been restricted to maximum rupee equivalent. Refer note 5 (c).

30 Transfer pricing

The Company's international transactions with related parties are at arm's length as per the independent accounts report for the year ended 31 March 2015. The Company will undertake a study for transactions up to 31 March 2016 and independent opinion will be obtained for the same. Management believes that the Company's international transactions and domestic transactions with related parties post 31 March 2015 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements particularly on amount of tax expense and that of provision for taxation.

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

31 a) Consumption of raw materials, packing material and stores, spare parts and tools:

Particulars	Consumption
Forgings and assembly components	1,810,971,278 <i>(1,965,786,423)</i>
Round bars	74,929,382 <i>(101,354,629)</i>
Packing materials	58,989,978 <i>(75,858,560)</i>
Fright inward	32,453,967 <i>(31,755,499)</i>
Total current year	1,977,344,605
<i>(Total previous year)</i>	<i>(2,174,755,111)</i>

Figures in brackets and italics pertain to the previous year.

Details of raw material (including packing materials and freight) consumed

	31 Mar 2016		31 Mar 2015	
	Value	Percentage	Value	Percentage
Imported	151,132,391	7.64%	298,913,970	13.74%
Indigenous	1,826,212,214	92.36%	1,875,841,141	86.26%
Total	<u>1,977,344,605</u>	<u>100.00</u>	<u>2,174,755,111</u>	100.00

b) Particulars of finished goods

Particulars	Sales Values	Closing Inventory	Opening Inventory
Automotive transmission gears	3,636,766,970 <i>(4,019,042,800)</i>	116,486,671 <i>(62,862,698)</i>	62,862,698 <i>(79,342,893)</i>

Figures in brackets and italics pertain to the previous year.

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

c) Details of stores, spare parts and tools consumed comprising of:

	31 Mar 2016		31 Mar 2015	
	Value	Percentage	Value	Percentage
Imported	5,903,128	5.92%	7,543,237	5.16%
Indigenous	93,866,321	94.08%	138,725,829	94.84%
Total	99,769,449	100.00	146,269,066	100.00

32 Value of imports on CIF basis:

	31 Mar 2016	31 Mar 2015
Raw materials	273,706,315	322,642,682
Stores and spare parts	8,985,542	16,162,450
Capital goods	66,807,576	80,646,115

33 Expenditure and earnings in foreign currency:**Expenditure:**

	31 Mar 2016	31 Mar 2015
Travelling	645,736	1,138,950
Trade mark fees	20,889,074	20,704,615
Management fees	33,760,731	-
Interest on loan	8,518,379	9,344,302
IT Fees	24,827,885	18,299,683
Legal and professional fees	1,469,881	1,727,612
Job work charges	36,119,748	60,052,365
Others	-	774,056

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

Earnings (gross):

	31 Mar 2016	31 Mar 2015
FOB value of exports	2,316,815,168	2,719,865,195
Development tooling income	1,989,540	1,515,198

34 Details of lease as lessee:**Operating lease**

The Company leases office, guest house and warehouse facilities under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are ₹693,042 (Previous year ₹613,551).

35 Earnings per share

Computation of earnings per share (Basic and Diluted)	31 Mar 2016	31 Mar 2015
Net profit attributable to equity shareholders (A)	315,615,144	404,517,346
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 (Rs per equity share of Rs 10 each) (A/B)	11.55	14.81

36 Segment reporting:**a) Primary segment:**

In accordance with the requirements of Accounting Standard 17, Segment Reporting, the Company has determined its business segment i.e., automotive transmission gears as its primary segment and geographical segment as its secondary segment. Since 100% of the Company's business is from automotive transmission gears, there are no other primary reportable segments. Thus, the segment revenue, segment result, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, the total amount of charge for depreciation during the year are all as reflected in the financial statements as of and for the year ended 31 March 2016.

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

b) Secondary segments (Geographical segment):

Particulars	India	Outside India	Un-allocable	Total
Revenue from external customers	1,364,408,527 (1,350,275,473)	2,318,804,708 (2,721,380,393)	- -	3,683,213,235 (4,071,655,866)
Carrying amount of segment assets	2,699,499,530 (2,263,647,742)	473,029,925 (736,912,124)	53,289,970 (54,627,436)	3,225,819,425 (3,055,187,302)
Capital expenditure during the year	224,732,149 (345,254,697)	- -	- -	224,732,149 (345,254,697)

Figures in brackets pertain to the previous year.

37 Related party transactions**a) Names of related parties and nature of relationship where control exists**

Sr. No	Category of related parties	Names
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.
Names of parties with whom transactions have taken place		
4	Fellow subsidiaries	Graziano Transmissioni India (Private) Limited (GTIPL) Oerlikon Balzers Coating India Ltd (Balzers) Oerlikon Drive Systems (SUZHOU) Co. Ltd. (earlier known as Oerlikon (China) Technology Co. Ltd. (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 Management personnel	Mr. D. E. Jacob – Managing Director

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

37 Related party transactions (continued)**b) Transactions with related parties**

Nature of transactions	For the year ended 31 March 2016	For the year ended 31 March 2015
Purchase of raw materials, stores and spares and job work#		
Fairfield Manufacturing Company Inc., U. S. A.	39,940,534	47,939,073
Oerlikon Balzers Coating India Ltd	21,714,370	20,881,879
Oerlikon Drive Systems (SUZHOU) Co. Ltd.	14,514	-
Graziano Transmissioni India (Private) Limited	28,105,441	32,268,830
Purchase of fixed assets		
Fairfield Manufacturing Company Inc., U. S. A.	8,751,305	6,758,350
Graziano Transmissioni India (Private) Limited	-	8,508,050
Trade mark fees		
OC Oerlikon Corporation A.G., Pfaffikon	20,889,074	20,704,615
Legal fees		
OC Oerlikon Corporation A.G., Pfaffikon	356,849	-
Interest paid / provided		
TH Licensing Inc., U. S. A.	8,518,379	9,344,302
Sale of goods and services (net)		
Fairfield Manufacturing Company Inc., U. S. A.	1,997,031,928	2,400,395,959
Graziano Transmissioni India (Private) Limited	6,312,519	22,862,569
Oerlikon Drive Systems (SUZHOU) Co. Ltd.	217,533,521	216,370,829
Oerlikon Graziano SPA	31,558,046	15,066,017
Development tooling income		
Fairfield Manufacturing Company Inc., U. S. A.	1,989,540	1,515,198
Loan repayment		
Fairfield Manufacturing Company Inc., U. S. A.	59,028,772	46,456,000
TH Licensing Inc., U. S. A.	190,440,000	31,420,000
Liabilities no longer required		
Fairfield Manufacturing Company Inc., U. S. A.	-	9,329,388
Reimbursement of expenses paid		
OC Oerlikon Corporation A.G., Pfaffikon	-	725,387
Graziano Transmissioni India (Private) Limited	-	311,700

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

37 Related party transactions (continued)**b) Transactions with related parties (continued)**

Nature of transactions	For the year ended 31 March 2016	For the year ended 31 March 2015
Management fees		
Oerlikon Textile India Private Ltd.	13,070,719	12,851,795
Oerlikon Drive Systems GMBH Pfaffikon	33,760,731	-
Information technology services		
Oerlikon IT Solutions Ltd. PFAFFIKON	18,427,574	16,742,808
Oerlikon Textile India Private Ltd.	2,348,135	-
Remuneration to key management personnel *		
Mr. D. E. Jacob	7,179,197	6,832,018
Outstanding receivables		
Fairfield Manufacturing Company Inc., U. S. A.	432,932,910	612,146,161
Graziano Transmissions India (Private) Limited	1,229,163	8,079,179
Oerlikon Drive Systems (SUZHOU) Co. Ltd.	33,185,980	37,630,261
Oerlikon Graziano SPA	461,781	14,571,075
Outstanding payables		
OC Oerlikon Corporation A.G., Pfaffikon	10,745,907	5,769,084
Fairfield Manufacturing Company Inc., U. S. A.	5,445,060	36,763,975
Graziano Transmissions India (Private) Limited	6,444,188	27,174,949
Oerlikon Balzers Coating India Ltd	5,982,523	5,393,769
Oerlikon IT Solutions Ltd. PFAFFIKON	4,420,368	17,827,019
Oerlikon Textile India Private Ltd.	3,158,346	3,198,889
Oerlikon Drive Systems GMBH Pfaffikon	23,898,606	-
Loan payables		
Fairfield Manufacturing Company Inc., U. S. A.	-	59,028,772
TH Licensing Inc., U. S. A.	-	190,440,000

Notes:

* The above remuneration does not include contribution to Gratuity fund and leave encashment /entitlement as this contribution is a lump sum amount based on actuarial valuation.

Includes goods in transit ₹1,167,301 (previous year: ₹3,369,223)

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

38 The Company has disclosed the turnover as net of total excise duty (excluding difference of excise duty on closing stock and opening stock). The excise duty related to the difference between the closing stock and opening stock is recognized separately in the Statement of profit and loss.

39 Employee Benefits:

I. Defined contribution plans

The company makes contribution, determined as a specified percentage of employees' salaries, in respect of qualifying employees towards Provident fund, Labour Welfare fund and Employee's Pension Scheme 1995. The Company has no obligation other than to make a specified contribution. The contributions are charged to the Statement of Profit and Loss as they accrue. During the year, the Company has recognized the following amounts in the Statement of profit and loss:

	Year ended 31 Mar 2016	Year ended 31 Mar 2015
- Employer's contribution to provident fund* [Includes EDLI charges and employer's contribution to employee's pension scheme 1995]	15,449,146	14,662,796
- Employer's contribution to labor welfare fund*	206,592	63,090

* Included in Contribution to provident and other funds (refer Note 23)

II. Defined benefit plan

The Company operates two defined benefit plans that include gratuity and compensated absences. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. Compensated absence entitles an employee, who has a leave balance at the time of retirement/exit, to receive proportionate gross salary per day for the leave balance.

A. Gratuity

In accordance with Accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

(i) Actuarial assumptions for the year

Assumptions	31 Mar 2016	31 Mar 2015
Discount rate (per annum)	7.90%	7.96%
Rate of increase in compensation levels	8.00%	8.00%
Rate of return on plan assets	8.35%	7.96%

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

39 Employee Benefits: (Continued)**A. Gratuity (Continued)****(ii) Changes in the Present Value of Obligation**

Particulars	31 Mar 2016	31 Mar 2015
Present value of obligation as at 1 April 2015	64,366,935	53,263,582
Interest cost	5,123,608	4,958,839
Current service cost	5,075,879	3,900,410
Benefits paid	(2,471,429)	(2,769,783)
Actuarial (gain)/ loss (a)	(4,422,789)	5,013,887
Present value of obligation as at 31 March 2016	67,672,204	64,366,935

(iii) Fair value of plan assets

Particulars	31 Mar 2016	31 Mar 2015
Fair value of plan assets as at 1 April 2015	49,861,383	33,686,444
Expected return on plan assets	3,968,966	2,930,721
Contributions	15,002,460	13,596,730
Benefits paid	(2,471,429)	(559,515)
Actuarial gain/(loss) on plan assets (b)	1,012,958	207,004
Fair value of plan assets as at 31 March 2016	67,374,338	49,861,383
Net actuarial (gain)/ loss to be recognized on obligation and plan assets (a+b)	(5,435,747)	4,806,883

(iv) Actual return of plan assets

Particulars	31 Mar 2016	31 Mar 2015
Expected return on plan assets	3,968,966	2,930,721
Actuarial gain/ (loss) on plan assets	1,012,958	207,004
Actual return on plan assets	4,981,924	3,137,725

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

39 Employee Benefits: (Continued)**A. Gratuity (Continued)****(v) Amount recognized in the Balance Sheet**

Particulars	31 Mar 2016	31 Mar 2015
Present value of obligation as at 31 March 2016	67,672,204	64,366,935
Fair value of plan assets as at 31 March 2016	67,374,338	49,861,383
Net liability/ (asset) recognized as at 31 March 2016	297,866	14,505,552

(vi) Expenses recognized in the Statement of Profit and Loss

Particulars	31 Mar 2016	31 Mar 2015
Current service cost	5,075,879	3,900,410
Interest cost	5,123,608	4,958,839
Expected return on plan assets	(3,968,966)	(2,930,721)
Net actuarial (gain)/ loss to be recognized	(5,435,747)	4,806,883
Total (income)/ expense recognized in the statement of profit and loss**	794,774	10,735,411

** Included in employee costs (refer Note 23)

(vii) Balance sheet reconciliation

Particulars	31 Mar 2016	31 Mar 2015
Net liability/ (assets) as at 1 April 2015	14,505,552	19,577,138
(Income)/Expenses as above	794,774	10,735,411
Employers contribution	(15,002,460)	(13,596,730)
Benefits directly paid by Company	-	(2,210,267)
Net liability/(asset) recognized as at 31 March 2016	297,866	14,505,552

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

39 Employee Benefits: (Continued)**A. Gratuity (Continued)****(viii) Experience adjustment**

Particulars	2016	2015	2014	2013	2012
Experience adjustment on liabilities (gain)/loss	(4,965,959)	2,116,010	10,104,505	2,490,738	4,676,208
Experience adjustment on plan assets gain / (loss)	1,012,958	207,004	15,491	176,673	314,210

(ix) Broad category of plan assets relating to Gratuity as a percentage of total plan assets

The Company's gratuity fund is managed by its insurer, Life Insurance Corporation of India (LIC). The plan assets under the fund are deposited under approved securities.

(x) As at 31 March 2016, the plan assets have primarily been invested in government securities. The estimates of future salary increases, considered in actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The Company expects to contribute approximately ₹5,760,945 to the gratuity trust during fiscal 2016-17.

(xi) The discount rate is based on prevailing market yields of Indian Government Securities as at the Balance Sheet date from the estimated term of obligation.

(xii) Compensated absences

The liability for leave encashment and compensated absences as at year end is ₹46,412,026 (Previous year ₹32,694,577).

40 Long term 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 expense of ₹319,600 (previous year ₹669,218) in respect of Company's long term incentive plan.

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

41 Corporate Social Responsibility (CSR)

As per section 135 of the Act, a CSR committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects. The funds were utilized through the year on these activities which are specified in Schedule VII of the Act.

- a) The gross amount required to be spent by the company as at 31 March 2016 was ₹12,257,000 (Previous year ₹11,135,982)
- b) Particulars of amount spent during the year on:

		31 Mar 2016			31 Mar 2015		
Sr. No.	Purpose	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
1)	Construction/ Acquisition of any asset	7,885,499	-	7,885,499	1,495,211	-	1,495,211
2)	On purposes other than (1) above	3,842,310	-	3,842,310	3,816,875	-	3,816,875
	Total	11,727,809	-	11,727,809	5,312,086	-	5,312,086

- 42** Pursuant to the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31 March 2016 is as follows:

Provision for excise demand

Particulars	31 Mar 2016	31 Mar 2015
Opening balance	-	-
Additions	106,666,720	-
Utilisations	-	-
Closing balance	106,666,720	-

Notes to the financial statements (Continued)

for the year ended 31 March 2016 (Currency: Indian Rupees)

43 Prior year regrouping / reclassification

Previous year's figures have been regrouped / reclassified wherever necessary, to confirm to current year's presentation as under:

Sr. No.	Particulars	Amount
1	Regrouping from "Long-term loans and advances" to "Other current liabilities"	3,970,000
2	Regrouping from "Short-term loans and advances" to "Other current liabilities"	977,680
3	Regrouping from "Short-term provisions" to "Other current liabilities"	7,512,449
4	<u>Regrouped Short-term loans and advances are as follows:</u>	
	From "Advance for supply of goods" to "Advance given to employees"	3,035,000
	Regrouping from "Employee benefits" to "Other expenses"	2,764,939
5	<u>Regrouped Employee benefits are as follows:</u>	
	From "Salaries, wages and bonus" to "Staff welfare expenses"	1,952,756
	From "Contribution to provident and other funds" to "Gratuity expenses"	10,735,411

44 Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

45 Previous year figures were audited by a firm of Chartered Accountants other than B S R & Associates LLP.

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

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

CIN: U34300MH1990PLC055300

Farhad Bamji

Partner

Membership No.:105234

D.E. Jacob

Managing Director

DIN:02387819

Sunil Kumar Sehgal

Director

DIN:05121461

Vijay Sinha

Chief Financial Officer

Noida

27 July 2016

Marcel Rebello

Company Secretary

Membership No. 1656

Mumbai

29 July 2016

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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

PROXY FORM

26TH Annual General Meeting, Tuesday, 27th September, 2016

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

1. Name
 Address.....

Email Id.....Signature....., or failing him/her

2. Name
 Address.....

Email Id.....Signature....., or failing him/her

3. 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 Twentysixth Annual General Meeting of the Company, to be held on Tuesday 27th September 2016 at 4.00 p.m. at the Registered Office if 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 Statement of Profit and Loss for the year ended 31st March, 2016, the Balance Sheet and the Reports of the Directors and Auditors thereon		
2	Reappointment of Mr.Oliver Dohn Director who retires by rotation		
3	Appointment of Price Waterhouse Chartered Accountants LLP as Statutory Auditors and fixing their remuneration		
4.	Ratification of remuneration payable to M/s M.P.Turakhia Cost Auditors for the financial year 2016-2017		

Signed this.....day of.....2016

Affix
Revenue
Stamp

Signature of shareholder(s).....

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

Notes:

- i. 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.
- ii. 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.
- iii. A Proxy need not be a Member of the Company

NOTE

[This section contains multiple horizontal lines for writing a note.]

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fairfield

If undelivered please return to:

FAIRFIELD ATLAS LIMITED

3941/2B-9, Club Road, Basav Nagar, Belgaum - 590 001.

Tel.: (0831) 2434906 Telefax : (0831) 2427210