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FAIRFIELD ATLAS LIMITED
31ST ANNUAL REPORT
2020 - 21

FAIRFIELD ATLAS LIMITED

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FAIRFIELD ATLAS LIMITED

BOARD OF DIRECTORS	:	Mr. Sunil Sehgal	Chairman
		Mr. Devanand E. Jacob	Managing Director
		Mr. Marcus D. King	Director
		Mr. Michael A. Campbell	Director
		Mr. Gajanan V. Gandhe	Director
		Ms. Xian He	Woman Director
		Mr. Avinash P. Gandhi	Independent Director
		Mr. Rakesh Jinsi	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 (Formerly known as Sharex Dynamic (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 First (31st) Annual General Meeting of the Members of Fairfield Atlas Limited (the "Company") will be held on Thursday, 30th September, 2021 at 4.00 p.m. at the Registered Office of the Company at Survey No 157, Devarwadi, Chandgad Taluka, Dist Kolhapur-416507, Maharashtra through video conference (VC) / other audio visual means (OAVM) to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Sehgal (holding DIN 05121461) who retires by rotation and being eligible to offers himself for re-election.
3. To appoint a Director in place of Mr. Gajanan Vithal Gandhe (holding DIN 02023395) who retires by rotation and being eligible to offers himself for re-election.
4. **To reappoint Statutory Auditors and to determine their remuneration:**

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), M/s. Price Waterhouse Chartered Accountants LLP., Chartered Accountants, (FRN No. 012754N/N-500016), who were appointed as Statutory Auditors of the Company at 26th Annual General Meeting to hold office up to the conclusion of 31st Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and have offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Thirty First (31st) Annual General Meeting till the conclusion of Thirty Sixth (36th) Annual General Meeting of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

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."

Special Business:

5. **Ratification of Remuneration of Cost Auditors of the Company:**

To ratify the remuneration of Cost Auditors for financial year 2021-22 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, 2022 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”.

6. Reappointment of Mr. Avinash Prakash Gandhi, (DIN: 00161107) as an Independent Director of the Company for a second term of 2 years.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Avinash Prakash Gandhi, (DIN: 00161107), who was appointed as an Independent Director of the Company for a term up to 24th June, 2021, being eligible for being reappointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Avinash Prakash Gandhi as a candidate for the office of Director, be and is hereby reappointed as an Independent Director of the Company, to hold office with effect from 25th June, 2021 up to 24th June, 2023, and whose office shall not be liable to retire by rotation.

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 reappointment and to do all such acts and things as may be necessary to give effect to this resolution.”

7. Reappointment of Mr. Rakesh Jinsi, (DIN: 00182187) as an Independent Director of the Company for a second term of 2 years.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) thereto or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Rakesh Jinsi, (DIN: 00182187), who was appointed as an Independent Director of the Company for a term up to 21st October, 2021, and being eligible for being reappointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Rakesh Jinsi as a candidate for the office of Director, be and is hereby reappointed as an Independent Director of the Company, to hold office with effect from 22nd October, 2021 up to 21st October, 2023, and whose office shall not be liable to retire by rotation.

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 reappointment and to do all such acts and things as may be necessary to give effect to this resolution.”

8. 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, 2021 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."

NOTES:

- a) The relative Explanatory Statement as required by Section 102 of the Companies Act, 2013 in regard to item nos. 4 to 8 is annexed hereto.
- b) In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, , General circular No. 20/2020 dated 5th May, 2020, and General Circular No. 02/2021 dated 13th January, 2021' (Collectively referred to as 'MCA Circulars') permitted the holding of the General Meetings through Video Conferencing ('VC')/ other audio visual means ('OAVM'), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013('Act'), and the MCA Circulars, the 31st Annual General Meeting of the members of the company is being held on Thursday 30th September, 2021 at 4.00 P.M. through VC/OAVM.
- c) **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS MEETING IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL BE NOT BE AVAILABLE FOR THIS MEETING AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE MEETING ARE NOT ANNEXED TO THIS NOTICE**
- d) The Authorized Representative of a Body Corporate, which is a registered equity shareholder of the Company, may attend the Meeting provided that a certified true copy of the resolution or the authority letter or power of attorney of the Board of Directors or other Governing Body of the Body Corporate authorizing such representative to attend and vote at the meeting is emailed to the scrutinizer at maheshsoni@gmj.co.in with a copy marked to helpdesk.evoting@cslindia.com

- e) Only registered members of the Company as on Monday 23rd September, 2021 ('cut – off date') are entitled to attend the meeting (either in Person or by Authorized Representative under section 112 and 113 of the Act) through VC/ OAVM and vote through electronic means.
- f) The quorum for the meeting shall be as prescribed under section 103 of the Act and would include shareholders present through VC/ OAVM. 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.
- g) The members can join the meeting through VC/OAVM 15 minutes before and 15 minutes after the scheduled time of the commencement of the meeting by following the procedure as mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis as per the MCA Circulars.
- h) The Register of Members and Share Transfer Books of the Company will be closed from Thursday, 23rd September, 2021 to Thursday, 30th September, 2021 (both days inclusive).
- i) Members holding shares in electronic form are requested to intimate any change in their address to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to advise any change in their address to the Company/ Registrars and Transfer Agents M/s Link Intime India Private Limited, and quote folio numbers in all their correspondence.
- j) Members who have not registered their email addresses so far are requested to register their email addresses with the Depository Participant (in case of shares held in dematerialized form) or with The Registrar and Transfer Agents (for shares held in physical form) for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
- k) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- l) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- m) Mr. Mahesh Soni, (Membership No. FCS 3706, COP 2324) or failing of him, Ms. Sonia Chettiar (Membership No. ACS 27582, COP 10130) Partners of GMJ & Associates, Company Secretaries has been appointed as the scrutinizer to scrutinize the e-voting process (prior to and during the meeting), in a fair and transparent manner.
- n) Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website www.dana.com/resource-library/ and website of CDSL : <https://www.evoting.cdsl.com>
- o) **Procedure for remote e-voting**
 1. In compliance with the provisions of section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 the Company is pleased to offer e-voting facility to its members in respect of the businesses to be transacted at the 31st Annual General Meeting (AGM). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorized Agency to provide e-voting facility.
 2. Members are requested to note that the Company is providing facility for remote e-voting and the business can be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/ its discretion as per the instructions provided herein.

The instructions for shareholders voting electronically are as under:

The voting period begins on Monday, 27th September, 2021 at 9.00 A.M. and ends on Wednesday, 29th September, 2021 at 5.00 P. M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday 23rd September, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member he/she shall not be allowed to change it subsequently or cast the vote again. Members who have cast their vote through remote e-voting may also attend the meeting but shall not be entitled to cast their vote again. Members who are present in the meeting through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the meeting.

Once the vote on a resolution is cast by the member he/she shall not be allowed to change it subsequently or cast the vote again. Members who have cast their vote through remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1) 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(i) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.

- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant **Fairfield Atlas Limited** on which you choose to vote.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xii) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; Pandharinath.patil@dana.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at Pandharinath.patil@dana.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at Pandharinath.patil@dana.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- 1) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in
 - 2) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to rnt.helpdesk@linkintime.co.in.
- p) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
- q) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
- r) **DECLARATION OF RESULTS ON THE RESOLUTION**
- 1) The scrutinizer shall, immediately after and not later than 48 hours from conclusion of the meeting, make a consolidated scrutinizer's report of the total votes cast in favour and against the resolution and invalid votes, if any, to the chairman of the meeting or a person authorized by him in writing who shall countersign the same.
 - 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 3 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/> and on the website of CDSL viz. <https://www.evoting.cdsl.com> immediately after the result is declared by the Chairman.

By Order of the Board of Directors

Pandharinath Patil
Company Secretary

Place: Devarwadi
Date: 27th August, 2021
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 Section 139 (1) of the Companies Act, 2013, every Company shall, at the first AGM, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth Annual General Meeting and thereafter till the conclusion of every sixth meeting. M/s. Price Waterhouse Chartered Accountants LLP(Firm Registration Number: 012754N/N-500016), Chartered Accountant who was appointed as Statutory Auditors of the Company for the financial year 2016-17 to 2020-21 and to hold the office upto the conclusion of this Annual General Meeting. Thus, the appointment of Statutory Auditors for a period of Five consecutive years has been put up for the approval of members.

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 139 (1) 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

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 24th June, 2021 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, 2022. As approved by the Board the Annual remuneration payable to M/s M. P. Turakhia & Associates for the financial year ending 31st March, 2022 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.5 of the Notice for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

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

Item No. 6

Mr. Avinash Prakash Gandhi, (DIN: 00161107) was appointed as an Independent Director of the company in the financial year 2019-20 for the period starting from 25th June, 2019 to 24th June, 2021. As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, an Independent Director can be reappointed for a second term of maximum 5 (five) years by obtaining approval of the shareholders by a way of special resolution and on disclosure of such reappointment in the Board's Report. Schedule IV of the Companies Act, 2013 provides for performance evaluation by the Board before extending the term of Independent Director. Mr. Avinash Prakash Gandhi has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules 2014, to the effect that he is not disqualified under Sub-section(2) of Section 164 of the Companies Act 2013. In the opinion of the Board, Mr. Avinash Prakash Gandhi fulfills the conditions provided in the Act and the Rules made thereunder for reappointment as Independent Director and is independent of the management.

The Board of Directors and Nomination & Remuneration Committee are of the opinion that considering the vast experience, knowledge and the possession of relevant expertise by Mr. Avinash Prakash Gandhi, (DIN: 00161107) his continued association would be of immense benefit to the Board and recommend the Resolution for your approval.

None of the Directors/Key Managerial Personnel or their relatives except Mr. Avinash Prakash Gandhi is concerned or interested financially or otherwise is in the said Resolution

Item No. 7

Mr. Rakesh Jinsi, (DIN: 00182187) was appointed as an Independent Director of the company in the financial year 2019-20 for the period starting from 22nd October, 2019 to 21st October, 2021. As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, an Independent Director can be reappointed for a second term of maximum 5 (five) years by obtaining approval of the shareholders by a way of special resolution and on disclosure of such reappointment in the Board's Report. Schedule IV of the Companies Act, 2013 provides for performance evaluation by the Board before extending the term of Independent Director. Mr. Rakesh Jinsi has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules 2014, to the effect that he is not disqualified under Sub-section(2) of Section 164 of the Companies Act 2013. In the opinion of the Board, Mr. Rakesh Jinsi fulfills the conditions provided in the Act and the Rules made thereunder for reappointment as Independent Director and is independent of the management.

The Board of Directors and Nomination & Remuneration Committee are of the opinion that considering the vast experience, knowledge and the possession of relevant expertise by Mr. Rakesh Jinsi, (DIN: 00182187) his continued association would be of immense benefit to the Board and recommend the Resolution for your approval.

None of the Directors/Key Managerial Personnel or their relatives except Mr. Rakesh Jinsi is concerned or interested financially or otherwise is in the said Resolution

Item No. 8

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 24th June, 2021 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 2021 till the end of his term as set out in the Employment Agreement dated 31st October, 2019 the salient features of which are mentioned below:

1. Salary Details

(Amount in INR)

Sr No.	Particulars	Current	Revised
a.	Basic Salary	375,503	403,628
b.	House Rent Allowance	205,201	216,454
c.	Special Allowance	72,653	82,589
d.	Leave Travel Allowance	5,000	5,000
e.	PF Employer Contribution	45,060	48,435
	Total	703,417	756,106
	Annual CTC	8,441,004	9,073,272

2. 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 2021.

Particulars	Rs. in lakhs
Total Revenue	40,689.15
Profit before Depreciation, Interest and Tax	5,576.84
Interest and other Finance Charges	0.15
Depreciation and Amortization	3,508.42
Profit before taxation	2,068.27
Income tax Expenses	
Current Tax	928.75
Deferred Tax (credit)/charge	(368.25)
Profit after taxation	1,507.77

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 98.37% of the paid up share capital of the Company.

II. Information about the appointee.

i) Background details

Mr. Jacob is an Engineer by profession and has been the Managing Director of the Company since 24th October, 2008 being stationed at the Company's Plant for more than 26 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.

ii) Past remuneration during financial year ended 31st March 2021.

The total remuneration drawn by Mr. Devanand E. Jacob as Managing Director for the year ended 31st March, 2021 was INR 124.75 lakhs including perquisites.

iii) Recognition or Awards

Not applicable

iv) Job Profile and their suitability

Mr. Devanand E. Jacob is the Managing Director of the Company since 24th October 2008. The Board has delegated substantial powers of management of the Company to Mr. Devanand E. Jacob, in his capacity as Managing Director of the Company. Mr. Jacob is an Engineer by profession and has been stationed at the Company's plant for the past 26 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.

v) 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. Devanand E. Jacob were approved by the Nomination and Remuneration Committee and the Board of Directors at their meetings held on 22nd October, 2019 are set out under 'A' above.

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

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

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

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

Other information

1. Reason of loss or inadequate profits.

Due to COVID-19 the plants were shut down for initial period of COVID-19, therefore, there is significant reduction in revenue and consequently reduction in profit.

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

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

Now the COVID-19 situation has improved and expected that operations will run smoothly, however, uncertainty is still there.

III. Disclosures

Not Applicable

The Board recommends the Special Resolutions set out at item Nos.8 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. 8 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: 27th August, 2021
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 First (31st) Annual Report together with the Audited Financial Statements of Fairfield Atlas Limited for the year ended 31st March, 2021 .

I. Financial Results

Particulars	(Rs. in Lakhs)	
	F.Y. 2020-21	F.Y. 2019-20
Total Revenue	40,689.15	50,141.59
Profit before depreciation, Interest and Tax	5,576.84	10,715.01
Interest and other finance charges	0.15	6.71
Depreciation and Amortizations	3,508.42	3,345.58
Profit before Tax	2,068.27	7,362.72
Income tax expenses:		
Current tax	928.75	1,919.90
Deferred Tax charge (credit)/charge	(368.25)	215.20
Profit after tax	1,507.77	5,227.63

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

II. Dividend

The Directors did not recommend dividend for the year ended 31st March, 2021 .

III. Performance

The financial performance highlights for the year ended 31st March, 2021 , are as follows –

Total Income and Operating Profit for the year under review amounted to Rs. 40,689.15 Lakhs and Rs. 5,576.84 Lakhs respectively as compared to Rs. 50,141.59 Lakhs and 10,715.01 Lakhs, in the previous financial year.

The Profit before Tax and Profit after Tax for the year under review amounted to Rs. 2,068.27 Lakhs and Rs. 1,507.77 Lakhs respectively as compared to Rs. 7,362.72 Lakhs and 5,227.63 Lakhs, in the previous financial year.

The outbreak of the deadly COVID-19 virus and the ensuing lockdown imposed across the country and Globe affected business operations. The health of the employees and workers became a priority; stoppage of operations for an uncertain period resulted in a large financial burden on the one hand and workforce idling on the other. COVID-19 is an unprecedented challenge. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. However, towards later part of the year consequent to significant opening of the economic activity across the nation and globe the demand picked up compared to that during the initial period of Covid-19.

India's manufacturing sector had gone through various phases of development in recent times. The sector contributes to approximately 16-17% of the GDP and provides employment to almost 20% of the country's workforce. During the first wave of the pandemic, lockdown-imposed restrictions on the movement of goods and people severely impacted workforce capacity and disrupted supply chains, bringing nearly all manufacturing activity to a stand-still.

The key issues impacting the Manufacturing Sector are listed in the below

- 1) Supply Chain Disruptions / Raw Material Shortage.
- 2) Capacity Underutilizations
- 3) Labour Shortage
- 4) Weaker Demand
- 5) Special Regulatory Restrictions
- 6) Liquidity Crunch

The manufacturing industry was affected in several ways due to the pandemic leading to low-scale operations, and eventually, a negative impact on production volumes. Over a period, this adversely affected the turnover and revenue.

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.

During this period of uncertainty of COVID-19 pandemic, 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.

However, the economy in the grip of a pandemic could throw up sudden negative surprises, as witnessed in April 2021, when demand was relatively subdued.

IV. Directors Responsibility Statement

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

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2021 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts for the year ended 31st March, 2021 on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

V. Finance

The Company has no debts outstanding as on year end.

VI. Number of meetings of the Board of Directors

During financial year ended 31st March, 2021 four Board Meetings were held.

The dates on which the Board Meeting were held are 30th June, 2020, 26th October, 2020, 23rd February, 2021 and 31st March, 2021

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	4
Mr. Michael A. Campbell	4
Mr. Gajanan V. Gandhe	4
Ms. Xian He	4
Mr. Avinash P. Gandhi	4
Mr. Rakesh Jinsi	4

VII. 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 23rd February, 2021 to review and discuss matters as mentioned in Schedule IV of the Companies Act.

VIII. Subsidiaries

The Company does not have any subsidiary.

IX. 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, 2021

X. 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/>

XI. 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.

XII. Transfer of Amount to Reserves

The Company proposes to transfer Rs. 1,507.77 lakhs to General Reserve for the Financial year ended 31st March, 2021.

XIII. 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.

Company has started various projects under CSR; however, Pond development work are not being completed during the year since they were filled-up with water due to uncertain rain. The work of 5840 KL Water Treatment Plant at Shinoli Khurd and support for technology initiatives and R & D got delayed due to COVID-19.

Unspent amount of Rs.104.08 Lakhs provided for these ongoing projects has been transferred to Separate Bank Account designated as "Unspent Corporate Social Responsibility Account" opened with scheduled bank, Company has already taken steps to spend this unused amount in the coming year.

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 meetings were held on 30th June, 2020 and 26th October, 2020.

Attendance at these meetings was as under:

Members	Number of meetings attended
Mr. Sunil Sehgal (Chairman)	2
Mr. Avinash Gandhi	2
Mr. Devanand E. Jacob	2

XIV. 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.

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

27,106,510 Shares are Dematerialized (as on 31.03.2021) 99.22% of total Shares viz 27,320,540 shares)

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. Shareholders are therefore requested to convert their shares from physical mode to dematerialized mode by contacting any depository participant in case they wish to transfer their shares. For facilitating dematerialization of its shares the Company had already made arrangements with both depositories CDSL and NSDL when its shares were listed. For the purpose of dematerialization the Company's number is ISIN INE 922C01013 which can be quoted on Demat request form.

XVI. 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.

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

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

XVIII. Risk Management

The Company has a risk management framework that works at various levels of the organization to oversee the various risks the Company faces. It has an 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.

XIX. 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.

XX. 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. No meetings of Nomination and Remuneration Committee were required to be held during the financial year.

XXI. Remuneration Policy for Managing Director and Senior Managing Personnel

- i) Managing Director would be paid such remuneration as mutually agreed between him and the Company within overall limits of the Companies Act 2013 and remuneration policy of Dana Group as applicable to Senior Managerial Personnel and is subject to shareholder approval.

- ii) The remuneration of Key Managerial Personnel consists mainly of salary, allowances, perquisites, incentives.
- iii) Remuneration level is considered depending on the individual's role, experience and achievement of results.
- iv) Salary increases are determined on overall performance and in achieving success in key result areas.

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

XXII. Audit Committee

The members of the Audit Committee are Mr. Avinash Gandhi and Mr. Rakesh Jinsi Independent (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 three meetings of the Audit Committee were held on 30th June, 2020, 26th October, 2020 and 31st March, 2021.

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

XXIII. 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.

XXIV. Material changes and commitments

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

XXV. 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. Sunil Sehgal and Mr. Gajanan Vithal Gandhe, 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. Avinash P. Gandhi and Mr. Rakesh Jinsi, as Independent Directors for 2 years from 25th June 2021 and 22nd October, 2021 respectively.

The Company has received requisite notices in writing from members proposing Mr. Sunil Sehgal, Mr. Gajanan Gandhe, Mr. Avinash Gandhi and Mr. Rakesh Jinsi for appointment/reappointment as Directors.

The appointment of Ms. Xian He was regularized as Director at the 30th Annual General Meeting of the Company held on 18th December, 2020.

Mr. Marcus David King and Mr. Michael Andrew Campbell retired by rotation at 30th Annual General Meeting and were reappointed as Directors of the Company.

None of the directors of the Company is disqualified as on 31st March, 2021 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.

XXVI. Auditors

The current Statutory Auditor Price Waterhouse Chartered Accountants LLP bearing firm Registration number 012754N/N500016 retiring at this Annual General Meeting have given the notice in writing expressing their willingness to be reappointed.

In terms of the provisions of the Companies Act, 2013 ("the Act") and rules made thereunder it is proposed to reappoint Price Waterhouse Chartered Accountants LLP bearing firm Registration number 012754N/N500016, as Statutory Auditors from the conclusion of the ensuing Annual General Meeting of the company till the conclusion of 36th Annual General Meeting to be held in the year 2026.

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

The members are requested to appoint the auditor as aforesaid and they have given their written consent for continuing as Auditors of the Company.

XXVII. 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.

XXVIII. 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 2021-22 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 Sec 141(3) (g) of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

XXIX. Internal Auditors

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

XXX. 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, 2021.

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 31 March, 2022.

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.

XXXI. 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.

XXXII. 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.

XXXIII. 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.

XXXIV. 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
Date: 27th August, 2021

Sunil Sehgal
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 March 31, 2021 are as follows :

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

A Name of the related parties and nature of relationship**i) Entities having control over the Company****a. Ultimate Holding Company**

Dana Incorporated

b. Intermediate Holding Company

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

c. Holding Company

TH 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 Limited

Dana India Private Limited

Dana Graziano S.R.L

Dana Graziano (Suzhou) Drive System

Dana Spicer(Shanghai)Trading Co. Limited

Brevini(Yancheng) Planetary Drives 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)
Dana SAC Uk Limited
Dana Anand India Private Limited
(earlier known as Spicer India Private Limited)

iii) 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 V. Gandhe - Non-executive Director
Mr. Rakesh Jinsi - Independent Director
Ms. Xian He - Non-executive Director

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

Sparsh welfare Trust

B) Disclosure of related party transactions.

Particulars	31 March 2021		31 March 2020	
	Entity having control over the Company	Fellow Subsidiaries	Entity having control over the Company	Fellow Subsidiaries
	(1)	(2)	(1)	(2)
Sales of products (excluding tax)				
Fairfield Manufacturing Company Inc., U. S. A.	1,041,838,368	-	1,777,167,798	-
Graziano Trasmissioni India Private Limited	-	243,017,923	-	86,534,889
Dana India Private Limited	-	35,232,228	-	7,343,788
Dana Graziano S.R.L.	-	273,506,659	-	168,688,585
Dana Graziano (Suzhou) Drive System	-	-	-	379,942,130
Dana Spicer(Shanghai)Trading Co. Limited	-	355,079,385	-	417,352,016
Brevini (Yancheng) Planetary Drives Co Limited	-	135,666,891	-	310,787,455
Shanghai Brevini Gearbox Co. Limited	-	98,714,291	-	43,638,438
Dana (Wuxi) Technology Co Limited	-	8,682,154	-	6,228,070
Dana Hungary KFT	-	69,992	-	-
Dana Industrias Ltda.	-	4,429,497	-	-
Dana Italia S.R.L.	-	9,591	-	-
Dana Japan Ltd.	-	8,998,776	-	-

Particulars	31 March 2021		31 March 2020	
	Entity having control over the Company	Fellow Sub-sidiaries	Entity having control over the Company	Fellow Sub-sidiaries
	(1)	(2)	(1)	(2)
Dana Off-Highway(Yancheng)	-	389,352,223	-	-
Dana SAC Uk Limited	-	175,709	-	-
Others				
Fairfield Manufacturing Company Inc.,U. S. A.	78,477	-	-	-
Spicer India Private Limited	-	175,815	-	-
Dana (Wuxi) Technology Co Limited	-	606,390	-	-
Sales of Services				
Fairfield Manufacturing Company Inc.,U. S. A.	938,008	-	1,031,843	-
Graziano Trasmissioni India Private Limited	-	3,993,762	-	10,100,588
Dana India (P) Ltd.	-	2,449,206	-	-
Sales of Fixed Assets				
Graziano Trasmissioni India Private Limited	-	832,418	-	15,278,005
Reimbursement of expenses				
Graziano Trasmissioni India Private Limited	-	8,516,359	-	4,060,406
Fairfield Mfg.Co.,Inc U.S.A	-	-	283,774	-
Dana India Private Limited	-	8,000	-	483,880
Dana Graziano S.R.L.	-	1,510,585	-	-
Dana Hungary KFT	-	87,686	-	-
Purchase of Property, Plant and equipment				
Fairfield Manufacturing Company Inc., U. S. A.	-	-	772,539	-
Graziano Trasmissioni India Private Limited	-	263,207	-	2,998,668
Graziano Transmission SPA	-	-	-	45,596,039
Dana India Private Limited	-	-	-	500,000
Trade mark fees				
Dana Limited	-	24,850,937	-	22,355,038
Purchases of Services				
Dana Limited	-	-	-	379,208
Purchases of Goods				
Fairfield Manufacturing Company Inc., U. S. A.	7,879,919	-	11,475,570	-
Dana India Private Limited	-	1,804	-	525,300
Brevini(Yancheng) Planetary Drives Co Limited	-	3,313,333	-	642,337
Dana Spicer(Shanghai)Trading Co. Limited	-	799,773	-	152,816
Dana Graziano (Suzhou) Drive System	-	-	-	286,565

Particulars	31 March 2021		31 March 2020	
	Entity having control over the Company	Fellow Subsidiaries	Entity having control over the Company	Fellow Subsidiaries
	(1)	(2)	(1)	(2)
Graziano Trasmissioni India Private Limited	-	152,970,021	-	10,943,228
Dana Off Highway(Yancheng)	-	119,608	-	-
Development Tooling Income				
Fairfield Manufacturing Company Inc., U. S. A.	9,715,504	-	-	-
Graziano Trasmissioni India Private Limited	-	-	-	3,783,043
Dana India (P) Ltd.	-	1,300,000	-	-
Management fees				
Dana Investment GMBH**	-	6,154,100	-	8,569,632
Dana Limited	-	93,806,426	-	29,136,958
Dana India Technical Centre Private Limited	-	8,289,592	-	3,394,423
Dana Italia S.R.L	-	40,533,545	-	12,447,413
Graziano Trasmissioni India Private Limited	-	1,090,000	-	-

Transactions with Key Managerial Personnel

Particulars	31 March 2021	31 March 2020
Mr. D. E. Jacob		
- Short term employment benefits	12,475,296	11,410,859
- Post employment benefits***	34,000	320,005
Mr. Avinash Prakash Gandhi		
- Director sitting fees	400,000	340,000
Mr. Rakesh Jinsi		
- Director sitting fees	320,000	80,000

c) 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. The year end balances are disclosed considering the related party relationship status as at the year end.

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.

d) Duration of the contracts/arrangements/transactions

The transactions pertain to the year 1st April, 2020 to 31st March, 2021

e) 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
Date: 27th August, 2021

Sunil Sehgal
Chairman

ANNEXURE- II

CSR Report 2020-21

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 :

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

2) 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 Sehgal	Chairman	2	2
2.	Mr. Devanand E. Jacob	Managing Director	2	2
3.	Mr. Avinash P. Gandhi	Independent Director	2	2

3) 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/>

- 4) 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
- 5) 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 Lakhs)	Amount required to be set-off for the financial year, if any (in Lakhs)
1	NA		
	Total		

- 6) Average net profit of the company as per section 135(5). : **INR 6915.5 Lakhs**
- 7) a) Two percent of average net profit of the company as per section 135(5) : **INR 138.31 Lakhs**
 b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: **NA**
 c) Amount required to be set off for the financial year, if any : **INR 42.55 Lakhs**
 d) Total CSR obligation for the financial year (7a+7b-7c).: **INR 180.86 Lakhs**
- 8) a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (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.
76.78	104.08	29-04-2021	-	-	-

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (in Lakhs)	(8) Amount spent in the current financial Year (in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Lakhs)	(10) Mode of Implementation - Direct (Yes / No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Support to adopted School at Kowad and Shinoli Khurd & Budruk	(ii) promoting education	Yes	Maharashtra	Kolhapur	Conti..	13.00	0.00	No		Sparsh Welfare Trust	NA
2.	Operations of Vocational Training Centre at Shinoli Budruk	(ii) promoting education	Yes	Maharashtra	Kolhapur	Conti..	7.00	0.00	No		Sparsh Welfare Trust	NA
3.	Operations of Water Treatment plant at Shinoli Budruk	(i) Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Kolhapur	Conti..	3.00	0.00	No		Sparsh Welfare Trust	NA
4.	5840 Kl Water Treatment Plant at Shinoli Khurd	(j) Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Kolhapur	Jan 21 -Dec 21	27.92	30.08	No		Sparsh Welfare Trust / Dana Care Foundation	CSR00011093
5.	Support to Technology/ R&D initiatives	(ix) (a) Contribution to incubators or research and development projects	Yes	Maharashtra	Mumbai/ Pune	Apr- 21 to Mar 24	0.00	54.00	No		Dana Care Foundation	CSR00011093
6.	Depth Increase of Pond at Devarwadi	(iv) ensuring environmental sustainability	Yes	Maharashtra	Kolhapur	Mar 20 to Mar 22	0.00	2.00	No		Dana Care Foundation	CSR00011093
7.	Pond Development at Charal	(iv) ensuring environmental sustainability	No	Gujarat	Sanand	Mar 21- Mar 22	0.00	18.00	No		Dana Care Foundation	CSR00011093
8.	Development of Pond at Deverwadi	(iv) ensuring environmental sustainability	Yes	Maharashtra	Kolhapur	Mar 20- March 21	19.80	0.00	Yes		Self	-
	Total						174.80	70.72				104.1

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Covid-19 Relief Initiatives including - Supply of sanitizers/ masks / gloves / Medical Equipment- Food Grain Distribution to migrant workers		Yes	Maharashtra	Kolhapur	6.06	Yes	-	-
Total						6.06			

(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.76.78 Lakhs**

(g) Excess amount for set off, if any : NA

Sl. No.	Particular	Amount (in Lakhs)
(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)]	-

9) (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 Lakhs)	Amount spent in the reporting Financial Year (in Lakhs)	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 Lakhs)
				Name of the Fund	Amount (in Lakhs)	Date of transfer	
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
Total		-	-	-	-	-	-

(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 Lakhs)	Amount spent on the project in the reporting Financial Year (in Lakhs)	Cumulative amount spent at the end of reporting Financial Year. (in Lakhs)	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	

10) 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

40 KL Water Treatment Plant at Shinoli Khurd

- Date of creation or acquisition of the capital asset(s).: **Under Construction**
- Amount of CSR spent for creation or acquisition of capital asset.: **INR. 27.92 Lakhs**
- 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**
- 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**

11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

For and on behalf of the Corporate Social Responsibility Committee

Devanand E. Jacob
(Managing Director Director)

Sunil Sehgal
(Chairman CSR Committee)

Avinash P. Gandhi
(Independent Director)

Place: Devarwadi
Date: 27th August, 2021

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

(A) 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:

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

Energy Conservation Activities

- Thyristor control panel to tempering furnace in Heat Treatment.
- Centralized compressor system in Plant-1 by installing 625 cfm compressor in place of 200 cfm of 3 Nos.
- Installed IE4 compressor in place of IE3 compressor in Plant-2
- Installed VFD control panel to cooling tower motors.
- Installed Energy Efficient Motors 7.5 HP to Shaping machine-2 Nos
- Installed solar water heating system to assembly washing machine.
- Installation of constant UPS voltage to lighting system in paint shop and assembly.
- Reduction of Transformer Losses by staggering transformer load.
- Phase wise implementation of IE3 grade energy efficient motors.

Proposed Energy Conservation Activities

- Air net piping system in machine shop.
- Introduction of heat pump to washing machine.
- Introduction of solar water pumps.

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

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

(iii) The capital investments on energy conservation equipment's:

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

(B) Technology Absorption

- (i) The efforts made towards technology absorption : NIL
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
NIL
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : No Technology has been imported during last three years
- (iv) The expenditure incurred on Research and Development: NIL

(C) Foreign Exchange Earnings and outgo

The foreign exchange earnings is Rs. 24,105.00 Lakhs and outgo is Rs. 3,622.65 Lakhs.

For and on behalf of the Board of Directors

Place: Devarwadi
Date: 27th August,2021

Sunil Sehgal
Chairman

ANNEXURE IV
Form No.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

(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, 2021** 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, 2021, according to the provisions of:

- i. The Companies Act, 2013 ("the Act") including The Companies (Amendment) Act, 2020;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
- iv. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

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

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

We further report having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by us the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

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, the Board has proposed to make an application to the Hon'ble National Company Law Tribunal for reduction of equity share capital of the Company from INR 27,32,05,400 divided into 2,73,20,540 (Two Crore Seventy-Three Lakhs Twenty Thousand Five Hundred and Forty) shares of INR 10 each, fully paid-up, to INR 26,87,51,210 divided into 2,68,75,121 shares of INR 10 each, subject to the approval of the Members at the Extra-Ordinary General Meeting.

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 : A027582C000823619

PLACE: MUMBAI
DATE: 27th August, 2021

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.
7. We have verified the documents provided by the Company through Virtual Private Network (VPN) for audit purpose due to COVID-19 restrictions in Maharashtra, Mumbai, physical examination of documents is not possible.

For **GMJ & ASSOCIATES**
Company Secretaries

[SONIA CHETTIAR]

PARTNER

ACS: 27582

COP: 10130

UDIN : A027582C000823619

PLACE: MUMBAI

DATE: 27th August,2021

FINANCIAL STATEMENTS

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, 2021, 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, 2021, 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.

Emphasis of Matter

4. We draw your attention to Note 38 to the Financial Statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual 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

6. 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.
7. 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

8. 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.
9. 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.

10. 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.
11. 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

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. 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 Cash Flow Statement 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph (b) above 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.
 - (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, 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 has long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

14. 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

Vivian Pillai

Partner

Membership Number: 127791

UDIN:

Place: Pune

Date: 27th August, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(g) of the Independent Auditors' Report of even date to the members of Fairfield Atlas Limited on the financial statements for the year ended March 31, 2021

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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 controls 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Vivian Pillai

Partner

Membership Number: 127791

UDIN:

Place: Pune

Date: 27th August, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 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, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 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 fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 4 – Property, Plant and Equipments to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. 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 material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, 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 the information and explanations given to us and the records of the Company examined by us, there are no dues of value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs and duty of excise as at March 31, 2021, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross 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, 1956	Central Sales Tax	133.58	99.63	FY 2009-2010, 2010 - 2011, 2011 – 2012, 2012-2013, 2013-2014, 2014-15, 2015-16	The Sales Tax Tribunal
		14.54	14.54	FY 2016-2017	The Joint Commissioner of Sales tax (Appeal)
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 Customs Act, 1962	Customs Duty	0.62	-	March 2018	The Deputy Commissioner of Customs
The Income Tax Act, 1961	Income Tax	1.37	-	FY 2007- 08, 2010 – 11	The Deputy Commissioner of Income Tax
		94.71	-	FY 2008-09, 2011 – 12	The Income Tax Appellate Tribunal
		9.58	-	FY 2009 – 10	The High Court
		0.22	-	FY 2012-13	The Assistant Commissioner of Income Tax, Transfer Pricing

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Vivian Pillai

Partner

Membership Number: 127791

UDIN:

Place: Pune

Date: 27th August, 2021

Balance sheet as at 31 March 2021

(All amounts in INR millions, unless otherwise stated)

	Notes	31 March 2021	31 March 2020
ASSETS			
I. Non-current assets			
Property, plant and equipment	4	1,507.10	1,641.68
Capital work-in-progress		43.90	120.72
Intangible assets	4	0.35	1.93
Income tax assets (net)	5	88.01	70.12
Deferred tax assets (net)	6	119.96	83.53
Other non-current assets	7	268.08	198.90
Total non-current assets		2,027.40	2,116.88
II. Current assets			
Inventories	8	840.62	726.87
Financial assets			
(i) Trade receivables	9	1,194.62	1,033.31
(ii) Cash and cash equivalents	10(a)	1,460.04	1,127.56
(iii) Bank balances other than (ii) above	10(b)	43.16	38.26
(iv) Other financial assets	11	17.52	6.64
Contract assets	12	43.63	-
Other current assets	7	214.79	188.92
Total current assets		3,814.38	3,121.56
Total assets		5,841.78	5,238.44
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13(a)	273.21	273.21
Other equity	13(b)	4,017.77	3,865.84
Total equity		4,290.98	4,139.05
LIABILITIES			
I. Non-current liabilities			
Employee benefit obligation	19	87.82	78.71
Provisions	14	58.00	32.46
Total non-current liabilities		145.82	111.17
II. Current liabilities			
Financial liabilities			
(i) Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises; and		113.06	23.57
Total outstanding dues of creditors other than micro enterprise and small enterprises		944.80	564.59
(ii) Other financial liabilities	16	82.01	100.11
Employee benefit obligation	19	37.64	34.73
Current tax liabilities (net)	5	-	44.00
Other current liabilities	17	27.79	21.54
Provisions	18	199.68	199.68
Total current liabilities		1,404.98	988.22
Total liabilities		1,550.80	1,099.39
Total equity and liabilities		5,841.78	5,238.44

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

Vivian Pillai

Partner

Membership No. 127791

**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 : 27th August,2021

Place : Devarwadi

Date : 27th August,2021

Statement of profit and loss for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	20	4,004.25	4,697.13
Other income	21	64.67	317.03
Total income		4,068.92	5,014.16
Expenses			
Cost of materials consumed	22	2,338.31	2,390.17
Changes in inventories of work-in-progress and finished goods	23	(173.49)	158.56
Employee benefit expense	24	464.41	531.04
Finance costs	27	0.01	0.67
Depreciation and amortisation expense	25	350.84	334.56
Other expenses	26	882.01	821.86
Provision for contingencies	18	-	41.03
Total expenses		3,862.09	4,277.89
Profit before tax		206.83	736.27
Income tax expense	28		
-Current tax		92.87	191.99
-Deferred tax		(36.82)	21.52
Total tax expense		56.05	213.51
Profit for the year		150.78	522.76
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations - gain/(loss)		1.54	(2.62)
Income tax related to the above item		(0.39)	0.66
Other comprehensive income for the year, net of tax		1.15	(1.96)
Total comprehensive income for the year		151.93	520.80
Earnings per share			
Basic and diluted (face value of INR 10 per share) - in INR	34	5.52	19.13

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

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

Vivian Pillai
Partner
Membership No. 127791

Sunil Sehgal
Chairman
DIN: 05121461

D.E. Jacob
Managing Director
DIN:02387819

Vijay Sinha
Chief Financial Officer

Pandharinath Patil
Company Secretary

Place : Pune
Date : 27th August,2021

Place : Devarwadi
Date : 27th August,2021

Statement of cash flows for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit before income tax	206.83	736.27
Adjustments for :		
Depreciation and amortisation expense	350.84	334.56
Interest income classified as investing activities	(41.12)	(17.52)
Gain on disposal of property, plant and equipment	(2.03)	(0.40)
Provision for doubtful receivables written back	-	(2.57)
Provision for contingencies	-	41.03
Provisions written back to the extent no longer required	-	(161.12)
Finance costs	0.01	0.67
Provisions for doubtful receivables	0.77	-
Fair value losses/(gain) on derivatives not designated as hedges	(7.41)	(4.31)
Net unrealised exchange differences	4.26	(38.21)
Changes in operating assets and liabilities :		
(Increase) / decrease in trade receivables	(168.31)	361.20
(Increase) / decrease in inventories	(113.76)	87.20
(Increase) / decrease in contract assets	(43.63)	-
Increase / (decrease) in trade payables	469.69	(208.94)
(Increase) / decrease in other financial assets	(3.47)	23.52
Increase / (decrease) in other financial liabilities	(5.80)	(3.60)
(Increase) / decrease in other assets	(27.46)	140.25
Increase / (decrease) in provisions	39.10	21.34
Increase / (decrease) in current liabilities	6.24	(4.94)
(Increase) / decrease in other bank balances	(3.06)	37.91
Cash generated from operations	661.69	1,342.34
Income taxes paid	(154.76)	(154.60)
Net cash inflow from operating activities	506.93	1,187.74
Cash flows from investing activities :		
Payments for property, plant and equipment	(222.38)	(306.01)
Proceeds from sale of property, plant and equipment	6.70	2.66
Interest received	39.28	20.24
Net cash outflow from investing activities	(176.40)	(283.11)
Cash flow from financing activities :		
Interest paid	(0.01)	(0.67)
Net cash outflow from financing activities	(0.01)	(0.67)
Net increase / (decrease) in cash and cash equivalents	330.52	903.96
Cash and cash equivalents at the beginning of the year	1,127.56	216.55
Effects of exchange rate changes on cash and cash equivalents	1.96	7.05
Cash and cash equivalents at the end of the year	1,460.04	1,127.56

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

Vivian Pillai

Partner

Membership No. 127791

**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 : 27th August,2021

Place : Devarwadi

Date : 27th August,2021

Statement of changes in equity for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at 1 April 2019		273.21
Changes in equity share capital	13(a)	-
As at 31 March 2020		273.21
Change in equity share capital	13(a)	-
As at 31 March 2021		273.21

B. Other Equity

	Reserves and surplus
As at 1 April 2019	3,345.04
Profit for the year	522.76
Other comprehensive income (net of tax)	(1.96)
Total comprehensive income for the year	520.80
Balance as at 31 March 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

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

Vivian Pillai

Partner
Membership No. 127791

Place : Pune
Date : 27th August, 2021

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

Sunil Sehgal

Chairman
DIN: 05121461

Vijay Sinha

Chief Financial Officer

Place : Devarwadi
Date : 27th August, 2021

D.E. Jacob

Managing Director
DIN:02387819

Pandharinath Patil

Company Secretary

Notes to Financial Statements for the year ended 31 March 2021

(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 April 1, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8

The amendment 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.

(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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

(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:

- (i) identify contracts with customers
- (ii) identify the separate performance obligation
- (iii) determine the transaction price of the contract
- (iv) 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

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.

(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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

(g) Impairment of assets

Property, plant and equipment and intangible 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 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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

(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 arising on 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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

(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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

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

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

(iii) Transition to Ind AS

On transition to Ind AS, the group 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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

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.

(t) 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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, 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.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

4. Deferred Taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted.

5. Fair value measurement of financial instruments

When the fair values of derivative assets/liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured based on the available observable data (e.g. based on the forward exchange rates). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

6. 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.

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

Note 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 2020											
Gross carrying amount											
Opening gross carrying amount	9.76	0.56	326.53	1,752.43	26.81	20.08	19.44	14.32	2,169.93	166.56	9.75
Additions	-	-	17.43	481.75	1.72	0.69	1.26	0.57	503.42	383.02	-
Disposals	-	-	-	(1.45)	(0.24)	(0.04)	-	(0.82)	(2.55)	-	-
Transfers	-	-	-	-	-	-	-	-	(428.90)	-	-
Closing 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
Accumulated depreciation/ amortisation											
Opening accumulated depreciation/ amortisation	-	0.48	32.69	628.04	15.35	6.05	10.55	3.51	696.67	-	6.01
Depreciation/ amortisation charge for the year	-	0.04	12.42	307.39	4.01	2.33	4.62	1.94	332.75	-	1.81
Disposals	-	-	-	(0.12)	(0.03)	(0.02)	-	(0.13)	(0.30)	-	-
Closing accumulated depreciation	-	0.52	45.11	935.31	19.33	8.36	15.17	5.32	1,029.12	-	7.82
Net carrying amount	9.76	0.04	298.85	1,297.42	8.96	12.37	5.53	8.75	1,641.68	120.72	1.93
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/ amortisation	-	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

Note:

- Capital work-in-progress as at the year end mainly comprises of plant and machinery.
- Refer note 3.5 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

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

	As at 31 March 2021	As at 31 March 2020
Opening balance		
- Income tax asset	70.12	64.30
- Current tax liabilities	(44.00)	(0.79)
Add: Taxes paid	154.76	154.60
Less: Current tax payable for the year (net of earlier years)	(92.87)	(191.99)
Total	88.01	26.12
Presented as:		
Assets for current tax (net)	88.01	70.12
Current tax liabilities (net)	-	(44.00)

6 Deferred tax asset/liability (net)

The balance of deferred tax comprises temporary differences attributable to:

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets		
Provision for employee benefits	59.10	56.17
Provision for doubtful receivables / advances	0.74	1.18
Provision for Warranty	14.60	8.17
Provision for contingencies	32.70	32.70
Provision for depreciation and amortisation	14.69	-
	121.83	98.22
Deferred tax liabilities		
Provision for depreciation and amortisation	-	13.60
Fair valuation of derivative instruments	1.87	1.09
	1.87	14.69
Total deferred tax (assets)/liabilities	119.96	83.53

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

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

	Year Ended 31 March 2021	Year Ended 31 March 2020
Provision for employee benefits	(3.32)	(14.36)
Provision for doubtful receivables/advances	0.44	2.16
Provision for contingencies	-	80.51
Provision for Warranty	(6.43)	(8.17)
Provision for depreciation and amortisation	(28.29)	(32.96)
Fair valuation of derivative instruments	0.78	(5.66)
Total	(36.82)	21.52

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

	Year Ended 31 March 2021	Year Ended 31 March 2020
Provision for employee benefits	(0.39)	0.66
Total	(0.39)	0.66

7 Other assets

	As at 31 March 2021	As at 31 March 2020
Non-Current (Unsecured, considered good)		
Capital advances	72.01	4.43
Balances with government authorities	171.74	172.17
Prepaid expenses	1.73	0.00
Deposits with government and others	22.60	22.30
Total other non-current assets	268.08	198.90
Current (Unsecured and considered good, unless otherwise stated)		
- Exports incentives receivables	17.37	41.61
- Balances with government authorities	167.14	104.77
- Prepaid expenses	12.43	14.28
- Advance to suppliers		
- Considered good	8.04	17.06
- Considered doubtful	-	2.50
Less: Provision for doubtful advances	-	(2.50)
Net advance from suppliers	8.04	17.06
Advance to employees	9.66	11.05
Deposits with government and others	0.15	0.15
Total other current assets	214.79	188.92

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

8 Inventories

	As at 31 March 2021	As at 31 March 2020
Raw materials (includes in transit - 32.12 ; 31 March 2020 - 25.06)	245.65	302.44
Work-in-progress	248.17	251.43
Finished goods (includes in transit - 205.18; 31 March 2020 - 27.61)	205.38	28.63
Stores and spares	141.42	144.37
Total inventories	840.62	726.87

Amounts recognised in profit or loss

Write-down of inventories of finished goods & raw materials amounted to 107.92 (31 March 2020 - 42.56) as at the period end. Accordingly, an amount of 65.36 (31 March 2020 - 20.20) was written off 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 2021	As at 31 March 2020
Trade receivables	339.30	294.27
Receivables from related parties (Refer note 33)	858.28	741.23
Less: Loss allowance	(2.96)	(2.19)
Total receivables	1,194.62	1,033.31
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Un-secured	1,197.58	1,035.50
Trade receivables which have significant influence in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	1,197.58	1,035.50
Loss allowance	(2.96)	(2.19)
Total trade receivables	1,194.62	1,033.31

10(a) Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
In current accounts	137.85	160.78
In EEFC accounts	233.79	427.48
Deposits with maturity less than three months	1,088.40	539.30
Total cash and cash equivalents	1,460.04	1,127.56

'There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

10(b) Other bank balances

	As at 31 March 2021	As at 31 March 2020
Deposits with maturity more than three months but less than 12 months	39.09	36.03
Interest accrued on bank deposits	4.07	2.23
Total other bank balances	43.16	38.26

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

11 Other financial assets

	As at 31 March 2021	As at 31 March 2020
(i) Derivatives		
Foreign exchange forward contracts	7.41	4.31
(ii) Others		
Other	10.11	2.33
Total other financial assets	17.52	6.64

12 Contract Assets

	As at 31 March 2021	As at 31 March 2020
Unbilled Revenue	43.63	-
Total other financial assets	43.63	-

Significant changes in contract assets

Contract assets have increased in the current year on account of ongoing price increase negotiations with the customers but yet to be billed as on 31 March 2021. There is no risk of impairment noted in such contract assets.

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 2019	28,000,000	280.00
Change during the year	-	-
As at 31 March 2020	28,000,000	280.00
Change during the year	-	-
As at 31 March 2021	28,000,000	280.00

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

(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 2019	27,320,540	273.21
Change during the year	-	-
As at 31 March 2020	27,320,540	273.21
Change during the year	-	-
As at 31 March 2021	27,320,540	273.21

(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 2021	As at 31 March 2020
T-H Licensing Inc., USA., a wholly-owned subsidiary of Fairfield Manufacturing Company Inc., U.S.A.	26,875,121*	26,875,095
[The ultimate holding company is Dana Incorporated, USA]		

*Movement during the year is attributable to the transfer of 26 shares from employees of the Company. Employees continue to hold the shares as nominee shareholders of holding company.

(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 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
T-H Licensing Inc., U.S.A.	26,875,121	98.37%	26,875,095	98.37%

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

13(b) Reserves and surplus

	As at 31 March 2021	As at 31 March 2020
Retained earnings (Refer Note (i) below)	4,017.77	3,865.84
Total reserves and surplus	4,017.77	3,865.84

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

(i) Retained earnings

	As at 31 March 2021	As at 31 March 2020
Opening balance	3,865.84	3,345.04
Net profit for the year	150.78	522.76
	4,016.62	3,867.80
Items of other comprehensive income recognised directly in retained earnings		
- Re-measurements of post-employment benefit obligations, net of tax	1.15	(1.96)
Closing balance	4,017.77	3,865.84

14 Non-current provisions

	As at 31 March 2021	As at 31 March 2020
Other provisions		
- Provision for Warranty	58.00	32.46
Total non-current provisions	58.00	32.46

Movement in provisions

	Provision for Warranty
Opening Balance as on 01 April 2019	-
Charged/(Credited) to profit or loss	
Additional provision recognised	32.46
Amount writtenback	-
Amounts utilised / paid during the year	-
Closing Balance as on 31 March 2020	32.46
Charged/(Credited) to profit or loss	
Additional provision recognised	26.28
Amount writtenback	-
Amounts utilised / paid during the year	(0.74)
Closing Balance as on 31 March 2021	58.00

The provision for warranty is on account of warranties given on products sold by the Company

15 Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro and small enterprises (Refer note 36) and	113.06	23.57
Total outstanding dues of creditors other than micro and small enterprises		
- Related parties (Refer note 33)	110.01	68.79
- Acceptances	227.37	140.45
- Others	607.42	355.35
Total trade payables	1,057.86	588.16

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

16 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Capital creditors	10.89	23.20
Employee benefits payable	71.12	76.91
Total current other financial liabilities	82.01	100.11

17 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers	0.61	3.67
Statutory dues including provident fund and tax deducted at source	26.98	17.67
Others	0.20	0.20
Total other current liabilities	27.79	21.54

18 Current Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for Contingencies	129.93	129.93
Other provisions	69.75	69.75
Total current provisions	199.68	199.68

Movement in provisions

	Provision for contingencies	Other Provision
Opening Balance as on 01 April 2019	323.98	69.75
Charged/(Credited) to profit or loss		
Additional provision recognised	41.03	-
Amount writtenback	(161.12)	-
Amounts paid during the year	(73.96)	-
Closing Balance as on 31 March 2020	129.93*	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	129.93*	69.75

*Net of payment under protest - 37.25 (31 March 2020 - 37.25)

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.

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

19 Employee benefit obligations

	31 March 2021	31 March 2020
Non-Current		
Provision for compensated absences	87.82	78.71
Total non-current employee benefit obligations	87.82	78.71
Current		
Provision for gratuity	23.38	23.39
Provision for compensated absences	14.26	11.34
Total current employee benefit obligations	37.64	34.73

(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 accordingly amounts have been classified as current and non-current 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 2021	31 March 2020
Provident fund	23.00	23.17
Total	23.00	23.17

(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 2019	145.26	(126.97)	18.29
Current service cost	11.09	-	11.09
Past service cost	-	-	-
Interest expense/(income)	11.26	(10.21)	1.05
Total amount recognised in Profit or Loss	22.34	(10.21)	12.14

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

	Present value of obligation	Fair value of plan assets	Net amount
Remeasurements			
Return on plan assets	-	1.86	1.86
(Gain)/loss from changes in financial assumptions	(3.64)	-	(3.64)
(Gain)/loss from experience changes	4.40	-	4.40
Total amount recognised in Other Comprehensive Income	0.76	1.86	2.62
Employer contributions	-	(9.66)	(9.66)
Benefit payments	(1.94)	1.94	-
31 March 2020	166.42	(143.03)	23.39

	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
Remeasurments			
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

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

	31 March 2021	31 March 2020
Present value of funded obligation	183.54	166.42
Fair value of plan assets	(160.16)	(143.03)
Deficit of gratuity plan	23.38	23.39

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 2021	31 March 2020
Discount rate	6.40%	6.50%
Salary growth rate	10.00%	10.00%
Withdrawal rate	10.00%	10.00%
Mortality rate	IALM (2006-08) ult	IALM (2006-08) ult

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

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 2021	31 March 2020
Discount rate		
1 % increase	(13.23)	(12.18)
1 % decrease	15.08	13.91
Salary growth rate		
1 % increase	12.78	11.89
1 % decrease	(11.94)	(10.97)
Withdrawal rate		
1 % increase	(2.78)	(2.54)
1 % decrease	3.12	2.84

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.

e The major categories of plan assets are as follows:

	31 March 2021	31 March 2020
Insurance fund		
Amount	160.16	143.03
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

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

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. The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

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 2021 - 23.38 (31 March 2020 - 23.39).

The weighted average duration of the defined benefit obligation is 7.00 years (31 March 2020: 7.00 years). The expected maturity analysis of undiscounted gratuity (net of plan asset) is as follows:

	31 March 2021	31 March 2020
Less than a year	17.08	15.33
Less than 2 years	17.76	16.08
Less than 3 years	17.64	17.00
Less than 4 years	18.77	16.62
Less than 5 years	19.16	17.35
Beyond 5 years	132.99	103.09
Total	223.40	185.47

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

20 Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from contract with customers		
Sale of products	3,918.62	4,522.51
Sales of Services	2.23	1.03
Other Operating Revenue		
- Scrap sales	29.73	29.40
- Tooling sales	-	7.60
- Export incentives	53.67	136.59
Total revenue from operations	4,004.25	4,697.13

For disaggregate revenue refer note above and note 32

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

Reconciliation of revenue with contract price

	Year ended 31 March 2021	Year ended 31 March 2020
Revenue as per Statement of Profit and loss	3,920.85	4,523.54
Add: Incentive/rebates/discounts etc.	-	-
Contract Price	3,920.85	4,523.54

21 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on bank deposits being financial assets carried at amortised cost	41.12	17.52
Net gain on foreign currency transactions and translation	12.40	127.40
Net gain on sale of property, plant & equipment	2.03	0.40
Fair value gains on derivatives not designated as hedges	7.41	4.31
Provision for doubtful receivables written back	-	2.57
Liabilities written back no longer required	-	161.12
Miscellaneous income	1.71	3.71
Total other income	64.67	317.03

22 Cost of materials consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Raw materials at the beginning of the year	302.44	218.91
Add : Purchases during the year	2,281.52	2,473.70
Less : Raw materials as at the end of the year	(245.65)	(302.44)
Total cost of materials consumed	2,338.31	2,390.17

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

	Year ended 31 March 2021	Year ended 31 March 2020
Opening inventory		
- Finished goods	28.63	187.92
- Work in progress	251.43	250.70
	280.06	438.62
Less: Closing inventory		
- Finished goods	205.38	28.63
- Work in progress	248.17	251.43
	453.55	280.06
Net (increase)/decrease in inventory	(173.49)	158.56

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

24 Employee benefit expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	407.92	399.49
Contribution to provident and other fund*	23.05	93.30
Gratuity expense (Refer note 19)	11.54	12.14
Staff welfare expenses	21.90	26.11
Total employee benefit expense	464.41	531.04

* Amount for the year ended 31 March 2020 consist of contribution to fund - INR 23.55 and provision of INR 69.75 pertaining to earlier years as per Supreme Court judgement.

25 Depreciation and amortization expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	349.26	332.75
Amortisation of intangible assets	1.58	1.81
Total depreciation and amortisation expense	350.84	334.56

26 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spares	81.67	93.37
Labour charges for re-sharpening tools	24.24	19.68
Contract labour	66.15	61.54
Power and fuel	218.08	217.47
Job work charges	68.58	86.70
Insurance	17.88	19.78
House keeping expenditure	12.30	12.08
Security Expenses	11.46	10.10
Waste disposal & environment pollution check expense	7.35	7.10
Rent	0.36	0.50
Rates and taxes	12.21	1.41
Repairs and maintenance:		
- Building	4.33	6.49
- Plant and machinery	13.44	19.34
- Others	22.36	27.10
Legal and professional fees	10.58	6.79
Travelling and conveyance	13.84	18.91
Communication	2.70	2.48
Freight outward and forwarding expenses	47.07	45.05
Directors' sitting fees	0.72	0.42
Payment to Auditors' (refer note 26(a) below)	2.13	2.13

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Trade mark fees	24.85	22.36
Information Technology Fees	6.75	6.98
Management fees	149.87	82.95
Corporate social responsibility expenditure (refer note 26(b) below)	18.09	8.00
Provision for doubtful receivables	0.77	-
Provision for Warranty	26.28	32.46
Miscellaneous expenses	17.95	10.66
Total other expenses	882.01	821.86

26(a) Details of payment made to auditors

	Year ended 31 March 2021	Year ended 31 March 2020
Payment to auditors		
As auditor :		
Audit Fee	1.80	1.80
Certification	0.08	0.08
In other capacities		
Tax Audit Fee	0.25	0.25
Total	2.13	2.13

26(b) Corporate social responsibility expenditure

The Company has spent an amount of 7.68 (31 March 2020 - 8.00) 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 2021	Year ended 31 March 2020
Contribution to Sparsh Welfare Trust	5.30	8.00
Contribution for Development of Pond	1.98	-
Contribution to schools in rural areas towards promotion of education	0.40	-
Accrual towards unspent obligations in relation to		
Ongoing projects	10.41	4.26
Other than Ongoing projects	-	-
Total	18.09	12.26
Gross amount required to be spent as per Section 135 of the Act	13.83	12.26
Amount spent during the year on		
(i) Construction/acquisition of an asset	1.98	-
(ii) On purposes other than (i) above	5.70	8.00
Total	7.68	8.00

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

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 spent during the year	Amount spent during the year	Balance excess spent amount as on 31st March 2021
-	-	-	-

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.

27 Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense	0.01	0.67
Total finance costs	0.01	0.67

28 Income Taxes

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Statement of profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
Current income tax charge		
Current income tax		
- Current tax on profit for the current year	90.35	194.04
- Current tax pertaining to prior years	2.52	(2.05)
Sub-total (A)	92.87	191.99

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Deferred tax		
- Deferred tax income for the current year	(36.82)	21.52
- Deferred tax adjustment pertaining to prior years	-	-
Sub-total (B)	(36.82)	21.52
Income tax expense reported in the statement of profit or loss	56.05	213.51
Other comprehensive income section		
	Year ended 31 March 2021	Year ended 31 March 2020
Deferred tax (income)/expense related to items recognised in OCI during the year	(0.39)	0.66
Income tax charged to OCI	(0.39)	0.66
Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020		
	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	206.83	736.27
At Statutory income tax rate of 25.168% (31 March 2020: 25.168%)	52.05	185.31
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate Social Responsibility expenses not deductible for tax purposes	4.55	2.01
- 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	2.52	(2.05)
Impact of deferred tax pertaining to earlier year	-	-
Impact of change in the effective tax rate	-	28.24
Income tax expense reported in the statement of profit or loss	56.05	213.51

**29 Fair value measurements
Financial instruments by category**

	31 March 2021		31 March 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Trade receivables	-	1,194.62	-	1,033.31
Cash and cash equivalents	-	1,460.04	-	1,127.56
Other bank balances	-	43.16	-	38.26
Derivative financial assets	7.41	-	4.31	-
Other financial assets	-	10.11	-	2.33
Total financial assets	7.41	2,707.93	4.31	2,201.46

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

	31 March 2021		31 March 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial liabilities				
Trade payables	-	1,057.86	-	588.16
Other financial liabilities	-	82.01	-	100.11
Total financial liabilities	-	1,139.87	-	688.27

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.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
---------------------------------------------------------------------------------------------	------	---------	---------	---------	-------

At 31 March 2021
Financial assets

Derivative financial assets

- Foreign exchange forward contracts	11	-	7.41	-	7.41
--------------------------------------	----	---	------	---	------

Financial assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
---------------------------------------------------------------------------------------------	------	---------	---------	---------	-------

At 31 March 2020
Financial assets

Derivative financial assets

- Foreign exchange forward contracts	11	-	4.31	-	4.31
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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.

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

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.

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.	Ageing 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 2019	4.76
Changes in loss allowance	(2.57)
Loss allowance on 31 March 2020	2.19
Changes in loss allowance	0.77
Loss allowance on 31 March 2021	2.96

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

(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 2021	31 March 2020
Trade payables	1,057.86	588.16
Capital Creditors	10.89	23.20
Employee benefits payable	71.12	76.91
Total	1,139.87	688.27

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.

(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 2021		31 March 2020	
	EUR	USD	EUR	USD
Financial assets				
Trade receivables	156.07	672.15	46.75	695.63
Balance in EEFC accounts	35.60	198.19	-	427.48

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

	31 March 2021		31 March 2020	
	EUR	USD	EUR	USD
Derivative Instrument				
Foreign exchange forward contracts				
Sell foreign currency	242.65	2,091.42	-	566.76
Financial liabilities				
Trade payables	25.22	33.02	31.06	39.67

(b) Sensitivity:

	Increase / (Decrease) on profit before tax	
	31 March 2021	31 March 2020
USD sensitivity		
INR/USD -Increase by 5% (31 March 2020 - 5%)	(62.71)	25.83
INR/USD -Decrease by 5% (31 March 2020 - 5%)	62.71	(25.83)
EUR sensitivity		
INR/EUR -Increase by 5% (31 March 2020 - 5%)	(3.81)	(0.78)
INR/EUR -Decrease by 5% (31 March 2020 - 5%)	3.81	0.78

The aggregate net foreign exchange gains including fair value gains on derivatives instruments recognised in statement of profit and loss is INR 19.81 mio (March 31, 2020: INR 131.71 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.

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

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 2021	31 March 2020
India	1,520.73	1,333.41
USA	1,095.01	1,846.99
China	988.36	1,158.13
Other countries	314.52	183.98
Total revenue from contracts with customers	3,918.62	4,522.51

All non-current assets are located within India.

One customer (Consisting of entities under common control) contributes to revenues of approximately 2,594.78 (31 March 2020 - 3,197.68)

The segment revenue is recognised at point in time.

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
 Intermediate Holding Company
 Fairfield Manufacturing Company Inc., U. S. A.
 Holding Company
 TH 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 System
 Dana Spicer(Shanghai)Trading Co. Limited
 Brevini(Yancheng) Planetary Drives Co Limited
 Shanghai Brevini Gearbox Co. Limited
 Dana (Wuxi) Technology Co Limited
 Dana India Technical Centre Private Limited
 Dana Italia S.R.L
 Dana Industrias Ltda.
 Dana Italia S.R.L.

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

Dana Japan Ltd.
 Dana Off-Highway(Yancheng)
 Dana SAC Uk Limited
 Spicer 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

Sparsh Welfare Trust

B Disclosure of related party transactions:

	31 March 2021		31 March 2020	
	Entities having control over the company	Fellow Subsidaire	Entities having control over the company	Fellow Subsidaire
Sales of products				
Fairfield Manufacturing Company Inc., U. S. A.	1,041.84	-	1,777.17	-
Graziano Trasmissioni India Private Limited	-	243.02	-	86.53
Dana India Private Limited	-	35.23	-	7.34
Dana Graziano S.R.L.	-	273.51	-	168.69
Dana Graziano (Suzhou) Drive System	-	-	-	379.94
Dana Spicer(Shanghai)Trading Co. Limited	-	355.08	-	417.35
Brevini(Yancheng) Planetary Drives Co Limited	-	135.67	-	310.79
Shanghai Brevini Gearbox Co. Limited	-	98.71	-	43.64
Dana (Wuxi) Technology Co Limited	-	8.68	-	6.23
Dana Hungary KFT	-	0.07	-	-
Dana Industrias Ltda.	-	4.43	-	-
Dana Italia S.R.L.	-	0.01	-	-
Dana Japan Ltd.	-	9.00	-	-
Dana Off-Highway(Yancheng)	-	389.35	-	-
Dana SAC Uk Limited	-	0.18	-	-
Sales of Services				
Fairfield Manufacturing Company Inc., U. S. A.	0.94	-	1.03	-
Graziano Trasmissioni India Private Limited	-	3.99	-	10.10
Dana India (P) Ltd.	-	2.45	-	-

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

	31 March 2021		31 March 2020	
	Entities having control over the company	Fellow Subsidaies	Entities having control over the company	Fellow Subsidaies
Sales of Fixed Assets				
Graziano Trasmissioni India Private Limited	-	0.83	-	15.28
Other miscellaneous transactions				
Spicer India Private Limited	-	0.18	-	-
Fairfield Manufacturing Company Inc., U. S. A.	0.08	-	-	-
Dana (Wuxi) Technology Co Limited	-	0.61	-	-
Reimbursement of expenses				
Graziano Trasmissioni India Private Limited	-	8.52	-	4.06
Fairfield Manufacturing Company Inc., U. S. A.	-	-	0.28	-
Dana Graziano S.R.L.	-	1.51	-	-
Dana Hungary KFT	-	0.09	-	-
Dana India Private Limited	-	0.01	-	0.48
Purchase of Property, Plant and equipment				
Fairfield Manufacturing Company Inc., U. S. A.	-	-	0.77	-
Dana India Private Limited	-	-	-	0.50
Graziano Trasmissioni India Private Limited	-	0.26	-	3.00
Dana Graziano S.R.L.	-	-	-	45.60
Trade mark fees				
Dana Limited	-	24.85	-	22.36
Purchases of Services				
Dana Limited	-	-	-	0.38
Purchases of Goods				
Fairfield Manufacturing Company Inc., U. S. A.	7.88	-	11.48	-
Dana India Private Limited	-	0.00	-	0.53
Brevini(Yancheng) Planetary Drives Co Limited	-	3.31	-	0.64
Dana Spicer(Shanghai)Trading Co. Limited	-	0.80	-	0.15
Dana Graziano (Suzhou) Drive System	-	-	-	0.29
Graziano Trasmissioni India Private Limited	-	152.97	-	10.94
Dana Off Highway(Yancheng)	-	0.12	-	-
Development Tooling Income				
Fairfield Manufacturing Company Inc., U. S. A.	9.72	-	-	-
Graziano Trasmissioni India Private Limited	-	-	-	3.78
Dana India (P) Ltd.	-	1.30	-	-
Management fees				
Dana Investment GMBH	-	6.15	-	8.57
Dana Limited	-	93.81	-	29.14
Dana India Technical Centre Private Limited	-	8.29	-	3.39
Dana Italia S.R.L	-	40.53	-	12.45
Graziano Trasmissioni India Private Limited	-	1.09	-	-

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

Transactions with Key Managerial Personnel	31 March 2021	31 March 2020
- Short term employment benefits	12.48	11.41
- Post employment benefits***	0.03	0.32
- Director sitting fees	0.72	0.42

***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 2021	31 March 2020
Trade payables		
Dana Limited	16.93	32.86
Dana India Private Limited	-	-
Fairfield Manufacturing Company Inc., U. S. A.	3.59	7.29
Graziano Trasmissioni India Private Limited	77.29	11.38
Dana India Technical Centre Private Limited	1.10	0.36
Dana Investment GMBH	-	4.40
Dana Off Highway(Yancheng)	0.73	-
Dana Spicer(Shanghai)Trading Co. Limited	0.48	0.16
Dana Graziano (Suzhou) Drive System	0.43	0.44
Brevini(Yancheng) Planetary Drives Co Limited	-	0.66
Dana Italia S.R.L	9.46	11.24
	110.01	68.79
Trade receivables #		
Fairfield Manufacturing Company Inc., U. S. A.	353.97	437.10
Dana India Private Limited	19.52	5.03
Dana Off-Highway(Yancheng)	132.36	-
Dana Graziano S.R.L	151.56	44.14
Dana Spicer (Shanghai)Trading Co. Limited	152.87	121.13
Dana (Wuxi) Technology Co Ltd	2.96	-
Dana Industrias Ltda.	-	-
Dana Italia S.R.L.	0.01	-
Dana Japan Ltd.	-	-
Dana Hungary Kft	0.16	-
Dana Sac Uk Limited	-	-
Graziano Trasmissioni India Private Limited	30.64	12.57
Dana Graziano (Suzhou) Drive System	5.24	5.38
Brevini(Yancheng) Planetary Drives Co Limited	-	105.35
Shanghai Brevini Gearbox Co. Limited	8.99	10.54
	858.28	741.23

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

	31 March 2021	31 March 2020
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 Gearbox Co. Limited	0.22	-
Dana Spicer(Shanghai)Trading Co. Limited	8.50	-
Dana Off Highway(Yancheng)	6.74	-
	37.44	-

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.

34 Earnings per share

	31 March 2021	31 March 2020
Basic and diluted earnings per share		
a) Profit attributable to the equity holders of the company (INR in Mio)	150.78	522.76
b) Weighted average number of equity shares outstanding (Nos.)	27,320,540	27,320,540
c) Earnings per share (INR per equity share of INR 10 each)		
- Basic and diluted	5.52	19.13

35 Contingencies and commitments
a) Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
Claims against the company not acknowledged as debts		
Sales Tax/VAT Liability under appeal	12.35	2.20
Excise duty and Service Tax Liability under appeal	5.57	5.57
Duty of Customs	0.62	0.62
Income Tax Liability under appeal	105.88	105.88
Total	124.42	114.26

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

Notes to Financial Statements for the year ended 31 March 2021 (Continued)

(All amounts in INR millions, unless otherwise stated)

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 2021	As at 31 March 2020
i) Capital commitments		
Estimated value of contracts on capital account remaining to be executed	129.30	20.17
ii) Export commitments		
Export obligations	-	107.31
Total	129.30	127.48

36 Dues to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is based on the information available with the Company:

	As at 31 March 2021	As at 31 March 2020
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	113.06	23.57
(b) 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	-	-
(c) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) 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	-	-

Amount due to Micro and Small enterprises are disclosed on the basis of information available with the Company regarding status of the suppliers as Micro and Small enterprises.

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 0.16 (March 31, 2020, nil) is not accrued in the books of accounts being insignificant amount.

37 The Company, through a special resolution in extra ordinary general meeting dated 10 May 2021, approved the reduction of its share capital from INR 273.21 (dividend 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). Accordingly, petition of capital reduction was filed with Hon'ble National Company Law Tribunal (NCLT) on 15 June 2021, which is pending for consideration.

Notes to Financial Statements for the year ended 31 March 2021

(All amounts in INR millions, unless otherwise stated)

38 The Novel Coronavirus (COVID-19) is a Global Pandemic and has rapidly spread throughout the world. This event has significantly affected economic activity worldwide and continue to do so with measures taken by local authorities and governments.

The Company has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic while preparing the financial statements. As a part of such assessment, the Company has considered the recoverability of outstanding trade receivables, impairment of the property plant and equipment and future cash flow position upto the date of approval of these financial statements. The Company is confident of recoverability of assets as on 31 March 2021. However, the impact assessment of COVID-19 is an ongoing process and it's impact remains uncertain, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any significant impact on the Company's financial position.

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.

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration number : 012754N/N500016

Vivian Pillai

Partner

Membership No. 127791

**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 : 27th August,2021

Place : Devarwadi

Date : 27th August,2021



If undelivered please return to:

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