



13TH ANNUAL REPORT 2002-2003

FAIRFIELD ATLAS LIMITED

- BOARD OF DIRECTORS** : Mark D. Gustus
Chairman
Riad Fyzee
Managing Director
W.B. Lechman
Richard A. Bush
Clement L. Strimel
Donald K. Roberts
J. M. Mappaonkar
Jayant G. Herwadkar
Premnath Rai
- COMPANY SECRETARY** : Marcel Rebello
- BANKERS** : HDFC Bank Ltd.
The United Western Bank Ltd.
- AUDITORS** : Price Waterhouse
Chartered Accountants
Mumbai
- REGISTERED OFFICE
AND DOMESTIC UNIT** : Survey No. 157,
Devarwadi,
Chandgad Taluka,
Post Shinoli, Dist.: Kolhapur
Maharashtra 416 507.
- EXPORT ORIENTED UNIT** : Survey No. 116 and 119,
Shinoli (Budruk),
Chandgad Taluka,
Dist.: Kolhapur
Maharashtra 416 507.
- CORPORATE OFFICE** : 202/3, Maruti Mansion
17, R. Dadaji Street,
Fort, Mumbai 400 001.
Tel.: 2266 6003.
- REGISTRARS AND SHARE
TRANSFER AGENTS** : Sharex (India) Pvt. Ltd.
17-B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort,
Mumbai 400 001.
Tel. : 2264 1376, 2270 2485
Fax : 2264 1349
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NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of shareholders of Fairfield Atlas Limited (the "Company") will be held on Monday, 8th September 2003 at 3 P.M. at the Registered Office of the Company at Survey No 157, Devarwadi, Chandgad Taluka, Dist Kolhapur, Maharashtra 416507 to transact the following business :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2003, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. J. M. Mapgaonkar, who retires by rotation and, being eligible, offers himself for re-election.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To appoint a Director in place of Mr. Premnath Rai who holds office only upto the date of this Annual General Meeting and in respect of whom a notice has been received by the Company from a member signifying his intention to propose Mr. Premnath Rai as a candidate for the office of a director.
5. To appoint a Director in place of Mr. Jayant Herwadkar who holds office only upto the date of this Annual General Meeting and in respect of whom a notice has been received by the Company from a member signifying his intention to propose Mr. Jayant Herwadkar as a candidate for the office of a director.
6. To appoint a Director in place of Mr. Wolodymyr B. Lechman who holds office only upto the date of this Annual General Meeting and in respect of whom a notice has been received by the Company from a member signifying his intention to propose Mr. Wolodymyr B. Lechman as a candidate for the office of a director.
7. To appoint a Director in place of Mr. Donald K. Roberts who holds office only upto the date of this Annual General Meeting and in respect of whom a notice has been received by the Company from a member signifying his intention to propose Mr. Donald K. Roberts as a candidate for the office of a director.

NOTES:

- a) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956 in regard to item nos. 4 to 7 is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXY FORMS MUST REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- c) The Register of Members and Share Transfer Books of the Company will be closed from Tuesday 26th August 2003 to Monday 8th September 2003, both days inclusive.
- d) As per Section 205A unclaimed dividend for the year ended.31st March 1997, 1998 and 1999 would be transferred to the Investor Education and Protection Fund of the Central Government in the years 2004, 2005 and 2006 respectively. Shareholders who have not encashed their Dividend Warrants for the said years are requested to send the same for revalidation to the Corporate Office/ Share transfer Agents. It may be noted that no claim will lie in respect of such unclaimed dividends transferred to the Central Government as above.
- e) Members are requested to:
 - i Intimate to the Company's Registrars and Share Transfer Agents change if any, in their registered address at an early date;
 - ii. Quote Folio Numbers in all their correspondence.
- f) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

By Order of the Board of Directors

Place : Mumbai,
Dated : July 1, 2003

Marcel Rebello
Company Secretary

Registered office :
Survey No 157,
Devarwadi Village,
Post Shinoli, Chandgad Taluka,
Dist. Kolhapur,
Maharashtra - 416507

FAIRFIELD ATLAS LIMITED**EXPLANATORY STATEMENT**

As required by Section 173 of the Companies Act, 1956 the following Explanatory Statement sets out all the material facts relating to the above item of business

ITEM NO. 4

The Board of Directors appointed Mr. Premnath Rai as an Additional Director of the Company with effect from 1st October, 2002 and accordingly he would hold office till the ensuing Annual General Meeting. Mr. Premnath Rai is an Advocate by profession and Founder and Chief of Premnath Rai Associates, a corporate law firm, having its offices in New Delhi and Bangalore. He is a Fellow Member of the Institute of Company Secretaries of India. Mr. Premnath Rai has been inducted on the Board as one of the Independent Director in compliance with provisions of the Corporate Governance Code. Mr. Rai is a member of the Audit Committee. He has vast and varied experience in the legal profession, particularly in the field of corporate and commercial laws. The Board of Directors considers that it would be in the interest of the Company to have the benefit of his experience and advice and accordingly commends his appointment to the members. Mr. Rai has filed his consent with the Company to act as a Director.

The Company has received notice from a shareholder pursuant to section 257 of the Companies Act, 1956 along with requisite deposit amount, proposing the candidature of Mr. Premnath Rai for appointment as director of the Company.

Mr. Premnath Rai may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other directors is concerned or interested in this item of business.

ITEM NO. 5

The Board of Directors appointed Mr. Jayant Herwadkar as Additional Director of the company with effect from 1st October 2002 and accordingly he would hold office till the ensuing Annual General Meeting. Mr. Herwadkar is a Chartered Accountant by profession and has been inducted on the Board as one of the Independent Directors in compliance with provisions of the Corporate Governance Code. He is the Chairman of the Audit Committee and member of Remuneration Committee. He has wide experience in the accounting and financial field and the Board of Directors feels that it would be in the interest of the Company to have the benefit of his experience and advice and accordingly commends his appointment to the members. He has filed with the Company his consent to act as Director.

The Company has received notice from a shareholder pursuant to section 257 of the Companies Act, 1956 alongwith requisite deposit amount, proposing the candidature of Mr. Jayant Herwadkar for appointment as director of the Company.

Mr. Jayant Herwadkar may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other Directors is concerned or interested in this item of business.

ITEM NO. 6

Pursuant to the nomination made by Fairfield Manufacturing Co. Inc. USA (Fairfield) the Board of Directors in their meeting held on 14th March 2003 appointed Mr. Wolodymyr B. Lechman as Additional Director of the company with effect from 1st March 2003. Accordingly Mr. Wolodymyr B. Lechman holds office till the ensuing Annual General Meeting. Mr. Wolodymyr B. Lechman is the President and Chief Executive Officer of Fairfield U.S.A. In this position he has had vast and varied experience specially in International Business operations and the Board of Directors feels that it would be in the interest of the Company to have the benefit of his experience and advice and accordingly commends his appointment to the members. He has filed with the Company his consent to act as Director.

The Company has received notice from a shareholder pursuant to section 257 of the Companies Act, 1956 alongwith requisite deposit amount, proposing the candidature of Mr. Wolodymyr B. Lechman for appointment as director of the Company.

Mr. Wolodymyr B. Lechman may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other Directors is concerned or interested in this item of business.

ITEM NO. 7

Pursuant to the nomination made by Fairfield Manufacturing Co. Inc., USA (Fairfield) the Board of Directors in their meeting held on 14th March 2003 appointed Mr. Donald Roberts as Additional Director of the company with effect from 17th March 2003. Accordingly Mr. Donald Roberts holds office till the ensuing Annual General Meeting. Mr. Donald Roberts is Director - Purchasing of Fairfield U.S.A. As Director Purchasing in Fairfield, Mr. Roberts is well experienced in material procurement at the international level and hence the Board of Directors feels that it would be in the interest of the Company to have the benefit of his experience and advice and accordingly commends his appointment to the members. He has filed with the Company his consent to act as Director.

The Company has received notice from a shareholder pursuant to section 257 of the Companies Act, 1956 alongwith requisite deposit amount, proposing the candidature of the Mr. Donald Roberts for appointment as director of the Company.

Mr. Donald Roberts may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other Directors is concerned or interested in this item of business.

By Order of the Board of Directors

Place : Mumbai,
Dated: July 1, 2003

Marcel Rebello
Company Secretary

Registered office :
Survey No 157, Post Shinoli,
Devarwadi, Chandgad Taluka,
Dist. Kolhapur, Maharashtra - 416507

DIRECTORS' REPORT

The Directors are pleased to present their 13th Annual Report together with the audited accounts of Fairfield Atlas Limited (the "Company") for the year ended 31st March 2003.

I. Financial Results

	(Rs. in lakhs)	
	2002-2003	2001-2002
Gross Income	3157.92	2791.94
Profit/(Loss) before depreciation, Interest and tax	323.13	150.85
Interest	450.89	465.65
Depreciation	444.62	430.95
Profit/(Loss) before tax	(572.38)	(745.75)
Provision for tax	0.19	0.43
Profit/(Loss) after tax	(572.57)	(746.18)
Balance of Profit/(Loss) brought from earlier year	(2282.63)	(1536.45)
Balance of Profit/(Loss) carried to Balance Sheet	(2855.20)	(2282.63)

II. Dividend

Due to loss suffered by the company for the financial year ended 31st March 2003 the Directors did not recommend a dividend for the said year.

III. Operations

The financial year under review witnessed a marginal increase in sales. The company has initiated various steps to meet the challenging competitive environment of other Mahindra suppliers. Various measures have been drawn to improve operational efficiency to make a sustainable impact on the performance of the company.

The Company produced 955092 pieces of gears during the year ended 31st March 2003 as against 701431 pieces produced during the previous year. Sales turnover and other income for the year amounted to Rs. 3157.92 lakhs as against Rs. 2,791.94 lakhs for the previous year, registering a marginal increase.

Export orders from the parent company Fairfield Manufacturing Co. for the financial year ended 31st March 2003 were marginally lower as compared to previous year. However the company was able to achieve an export turnover of around Rs. 600 lakhs. The export products of the company from the Domestic Unit are eligible for benefits under the DEPB Scheme. Commercial production from the Export Oriented Unit has commenced from 1st June, 2003.

An analysis of the Company's performance is given in the Management Discussion and Analysis Report which forms part of this Report.

IV. Quality standards

The quality management system of the company has been found to be in compliance with the requirement set forth by the ISO 9002 and QS 9000. The certificate of compliance issued to the company is valid.

V. Current Year

The Company continues to be a major supplier of gears to its OEM customer, namely Mahindra & Mahindra Ltd. for its Automotive and Farm Equipment Sector and occupies the position of being a preferred and major

supplier of Gears to the M & M group. M & M have entrusted the company with development of new components to be used in the Scorpio Vehicle and in the new model of tractor (Stallion) to be launched shortly for exports. The quotations submitted by the company for the components for the Scorpio vehicles have been accepted by Mahindra and Mahindra Ltd. and this will result in additional orders this year. On the tractor front the company has supplied prototypes and is optimistic of securing substantial orders. There has also been a five fold increase in the supplies of gears being made to Kerala Agro Machinery Company which will make a significant contribution to improving the turnover of the company for the current financial year.

During 3 months of the current year the export business has been to the tune of Rs. 225.62 lakhs. In view of the substantial projected export orders received from its parent company i.e. Fairfield Manufacturing Co. Inc., USA there would be a quantum leap in export turnover for the remaining period of the current financial year.

VI. Director's Responsibility Statement

Pursuant to the provisions of sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors confirm:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments 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, 2003 and of the loss of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

VII. New customers

The company has received letters of Intent from CARRARO, L & T JOHN DEERE, SAME, TRANSAXLE USA for supply of various components. Among the above referred potential customers SAME and TRANSAXLE are for exports. It is encouraging to know that the sample components sent to TRANSAXLE have been accepted and orders will be placed shortly. The company is also in the stage of advance negotiation with Volvo and Mack Trucks USA. Orders for prototypes are expected by September. Business to these customers would be in the region of around Rs. 1200 lakhs per annum.

VIII. Finance

During the year the Company has regularly paid GE Capital Services India, interest on the Term Loan and Revolving credit obtained from them.

FAIRFIELD ATLAS LIMITED**IX. Status of the company**

In accordance with the criteria laid down in the Sick Industries Act 1985, the company will be considered a sick industrial undertaking. Accordingly necessary reference will be made to BIFR/Appropriate authority in due course. However the company has initiated various steps to remedy the situation by concentrated focus on plant operations, new customers with additional business, coupled with stringent cost control. Besides, the company is in the process of discussions with various potential lenders for restructuring the debt.

X. Corporate Governance

Pursuant to Clause 49 of the listing agreement with the stock exchange a section titled "Corporate Governance" has been included in this annual report along with management discussion and analysis report and shareholder information report. Certificate of auditors of the company regarding compliance of conditions of Corporate Governance is annexed to the report. Reasons for non compliance of certain sub clauses of clause 49 have been given below.

XI. Reasons for non-compliance with conditions of Corporate Governance as per Listing Agreement with the Stock Exchange.

In response to observations made by the Auditors on non compliance of following sub-clauses of clause 49 of the Listing Agreement stipulating conditions of Corporate Governance the Board of Directors offer the following clarification:

- a. Clause I A : The Company appointed Non-Executive Chairman on 11th September, 2002 and is in the process of inducting a person as independent director.
- b. Clause II (A) (a) : The company has appointed two independent directors with effect from September 11, 2002 thus constituting a majority of the Audit Committee consisting of 3 members.
- c. Clause II (A) (b) : With effect from September 11, 2002 the Chairman of the audit committee is an independent director.
- d. Clause II (B) : Only 2 Audit committee meetings were held due to non availability of some Audit committee members. However it is being ensured that at least 3 such meetings will be held this financial year. Further, Independent Directors were appointed only on 11th September 2002.
- e. Clause IV (A) : Annual Operating plans and capital budgets were discussed at the plant and conveyed to the directors individually. However the same will be placed at the Board Meetings in future.
- f. Clause IV (A) : The letter of appointment of Chief Operating Officer which contained his remuneration was circulated to the Board. However the remuneration aspect was inadvertently not minuted.

XII. Particulars of Employees

The Company does not have any employee of the category specified in Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

XIII. Conservation of energy technology absorption and foreign exchange earnings and outgo

The information required in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in the annexure forming part of this Report.

XIV. Directors

Mr. J. M. Mapgaonkar retires at this Annual General Meeting and being eligible offers himself for reappointment as Director.

Mr. Stephen K. Clough and Mr. Jack Dykhuizen ceased to be Directors of the Company consequent upon withdrawal of their nomination by Fairfield Manufacturing Co. Inc. U.S.A. with effect from 1st March, 2003 and 17th March, 2003 respectively. The Board placed on record its appreciation of the guidance and advice received from these two gentlemen during the tenure of their office.

Mr. Premnath Rai and Mr. Jayant G. Herdwarkar were appointed Additional Directors of the Company with effect from 1st October, 2002. They cease to hold office on the date of this Annual General and being eligible offer themselves for reappointment as Directors.

Pursuant to the nomination received from Fairfield Manufacturing Co. Inc. U.S.A the Board of Directors at their meeting held on 14th March, 2003 appointed Mr. Wolodymyr B. Lechman and Mr. Donald Roberts as Additional Directors with effect from 1st March 2003 and 17th March, 2003 respectively. Accordingly they cease to hold office on the date of this Annual General and being eligible offer themselves for reappointment as Directors.

XV. Cost Audit

Pursuant to the directions from the Department of Company Affairs for appointment of Cost Auditors, the Company has appointed Mr. Sanjay Bhargave Cost Accountant as the Cost Auditor for the financial year 2002-2003 with the approval of the Central Government.

XVI. Auditors

Price Waterhouse Chartered Accountants, retire as auditors at this Annual General Meeting and being eligible offer themselves for reappointment.

XVII. Auditors' Report

The notes on Accounts, referred to in the Auditors' Report are self-explanatory.

XVIII. Acknowledgement

The Directors express their sincere thanks for the continued support and co-operation given by the Financial Institutions and Employees of the Company.

For and on behalf of the Board of Directors

MARK GUSTUS

Chairman

Place : Lafayette, U.S.A.

Date : June 30, 2003

ANNEXURE

STATEMENT UNDER SECTION 217 (I) (e) OF THE COMPANIES ACT 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS), RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2003.

A. CONSERVATION OF ENERGY

- Plans have been drawn up and are in the process of implementation to modify machinery with higher horse power than present requirements. This modification will be done by upgrading with retrofit CNC controls and fitted with motors catering to only the required H.P. ratings. This will effect a savings of around 5% on completion of the project.
- Sealed Quench Furnace at the E.O.U. has been modified to reduce the consumption of LPG gas. The savings expected are to the tune of 15%.
- Power Factor Correction is being monitored and controlled by automatic power factor controllers.

B. TECHNOLOGY ABSORPTION

- The Company does not have a Research and Development Department at present
- The Company uses indigenous technology in the manufacture of its gears.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company earned foreign exchange during the year under review amounting to Rs. 597.24 lakhs on exports including sales during trial run aggregating to Rs.121.66 lakhs pertaining to EOU (Previous year Rs. 734.55 lakhs) Total Expenditure in Foreign Currency on Guarantee Commission Rs. 76.42 lakhs (previous year Rs. 46.15 lakhs) Foreign Travel Rs. Nil (Previous year Rs. 48.42 lakhs).

For and on behalf of the Board of Directors

MARK GUSTUS
Chairman

Place : Lafayette, U.S.A.
Dated : June 30, 2003

CORPORATE GOVERNANCE**1. Company's philosophy on Corporate Governance.**

The Company is committed to adhere to the corporate governance code as prescribed by the Stock Exchange. Accordingly the company has implemented various aspects of the code during the financial year ended 31st March 2003 except for appointment of the third independent director.

2. Board of Directors

The Board of Directors consists of 9 Directors. The Managing Director, one non-executive nominee director representing Mahindra & Mahindra Ltd. and 5 non-executive nominee Directors representing Fairfield Manufacturing Co. Inc. U.S.A. During the course of the year the Board has inducted

2 directors as independent directors. The Chairman of the Board in non-executive.

3. Attendance of Directors at Meetings of Board and Members

During the year 2002-2003 the Board met 7 times on 28th June 2002, 30th July 2002, 11th September 2002, 30th September 2002, 31st October 2002, 30th January 2003 and 14th March 2003. The maximum time gap between any 2 meetings was not more than 3 calendar months.

The following table gives details of Directors, attendance of Directors at the Board meetings and at the last Annual General Meeting, held on 30th September 2002 number of memberships held by Directors in the Board/ committee of various companies.

Name	Category	Attendance	Particulars	Number of other Directorships
		Board Meeting	Last AGM	
Riad Fyzee	Managing Director	3	Yes	—
J. M. Mappaonkar*	Non Executive Director	2	No	—
Stephen K. Clough**	Non Executive Director	2	No	—
Richard A. Bush	Non Executive Director	4	No	—
Jack M. Dykhuizen****	Non Executive Director	6	Yes	—
William P. Dykhuizen***	Non Executive Director	—	No	—
Mark D. Gustus	Chairman – Non Executive Director	4	Yes	—
Clement L. Strimel	Non Executive Director	2	No	—
Premnath Rai @	Independent Director	1	No	1
Jayant G. Herwadkar @	Independent Director	3	Yes	3
Wolodymyr B. Lechman+	Non Executive Director	—	—	—
Donald Roberts ++	Non Executive Director	—	—	—

* Nominee Director – Mahindra & Mahindra Ltd.

** ceased to be Director w.e.f. 1st March 2003

*** ceased to be Director w.e.f. 11th September 2002

**** ceased to be Director w.e.f. 17th March 2003

@ Appointed Director w.e.f. 11th September 2002

+ Appointed Director w.e.f. 1st March 2003. Nominee of Fairfield Manufacturing Co. Inc. USA

++ Appointed Director w.e.f. 17th March 2003. Nominee of Fairfield Manufacturing Co. Inc. USA

No Director is a member of any committee of other companies.

FAIRFIELD ATLAS LIMITED**4. Directors seeking reappointment**

At the ensuing Annual General Meeting Mr. J. M. Mapgaonkar retires by rotation and being eligible offers himself for reappointment.

- i. Mr. J.M. Mapgaonkar is a Director nominated by Mahindra & Mahindra Ltd. where he holds the post of Vice President - Vendor Management. Mr. Mapgaonkar liaises with the company in respect of the supplies to be made to Mahindra & Mahindra Ltd. and has contributed to its progress. Mr. Mapgaonkar has been the Director of the company since 1995. Mr. Mapgaonkar is a member of the shareholders grievance committee of the Board.
- ii. Premnath Rai is an Advocate by profession and Founder and Chief of Premnath Rai Associates, a corporate law firm, having its offices in New Delhi and Bangalore. He is a Fellow Member of the Institute of Company Secretaries of India. Mr. Premnath Rai is one of the independent director on the Board and a member of the Audit Committee. He is also a director of Bhairavi Laboratories Pvt. Ltd.
- iii. Mr. Jayant G. Herwadkar is a Chartered Accountant by profession having held senior positions in the Accounting and Finance field. He is one of the

independent director on the Board, Chairman of the Audit committee and member of Remuneration Committee. As Audit committee member his views and suggestions have helped to tighten internal control and streamline accounting procedures. Mr. Herwadkar is also a director of Shri Renuka Sugars Ltd., Apple Hospitals and Research Ltd. and Akaar Founders Pvt. Ltd.

- iv. Mr. W. B. Lechman has been nominated Director by FMC w.e.f. 1st March 2003 consequent upon withdrawal of nomination of Mr. Stephen K. Clough. Mr. Lechman is the President and Chief Executive Officer of Fairfield Manufacturing Co. Inc USA and brings to the Board his vast experience in international business operations. Mr. W. Lechman functions in the company relate to corporate and business strategy for growth.
- v. Mr. Donald Roberts is a Director nominated by Fairfield Manufacturing Co. Inc. USA (FMC) on the Board of the company w.e.f. 17th March 2003. He has a vast experience in the field of material purchase. Accordingly he liaises with the company for material procurement for products required for exports. Mr. Roberts skill in the purchase function has contributed to procurement of material from international sources at competitive rates.

5. Remuneration to Directors

Names	Remuneration paid during 2002-2003				Total	Service contract, notice period, severance fees
	Salary House Rent Allowance Performance Bonus	Commission (Performance Performance Linked)	Company's contribution to Provident and Pension Fund	Perquisites		
Riad Fyzee – Managing Director	Rs. 20,26,187/-	Nil	Rs. 9,360/-	Rs. 1,49,558/-	Rs. 21,85,105/-	The appointment is for the period from 1 st October 2000 to 31 st March 2004 subject to termination by three months notice in writing on either side or payment of remuneration for three months in lieu of notice. If Agreement terminated with cause company to pay compensation subject to provisions of section 318 of the Companies Act 1956 calculated in accordance with section 318(4) of the Companies Act 1956.
J. M. Mapgaonkar					Rs. 6,000	Sitting fees for attending Board Meeting
* Premnath Rai					Rs. 3,000	Sitting fees for attending Board Meeting
Jayant Herwadkar					Rs. 12,000	Sitting fees for attending Board and Committee Meetings
None of the other Non Executive Directors has been paid any remuneration including sitting fees during the year. Non Executive Directors entitled to only sitting fees of Rs. 3000 per Board or Committee meeting attended (increased from Rs. 500 w.e.f. 11 th September 2002).						

Mr. Premnath Rai - Non executive director is a partner of M/s Premnath Rai Associates, Advocates and Solicitors who received professional fees for services rendered to the company which during the year under review amounted to Rs. 2,30,000.

Stock options :

No scheme for grant of stock options to Directors or employees.

6. Committees of the Board

i. Audit Committee

Consequent upon induction of Independent Directors the Audit Committee was reconstituted on 11th September, 2002 to comply with Corporate Governance Code as prescribed by the Listing Agreement with The Stock Exchange. The members of the present Audit Committee are Mr. Mark Gustus or Mr. Richard Bush, Mr. Premnath Rai and Mr. Jayant G. Herwardkar, the latter two being Independent Directors. Mr. Jayant Herwardkar is the Chairman of the Committee. Mr. Herwardkar is a Chartered Accountant. The Company Secretary acts as Secretary to the Committee.

The previous Committee has reviewed with the statutory auditors on 28th June 2002 the financial statements for the year ended 31st March 2002. The reconstituted committee reviewed on 30th November 2002 with the Statutory Auditors and the Internal Auditors the limited review report for half year ended 30th September 2002. The committee has also reviewed the adequacy of internal audit functions the audit report and follow up action thereon and directed tightening of internal controls. The committee liaises with the statutory auditors and internal auditors on various accounting and auditing matters. The committee has access to all required information from within the company and can also obtain external professional advice when required. The meeting of the Audit committee are also attended by the Managing Director, Vice President Finance, the Statutory auditors and the Compliance officer. The committee could hold only 2 meetings during the year 2002-2003 since some of the independent committee members were not available. The attendance at the meeting was as under.

Previous Committee Members	Meetings attended	Reconstituted Committee Members	Meetings attended
Mr. Riad Fyzee	1	Mr. Richard A. Bush or Mr. Mark Gustus	Nil
Mr. Richard A. Bush	Nil	Mr. Jayant G. Herwardkar	1
Mr. Mark Gustus	1	Mr. Premnath Rai	1
Mr. Clement Strimel	Nil		

ii. Shareholders/Investors Grievance Committee.

The said committee comprises of Mr. Riad Fyzee, Mr. J. M. Mapgaonkar and Mr. Richard A. Bush. Mr. J. M. Mapgaonkar is the Chairman of the committee. The committee looks into redressing of shareholders complaints like transfer of shares, non receipt of balance sheet, dividend etc. The work of the Registrar and Transfer Agents is overseen by the committee. Mr. Marcel Rebello

Company Secretary is the compliance officer. During the year under review 4 complaints were received from shareholders all of which were resolved to their satisfaction. The committee held twelve meetings till date. The attendance at these meetings is as under.

Members	Meetings attended
Mr. J. M. Mapgaonkar	12
Mr. Riad Fyzee	12
Mr. Richard A. Bush	—

iii. Remuneration Committee

The remuneration committee comprises of Mr. Mark Gustus, Mr. Jayant G. Herwardkar and Mr. Premnath Rai. The committee recommends to the Board the remuneration package of the Managing Director and other Directors. The committee did not have any meeting since its reconstitution.

GENERAL INFORMATION FOR SHAREHOLDERS

Annual General Meeting

The Thirteenth Annual General Meeting of the Company will be held on Monday 8th September 2003, at 3 P.M. at the Registered office situated at Survey No. : 157, Devarwadi Village, Chandgad Taluka, Dist. Kolhapur, Maharashtra - 416 507

Financial Calendar of the Company

The financial year covers the period 1st April to 31st March.

Financial reporting for Quarter ending	30 th June 2003	End July 2003
Half year ending	30 th September 2003	End October 2003
Quarter ending	31 st December 2003	End January 2004
Year ending	31 st March 2004	End June 2004

Note : The above dates are indicative.

Dates of book closure

26th August 2003 to 8th September 2003 (both days inclusive)

Dividend payment date

Not Applicable

Listing of securities

The Company's securities are listed on the Stock Exchange Mumbai. The listing fees for the year 2003-2004 have been paid.

- Stock Code
Stock Exchange Mumbai : 520145
- As per SEBI notification, the Company's shares are being compulsorily traded in the Demat form. Demat identification number in NSDL and CSDL is ISIN INE 922C01013

Registrar and Transfer Agents

Sharex (India) Pvt. Ltd.

- 17-B, Dena Bank Bldg., Horniman Circle, Fort, Mumbai 400 001. Tel : 22702485, 22641376
Fax : 22641349

FAIRFIELD ATLAS LIMITED

- b. Unit -1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072
Tel : 28515606,28515646 Fax : 28512885

Shareholding Pattern as on 31st March 2003

	Number of equity shares of Rs. 10/- each	% to subscribed capital
Indian / Foreign Promoters	22302630	81.64
FI/ Bank/FII	419745	1.54
Mutual /Venture Funds	929848	3.40
NRI/OCBs	403100	1.47
Bodies Corporate	1488718	5.45
Public	1776499	6.50
Total equity capital	27320540	100.00

Market Price Data

High/low during each month of the last financial year.

	High Rs.	Low Rs.
April 2002	6.40	4.80
May 2002	6.50	5.30
June 2002	8.00	5.50
July 2002	12.30	6.45
August 2002	7.95	4.45
September 2002	5.95	4.50
October 2002	5.85	4.65
November 2002	5.00	4.05
December 2002	5.25	4.20
January 2003	4.50	3.75
February 2003	3.85	3.15
March 2003	3.20	1.65

Distribution of shareholding as on 31st March 2003

Share of nominal value	No. of holders	% of holders	No. of shares	% of shares
Upto to 5000	5206	91.32	804179	2.94
5001 to 10000	270	4.74	233561	0.85
10001 to 50000	181	3.17	395525	1.45
50001 to 100000	20	0.35	142450	0.52
100001 to above	24	0.42	25744825	94.24
Total	5710	100.00	27320540	100.00

Dematerialisation of shares and liquidity

7.99% of the total equity comprising 2182650 equity shares of Rs. 10 each is held in a dematerialized form with National Securities Depository Ltd. and Central Depository Securities Ltd. as on 31st March 2003. 81.64% of the equity shares are held by Foreign/ Indian promoters in physical form.

Share transfer system

Trading in equity shares of the Company is permitted only in dematerialized form. Share transfer in physical form received by the Registrar and Transfer Agents are registered and returned within a period of 30 days from the date of receipt of the documents provided all documents are valid and complete in all respects. In accordance with SEBI guidelines upon completion of the transfers the Registrar and Transfer Agents send an offer letter to the transferee with an option to receive credit of the transferred shares in electronic form under the transfer cum demat facility. In case option is not exercised or if offer letter is not submitted within stipulated time the share certificates are sent to the transferee. A committee consisting of the Managing Director and Company Secretary approves transfer of shares.

Share transfer details (Physical)

Months	No. of transfers	No. of shares
April 2002	4	1200
May 2002	48	5200
June 2002	15	3800
July 2002	19	1900
August 2002	44	5100
September 2002	9	1300
October 2002	5	1300
November 2002	1	100
December 2002	2	500
January 2003	21	2100
February 2003	1	100
March 2003	2	200

Plant Location :

- The Company's Domestic Unit is located at Survey No. : 157, Devarwadi Village, Chandgad Taluka, Dist. Kolhapur, Maharashtra - 416 507.
- The Company's Export Oriented Unit is located at Survey No. 116 and 119, Shinoli (Budruk), Chandgad Taluka, Dist.: Kolhapur, Maharashtra 416 507.

Address for Correspondence :

Correspondence can be addressed to the registered/corporate office of the company or the offices of share transfer agents for the attention of company secretary.

Shareholders would have to correspond with respective Depository participants for shares held in demat mode

Other Disclosures -

- Details of Annual / Extra ordinary General Meetings.
Annual General Meeting held during last three years.

Year	Date	Time
2000	21 st December 2000	4 PM
2001	28 th September 2001	3 PM
2002	30 th September 2002	3 PM