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FAIRFIELD ATLAS LIMITED

32nd ANNUAL REPORT

2021-22

FAIRFIELD ATLAS LIMITED

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FAIRFIELD ATLAS LIMITED

BOARD OF DIRECTORS	:	Mr. Sunil Sehgal Mr. Devanand E. Jacob Mr. Marcus D. King Mr. Michael A. Campbell Mr. Gajanan V. Gandhe Ms. Xian He Mr. Avinash P. Gandhi Mr. Rakesh Jinsi	Chairman Managing Director Director Director Director Woman Director Independent Director Independent Director
CHIEF FINANCIAL OFFICER	:	Mr. Vijay Kumar Sinha	
COMPANY SECRETARY	:	Mr. Pandharinath Patil	
AUDITORS	:	Price Waterhouse Chartered Accountants LLP, Pune	
BANKERS	:	AXIS Bank Limited HDFC Bank Limited	
REGISTERED OFFICE AND PLANT 1	:	Survey 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur-416507, Maharashtra Tel.: +91 2320 236605/6 Email: pandharinath.patil@dana.com	
Plant 2	:	Survey No. 116 & 119 Village Shinoli (Bk) Chandgad Taluka, Dist Kolhapur-416507, Maharashtra Telephone no : +91 2320 236605 / 06	
CORRESPONDENCE ADDRESS	:	3941/2B-9, Club Road, Basav Nagar, Belgaum-590 001, Karnataka Tel.: +91 831 2434906 Telefax: +91 831 2427210	
REGISTRARS AND TRANSFER AGENTS	:	Link Intime India Private Limited C 101, 247, Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083. Tel: +91 22 28515606 or 28515644 Fax: +91 22 28512885 Email: rnt.helpdesk@linkintime.co.in Website : https://www.linkintime.co.in	
CIN No.	:	U34300MH1990PLC055300	
Website	:	https://www.dana.com/resource-library/	

NOTICE

NOTICE is hereby given that the Thirty Second (32nd) Annual General Meeting of the Members of Fairfield Atlas Limited (the "Company") will be held on Thursday, 29th September, 2022 at 3.00 p. m. at the Registered Office of the Company at Survey No 157, Devarwadi, Chandgad Taluka, Dist. Kolhapur-416507, Maharashtra to transact the following business :

Ordinary Business:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors and the Auditors thereon.

To appoint a Director in place of Mr. Marcus David King (holding DIN 06947986) who retires by rotation and being eligible to offers himself for re-election.

To appoint a Director in place of Ms. Xian He (holding DIN 08633591) who retires by rotation and being eligible to offers herself for re-election.

Special Business**Ratification of Remuneration of Cost Auditors of the Company:**

To ratify the remuneration of Cost Auditors for financial year 2022-23 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 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force], and pursuant to the recommendation of the Audit Committee in this regard, the remuneration payable to M/s M. P. Turakhia & Associates, Cost Accountants (Registration No.000417), who were appointed as Cost Auditors by the Board of Directors of the Company for the conduct of the cost audit of the Company's "other machinery" for the financial year ending 31st March, 2023 amounting to Rs.2,00,000 (Rupees Two Lakhs only) plus goods and 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".

Approval for Revision of Remuneration to Managing Director.

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

"RESOLVED THAT subject to the provisions of Sections 196,197,198, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule V and subject to such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded to the revision in the remuneration payable to Mr. Devanand E. Jacob,(holding DIN 02387819) as Managing Director of the Company with effect from 1st April, 2022 till end of his term upon terms and conditions set

out in the Employment Agreement dated 31st October, 2019 entered into between Mr. Devanand E. Jacob and the Company.

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

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

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

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

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorized to file necessary forms with the Registrar of Companies, make entries in the statutory registers in connection with this appointment and to do all such acts and things as may be necessary to give effect to this resolution."

Approval for Reappointment of Managing Director.

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

"RESOLVED THAT subject to the provisions of Sections 196,197, 203 and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder and limits laid down therein read with Schedule V thereof and subject to such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded to the appointment of Mr. Devanand E. Jacob (holding DIN 02387819) as Managing Director of the Company for a further period commencing from 1st November 2022 and ending on 31st October, 2024 upon existing terms of remuneration and conditions set out in the Agreement dated 30th August, 2022 entered into between Mr. Devanand E. Jacob and the Company and detailed in the Explanatory Statement annexed to this Notice."

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

remuneration, perquisites and benefits payable to Mr. Devanand E. Jacob from time to time."

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

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

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

NOTES:

The relative Explanatory Statement as required by Section 102 of the Companies Act, 2013 in regard to item nos. 4 to 6 is annexed hereto.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10 percent of paid-up share capital of the Company. However, a member holding more than 10 percent of the total share capital of the Company may appoint a single person as proxy provided that such person shall not act as proxy for any other person or member. **A Proxy Form is annexed to this notice.**

If a Proxy is appointed for more than fifty Members, he/she shall choose any fifty Members and confirm the same to the Company before the commencement of period specified for inspection of proxy lodged. In case the Proxy fails to do so, the Company shall consider only the first fifty proxies received as valid.

The form of proxy in order to be effective shall be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.

An instrument of Proxy duly filled, stamped and signed is valid only for this Annual General Meeting including any adjournment thereof.

Corporate/ Institutional Members are entitled to appoint authorized representatives to attend the AGM on their behalf and cast at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / Authorization letter to the Company at

pandharinath.patil@dana.com , authorizing its representative(s) to attend and vote on their behalf at the Meeting, pursuant to section 113 of the Act.

Members/Proxies/Representatives are requested to bring the attendance slip, annexed herewith, for attending the meeting, duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No.

In case of joint holders attending the Meeting, only such a joint holder whose name appears as the first holder in the Register of Members will be entitled to vote at the Meeting

The relevant documents referred to in the Notice are available for inspection by the members at the Registered Office of the Company during business hours on any working day (i.e. except Sundays & Public Holidays) between 10.00 a.m. IST to 5.00 p. m. IST up to the date of the Meeting.

Members who have not registered their e-mail address so far are requested to register their e-mail address with Depository Participant/ Registrar and Transfer Agents for receiving all the communications including Annual Reports, Notices, etc. in electronic mode.

The Register of Directors and Key Managerial Persons and their shareholding maintained under section 170 of the Act and Register of Contract maintained under section 189 of the Companies Act and relevant documents referred in the Notice will be available for inspection without any fee from the date of circulation of this Notice up to the date of AGM i.e. 29th September 2022.

Rule 3 of Companies (Management and Administration) Rules, 2014 (as amended) prescribes that Register of Members should include details pertaining to e-mail, PAN/CIN, UID, Occupation, Status and Nationality. We request all the Members of the Company to update the said details with their respective depository participants in case of shares held in electronic form and with the Company's Registrar and Transfer Agents in the case of physical holding.

Book Closure: The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 22th September 2022 to Thursday, 29th September 2022 (both days inclusive).

Route Map: Since this AGM will be held physically, Route Map showing the location of and directions to reach the venue of the 32nd AGM is attached, pursuant to Secretarial Standard-2 on General Meetings.

The quorum for the meeting shall be as prescribed under section 103 of the Act. In case the required quorum as stated above not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter the persons present shall be deemed to constitute the quorum.

Voting: The business to be transacted at the Annual General Meeting shall be transacted through Ballot /Poll Papers. A member present at the Annual General Meeting can vote through Ballot /Poll Papers at the AGM.

Mr. Mahesh Soni, (Membership No. FCS 3706, COP 2324) Partner of GMJ & Associates, Company Secretaries has been appointed as the scrutinizer to scrutinize the voting process, in a fair and transparent manner.

The Register of Directors and Key Managerial Persons and their shareholding maintained under section 170 of the Act and Register of Contract maintained under section 189 of the Companies Act and relevant documents referred in the Notice will be available for inspection without any fee from the date of circulation of this Notice up to the date of AGM i.e. 29th September 2022.

Notice of the AGM along with the Annual Report 2021-22 is being sent individually to the members at their address registered with the Company in permitted mode. The aforesaid documents are being sent electronically to those members who have registered their email addresses with the Company/Depository Participants. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.dana.com/resource-library/

Remote e-voting

The provisions of section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 are applicable to every company which has listed its equity shares on a recognized stock exchange and every company having not less than one thousand members. However, The total no of shareholders of the Company are below the thresh hold limit, therefore, the provisions of section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 are not applicable to the Company.

DECLARATION OF RESULTS ON THE RESOLUTION

1. The scrutinizer appointed for the poll shall submit a report to the chairman of the meeting in Form No. MGT-13 and the report shall be signed by the scrutinizer and the same shall be submitted to the to the chairman of the meeting or a person authorized by him in writing who shall countersign the same within 7 days from the date of the poll is taken.
2. The result of the voting shall be announced by the chairman of the meeting or a person so authorized by him in writing within 7 days from the conclusion of the Meeting, upon receipt of the Scrutinizer's Report shall be placed on the Company's website viz. <https://www.dana.com/resource-library/> immediately after the result is declared by the Chairman.

By Order of the Board of Directors

Pandharinath Patil

Company Secretary

Place: Devarwadi

Date: 30th August, 2022

CIN No. U34300MH1990PLC055300

Registered Office :

Survey No 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur-416507, Maharashtra , Website: <https://www.dana.com/resource-library/>

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 30th August 2022 has considered and approved the appointment and remuneration of M/s M. P. Turakhia & Associates, Cost Accountants (Registration No. 000417), for the conduct of the audit of cost accounts maintained by the Company for its "other machinery" for the financial year ending 31st March, 2023. As approved by the Board the Annual remuneration payable to M/s M. P. Turakhia & Associates for the financial year ending 31st March 2023 is Rs.2,00,000/- (Rupees Two Lakhs Only) plus goods and service tax as applicable and reimbursement of actual travel and out-of-pocket expenses.

The Board recommends 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.

Item No. 5 & 6

In order to align the remuneration package of Mr. Devanand E. Jacob, Managing Director of the Company in line with other Senior Executives of the Dana group the Board of Directors at its meeting held on 30th August 2022 approved on the recommendation of the Nomination and Remuneration Committee revision/increase in the remuneration to be paid to Mr. Devanand E. Jacob as Managing Director of the Company on a monthly basis for the period commencing from 1st April 2022 till the end of his term as set out in the Second Supplemental Agreement dated 30th August 2022 the salient features of which are mentioned below:

A)

1. **Salary Details** **(Amount in INR)**

Sr No.	Particulars	Current	Revised
a.	Basic Salary	403,628	408,298
b.	House Rent Allowance	216,454	204,149
c.	Special Allowance	82,589	150,153
d.	Leave Travel Allowance	5,000	5,000
e.	PF Employer Contribution	48,435	48,995
	Total	756,106	816,595
	Annual CTC	9,073,272	9,799,140

In addition to above, amount of Rs. 15,000/- P.M. shall be paid to Mr. Jacob for his relocation to Pune w.e.f. 1st August 2022.

- a) **Bonus/Incentive:** In accordance with Dana Group Bonus Policy applicable to Senior Managerial personnel of the Company from time to time.

Apart from above revision/addition in remuneration the other terms and conditions including perquisites and other benefits as approved by the Nomination and Remuneration Committee, the Board of Directors and the Company in General Meeting and contained in the Employment Agreement dated 31st October, 2019 entered into between Mr. Devanand E. Jacob and the Company remain unchanged.

I. **General Information :**

i. Nature of industry

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

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

The Company was incorporated on 1st February 1990 as a private company and commenced commercial production in the year 1993.

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

Not Applicable

iv. Financial performance based on given indicators – as per Audited Financial results for the year ended 31st March 2022.

Particulars	Rs. in lakhs
Total Revenue	67,454.99
Profit before Depreciation, Interest and Tax	10,190.00
Interest and other Finance Charges	0.06
Depreciation and Amortization	3,304.07
Profit before taxation	6,885.87
Income tax Expenses	
Current Tax	2,112.75
Deferred Tax (credit)/charge	(297.13)
Profit after taxation	5,070.25

v. Foreign investments of collaborators, if any.

TH Licensing Inc., USA, a wholly owned subsidiary of Fairfield Manufacturing Co. Inc. USA(including their nominee(s), presently holds 2,68,75,121 equity shares of INR 10/- each constituting 100.00% of the paid up share capital of the Company.

v. Information about the appointee.

1. Background details

Mr. Jacob is an Engineer by profession and has been the Managing Director of the Company since 24th October, 2008 being stationed at the Company's Plant for more than 27 years. Prior to his appointment as Managing Director Mr. Jacob held senior positions in the Company both in the operations, commercial and administrative fields thus acquiring cross functional experience across several departments. In his present capacity as the Managing Director of the Company he oversees the entire plant

operations of the Company. Mr. Jacob has received training at the Plant of the Company's Principals, Fairfield Manufacturing Co., Inc., USA and the Company's other foreign associates. After acquisition by DANA Inc. Mr. Jacob was given additional charge as Chief Operating Officer of Dana Plants in India thereby widening the scope of his control and experience.

2. Past remuneration during financial year ended 31st March 2022.

The total remuneration drawn by Mr. Devanand E. Jacob as Managing Director for the year ended 31st March 2022 was INR 91.52 lakhs including perquisites.

3. Recognition or Awards

Not applicable

4. Job Profile and their suitability

Mr. Jacob is the Managing Director of the Company since 24th October 2008. The Board has delegated substantial powers of management of the Company to Mr. Jacob, in his capacity as Managing Director of the Company. Mr. Jacob is an Engineer by profession and has been stationed at the Company's plant for the past 27 years and hence has acquired in depth knowledge and cross functional experience across various departments in technical, commercial and administrative fields. He has received training at the Plant of the Company's Principals, Fairfield Manufacturing Co., Inc., USA and the company's other foreign associates. Mr. Jacob is responsible interalia for development of the business of the Company and implementing its strategy. In his present capacity he oversees the entire Plant Operations. After acquisition by DANA Inc. Mr. Jacob was given additional charge as Chief Operating Officer of Dana Plants in India thereby widening the scope of his control and experience. Since Mr. Jacob is the sole Managing Director he is required to shoulder substantial responsibilities of the company's growing business which includes both domestic and export business. Therefore, taking into consideration his long association, experience and intimate knowledge of the working and business of the company, Mr. Jacob is best suited for the position he occupies.

5. Remuneration proposed.

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

The existing terms and remuneration including perquisites presently being paid to Mr. Jacob were approved by the Nomination and Remuneration Committee and the Board of Directors at their meetings held on 30th August 2022 are set out under 'A' above.

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

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

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

Apart from the proposed remuneration, Mr. Jacob does not have any other pecuniary relationship with the Company or relationship with any managerial personnel.

Other information

- 1) Reason of loss or inadequate profits.- NA
- 2) Steps taken or proposed to be taken for improvement and- NA
- 3) Expected increase in productivity and profits in measurable terms. - NA

III Disclosures

Not Applicable

The Board recommends the Special Resolutions set out at item No. 5 & 6 of the Notice for approval by the members.

Except Mr. Jacob none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolutions set out at Item No. 5 & 6 of the Notice except to the extent of their shareholding interest, if any, in the Company.

Inspection of Documents

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

By Order of the Board of Directors

Pandharinath Patil

Company Secretary

Place: Devarwadi

Date: 30th August,2022

CIN No. U34300MH1990PLC055300

Registered Office :

Survey No 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur- 416507, Maharashtra, Website: <https://www.dana.com/resource-library/>

DIRECTORS' REPORT**Dear Members,**

Your Directors are pleased to present the Company's Thirty Second (32nd) Annual Report together with the Audited Financial Statements of Fairfield Atlas Limited for the year ended 31st March 2022.

1) Financial Results**(Rs. in Lakhs)**

Particulars	F.Y. 2021-22	F.Y. 2020-21
Total Revenue	67,454.99	40,689.15
Profit before depreciation, Interest and Tax	10190.00	5,576.84
Interest and other finance charges	0.06	0.15
Depreciation and Amortizations	3,304.07	3,508.42
Profit before Tax	6,885.87	2,068.27
Income tax expenses:		
Current tax	2,112.75	928.75
Deferred Tax charge (credit)/charge	(297.13)	(368.25)
Profit after tax	5,070.25	1,507.77

Previous year's figures have been regrouped to conform to current year's classification

2) Dividend

The Directors did not recommend dividend for the year ended 31st March 2022.

3) Performance

The financial performance highlights for the year ended 31st March 2022 are as follows :

Total Income and Operating Profit for the year under review amounted to Rs. 67,454.99 Lakhs and Rs. 10190.00 Lakhs respectively as compared Rs. 40,689.15 Lakhs and Rs. 5,576.84 Lakhs, in the previous financial year.

The Profit before Tax and Profit after Tax for the year under review amounted to Rs. 6,885.87 Lakhs and Rs.5,070.25 Lakhs respectively as compared to Rs. 2,068.27 Lakhs and Rs. 1,507.77 Lakhs, in the previous financial year. The subsequent increase in commodity prices have impacted the margin on sales during the year.

The pandemic imposed a new set of challenges on the global off-highway equipment market. From project and approval delays in key demand sectors like infrastructure and agriculture to supply chain bottlenecks resulting in erratic replacement of equipment and parts inventory, market participants struggled. Compounding this was the dearth of skilled equipment operators in the construction, mining, and agricultural sectors. However, the market is on the road to sustained recovery; higher levels of equipment utilization and inventory spending will drive the uptake of digital services, with market recovery in 2021 setting the foundation for stable growth in 2022 and beyond.

Off-highway equipment manufacturers have started laying out roadmaps targeting a sustainable future. To accelerate the transition to electric machinery, manufacturers have started offering training to guide employees, technicians, and customers including rental

companies and contractors on market value, site productivity, and the environmental benefits of electrification. Equipment electrification, digitization, and automation have created the need for synergies between original equipment manufacturers, suppliers, and service providers: 2021 witnessed more than 40 partnership announcements by off-highway OEMs. Most of the collaborations were aimed at developing alternative powertrains and autonomous solutions. Hybrid powertrains are being used as transitional technologies to stimulate the use of hydrogen and electricity as fuel. Emerging markets such as India, Southeast Asia, the Commonwealth of Independent States, and parts of Europe will be targets for the establishment of remanufacturing centers.

Global construction equipment sales rose 10 per cent in 2021 to a new record of 1.191 million units. The combination of low interest rates, stimulus spending on infrastructure and high commodity prices last year was a heady combination for the construction equipment market. Residential construction is booming, there is strong demand for equipment from mines and the pipeline of infrastructure work looks solid."

All major markets of the world grew last year, with the exception of China. Some of the most robust growth was seen in North America (up 25 per cent) and Western Europe (up 22 per cent), while emerging markets, excluding India and China, were up 24 per cent.

Future strategy involves focusing on customer needs and expanding product portfolio and increasing customer base so as to accelerate its earnings growth. On a global level the Dana Inc. of which the Company is a part is a supporter of clean environment and hence is focusing on electric drives and transmission components for electric and hybrid vehicles.

Good monsoon all over the country and Government of India's decision of continuing its Build India' momentum to counter the economic slowdown and the ample liquidity in the ecosystem could aid to increase in demand.

4) Directors Responsibility Statement

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

- 1) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) 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 2022 and of the profit of the Company for the year ended on that date;
- 3) 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;
- 4) that the Directors had prepared the annual accounts for the year ended 31st March 2022 on a going concern basis;
- 5) 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

- 6) 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.

5) Finance

The Company has no debts outstanding as on year end.

6) Number of meetings of the Board of Directors

During financial year ended 31st March 2022 four Board Meetings were held.

The dates on which the Board Meeting were held are 24th June 2021, 27th August 2021,

13th December 2021 and 28th March 2022

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

Directors	Number of Board Meetings attended
Mr. Sunil Sehgal (Chairman)	4
Mr. Marcus D. King	4
Mr. Devanand E. Jacob	3
Mr. Michael A. Campbell	4
Mr. Gajanan V. Gandhe	4
Ms. Xian He	4
Mr. Avinash P. Gandhi	4
Mr. Rakesh Jinsi	4

7) 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 28th March February 2022 to review and discuss matters as mentioned in Schedule IV of the Companies Act.

8) Subsidiaries

The Company does not have any subsidiary.

9) 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 2022

10) Annual Return

In accordance with the Companies Act, 2013, read with the applicable Rules, the Annual Return in the prescribed format can be accessed at <https://www.dana.com/resource-library/>

11) 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- I** to this Report.

12) Transfer of Amount to Reserves

The Company proposes to transfer Rs.5,070.25 lakhs to General Reserve for the Financial year ended 31st March 2022.

13) Corporate Social Responsibility

Corporate Social Responsibility (CSR) as recommended by the Committee and accepted and adopted by the Board encompasses mechanism for undertaking socially useful programs for welfare and sustainable development of the underprivileged groups of Urban and Rural Communities. These programs would focus on education issues, empowerment of women, health care including working with elderly citizens and old age homes, developing source of pure drinking water specifically in rural areas, skill developments, environment sustainability, technology/ research and development etc. These would help the development of not only stakeholders but Society as a whole.

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- II** to this Report.

During the Financial year, Corporate Social Responsibility Committee meeting was held on 26th August 2021

Attendance at these meetings was as under:

Members	Number of meetings attended
Mr. Sunil Sehgal (Chairman)	1
Mr. Avinash Gandhi	1
Mr. Devanand E. Jacob	1

14) Industrial Relations

During the financial year, Industrial relations at the Company's Plant continued to be cordial and harmonious. During the year, the Company organized various training programs, seminars and inter- active sessions and awareness programs for the benefit of the employees and enhancing their capabilities. The Company believes that well-being of its employees is well-being of the community.

15) Demat of shares under Companies (Prospectus and Allotment of Securities) Rules for purposes of transfer.

Pursuant to the order of the National Company Law Tribunal, Mumbai Bench dated 9th March 2022 confirming the reduction of the Capital, Company has paid off for and extinguished the 4,45,419 equity shares held by minority shareholders.

All 2,68,75,121 equity shares are in Dematerialized form as on 31.03.2022

Pursuant to amendment of the above Rules, shares of the Company being unlisted can only be transferred in dematerialized mode with effect from 2nd October, 2018.

Company's dematerialization number is ISIN INE 922C0102.

16) Particulars of Employees

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection by the members at the registered office of the Company during working hours on working days up to the date of the Annual General Meeting and if any member is interested in obtaining a copy thereof, such member may write to the Company Secretary.

17) 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-III** to this Report.

18) 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 adequate internal control system and procedures for controlling risks and organizational process for managing and reporting on risks and dealing with risk factors affecting the organization. All assets are adequately insured. The Company's risk management is carried out by the treasury department of the Company under policies approved by the Board of Directors.

The treasury department identifies, evaluates and hedges financial risks through derivative financial instruments. The Board gives directions for overall risk management.

19) Mechanism for Evaluation of Board

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

The performance of the Board of Directors as a whole and its Committees 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.

20) Nomination and Remuneration Committee

The members of the present Nomination and Remuneration Committee are Mr. Avinash Gandhi and Mr. Rakesh Jinsi (Independent Directors) and Mr. Sunil Sehgal. The Committee sets out a Policy on remuneration of Senior Managerial Personnel and Managing Director.

During the Financial year, Nomination and Remuneration Committee meeting was held on 24th June 2021.

Attendance at the meeting was as under:

Members	Number of meetings attended
Mr. Sunil Sehgal	1
Mr. Avinash Gandhi (Chairman)	1
Mr. Rakesh Jinsi	1

21) Remuneration Policy for Managing Director and Senior Managing Personnel

- (b) 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 Dana Group as applicable to Senior Managerial Personnel and is subject to shareholder approval.
- (c) The remuneration of Key Managerial Personnel consists mainly of salary, allowances, perquisites, incentives.
- (d) Remuneration level is considered depending on the individual's role, experience and achievement of results.
- (e) 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.

22) Audit Committee

The members of the Audit Committee are Mr. Avinash Gandhi and Mr. Rakesh Jinsi (Independent Directors) and Mr. Sunil Sehgal. The Committee reviews with the Management the financial results prior to recommending them to the Board. The Committee recommends appointment of Statutory, Internal and Cost Auditors and fixing their remuneration. It formulates the scope, functioning, periodicity and methodology for conducting the internal audit. All recommendations of Audit Committee were accepted by the Board. During the financial year one meetings of the Audit Committee were held on 24th June 2021, 26th August 2021 and 28th March 2022.

Attendance at these meetings was as under:

Members	Number of meetings attended
Mr. Avinash Gandhi (Chairman)	3
Mr. Sunil Sehgal	3
Mr. Rakesh Jinsi	3

23) Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are Mr. Avinash Gandhi, Mr. Sunil Sehgal and Mr. Devanand 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.

No meetings of Stakeholders Relationship Committee were required to be held during the financial year.

24) Material changes and commitments

The Board of Directors in their Meeting held on 26th July 2022 granted their approval for merger of the Company and Brevini India Private Limited with Graziano Trasmissioni India Private Ltd.

25) Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Marcus David King and Ms. Xian He, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment as Director.

The Board recommends the reappointment of Mr. Devanand E. Jacob as Managing Director for 2 years from 1st November 2022 to 31st October, 2024.

The Company has received requisite notices in writing from members Mr. Marcus David King, and Ms. Xian He for appointment/reappointment as Directors.

Mr. Sunil Sehgal and Mr. Gajanan Vithal Gandhe retired by rotation at 31st Annual General Meeting and were reappointed as Directors of the Company.

None of the directors of the Company is disqualified as on 31st March, 2022 for being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013.

There has been no other change in the Key Managerial Personnel of the Company during the year, except as mentioned above.

26) Auditors

The Company's Auditor, Price Waterhouse Chartered Accountants LLP bearing firm Registration number 012754N/N500016 were appointed as Statutory Auditors for a period of Five consecutive years from the conclusion of 31st Annual General Meeting held on 30th September, 2021 up to the conclusion of 36th Annual General Meeting to be held in the year 2026. They have given their written consent for continuing as Auditors of the Company.

27) Auditors' Report

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

28) 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 2022-23 and fixed their remuneration subject to approval of the shareholders of the Company.

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 Section 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.

29) Internal Auditors

The Board had appointed M/s. T. R. Chadha & Co LLP a reputed firm of Chartered Accountants as Internal Auditors for the Financial year ending 31st March, 2022. The Company also has adequate internal financial controls commensurate with its scale of operations.

30) Secretarial Auditor's Report

Pursuant to the provisions of Section 204 of the Companies Act 2013, the Board of Directors have appointed M/s. GMJ & Associates Practicing Company Secretaries as Secretarial Auditor to conduct secretarial audit of the Company for the Financial year ended 31st March 2022.

Secretarial Audit Report issued by M/s. GMJ & Associates in form MR-3 is enclosed as **Annexure- IV** to this Report. There are no qualifications, reservation or adverse remark in the Secretarial Audit Report.

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors have reappointed M/s. GMJ & Associates, Company Secretaries as the Secretarial Auditors of the Company in relation to the financial year ending 31st March, 2023.

The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed there under.

31) Compliance with the provisions of Secretarial Standards 1 and 2

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly complied by the Company.

32) Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

33) Acknowledgement

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

34) General

The Directors state that no disclosure or reporting is required in respect of following items as there were no transactions/events on these items during the year under review:

1. Issue of equity shares with differential rights as dividends, voting or otherwise
2. Issue of shares (including sweat equity shares) to employees of the Company under any Scheme
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future
4. Acceptance of Deposits
5. No fraud has been reported by any of the Auditors to the Audit Committee or the Board
6. The Company does not have any scheme of providing money for purchase of its own shares by employees or by trustees for benefit of employees.

For and on behalf of the Board of Directors

Place: Devarwadi

Sunil Sehgal

Date: 30th August, 2022

Chairman

ANNEXURE- I**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:

There are no contracts or arrangements or transactions not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2022 are as follows :

1. **Names of related parties and nature of relationship where control exists.**

1. **Name of the related parties and nature of relationship**

1. **Entities having control over the Company**

1. **Ultimate Holding Company**

Dana Incorporated

2. **Intermediate Holding Company**

Fairfield Manufacturing Company Inc., U. S. A.

3. **Holding Company**

T-H Licensing Inc., U. S. A.

4. **Other Related Parties with whom transactions have taken place during the year:
Fellow Subsidiaries:**

Graziano Trasmissioni India (Private) Limited

Dana Investment GMBH

Dana Limited

Dana India Private Limited

Dana Graziano S.R.L

Dana Graziano (Suzhou) Drive Systems Co. Ltd.

Dana Spicer(Shanghai)Trading Co. Limited

Shanghai Brevini Gearbox Co. Limited

Dana (Wuxi) Technology Co. Limited

Dana India Technical Centre Private Limited

Dana Italia S.R.L

Dana Hungary KFT
 Dana Industrias Ltda.
 Dana Japan Ltd.
 Dana Off-Highway(Yancheng) drive systems Co. Ltd
 Dana SAC Uk Limited
 Dana Anand India Private Limited
 (earlier known as Spicer India Private Limited)
 Dana Sac Finland Oy
 Brevini India Private Limited
 Dana TM4 India Private Ltd

5. Key management personnel:

Mr. Sunil Sehgal – Chairman
 Mr. Devanand E. Jacob - Managing Director
 Mr. Marcus David King - Non-executive Director
 Mr. Michael Andrew Campbell - Non-executive Director
 Mr. Avinash P. Gandhi - Independent Director
 Mr. Gajanan Vithal Gandhe - Non-executive Director
 Mr. Rakesh Jinsi - Independent Director
 Ms. Xian He - Non-executive Director

6. Entities where the related party as per (iii) above (ii) Key managerial personnel

Dana Care Foundation

7. Disclosure of related party transactions.

Particulars	31 March 2022		31 March 2021	
	Entity hav- ing control over the Company	Fellow Sub- sidiaries	Entity hav- ing control over the Company	Fellow Sub- sidiaries
	(1)	(2)	(1)	(2)
Sales of products (excluding tax)				
Fairfield Manufacturing Company Inc., U. S. A.	2,484,674,296	-	1,041,838,368	-
Graziano Trasmissioni India Private Limited	-	392,034,744	-	243,017,923
Dana India Private Limited	-	53,104,010	-	35,232,228
Dana Graziano S.R.L.	-	400,615,152	-	273,506,659
Dana Spicer(Shanghai)Trading Co. Limited	-	265,819,441	-	355,079,385
Shanghai Brevini Gearboxes Co. Limited	-	90,029,943	-	98,714,291

Particulars	31 March 2022		31 March 2021	
	Entity hav- ing control over the Compan y	Fellow Sub- sidiaries	Entity hav- ing control over the Compan y	Fellow Sub- sidiaries
	(1)	(2)	(1)	(2)
Dana (Wuxi) Technologies Co. Limited	-	29,315,795	-	8,682,154
Dana Hungary KFT	-	-	-	69,992
Dana Industrias Ltda.	-	10,974,875	-	4,429,497
Dana Italia S.R.L.	-	129,371	-	9,591
Dana Japan Ltd.	-	-	-	8,998,776
Dana Off-Highway(Yancheng) drive systems Co. Ltd	-	853,197,937	-	525,019,114
Dana SAC UK Limited	-	-	-	175,709
Dana TM4 India Private Limited	-	8,767	-	-
Dana Sac Finland Oy	-	93,752	-	-
Other Miscellaneous Transactions				
Fairfield Manufacturing Company Inc. U. S. A.	1,924,877	-	78,477	-
Dana Anand India Private Limited (Earlier known as Spicer India Private Limited)	-	-	-	175,815
Dana (Wuxi) Technologies Co Limited	-	-	-	606,390
Dana Spicer(Shanghai)Trading Co. Limited	-	56,233	-	-
Brevini India Private Limited	-	20,000	-	-
Sales of Services				
Fairfield Manufacturing Company Inc. U. S. A.	-	-	938,008	-
Graziano Trasmissioni India Private Limited	-	4,539,376	-	3,993,762
Dana India Private Limited	-	-	-	2,449,206
Brevini India Private Limited	-	360,000	-	-
Sales of Fixed Assets				
Graziano Trasmissioni India Private Limited	-	9,218,601	-	832,418
Fairfield Manufacturing Company Inc. U. S. A.	308,452	-	-	-
Reimbursement of expenses				
Graziano Trasmissioni India Private Limited	-	9,585,528	-	8,516,359
Dana India Technical Centre Private Limited	-	20,994	-	-
Dana India Private Limited	-	-	-	8,000
Dana Graziano S.R.L.	-	11,149,195	-	1,510,585
Dana Hungary KFT	-	-	-	87,686
Purchase of Property, Plant and equipment				
Graziano Trasmissioni India Private Limited	-	84,584	-	263,207

Particulars	31 March 2022		31 March 2021	
	Entity hav- ing control over the Compan y	Fellow Sub- sidiaries	Entity hav- ing control over the Compan y	Fellow Sub- sidiaries
	(1)	(2)	(1)	(2)
Trade mark fees				
Dana Limited	-	33,236,953	-	24,850,937
Purchases of Goods				
Fairfield Manufacturing Company Inc. U. S. A.	49,447,699	-	7,879,919	-
Dana India Private Limited	-	3,609	-	1,804
Dana Spicer(Shanghai)Trading Co. Limited	-	-	-	799,773
Graziano Trasmissioni India Private Limited	-	183,867,605	-	152,970,021
Dana Off-Highway(Yancheng) drive systems Co. Ltd	-	22,042	-	3,432,941
Dana (Wuxi) Technologies Co. Limited	-	6,792,672	-	-
Dana TM4 UK Limited	-	265156	-	-
Dana TM4 India Private Ltd Limited	-	10,587,259	-	-
Development Tooling Income				
Fairfield Manufacturing Company Inc. U. S. A.	-	-	9,715,504	-
Graziano Trasmissioni India Private Limited	-	13,450	-	-
Dana India Private Limited	-	-	-	1,300,000
Dana Industrias Ltda.		1,507,627		
Management fees				
Dana Investment GMBH**	-	3,841,005	-	6,154,100
Dana Limited	-	145,149,975	-	93,806,426
Dana India Technical Centre Private Limited	-	14,460,591	-	8,289,592
Dana Italia S.R.L	-	46,118,949	-	40,533,545
Graziano Trasmissioni India Private Limited	-	500,000	-	1,090,000

Transactions with Key Managerial Personnel

Particulars	31 March 2022	31 March 2021
Mr. D. E. Jacob		
- Short term employment benefits	9,151,597	12,475,296
- Post employment benefits***	15,000	34,000
Mr. Avinash Prakash Gandhi		
- Director sitting fees	400,000	400,000
Mr. Rakesh Jinsi		
- Director sitting fees	360,000	320,000

8. Terms and conditions

All transactions with related parties were entered in the normal commercial terms and conditions. All outstanding balances are unsecured and repayable in cash.

Note:- The transactions with the related parties are disclosed up to/from the date the related party relationship ceased/came in existence.

Notes:

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

** Disclosed based on the details provided by actuary on estimated basis.

Long term employee benefits are calculated at the company level and hence the same has not been presented for the Key managerial personnel.

9. Duration of the contracts/arrangements/transactions

The transactions pertain to the year 1st April, 2021 to 31st March, 2022

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

For and on behalf of the Board of Directors

Place: Devarwadi

Sunil Sehgal

Date: 30th August,2022

Chairman

ANNEXURE- II**CSR Report 2021-22****Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules 2014****1. Brief outline on CSR Policy of the Company.**

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 :

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

15. Composition of CSR Committee :

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sunil Kumar Sehgal	Chairman	1	1
2.	Mr. Devanand E. Jacob	Managing Director	1	1
3.	Mr. Avinash P. Gandhi	Independent Director	1	1

16. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : <https://www.dana.com/resource-library/>

17. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **NA**

18. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	NA		
	Total		

19. Average net profit of the company as per section 135(5). : **INR 5,860.8 Lakhs**
20. a) Two percent of average net profit of the company as per section 135(5) : **INR 121.15 Lakhs**
21. Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NA
22. Amount required to be set off for the financial year, if any : **NIL**
23. Total CSR obligation for the financial year (7a+7b-7c).: **INR 121.15 Lakhs**
24. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (INR IN Lakhs)	Amount Unspent (INR. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
223.15	-	-	-	-	-

- b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	State	District	Project duration	Amount allocated for the project (in Lakhs)	Amount spent in the current financial year (in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Lakhs)	Mode of Implementation - Direct (Yes / No)	Name	Mode of Implementation - Through Implementing Agency CSR Registration number
1	Support to adopted School at Kowad	(ii) promoting	Yes	Maharashtra	Kolhapur	Conti..	6.6	6.6	0.00	No	Dana Care Foundation	CSR00011093

	and Shinoli Khurd & Budruk	education										
2	Donation of 500 Student Benches	(ii) promoting education	No	Gujarat	Sanand	Conti..	4.3	4.3	0.00	No	Dana Care Foundation	CSR0001 1093
3	Renovation of School Building	(ii) promoting education	Yes	Maharashtra	Kolhapur	Conti..	7.8	7.8	0.00	No	Dana Care Foundation	CSR0001 1093
4	Operations of Vocational Training Centre at Shinoli Budruk	(ii) promoting education	Yes	Maharashtra	Kolhapur	Conti..	35.7	35.7	0.00	No	Dana Care Foundation	CSR0001 1093
5	Distribution of Nutrient food to kids at Kowad Ashram	VII (i) Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Kolhapur	Conti..	1.1	1.1	0.00	No	Dana Care Foundation	CSR0001 1093
6	Operations of Water Treatment plant at Shinoli Budruk	VII (1) "Making available safe drinking water"	Yes	Maharashtra	Kolhapur	Conti..	15.7	15.7	0.00	No	Dana Care Foundation	CSR0001 1093
7	5840 KL Water Treatment Plant at Shinoli Khurd	VII (1) "Making available safe drinking water"	Yes	Maharashtra	Kolhapur	Jan 21 -Dec 21	32.0	32.0	0.00	No	Dana Care Foundation	CSR0001 1093
8	Installation of 8 water cooler at School	VII (1) "Making available safe drinking water"	Yes	Maharashtra	Kolhapur	Conti..	8.8	8.8	0.00	No	Dana Care Foundation	CSR0001 1093
9	Support to Technology	(ix) (a) Contribution to	Yes	Maharashtra	Mumbai / Pune	Apr-21 to	77.7	77.7	0.00	No	Dana Care	CSR0001 1093

	y/ R&D initiatives	incubators or research and development projects				Mar 24					Foundation	
10	Pond Development at Charal	(iv) ensuring environmental sustainability	No	Gujarat	Sanand	Mar 21-Mar 22	20.5	20.5	0.00	No	Dana Care Foundation	CSR0001 1093
11	Renovation of Public Library	VII(ix) Rural Development Projects	Yes	Maharashtra	Kolhapur	Conti..	0.8	0.8	0.00	No	Dana Care Foundation	CSR0001 1093
12	Free Medical Consultation to underprivileged villegers	VII (i) promoting health care including preventive health care and sanitation	No	Gujarat	Sanand	Conti..	0.9	0.9	0.00	No	Dana Care Foundation	CSR0001 1093
13	Development of Covid Care Centre	(iv) ensuring environmental sustainability	Yes	Maharashtra	Kolhapur	Conti..	7.8	7.8	0.00	Yes		
14	Depth Increase of Pond at Sonarwadi	(iv) ensuring environmental sustainability	Yes	Maharashtra	Kolhapur	Mar 20 to Mar 22	3.6	3.6	0.00	Yes		
	Total						223.2	223.2	0.00			

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
NIL									
Total									

d) Amount spent in Administrative Overheads : NIL

e) Amount spent on Impact Assessment, if applicable : NA

f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **INR.223.20 Lakhs**

g) Excess amount for set off, if any- **NA**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

25. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2020-21	104.08	102.00	-	-	-	2.08
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
Total		104.08	102.00	-	-	-	2.08

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1		Development of Pond at Deverwadi	2019-20	PA	19.80	19.80	19.80	Completed
2		40 KL Water Treatment Plant at Shinoli Khurd	2019-20	PA	58.00	27.92	47.72	Ongoing
	Total				77.80	47.72	47.72	

26. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**.

1. Date of creation or acquisition of the capital asset(s): **40 KL Water Treatment Plant at Shinoli Khurd**
2. Amount of CSR spent for creation or acquisition of capital asset.: **INR. 32.00 Lakhs**
3. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Grampanchayat Shinoli Khurd, Taluka Chandgad, Dist. Kolhapur**
4. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Grampanchayat Shinoli Khurd, Taluka Chandgad, Dist. Kolhapur**
5. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- Devanand E. Jacob (Managing Director)	Sd/- Sunil Sehgal (Chairman CSR Committee)	Sd/- Avinash P. Gandhi (Independent Director)
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ANNEXURE- III**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 financial year ended 31st March, 2021

1. Conservation of Energy

The Company is committed to energy and environment conservation and protection as an important aspect 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 pursue its efforts at energy conservation in future by taking other measures on energy saving. Few of such steps and initiatives that have been taken on energy conservation are listed below:

1. The steps taken/impact on conservation of energy

Energy Conservation Activities

1. Heat recovery system of Compressor to assembly washing machine.
2. Auto lighting system to machine shop of Plant-1 & Plant-2
3. Thyristor control panel to tempering furnace – 7206 in Heat Treatment.
4. Elimination of chiller unit with water cooling method on Raishaver machine.
5. Installed VFD control panel to motors of CGCF cooling Tower
6. Installed Energy Efficient Motors 7.5 HP to Shaping machine-2 Nos
7. Reduction of Transformer Losses by staggering transformer load.
8. Phase wise implementation of IE3 grade energy efficient motors.

Proposed Energy Conservation Activities

9. LPG saver to BGL furnaces.
10. Air net piping system in machine shop.
11. Introduction of heat pump to washing machine.
12. Introduction of solar water pumps.

13. The steps taken by the Company for utilizing Alternate sources of Energy:

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

14. The capital investments on energy conservation equipment's:

No specific investments on energy conservation equipment's made during the year

15. Technology Absorption

1. The efforts made towards technology absorption :
NIL

2. The benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**
3. 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
4. The expenditure incurred on Research and Development: **NIL**

16. Foreign Exchange Earnings and outgo

The foreign exchange earnings is Rs. 44,205.71 Lakhs and outgo is Rs. 9,000.07 Lakhs.

For and on behalf of the Board of Directors

Place: Devarwadi

Sunil Sehgal

Date: 30th August,2022

Chairman

ANNEXURE- IV
FORM NO.MR-3
DRAFT SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,
The Members,
FAIRFIELD ATLAS LIMITED
Survey No. 157, Devarwadi Village,
Chandgad Taluk,
Dist. Kolhapur – 416507.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2022** 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 **FAIRFIELD ATLAS LIMITED** for the financial year ended on March 31, 2022, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
4. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

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

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

We report that during the conduct of the audit, in our opinion, adequate systems exist in the Company to monitor and ensure compliance with general laws.

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

We further report that -

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority of the decisions being carried through were captured and recorded as part of the minutes.
3. That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

1. The National Company Law Tribunal, Mumbai Bench vide Order dated March 9, 2022 has approved the reduction of issued, subscribed and paid up share capital of the Company to INR 26,87,51,210 divided into 2,68,75,121 shares of INR 10 each from 27,32,05,400 divided into 2,73,20,540 shares of INR 10 each, accordingly, the Company has filed the Order with the Registrar of Companies, Maharashtra, Mumbai on March 29, 2022.

As informed, the Company has not received any notices from the statutory / regulatory authorities during the year.

For **GMJ & ASSOCIATES**
Company Secretaries

[SONIA CHETTIAR]
PARTNER
ACS: 27582 COP: 10130
UDIN: A027582D000868818
PLACE: MUMBAI
DATE: August 30, 2022

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,
FAIRFIELD ATLAS LIMITED
Survey. No. 157, Devarwadi Village,
Chandgad Taluk,
Dist: Kolhapur-416507.

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

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

For **GMJ & ASSOCIATES**
Company Secretaries

[SONIA CHETTIAR]
PARTNER
ACS: 27582 COP: 10130
UDIN: 027582D000868818
PLACE: MUMBAI
DATE: August 30, 2022

Independent auditor's report**To the Members of Fairfield Atlas Limited
Report on the audit of the financial statements****Opinion**

1. We have audited the accompanying financial statements of Fairfield Atlas Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2020 ("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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the maintenance of accounts and other matters connected therewith reference is made to our comment in paragraph 12(b) above that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on the servers physically located in India.

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 18 and 35 to the financial statements
 - ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have material foreseeable losses on long-term contracts including derivatives contracts as at March 31, 2022
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41 (vi) to the financial statements);
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41 (vi) to the financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.

13. 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.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Disha Maheshwari

Partner

Membership Number : 110159

UDIN : 22110159AQGZUD7395

Place : Pune

Date : August 30, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 12 (g) of the Independent Auditor's Report of even date to the members of Fairfield Atlas Limited on the financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Fairfield Atlas Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by ICAI.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Disha Maheshwari

Partner

Membership Number : 110159

UDIN : 22110159AQGZUD7395

Place : Pune

Date : August 30, 2022

Annexure B to Independent Auditors' Report**Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Fairfield Atlas Limited on the financial statements as of and for the year ended March 31, 2022**

- i) a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- c) The title deeds of all the immovable properties, as disclosed in Note 4 to the financial statements, are held in the name of the Company.
- d) The Company has chosen cost model for its Property, Plant and Equipment and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii) a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii) The Company has not made any investments, granted secured/ unsecured loans / advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

- iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, duty of customs, duty of excise, value added tax, cess, and other material statutory dues as applicable, with the appropriate authorities. Also, refer note 18 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to information and explanations given to us and the records of the Company examined by us, there are no statutory dues of Provident Fund, Employee State Insurance, Value Added Tax, Goods and Services Tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. Millions)	Amount Paid Under Protest (Rs. Millions)	Period to which the amount relates	Forum where the dispute is pending
The Bombay Sales Tax Act, 1959	Sales Tax	2.12	-	FY 1998-99	The High Court
The Central Sales Tax Act, 1956	Central Sales Tax	133.58	99.63	FY 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	The Sales Tax Tribunal

The Central Sales Tax Act, 1956	Sales Tax	14.95	14.54	FY 2016-17 FY 2017-18	The Joint Commissioner of Sales Tax (Appeals)
The Customs Act, 1962	Customs Duty	0.62	-	March 2018	The Deputy Commissioner of Customs
The Central Excise Act, 1944	Excise Duty	5.57	-	April 2003 to March 2007	The Commissioner of Central Excise
		26.08	-	April 2015 to March 2016	The Commissioner of Central GST
The Income Tax Act, 1961	Income Tax	94.42	-	FY 2007-08, FY 2010-11, FY 2011-12	The Deputy Commissioner of Income Tax
		9.58	-	FY 2009-10	The High Court
		0.22	-	FY 2012-13	The Assistant Commissioner of Income Tax, Transfer Pricing

- viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix) (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, associates or joint ventures. Accordingly reporting under clause (ix)(e) of the Order is not applicable.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, associates or joint ventures. Accordingly reporting under clause (ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.

- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 40 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx) (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Also refer Note 27(b) to the financial statements.

- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Disha Maheshwari

Partner

Membership Number : 110159

UDIN : 22110159AQGZUD7395

Place : Pune

Date : August 30, 2022

Financials -2021-22

Fairfield Atlas Limited
(All amounts in INR millions, unless otherwise stated)
Balance sheet as at 31 March 2022

	Notes	31 March 2022	31 March 2021
ASSETS			
I. Non-current assets			
Property, plant and equipment	4	1,482.94	1,507.10
Capital work-in-progress	4	200.75	43.90
Intangible assets	4	7.98	0.35
Other financial assets	11	22.75	22.60
Income tax assets (net)	5	152.57	88.01
Deferred tax assets (net)	6	153.41	119.96
Other non-current assets	7	214.05	282.73
Total non-current assets		2,234.45	2,064.65
II. Current assets			
Inventories	8	986.92	840.62
Financial assets			
(i) Trade receivables	9	1,566.12	1,194.62
(ii) Cash and cash equivalents	10(a)	1,229.09	1,460.04
(iii) Bank balances other than (ii) above	10(b)	3.60	39.09
(iv) Other financial assets	11	16.56	12.24
Contract assets	12	10.18	43.63
Other current assets	7	217.85	215.08
Total current assets		4,030.32	3,805.32
Total assets		6,264.77	5,869.97
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13(a)	268.76	273.21
Other equity	13(b)	4,396.51	4,017.77
Total equity		4,665.27	4,290.98
LIABILITIES			
I. Non-current liabilities			
Employee benefit obligation	19	50.39	23.38
Provisions	14	53.85	58.00
Total non-current liabilities		104.24	81.38
II. Current liabilities			
Financial liabilities			
(i) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises; and		46.29	113.06
Total outstanding dues of creditors other than micro enterprise and small enterprises		910.31	934.39
(ii) Other financial liabilities	16		
Total outstanding dues of micro enterprises and small enterprises		3.91	4.50
Total outstanding other than micro enterprise and small enterprises		98.71	68.45
Employee benefit obligation	19	124.21	102.08
Current tax liabilities (net)	5	0.00	0.00
Other current liabilities	17	52.63	38.20
Provisions	18	259.20	236.93
Total current liabilities		1,495.26	1,497.61
Total liabilities		1,599.50	1,578.99
Total equity and liabilities		6,264.77	5,869.97

The above Balance sheet should be read in conjunction with the accompanying notes.

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration number : 012754N/N500016

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

Disha Maheshwari
Partner
Membership No. 110159

Sunil Sehgal
Chairman
DIN: 05121461

D.E. Jacob
Managing Director
DIN:02387819

Vijay Sinha
Chief Financial Officer

Pandharinath Patil
Company Secretary

Place : Pune
Date : 30th August 2022

Place : Devarwadi
Date : 30th August 2022

Fairfield Atlas Limited*(All amounts in INR millions, unless otherwise stated)***Statement of profit and loss for the year ended 31 March 2022**

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	20	6,577.78	4,004.25
Other income	21	167.72	64.67
Total income		6,745.50	4,068.92
Expenses			
Cost of materials consumed	22	3,896.23	2,338.31
Changes in inventories of work-in-progress and finished goods	23	44.33	(173.49)
Employee benefit expense	24	560.29	464.41
Finance costs	25	0.01	0.01
Depreciation and amortisation expense	26	330.41	350.84
Other expenses	27	1,225.65	882.01
Total expenses		6,056.92	3,862.09
Profit before tax		688.58	206.83
Income tax expense	28		
-Current tax		207.00	92.87
-Deferred tax		(29.71)	(36.82)
-Adjustment in respect of current tax for prior years		4.28	-
Total tax expense		181.57	56.05
Profit for the year		507.01	150.78
Other comprehensive income			
<i>Items that will not be reclassified to profit or</i>			
Remeasurements of post-employment benefit obligations - gain/(loss)		(14.75)	1.54
Income tax related to the above item		3.71	(0.39)
Other comprehensive income for the year, net of tax		(11.04)	1.15
Total comprehensive income for the year		495.97	151.93
Earnings per share			
Basic and diluted (face value of INR 10 per share) - in INR	34	18.87	5.52

The above Statement of profit and loss should be read in conjunction with the accompanying notes.

This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration number : 012754N/N500016

Disha Maheshwari

Partner
Membership No. 110159

For and on behalf of the Board of Directors of

Fairfield Atlas Limited

Sunil Sehgal

Chairman
DIN: 05121461

D.E. Jacob

Managing Director
DIN:02387819

Vijay Sinha

Chief Financial Officer

Pandharinath Patil

Company Secretary

Place : Pune
Date : 30th August 2022

Place : Devarwadi
Date : 30th August 2022

Fairfield Atlas Limited
(All amounts in INR millions, unless otherwise stated)
Statement of cash flows for the year ended 31 March 2022

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities			
Profit before income tax		688.58	206.83
Adjustments for :			
Depreciation and amortisation expense	26	330.41	350.84
Interest income classified as investing activities	21	(29.72)	(41.12)
Gain on disposal of property, plant and equipment	21	(6.35)	(2.03)
Finance costs	25	0.01	0.01
Provision for doubtful receivables	27	0.76	0.77
Fair value loss/(gain) on derivatives not designated as hedges	21	(14.81)	(7.41)
Net unrealised exchange differences		5.91	4.26
Changes in operating assets and liabilities :			
(Increase) / decrease in trade receivables		(377.91)	(168.31)
(Increase) / decrease in inventories		(146.30)	(113.76)
(Increase) / decrease in contract assets		33.45	(43.63)
Increase / (decrease) in trade payables		(90.86)	459.28
(Increase) / decrease in other financial assets		10.34	(20.79)
Increase / (decrease) in other financial liabilities		11.83	(14.85)
(Increase) / decrease in other assets		67.16	(42.40)
Increase / (decrease) in provisions		52.50	76.35
Increase / (decrease) in current liabilities		14.43	16.65
(Increase) / decrease in other bank balances		33.15	1.01
Cash generated from operations		582.58	661.68
Income taxes paid	5	(275.84)	(154.76)
Net cash inflow from operating activities		306.74	506.92
Cash flows from investing activities :			
Payments for property, plant and equipment		(461.72)	(222.37)
Proceeds from sale of property, plant and equipment		10.76	6.70
Interest received		32.06	39.28
Net cash outflow from investing activities		(418.90)	(176.39)
Cash flow from financing activities :			
Cash payment on capital reduction		(118.54)	-
Interest paid	25	(0.01)	(0.01)
Net cash outflow from financing activities		(118.55)	(0.01)
Net increase / (decrease) in cash and cash equivalents		(230.70)	330.52
Cash and cash equivalents at the beginning of the year	10(a)	1,460.04	1,127.56
Effects of exchange rate changes on cash and cash equivalents		(0.26)	1.96
Cash and cash equivalents at the end of the year		1,229.09	1,460.04

The above statement of cash flows should be read in conjunction with the accompanying notes.

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration number : 012754N/N500016

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

Disha Maheshwari
Partner
Membership No. 110159

Sunil Sehgal
Chairman
DIN: 05121461

D.E. Jacob
Managing Director
DIN:02387819

Vijay Sinha
Chief Financial Officer

Pandharinath Patil
Company Secretary

Place : Pune
Date : 30th August 2022

Place : Devarwadi
Date : 30th August 2022

Fairfield Atlas Limited
(All amounts in INR millions, unless otherwise stated)
Statement of changes in equity for the year ended 31 March 2022

A. Equity share capital

	Notes	Amount
As at 1 April 2020		273.21
Changes in equity share capital	13(a)	-
As at 31 March 2021		273.21
Change in equity share capital	13(a)	(4.45)
As at 31 March 2022		268.76

B. Other Equity

	Reserves and surplus
As at 1 April 2020	3,865.84
Profit for the year	150.78
Other comprehensive income (net of tax)	1.15
Total comprehensive income for the year	151.93
Balance as at 31 March 2021	4,017.77
Profit for the year	507.01
Transactions with owners in their capacity as owners:	
Utilisation for capital reduction	(117.23)
Other comprehensive income (net of tax)	(11.04)
Total comprehensive income for the year	378.74
Balance as at 31 March 2022	4,396.51

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
 Firm Registration number : 012754N/N500016

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

Disha Maheshwari
 Partner
 Membership No. 110159

Sunil Sehgal
 Chairman
 DIN: 05121461

D.E. Jacob
 Managing Director
 DIN:02387819

Vijay Sinha
 Chief Financial Officer

Pandharinath Patil
 Company Secretary

Place :Pune
 Date : 30th August 2022

Place : Devarwadi
 Date : 30th August 2022

Notes to the financial statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

Note 1: General Information

Fairfield Atlas Limited (the 'Company') is primarily engaged in manufacturing and selling of automotive transmission gears and gears assemblies. The Company has a manufacturing plant located in Chandgad, Maharashtra and it sells its products within India as well as in other countries.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation*(i) Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- defined benefit plans – plan assets measured at fair value.

(iii) Current/non-current classification

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

(iv) New and amended standards adopted by the Company

The company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases. The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting

standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

(vi) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year. The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extracts)	31 March 2021(as previously reported)	Increase / (Decrease)	31 March 2021 (restated)
Other Assets (Non Current)	22.60	(22.60)	0
Other Financial assets (Non Current)	0	22.60	22.60
Other Assets (Current)	0.15	(0.15)	0
Other Financial assets (Current)	0	0.15	0.15

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Managing Director of the Company is identified as the Chief operating decision maker. Refer note no. 32 for segment information presented.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses as the case maybe.

(d) Revenue from contracts with customers

Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The company applies the following five-step process before revenue can be recognized:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and recognize the revenue as each performance obligation is satisfied.

Revenue recognition policy

The Company has only one stream of revenue:

(i) Sale of goods and tools

For sale of gears/gear assemblies and tools, revenue is recognized at point in time when control of goods is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

(ii) Rendering of services

Income recognition for services (including income from research and innovation, marketing hub and zone recharge income) takes place as and when the services are performed in accordance with Ind AS 115.

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

(iii) Export Incentives

Export incentives Income from export incentives such as Duty drawback / MEIS / Rodtap scheme etc. are recognised to the extent the ultimate realisation is reasonably certain.

(e) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company

Lease payments are allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the lessee under residual value guarantees
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Short-term leases are leases with a lease term of 12 months or less.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(j) Inventories

Raw materials, stores and spares, work in progress and finished goods

Raw materials, stores and spares, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of First-In-First-Out ('FIFO'). Costs of purchased inventory are determined after deducting rebates and discounts. 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.

(k) Other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Recognition

Regular way purchases and sales of financial assets are recognized on trade-date, date on which the Company commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arises derecognition is recognised directly in profit or loss.
- **Financial assets at fair value through other comprehensive income (FVTOCI):** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.
- **Financial assets at fair value through profit or loss (FVTPL):** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Equity instruments

Equity instruments are measured at fair value except where management has elected to present fair value gain or losses on equity instruments in other comprehensive income.

(iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) De-recognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest income

Interest income on deposits with banks is recognized on time proportionate basis by applying effective interest rate to the gross carrying amount.

(l) Derivatives and hedging activities

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in Other income or Other expenses, as the case maybe.

The full fair value of a derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(n) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The

carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the company had elected to continue with the carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Class of Asset	Useful lives estimated by the management
Building	30 years
Bore well	5 years
Plant and Machinery*	15 years
Office equipment	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers	3 years
Material handling equipment*	3 years
Tools*	3 years
Dies*	6 years

The useful lives have been determined based on technical evaluation carried out by the management's expert, which are in line with those specified by Schedule II to the Companies Act 2013 except for tools and dies, material-handling equipment, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

*Disclosed under the block of Plant & Equipments in Note No.4.

(o) Intangible assets

(i) Computer software

Computer softwares are shown at historical cost and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Amortisation methods and periods

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are

reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. The estimated useful lives of intangible assets are as follows:

Class of Asset	Useful Life (in years)
Computer Software	6 years

(iii) Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(q) Provisions and contingent liabilities

Provisions for legal claims and other provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

(r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave, casual leave and sick leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are disclosed as other long term benefits. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are

discounted using the appropriate market yields in government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(f) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

Note 3: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Judgements

No significant judgements have been identified for applying the accounting policies adopted by management.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Estimation of defined benefit obligation

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds. The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. These mortality tables tend to change only at the interval in response

to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

2. Useful lives of property, plant and equipment and intangible assets

The Company determines based on independent technical assessment, the estimated useful lives of its property, plant and equipment and intangible assets for calculating depreciation and amortization. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortization charge would be adjusted where the management believes the useful lives differ from previous estimates.

3. Contingencies

The Company has received orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

4. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and timing of cash flows. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fairfield Atlas Limited

Notes to the Financial Statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment and intangible assets

	Freehold Land	Borewell	Factory building	Plant and equipments	Office equipments	Furniture and fittings	Computer	Vehicles	Total	Capital work-in-progress	Intangible assets - Computer Software
Year ended 31 March 2021											
Gross carrying amount											
Opening gross carrying amount	9.76	0.56	343.96	2,232.73	28.29	20.73	20.70	14.07	2,670.80	120.72	9.75
Additions	-	0.32	12.37	204.69	0.42	0.25	1.29	-	219.34	110.40	-
Disposals	-	-	(4.19)	(1.98)	(0.03)	-	(0.79)	-	(6.99)	-	-
Transfers	-	-	-	-	-	-	-	-	-	(187.22)	-
Closing gross carrying amount	9.76	0.88	352.14	2,435.44	28.68	20.98	21.20	14.07	2,883.15	43.90	9.75
Accumulated depreciation/amortisation											
Opening accumulated depreciation/amortisation	-	0.52	45.11	935.31	19.33	8.36	15.17	5.32	1,029.12	-	7.82
Depreciation/amortisation charge for the year	-	0.01	12.38	325.90	3.29	2.35	3.58	1.74	349.25	-	1.58
Disposals	-	-	-	(1.53)	(0.01)	-	(0.78)	-	(2.32)	-	-
Closing accumulated depreciation	-	0.53	57.49	1,259.68	22.61	10.71	17.97	7.06	1,376.05	-	9.40
Net carrying amount	9.76	0.35	294.65	1,175.76	6.07	10.27	3.23	7.01	1,507.10	43.90	0.35
Year ended 31 March 2022											
Gross carrying amount											
Opening gross carrying amount	9.76	0.88	352.14	2,435.44	28.68	20.98	21.20	14.07	2,883.15	43.90	9.75
Additions	-	-	0.83	304.81	1.98	0.36	2.30	-	310.28	396.59	8.02
Disposals/ Written off	-	-	-	(17.45)	(2.51)	-	-	-	(19.96)	-	-
Transfers	-	-	-	-	-	-	-	-	-	(239.74)	-
Closing gross carrying amount	9.76	0.88	352.97	2,722.80	28.15	21.34	23.50	14.07	3,173.47	200.75	17.77
Accumulated depreciation/amortisation											
Opening accumulated depreciation/amortisation	-	0.53	57.49	1,259.68	22.61	10.71	17.97	7.06	1,376.05	-	9.40
Depreciation/amortisation charge for the year	-	-	13.07	307.87	2.66	2.30	2.63	1.49	330.02	-	0.39
Disposals/ Written off	-	-	-	(13.50)	(2.04)	-	-	-	(15.54)	-	-
Closing accumulated depreciation/amortisation	-	0.53	70.56	1,554.05	23.23	13.01	20.60	8.55	1,690.53	-	9.79
Net carrying amount	9.76	0.35	282.41	1,168.75	4.92	8.33	2.90	5.52	1,482.94	200.75	7.98

Note:

- Capital work-in-progress as at the year end mainly comprises of plant and machinery.
- Refer note 35 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
- The title deeds of all immovable property are held in the name of the company

CWIP under development aging schedule:

As of 31 March 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	197.65	3.10	-	-	200.75
(ii) Projects temporarily suspended	-	-	-	-	-

As of 31 March 2021	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	43.90	-	-	-	43.90
(ii) Projects temporarily suspended	-	-	-	-	-

Note : There are no Capital work in progress or Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Fairfield Atlas Limited

Notes to the Financial Statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

5 Current tax assets (net) / Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Opening balance		
- Income tax asset	88.01	70.12
- Current tax liabilities	(0.00)	(44.00)
Add: Taxes paid	275.84	154.76
Less: Current tax payable for the year (net of earlier years)	(211.28)	(92.87)
Total	152.57	88.01
Presented as:		
Assets for current tax (net)	152.57	88.01
Current tax liabilities (net)	(0.00)	(0.00)

6 Deferred tax asset / liability (net)

The balance of deferred tax comprises temporary differences attributable to:

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets		
Provision for employee benefits	61.50	59.10
Provision for doubtful receivables / advances	0.94	0.74
Provision for Warranty	19.16	14.60
Provision for contingencies	42.08	32.70
Provision for depreciation and amortisation	33.46	14.69
	157.14	121.83
Deferred tax liabilities		
Fair valuation of derivative instruments	3.73	1.87
	3.73	1.87
Total deferred tax assets/(liabilities)	153.41	119.96

Changes in Deferred tax assets / (liabilities) in Statement of Profit and Loss [charged/(credited) during the year]

	Year Ended 31 March 2022	Year Ended 31 March 2021
Provision for employee benefits	1.31	(3.32)
Provision for doubtful receivables/advances	(0.19)	0.44
Provision for contingencies	(9.37)	-
Provision for Warranty	(4.56)	(6.43)
Provision for depreciation and amortisation	(18.76)	(28.29)
Fair valuation of derivative instruments	1.86	0.78
Total	(29.71)	(36.82)

Changes in Deferred tax assets / (liabilities) in Other Comprehensive Income [charged/(credited) during the year]

	Year Ended 31 March 2022	Year Ended 31 March 2021
Provision for employee benefits	(3.71)	0.39
Total	(3.71)	0.39

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

7 Other assets

	As at 31 March 2022	As at 31 March 2021
Non-Current (Unsecured, considered good)		
Capital advances	73.23	72.01
Balances with government authorities	140.10	208.98
Prepaid expenses	0.72	1.74
Total other non-current assets	214.05	282.73
Current (Unsecured and considered good, unless otherwise stated)		
- Balances with government authorities	148.96	177.24
- Export incentive receivables	46.29	17.37
- Prepaid expenses	17.53	12.43
- Advances to suppliers	5.07	8.04
Total other current assets	217.85	215.08

8 Inventories

	As at 31 March 2022	As at 31 March 2021
Raw materials (includes in transit - 41.98 ; 31 March 2021 - 32.12)	430.22	245.65
Work-in-progress	254.68	248.17
Finished goods (includes in transit - 154.48; 31 March 2021 - 205.18)	154.54	205.38
Stores and spares	147.48	141.42
Total inventories	986.92	840.62

Amounts recognised in profit or loss

Value of Inventories above is stated net of provision for slow-moving and obsolete items of INR 109.83 million (31 March 2021 - 107.92) as at the year end. Accordingly, an amount of INR 1.91 million (31 March 2021 - 85.56) expense / (income) charged during the year and included in "Change in inventories of work-in-progress and finished goods" in statement of profit and loss.

9 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Trade receivables- billed	391.64	339.30
Receivables from related parties (Refer note 33)	1,178.20	858.28
Less: Loss allowance	(3.72)	(2.96)
Total receivables	1,566.12	1,194.62
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Un-secured	1,569.84	1,197.58
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	1,569.84	1,197.58
Loss allowance	(3.72)	(2.96)
Total trade receivables	1,566.12	1,194.62

Note: Provision is as per Accounting policy of the Company which is measured using simplified approach.

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

Trade Receivable ageing schedule

Particulars	Outstanding for followings periods from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed trade receivables- Considered goods	1,409.84	117.72	38.61	0.55	1.86	1.26	1,569.84
(ii) Undisputed trade receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered goods	-	-	-	-	-	-	-
(v) Disputed trade receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
(vii) Loss allowance- Doubtful Trade Receivable	-	(1.29)	(0.73)	(0.31)	(0.58)	(0.81)	(3.72)
Total trade receivables							1,566.12

Particulars	Outstanding for followings periods from due date of payments						Total
	Not due	Less than 6 months	6 months- 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed trade receivables- Considered goods	1,124.89	65.04	0.50	5.09	0.83	1.23	1,197.58
(ii) Undisputed trade receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered goods	-	-	-	-	-	-	-
(v) Disputed trade receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
(vii) Loss allowance- Doubtful Trade Receivable	-	(1.61)	(0.08)	(0.59)	(0.47)	(0.21)	(2.96)
Total trade receivables							1,194.62

Fairfield Atlas Limited

Notes to the Financial Statements for the year ended 31 March 2022

(All amounts in INR millions, unless otherwise stated)

10(a) Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
In current accounts	259.29	137.85
In EEFC accounts	130.70	233.79
Deposits with maturity less than three months	839.10	1,088.40
Total cash and cash equivalents	1,229.09	1,460.04

Notes:

- 1 There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior
- 2 In the current accounts, balance amounting to INR 3.15 millions is earmarked for capital reduction and INR 0.21 million is earmarked

10(b) Other bank balances

	As at 31 March 2022	As at 31 March 2021
Deposits with maturity more than three months but less than 12 months	3.60	39.09
Total other bank balances	3.60	39.09

Fixed deposits are under lien with bank for various bank guarantees issued.

11 Other financial assets

	As at 31 March 2022	As at 31 March 2021
Non Current:		
Security deposits	22.75	22.60
Total Non Current other financial assets	22.75	22.60
Current:		
Security deposits	-	0.15
Foreign exchange forward contracts	14.81	7.41
Interest accrued on bank deposits	1.73	4.07
Other	0.02	0.61
Total Current other financial assets	16.56	12.24

12 Contract Assets

	As at 31 March 2022	As at 31 March 2021
Unbilled Revenue	10.18	43.63
Total contract assets	10.18	43.63

Significant changes in contract assets

Contract assets have decreased in the current year, as in previous year there were ongoing price increase negotiations with the Inter company customers yet to be billed amounting to INR 37.44 million. However no such pending negotiations as on 31 March 2022. There is no risk of impairment noted in such contract assets.

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

Note 13: Equity share capital and other equity

13(a) Equity share capital

Authorised equity share capital

	Number of shares of INR 10 each	Amount
As at 1 April 2020	28,000,000	280.00
Change during the year	-	-
As at 31 March 2021	28,000,000	280.00
Change during the year	-	-
As at 31 March 2022	28,000,000	280.00

(i) Movements in equity share capital

Issued, subscribed and paid up	Number of shares of INR 10 each, fully paid up	Equity share capital (par value)
As at 1 April 2020	27,320,540	273.21
Change during the year	-	-
As at 31 March 2021	27,320,540	273.21
Change during the year *	(445,419)	(4.45)
As at 31 March 2022	26,875,121	268.76

* The Company, through a special resolution in extra ordinary general meeting dated May 10, 2021, approved the reduction of its share capital from INR 273.21 (divided into 2,73,20,540 equity shares of INR 10 each) to INR 268.75 (divided into 2,68,75,121 equity shares of INR 10 each). The reduction was executed pursuant to the order of NCLT dated March 9, 2022 by cancelling 445,419 of the Company's equity shares of Rs 10 each, in accordance with the provisions of Companies Act, 2013.

(ii) Terms and rights attached to equity shares

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

(iii) Shares of the Company held by holding company and subsidiary of holding company

	As at 31 March 2022	As at 31 March 2021
T-H Licensing Inc., USA, a wholly-owned subsidiary of Fairfield Manufacturing Company Inc., U.S.A. [The ultimate holding company is Dana Incorporated, USA]	26,875,121	26,875,121

(iv) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
T-H Licensing Inc., U.S.A.	26,875,095	99.9999%	26,875,095	98.3696%
Others (Nominee share holders of T-H Licensing)	26	0.0001%	26	0.0001%

(v) Disclosure of shareholding of Promoters and percentage of change during the year :

Shares held by Promoters at the end of year	As at 31 March 2021		
	No. of shares	% of Total Shares	% change during the year
T-H Licensing Inc., U.S.A.	26,875,095	98.3696	-

Shares held by Promoters at the end of year	As at 31 March 2022		
	No. of shares	% of Total Shares	% change during the year
T-H Licensing Inc., U.S.A.	26,875,095	99.9999	1.63

Fairfield Atlas Limited**Notes to the Financial Statements for the year ended 31 March 2022****(All amounts in INR millions, unless otherwise stated)**

(vi) The Company has not bought back any shares or issued any bonus shares in 5 years immediately preceding year ended 31 March 2021. Also, the Company has not allotted any shares without payment being received in cash in 5 years immediately preceding year ended 31 March 2021.

13(b) Reserves and surplus

	As at 31 March 2022	As at 31 March 2021
Retained earnings (Refer Note (i) below)	4,396.51	4,017.77
Total reserves and surplus	4,396.51	4,017.77

(i) Retained earnings

	As at 31 March 2022	As at 31 March 2021
Opening balance	4,017.77	3,865.84
Net profit for the year	507.01	150.78
	4,524.78	4,016.62
Utilisation for capital reduction	(117.23)	-
Item of other comprehensive income recognised directly in retained earnings		
- Re-measurements of post-employment benefit obligations, net of tax	(11.04)	1.15
Closing balance	4,396.51	4,017.77

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

14 Non-current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for Warranty	53.85	58.00
Total non-current provisions	53.85	58.00

Movement in provisions

	As at 31 March 2022	As at 31 March 2021
Opening Balance	58.00	32.46
Charged/(Credited) to profit or loss		
Additional provision recognised	20.19	26.28
Amount writtenback	-	-
Amounts utilised / paid during the year	(2.07)	(0.74)
Closing Balance	76.12	58.00
Classified as Non Current	53.85	58.00
Classified as Current	22.27	-

The provision for warranty is on account of warranties given on products sold by the Company. The Provision is based on management estimates as laid down in company's policy regarding possible future incidence. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims. Amount expected to be utilised in one year is classified as current.

15 Trade payables

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro and small enterprises (Refer note 36) and Total outstanding dues of creditors other than micro and small enterprises	46.29	113.06
- Related parties (Refer note 33)	139.23	110.01
- Acceptances	300.52	227.37
- Others	470.56	597.01
Total trade payables	956.60	1,047.45

Trade Payable ageing schedule

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31 March 2022
						Total
(i) MSME	-	45.98	0.04	0.01	0.26	46.29
(ii) Others	101.01	801.36	0.76	6.43	0.75	910.31
(iii) Disputed due- MSME	-	-	-	-	-	-
(iii) Disputed due- Others	-	-	-	-	-	-
Total						956.60

Particulars	Unbilled	than 1	1-2 years	2-3 years	years	As at 31 March 2021
						Total
(i) MSME	-	113.06	-	-	-	113.06
(ii) Others	65.14	848.74	11.49	6.33	2.69	934.39
(iii) Disputed due- MSME	-	-	-	-	-	-
(iii) Disputed due- Others	-	-	-	-	-	-
Total						1,047.45

Note : The unbilled payables pertain to accrued expenses.

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

16 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Capital creditors:		
Total outstanding dues of micro enterprises and small enterprises (Refer note 36)	3.91	4.50
Total outstanding other than micro enterprise and small enterprises	21.67	6.38
Employee benefits payable	73.89	62.07
Unpaid amount towards capital reduction	3.15	-
Total current other financial liabilities	102.62	72.95

17 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances from customers	12.42	0.61
Statutory dues including provident fund and tax deducted at source	39.80	26.98
Liability towards corporate social responsibility (Refer note 27)	0.21	10.41
Others	0.20	0.20
Total other current liabilities	52.63	38.20

18 Current Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for Contingencies	167.18	167.18
Provision for Warranty	22.27	-
Other provisions	69.75	69.75
Total current provisions	259.20	236.93

Movement in provisions

	Provision for contingencies	Other Provision
Opening Balance as on 01 April 2020	167.18	69.75
Charged/(Credited) to profit or loss		
Additional provision recognised	-	-
Amount writtenback	-	-
Amounts paid during the year	-	-
Closing Balance as on 31 March 2021	167.18	69.75
Charged/(Credited) to profit or loss		
Additional provision recognised	-	-
Amount writtenback	-	-
Amounts paid during the year	-	-
Closing Balance as on 31 March 2022	167.18	69.75

Provision for contingencies includes provision made towards indirect taxes in respect of matters under appeal like non-collection of F - forms and Duty paid on debonding of EOU unit.

The honorable Supreme Court has issued a judgement in February, 2019 in relation to inclusion of certain allowances in the definition of basic wages as defined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company has completed its evaluation and provided for additional liability based on information available with management. Due to lack of clarity around administrative compliances with above mentioned judgement, management has not deposited such amount with the authorities. The Company will continue to monitor and evaluate its position based on future events and developments.

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

19 Employee benefit obligations

	31 March 2022	31 March 2021
Non-Current		
Provision for gratuity	50.39	23.38
Total non-current employee benefit obligations	50.39	23.38
Current		
Provision for compensated absences	124.21	102.08
Total current employee benefit obligations	124.21	102.08

(i) Leave obligations

The compensated absences cover the company's liability for earned leave, casual leave and sick leave. The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the entire accrued leave or payment of such amount within the next 12 months and expects the amount of INR 19.38 Million (INR 14.26 Million 31 March 2021) to be paid in next 12 months based on actuarial valuation report.

(ii) Defined Contribution Plan

The Company has defined contribution plans for contribution to provident fund. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as follows:

	31 March 2022	31 March 2021
Provident fund	25.91	23.00
Total	25.91	23.00

(iii) Post employment benefit obligations - Gratuity

The Company provides for gratuity to its employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service subject to a payment ceiling of INR 20 Lakhs. The gratuity plan is a funded plan and the Company makes contributions to recognised funds. The Company does not fully fund the liability and maintains a target level of funding over a period of time based on estimations of expected gratuity payments.

a The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

	Present value of obligation	Fair value of plan assets	Net amount
1 April 2020	166.42	(143.03)	23.39
Current service cost	10.34	-	10.34
Past service cost	-	-	-
Interest expense/(income)	10.73	(9.54)	1.19
Total amount recognised in Profit or Loss	21.07	(9.54)	11.53
Remeasurements			
Return on plan assets	-	(0.20)	(0.20)
(Gain)/loss from changes in financial assumptions	1.40	-	1.40
(Gain)/loss from experience changes	(2.74)	-	(2.74)
Total amount recognised in Other Comprehensive Income	(1.34)	(0.20)	(1.54)
Employer contributions	-	(10.00)	(10.00)
Benefit payments	(2.61)	2.61	-
31 March 2021	183.54	(160.16)	23.38

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

	Present value of obligation	Fair value of plan assets	Net amount
1 April 2021	183.54	(160.16)	23.38
Current service cost	10.75	-	10.75
Past service cost	-	-	-
Interest expense/(income)	11.55	(10.05)	1.50
Total amount recognised in Profit or Loss	22.30	(10.05)	12.25
Remeasurements			
Return on plan assets	-	(1.74)	(1.74)
(Gain)/loss from changes in financial assumptions	21.37	-	21.37
(Gain)/loss from experience changes	(4.87)	-	(4.87)
Total amount recognised in Other Comprehensive Income	16.50	(1.74)	14.76
Employer contributions	-	-	-
Benefit payments	(6.12)	6.12	-
31 March 2022	216.22	(165.83)	50.39

b The net liability disclosed above relates to funded and unfunded plans as follows :

	31 March 2022	31 March 2021
Present value of funded obligation	216.22	183.54
Fair value of plan assets	(165.83)	(160.16)
Deficit of gratuity plan	50.39	23.38

The Company has no legal obligation to settle the deficit in the funded plan with an immediate contribution or additional one off contributions.

c Significant estimates

The significant actuarial assumptions were as follows :

	31 March 2022	31 March 2021
Discount rate	6.70%	6.40%
Salary growth rate	10.00%	10.00%
Withdrawal rate	10.00%	10.00%
Mortality rate	IALM (2006-08) ult	IALM (2006-08) ult

d Sensitivity of actuarial assumptions

The sensitivity of defined obligation to changes in the principal assumptions are:

Assumption	Increase / (Decrease) in defined benefit obligation	
	31 March 2022	31 March 2021
Discount rate		
1 % increase	(14.97)	(13.23)
1 % decrease	16.97	15.08
Salary growth rate		
1 % increase	13.66	12.78
1 % decrease	(13.24)	(11.94)
Withdrawal rate		
1 % increase	(2.76)	(2.78)
1 % decrease	3.07	3.12

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Fairfield Atlas Limited**Notes to the Financial Statements for the year ended 31 March 2022***(All amounts in INR millions, unless otherwise stated)***e The major categories of plan assets are as follows:**

	31 March 2022	31 March 2021
Insurance fund		
Amount	165.83	160.16
In %	100%	100%

f Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All plan assets are maintained in a trust fund managed by a public sector insurer i.e., LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence, 100% liquidity is ensured.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' asset.

Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in higher present value of liabilities. Further, unexpected salary increases provided at the discretion of the management may lead to uncertainties in estimating this increasing risk.

Life expectancy

The defined benefit obligations are to provide benefits for the life of the members, so increase in life expectancy will result in increase in plan's liability. This is particularly significant where, inflationary increases result in higher sensitivity to changes in life expectancy.

Asset-Liability mismatch risk

Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

Projected benefits payable from the fund in future years from the date of reporting:

Expected contributions to the gratuity fund for the year ending 31 March 2023 - 50.39 (31 March 2022 - 23.38).

The weighted average duration of the defined benefit obligation is 7.00 years (31 March 2021: 7.00 years). The expected maturity analysis of undiscounted gratuity (net of plan asset) is as follows:

	31 March 2022	31 March 2021
Less than a year	20.12	17.08
Less than 2 years	20.86	17.76
Less than 3 years	22.07	17.64
Less than 4 years	22.61	18.77
Less than 5 years	24.55	19.16
Beyond 5 years	166.87	132.99
Total	277.09	223.40

Above disclosure is restricted to the expected payment for period of 10 years as provided in actuarial report.

Fairfield Atlas Limited
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(All amounts in INR millions, unless otherwise stated)

20 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from contract with customers		
Sale of Products	6,379.47	3,918.62
Sales of Services	0.42	2.23
	6,379.89	3,920.85
Other Operating Revenue		
- Scrap sales	57.82	29.73
- Tooling sales	2.38	-
- Export incentives	137.69	53.67
	197.89	83.40
Total revenue from operations	6,577.78	4,004.25

For disaggregate revenue refer note above and note 32

Reconciliation of revenue with contract price

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per Statement of Profit and loss	6,379.89	3,920.85
Add: Incentive/rebates/discounts etc.	-	-
Contract Price	6,379.89	3,920.85

21 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on bank deposits being financial assets carried at amortised cost	29.72	41.12
Net gain on foreign currency transactions and translation	100.69	12.40
Net gain on sale of property, plant & equipment	6.35	2.03
Fair value gains on derivatives not designated as hedges	14.81	7.41
Miscellaneous income	16.15	1.71
Total other income	167.72	64.67

22 Cost of materials consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Raw materials at the beginning of the year (Refer note 8)	245.65	302.44
Add : Purchases during the year	4,080.80	2,281.52
Less : Raw materials as at the end of the year (Refer note 8)	(430.22)	(245.65)
Total cost of materials consumed	3,896.23	2,338.31

23 Change in inventories of finished goods and work-in-progress

	Year ended 31 March 2022	Year ended 31 March 2021
Opening inventory (Refer note 8)		
- Finished goods	205.38	28.63
- Work in progress	248.17	251.43
	453.55	280.06
Less: Closing inventory (Refer note 8)		
- Finished goods	154.54	205.38
- Work in progress	254.68	248.17
	409.22	453.55
Net (increase)/decrease in inventory	44.33	(173.49)

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
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24 Employee benefit expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	483.72	407.92
Contribution to provident and other fund	25.96	23.05
Gratuity expense (Refer note 19)	12.25	11.54
Staff welfare expenses	38.36	21.90
Total employee benefit expense	560.29	464.41

25 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense	0.01	0.01
Total finance costs	0.01	0.01

26 Depreciation and amortization expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	330.02	349.26
Amortisation of intangible assets	0.39	1.58
Total depreciation and amortisation expense	330.41	350.84

27 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and spares	114.61	81.67
Labour charges for re-sharpening tools	31.95	24.24
Contract labour	113.40	66.15
Power and fuel	301.13	218.08
Job work charges	104.27	68.58
Insurance	19.16	17.88
House keeping expenditure	13.35	12.30
Security Expenses	12.05	11.46
Waste disposal & environment pollution check expense	10.04	7.35
Rent	0.39	0.36
Rates and taxes	4.49	12.21
Repairs and maintenance:		
- Building	5.91	4.33
- Plant and machinery	23.39	13.44
- Others	36.53	22.36
Legal and professional fees	11.63	10.58
Travelling and conveyance	18.25	13.84
Communication	2.56	2.70
Freight outward and forwarding expenses	86.14	47.07
Directors' sitting fees	0.76	0.72
Payment to Auditors' (refer note 27(a) below)	2.83	2.13
Trade mark fees	33.24	24.85
Information Technology expenses	7.27	6.75
Management fees	210.07	149.87
Corporate social responsibility expenditure (refer note 27(b) below)	12.12	18.09
Provision for doubtful receivables	0.76	0.77
Provision for Warranty	20.19	26.28
Miscellaneous expenses	29.16	17.95
Total other expenses	1,225.65	882.01

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
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27(a) Details of payment made to auditors

	Year ended 31 March 2022	Year ended 31 March 2021
Payment to auditors		
As auditor :		
Audit Fee	2.50	1.80
Certification	0.08	0.08
In other capacities		
Tax Audit Fee	0.25	0.25
Total	2.83	2.13

27(b) Corporate social responsibility expenditure

The Company has spent an amount of 22.32 (31 March 2021 - 7.68) during the year as required under section 135 of the Companies Act, 2013 in the areas of education, women empowerment, healthcare & social welfare, environment conservation and protection.

	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to Sparsh Welfare Trust	-	5.30
Contribution to Dana Care Foundation	21.18	-
Contribution for Development of Pond	0.38	1.98
Contribution to Schools in rural areas towards promotion of education	-	0.40
Contribution for Development of covid care centre	0.76	-
Accrual towards unspent obligations in relation to		
Ongoing projects	-	10.41
Other than Ongoing projects	-	-
Total	22.32	18.09
Gross amount required to be spent as per Section 135 of the Act	12.12	13.83
Amount spent during the year on		
(i) Construction/acquisition of an asset	5.67	1.98
(ii) On purposes other than (i) above	16.65	5.70
Total	22.32	7.68

For the period 1 April 2021 to 31 March 2022

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as on 1st April 2021		Amount required to be spend during the year	Amount spent during the year		Balance as at 31st March 2022	
With the company	In Separate CSR unspent Account		From the company Bank A/c	From Separate CSR unspent Account	With the company	In Separate CSR unspent Account
-	10.41	12.12	12.12	10.20	-	0.21

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as on 31st March 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent within the year	Amount Spent during the year	Balance unspent as on 31st March 2022
-	-	-	-	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as on 1st April 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent amount as on 31st March 2022
-	-	-	-

Note: Out of the total amount spent, 21.18 (31 March 2021 - 5.30) was contributed to Dana Care Foundation (Sparsh Welfare Trust), in which directors/senior executives of the Company are trustee.

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
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For the period 1 April 2020 to 31 March 2021
Details of ongoing CSR projects under Section 135(6) of the Act

Balance as on 1st April 2020		Amount required to be spend during the year	Amount spent during the year		Balance as at 31st March 2021	
With the company	In Separate CSR unspent Account		From the company Bank A/c	From Separate CSR unspent Account	With the company	In Separate CSR unspent Account
4.26	-	13.22	7.07	-	-	10.41

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as on 31st March 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent within the year	Amount Spent during the year	Balance unspent as on 31st March 2021
-	-	0.61	0.61	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as on 1st April 2020	Amount required to be	Amount spent	Balance excess spent amount as
-	-	-	-

Note: Out of the total amount spent, 5.30 (31 March 2020 - 8.00) was contributed to Sparsh Welfare Trust, in which directors/senior executives of the Company are trustee.

28 Income Taxes

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are:

Statement of profit and loss	Year ended 31 March 2022	Year ended 31 March 2021
Profit and Loss section		
Current income tax charge		
Current income tax		
- Current tax on profit for the current year	207.00	90.35
- Current tax pertaining to prior years	4.28	2.52
Sub-total (A)	211.28	92.87
Deferred tax		
- Deferred tax income for the current year	(30.66)	(36.82)
- Deferred tax adjustment pertaining to prior years	0.95	-
Sub-total (B)	(29.71)	(36.82)
Income tax expense reported in the statement of profit or loss	181.57	56.05
Other comprehensive income section	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax (income)/expense related to items recognised in OCI during the year	(3.71)	0.39
Income tax charged to OCI	(3.71)	0.39

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021

	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before tax	688.58	206.83
At Statutory income tax rate of 25.168% (31 March 2021: 25.168%)	173.30	52.05
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate Social Responsibility expenses not deductible for tax purposes	3.05	4.55
- Tax Effects of ICDS adjustment on derivative contracts	-	(1.78)
- Tax Effects of other items not deductible (taxable) as per Income Tax, 1961	-	(1.29)
Impact of current tax pertaining to prior years	4.28	2.52
Impact of deferred tax pertaining to earlier year	0.95	-
Impact of change in the effective tax rate	-	-
Income tax expense reported in the statement of profit or loss	181.57	56.05

Fairfield Atlas Limited
Notes to the Financial Statements
(All amounts in INR millions, unless otherwise stated)

29 Fair value measurements

Financial instruments by category

	31 March 2022		31 March 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Trade receivables	-	1,566.12	-	1,194.62
Cash and cash equivalents	-	1,229.09	-	1,460.04
Other bank balances	-	3.60	-	39.09
Other financial assets	14.81	1.75	7.41	4.83
Total financial assets	14.81	2,800.56	7.41	2,698.58
Financial liabilities				
Trade payables	-	956.59	-	1,047.45
Other financial liabilities	-	102.62	-	72.95
Total financial liabilities	-	1,059.21	-	1,120.40

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the the reliability of inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian accounting standard. An explanation of each level follows underneath the table.

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements</i>	Note	Level 1	Level 2	Level 3	Total
At 31 March 2022					
Financial assets					
<i>Derivative financial assets</i>					
- Foreign exchange forward contracts	11	-	14.81	-	14.81

<i>Financial assets and liabilities measured at fair value - recurring fair value measurements</i>	Note	Level 1	Level 2	Level 3	Total
At 31 March 2021					
Financial assets					
<i>Derivative financial assets</i>					
- Foreign exchange forward contracts	11	-	7.41	-	7.41

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. However the Company does not have any financial instruments that are measured using Level 1 inputs.

Level 2: The fair value of derivatives is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. However the Company does not have any financial instruments that are measured using Level 3 inputs.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of such financial assets and financial liabilities (as mentioned in table above) are considered to be the same as their fair values, due to their short term nature or there is no material difference. These financial instruments are level 3 instruments.

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(All amounts in INR millions, unless otherwise stated)

30 Financial risk management

The Company is exposed to various financial risks, such as market risks (which comprises of foreign exchange risk), credit risk and liquidity risk. The Company's financial risk management policy aims to limit any adverse effects that these risks may have on the Company's financial health. Risk limitation does not mean complete exclusion of financial risks, rather it means following a policy of managing Company's finances within an agreed framework as defined by the board of directors. The company follows different ways to mitigate such risks and management monitors and steers such risks continuously with the support of finance department.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalent, trade receivables, financial assets measured at amortised cost.	Aging analysis	Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business
Liquidity Risk	Other liabilities	Rolling cash flow forecasts on the basis of expected cash flows	Limited by holding sufficient cash and cash equivalents.
Market risk - foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting	Foreign currency forwards

(A) Credit risk and management

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, security deposits and cash placed with banks. In case of credit or default risk associated with trade receivables, the Company follows a defined credit policy under which each new customer is analyzed individually for creditworthiness before payment and delivery terms and conditions are offered. Credit terms are reviewed regularly, and limits are set and monitored on an ongoing basis. Trade receivables are valued at the original invoiced amount less any necessary value adjustments for default risks. Further company has significant outstanding receivable from related party's where risk of default is considered to be low. The Company has formed a policy as per which provision is recognised for any receivable outstanding under the simplified approach.

As a principle, the Company places funds only with investment grade rated domestic and foreign banking institutions and management periodically assesses the relevant ratings and credit default spreads of these banking institutions.

Reconciliation of loss allowance provision - Trade receivables arising from contracts with customers

	Amount
Loss allowance on 1 April 2020	2.19
Changes in loss allowance	0.77
Loss allowance on 31 March 2021	2.96
Changes in loss allowance	0.76
Loss allowance on 31 March 2022	3.72

(B) Liquidity risk

Liquidity risk is the risk that the Company may be unable to discharge its financial liabilities in a timely manner or at an acceptable cost. The Company supervises and manages its liquidity, in order to ensure that outstanding financial liabilities can at all times be met within their maturity period and at an acceptable financing cost. The Company's management prepares and provides the relevant decision support and arranges for the availability of the relevant funds once approval is given. The Company's liquidity is monitored using short, medium and long-term rolling forecasts, about which senior management is kept informed. Based on such forecasts management negotiates the credit period for sales made to group company. On the basis of these plans, the Company mobilises the necessary liquid funds and takes any further steps necessary in a timely manner. To manage the liquidity risk the company negotiates with banks non recourse non fund based discounting facilities.

(i) Maturities of financial liabilities

The tables below analyses the Company's financial liabilities based on their contractual maturities.

Less than 1 year	31 March 2022	31 March 2021
Trade payables	956.60	1,047.45
Capital Creditors	25.58	10.89
Employee benefits payable	73.89	62.07
Other financial liabilities	3.15	-
Total	1,059.22	1,120.41

The amounts disclosed in the tables above are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)
(C) Market risk

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions denominated in a currency that is not the company's functional currency (INR). The company uses derivative financial instruments to hedge the foreign currency risk. The objective of the hedge is to minimise the impact of the volatility of the foreign currency cost on foreign currency transactions. Only pre-approved instruments are used and as a rule, no speculative transactions are conducted in the areas of foreign exchange. No hedges are entered on speculative basis.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :-

	31 March 2022			31 March 2021		
	EUR	USD	YEN	EUR	USD	YEN
Financial assets						
Trade receivables	63.77	1,137.78	-	156.07	672.15	-
Balance in EEFC accounts	77.57	53.13	-	35.60	198.19	-
Derivative Instrument						
<i>Foreign exchange forward contracts</i>						
Sell foreign currency	202.46	2,051.28	-	242.65	2,091.42	-
Financial liabilities						
Trade payables	30.82	72.52	0.04	25.22	33.02	-

(b) Sensitivity:

	Increase /(Decrease) on profit before tax	
	31 March 2022	31 March 2021
USD sensitivity		
INR/USD -Increase by 5% (31 March 2021 - 5%)	(46.64)	(62.71)
INR/USD -Decrease by 5% (31 March 2021 - 5%)	46.64	62.71
EUR sensitivity		
INR/EUR -Increase by 5% (31 March 2021 - 5%)	(4.60)	(3.81)
INR/EUR -Decrease by 5% (31 March 2021 - 5%)	4.60	3.81

The aggregate net foreign exchange gains including fair value gains on derivatives instruments recognised in statement of profit and loss is INR 115.50 mio (March 31, 2021: INR 19.81 mio)

Above sensitivity has been performed holding all other variables constant

31 Capital Management

Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other 'stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may return capital to shareholders, issue new shares or sell assets.

32 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors has been identified as the chief operating decision maker.

The Company is engaged in the business of automotive transmission gears and gear assemblies which is considered as one reportable segment.

The Company is domiciled in India and generates its revenue from customers within and outside India. The amount of its revenue broken down by location of customers is shown in the table below:

	31 March 2022	31 March 2021
India	1,968.60	1,520.73
USA	2,662.61	1,095.01
China	1,240.91	988.36
Other countries	507.35	314.52
Total revenue from contracts with customers	6,379.47	3,918.62

All non-current assets are located within India.

One customer (Consisting of entities under common control) contributes to revenues of approximately 4,580.00 (31 March 2021 - 2,594.78)

The segment revenue is recognised at point in time.

Fairfield Atlas Limited**Notes to the Financial Statements for the year ended 31 March 2022****(All amounts in INR millions, unless otherwise stated)****33 Related party transactions****A Name of the related parties and nature of relationship****i) Entities having control over the Company****Ultimate Holding Company**

Dana Incorporated, U.S.A.

Intermediate Holding Company

Fairfield Manufacturing Company Inc., U. S. A.

Holding Company

T-H Licensing Inc., U. S. A.

ii) Other Related Parties with whom transactions have taken place during the year:**Fellow Subsidiaries:**

Graziano Trasmissioni India (Private) Limited

Dana Investment GMBH

Dana Hungary KFT

Dana Limited

Dana India Private Limited

Dana Graziano S.R.L

Dana Graziano (Suzhou) Drive Systems Co. Ltd.

Dana Spicer(Shanghai)Trading Co. Limited

Shanghai Brevini Gearboxes Co. Limited

Dana (Wuxi) Technologies Co. Limited

Dana India Technical Centre Private Limited

Dana Italia S.R.L

Dana Industrias Ltda.

Dana Japan Ltd.

Dana Off-Highway(Yancheng) drive systems Co. Ltd

Dana SAC Uk Limited

Dana Sac Finland Oy

Dana Anand India Private Limited (Earlier known as Spicer India Private Limited)

Dana Tm4 India Pvt Ltd

Dana Tm4 Uk Ltd.

Brevini India Private Limited

iii) Key management personnel:

Mr. Sunil Sehgal	- Chairman
Mr. D. E. Jacob	- Managing Director
Mr. Marcus David King	- Non-executive Director
Mr. Michael Andrew Campbell	- Non-executive Director
Mr. Avinash P. Gandhi	- Independent Director
Mr. Gajanan V. Gandhe	- Non-executive Director
Mr. Rakesh Jinsi	- Independent Director
Ms. Xian He	- Woman Director

iv) Entities where related party as per (iii) above is key management personnel

Dana Care Foundation

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

B Disclosure of related party transactions:

	31 March 2022		31 March 2021	
	Entities having control over the company	Fellow Subsidiaries	Entities having control over the company	Fellow Subsidiaries
Sales of Products				
Fairfield Manufacturing Company Inc., U. S. A.	2,484.67	-	1,041.84	-
Graziano Trasmissioni India Private Limited	-	392.03	-	243.02
Dana India Private Limited	-	53.10	-	35.23
Dana Graziano S.R.L.	-	400.62	-	273.51
Dana Spicer(Shanghai)Trading Co. Limited	-	265.82	-	355.08
Shanghai Brevini Gearboxes Co. Limited	-	90.03	-	98.71
Dana (Wuxi) Technologies Co. Limited	-	29.32	-	8.68
Dana Hungary KFT	-	-	-	0.07
Dana Industrias Ltda.	-	10.97	-	4.43
Dana Italia S.R.L.	-	0.13	-	0.01
Dana Japan Ltd.	-	-	-	9.00
Dana Off-Highway(Yancheng) drive systems Co	-	853.20	-	525.02
Dana SAC Uk Limited	-	-	-	0.18
Dana Tm4 India Pvt Ltd	-	0.01	-	-
Dana Sac Finland Oy	-	0.09	-	-
Sales of Services				
Fairfield Manufacturing Company Inc., U. S. A.	-	-	0.94	-
Graziano Trasmissioni India Private Limited	-	4.54	-	3.99
Dana India Private Ltd.	-	-	-	2.45
Brevini India Private Limited	-	0.36	-	-
Sales of Fixed Assets				
Graziano Trasmissioni India Private Limited	-	9.22	-	0.83
Fairfield Mfg.Co.,Inc U.S.A	0.31	-	-	-
Other miscellaneous transactions				
Dana Anand India Private Limited	-	-	-	0.18
Fairfield Manufacturing Company Inc., U. S. A.	1.92	-	0.08	-
Dana (Wuxi) Technologies Co. Limited	-	-	-	0.61
Dana Spicer(Shanghai)Trading Co. Limited	-	0.06	-	-
Brevini India Private Limited	-	0.02	-	-
Reimbursement of expenses / Income				
Graziano Trasmissioni India Private Limited	-	9.59	-	8.52
Dana India Technical Centre Private Limited	-	0.02	-	-
Dana Graziano S.R.L.	-	11.15	-	1.51
Dana Hungary KFT	-	-	-	0.09
Dana India Private Limited	-	-	-	0.01
Purchase of Property, Plant and equipment				
Graziano Trasmissioni India Private Limited	-	0.08	-	0.26
Trade mark fees				
Dana Limited	-	33.24	-	24.85
Purchases of Goods				
Fairfield Manufacturing Company Inc., U. S. A.	49.45	-	7.88	-
Dana India Private Limited	-	0.00	-	0.00
Dana Spicer(Shanghai)Trading Co. Limited	-	-	-	0.80
Graziano Trasmissioni India Private Limited	-	183.87	-	152.97
Dana Off-Highway(Yancheng) drive systems Co	-	0.02	-	3.43
Dana (Wuxi) Technologies Co. Limited	-	6.79	-	-
Dana Tm4 India Pvt Ltd	-	10.59	-	-
Dana Tm4 Uk Ltd.	-	0.27	-	-
Development Tooling Income				
Fairfield Manufacturing Company Inc., U. S. A.	-	-	9.72	-
Graziano Trasmissioni India Private Limited	-	0.01	-	-
Dana India Private Ltd.	-	-	-	1.30
Dana Industrias Ltda.	-	1.51	-	-
Management fees				
Dana Investment GMBH	-	3.84	-	6.15
Dana Limited	-	145.15	-	93.81
Dana India Technical Centre Private Limited	-	14.46	-	8.29
Dana Italia S.R.L	-	46.12	-	40.53
Graziano Trasmissioni India Private Limited	-	0.50	-	1.09

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

Transactions with Key Managerial Personnel	31 March 2022	31 March 2021
- Short term employment benefits	9.15	12.48
- Post employment benefits***	0.02	0.03
- Director sitting fees	0.76	0.72

***Disclosed based on the details provided by actuary on estimated basis.

Long term employee benefits are calculated at the company level and hence the same has not been presented for the Key managerial personnel.

C Outstanding balances arising from sales/purchase of Goods and Services / Assets

	31 March 2022	31 March 2021
Trade payables		
Dana Limited	28.57	16.93
Fairfield Manufacturing Company Inc., U. S. A.	35.92	3.59
Graziano Trasmissioni India Private Limited	50.01	77.29
Dana India Technical Centre Private Limited	2.84	1.10
Dana Off-Highway(Yancheng) drive systems Co. Ltd	0.24	0.73
Dana Spicer(Shanghai)Trading Co. Limited	-	0.48
Dana Graziano (Suzhou) Drive System	-	0.43
Dana Tm4 India Pvt Ltd	10.85	-
Dana (Wuxi) Technologies Co. Limited	0.01	-
Dana Italia S.R.L	10.79	9.46
	139.23	110.01
Trade receivables		
Fairfield Manufacturing Company Inc., U. S. A.	671.45	353.97
Dana India Private Limited	69.81	19.52
Dana Off-Highway(Yancheng) drive systems Co. Ltd	336.67	132.36
Dana Graziano S.R.L	42.67	151.56
Dana Spicer(Shanghai)Trading Co. Limited	-	152.87
Dana (Wuxi) Technologies Co. Limited	5.86	2.96
Dana Industrias Ltda.	6.20	-
Dana Italia S.R.L	0.01	0.01
Dana Hungary Kft	0.08	0.16
Graziano Trasmissioni India Private Limited	22.98	30.64
Dana Graziano (Suzhou) Drive Systems Co. Ltd.	1.25	5.24
Dana Anand India Pvt. Ltd.	0.20	-
Dana Investment GMBH	0.14	-
Brevini India Private Limited	0.04	-
Shanghai Brevini Gearboxes Co. Limited	20.84	8.99
	1,178.20	858.28
Contract Assets - Unbilled revenue		
Fairfield Manufacturing Company Inc., U. S. A.	-	16.71
Dana (Wuxi) Technology Co Ltd	-	0.17
Dana Graziano S.R.L	-	5.10
Shanghai Brevini Gearboxes Co. Limited	-	0.22
Dana Spicer(Shanghai)Trading Co. Limited	-	8.50
Dana Off-Highway(Yancheng) drive systems Co. Ltd	-	6.74
	-	37.44

Note :There is no allowance for bad and doubtful debts recognised in respect of receivables due from related parties.

D Terms and conditions:

(1) Goods were sold to parent and other fellow subsidiaries during the year based on the price lists in force and terms that would be available to third parties.

(2) All other transactions were made on normal commercial terms and conditions and at market rate.

(3) All outstanding balances are unsecured and repayable in cash.

Note: The transaction with related parties are disclosed upto/from the date the related party relationship ceased/came in existence. The year end balance are disclosed considering the related party relationship status as at the year end.

Fairfield Atlas Limited**Notes to the Financial Statements for the year ended 31 March 2022***(All amounts in INR millions, unless otherwise stated)***34 Earnings per share**

	31 March 2022	31 March 2021
Basic and diluted earnings per share		
a) Profit attributable to the equity holders of the company (INR in Mio)	507.01	150.78
b) Weighted average number of equity shares outstanding (Nos.)	26,875,121	27,320,540
c) Earnings per share (INR per equity share of INR 10 each)		
- Basic and diluted	18.87	5.52

35 Contingencies and commitments**a) Contingent liabilities**

	As at 31 March 2022	As at 31 March 2021
Claims against the company not acknowledged as debts		
Sales Tax / VAT Liability under appeal	12.35	12.35
Excise duty and Service Tax Liability under appeal	5.57	5.57
Duty of Customs	0.62	0.62
Income Tax Liability under appeal	104.22	105.88
Total	122.76	124.42

The Company has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position. In respect of the claims against the Company not acknowledged as debts as above, the management does not expect these claims to succeed. Accordingly, no provision for the contingent liability has been recognised in the financial statements. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

b) Commitments

	As at 31 March 2022	As at 31 March 2021
i) Capital commitments		
Estimated value of contracts on capital account remaining to be executed	73.91	129.30
ii) Export commitments		
Export obligations	331.27	-
Total	405.18	129.30

Export obligations pertains to EPCG (export promotion capital goods) scheme where the company is required to export six times of the duty saved on import of capital goods.

Fairfield Atlas Limited**Notes to the Financial Statements for the year ended 31 March 2022****(All amounts in INR millions, unless otherwise stated)****36 Trade Payable Includes Amount Payable to Micro & Small Enterprises as Follows**

	As at 31 March 2022	As at 31 March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year (Refer note below)	46.29	113.06
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid by the buyer in terms of section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2000	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Management, as a regular process, ensures that all the amounts due to MSME vendors are paid within the stipulated time as specified in the MSMED act. Interest amounting to INR 0.11 million (March 2021 - 0.16 million) is not accrued in the books of accounts being insignificant amount.

37 In light of COVID 19 pandemic, the Company has considered the possible effects that may result from COVID-19 on carrying amounts of financial assets, inventory, receivables, advances, property, plant and equipment, intangibles etc. In developing the assumptions relating to the possible future uncertainties the Company has used internal and external information such as current contract terms, financial strength of partners, future volume of estimates from the business etc. Based on the current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The Company will continue to closely monitor any material changes to future economic conditions, however no material impact has been envisaged. Based on assessment, no additional adjustments to Financial Statements have been considered

38 Pursuant to the board resolution passed in meeting held on July 26, 2022, the company has filed with National Company Law Tribunal ('NCLT') the Scheme of Amalgamation by way of Merger by Absorption under section 230 to 232 of the Companies Act, 2013 and rules framed thereunder among Fairfield Atlas Limited (Transferor Company), Brevini India Private Limited (Transferor Company) and Graziano Trasmissioni India Private Limited (Transferee Company). The appointment date for the said merger is proposed to be April 1, 2022.

Since the companies are in a similar line of business, they shall have more productive utilisation of resources, achieve economies of scale into cost and operational efficiencies, create stronger sustainable business, opportunity to leverage capabilities resulting in cost savings and higher profitability. The assets, liabilities and other reserves of the company shall be taken over pursuant to the scheme in exchange of 35 equity shares of face value 10 each of the transferee company for every 100 equity shares of face value 10 each of the

39 The Code on Social Security, 2020 ('Code'), pertaining to employee benefits during employment and post employment, received Presidential assent in September 2020. The ministry of Labour and employment has released draft rules for the code on Social security, 2020 on November 13, 2020. The new code may impact the existing employee benefit obligations of the Group. The Company will assess the impact and recognise it in its financial statements in the period in which the Code becomes effective and the related rules are notified.

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

40 Analytical Ratios

	Numerator	Denominator	2020-21	2021-22	Change %
(a) Current Ratio	Total Current Assets	Total Current Liabilities	2.54	2.70	6%
(b) Return on Equity Ratio (Refer Note 1)	Net Profit After Tax	Average Total Equity	3.58%	11.32%	217%
(c) Inventory turnover ratio (Refer Note 2)	COGS	Average Inventory	4.34	5.99	38%
(d) Trade Receivables turnover ratio (Refer Note 3)	Revenue from operations	Average Accounts Receivable	3.59	4.77	33%
(e) Trade payables turnover ratio (Refer Note 3)	Total Purchases and Other Expenses	Average Accounts Payable	3.84	5.30	38%
(f) Net capital turnover ratio (Refer Note 4)	Revenue from Operations	Net Working Capital	1.74	2.59	50%
(g) Net profit ratio (Refer Note 1)	Net Profit After Tax	Revenue from operations	3.77%	7.71%	105%
(h) Return on Capital employed (Refer Note 1)	Profit before tax and finance cost	Total Capital Employed	4.73%	14.44%	205%
(i) Return on investment (Refer Note 1)	Profit before tax and finance cost	Total Assets	3.52%	10.99%	212%

Notes: Change in ratio is on account of followings:-

- 1 During the current year, the company has increase in business operations which has lead to increase in revenue and net profits.
- 2 During the previous year, the company has maintaining low inventory considering risk on account of covid. However, in the current year the company has maintained normal inventory levels inline with business operations and expected orders.
- 3 During previous year, last quarter sales / purchases were significantly higher than average sales / purchases of the year considering impact of covid which resulted in higher receivables / payables at year end whereas in current year average sales / purchases are almost same throughout the year.
- 4 Increase is on account of and inline with increase in inventory, trade receivable and trade payable ratios.

Following Ratios are not considered relevant considering the company does not have any debt:

- (a) Debt-Equity Ratio
- (b) Debt Service Coverage Ratio

Fairfield Atlas Limited
Notes to the Financial Statements for the year ended 31 March 2022
(All amounts in INR millions, unless otherwise stated)

41 Additional Regulatory Information

(i) Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The company does not have any borrowings secured against current assets.

(iii) Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise)

that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(x) Relation with struck off companies

During the year ended March 31, 2022 the company has not entered into any transactions with the companies whose names were struck off under applicable regulations.

42 Previous year figures have been recasted / regrouped wherever necessary.

For Price Waterhouse Chartered Accountants LLP
Firm Registration number : 012754N/N500016

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

Disha Maheshwari
Partner
Membership No. 110159

Sunil Sehgal
Chairman
DIN: 05121461

D.E. Jacob
Managing Director
DIN:02387819

Place:Pune
Date : 30th August 2022

Vijay Sinha
Chief Financial Officer

Pandharinath Patil
Company Secretary

Place : Devarwadi
Date : 30th August 2022

FAIRFIELD ATLAS LIMITED

Registered Office: Survey 157, Devarwadi, Taluka Chandgad, Post Shinoli,
Dist. Kolhapur-416507, Maharashtra, India

CIN U34300MH1990PLC055300 Website: www.dana.com

Email: pandharinath.patil@dana.com Telephone: 02320236605/06 Fax: 02320236615

PROXY FORM

32nd Annual General Meeting

Thursday, 29th September 2022

Name of the Member(s).....(In Block Letters)

Registered Address.....
.....

E-Mail Id

Folio No./ Client ID No.

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

DP ID.....

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

Name

Address.....

.....

Email Id.....

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

Name

Address.....

.....

Email Id.....

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

Name

Address.....

.....

Email Id.....

Signature.....

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 Thirty Second Annual General Meeting of the Company, to be held on Thursday, 29th September 2022 at 3.00 p.m. at the Registered Office of the Company situated at Survey 157, Devarwadi, Post Shinoli, Taluka Chandgad, Dist. Kolhapur-416507, Maharashtra, India 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 31 st March, 2022, the Balance Sheet and the Reports of the Directors and Auditors thereon		
2	Reappointment of Mr. Marcus David King Director who retires by rotation		
3	Appointment of MS. Xian He Director who retires by rotation		
4	Ratification of remuneration payable to M/s M. P. Turakhia Cost Auditors for the financial year 2022-2023		
5	Increase in remuneration payable to Mr. D. E. Jacob Managing Director w.e.f. 1 st April, 2022		
6	Reappointment of Managing Director Mr. D. E. Jacob w.e.f. 1 st November, 2022 to 31 st October, 2024		

Signed this.....day of.....2022

Signature of shareholder(s).....

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

Affix Revenue Stamp

Notes:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the Annual General Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

A Proxy need not be a Member of the Company

Route Map to the venue of the AGM

