
FAIRFIELD ATLAS LIMITED

BOARD OF DIRECTORS	: Jeffrey Potrzebowski <i>Chairman (with effect from 1st February 2011)</i> Clement L. Strimel Jr. <i>Chairman (upto 31st January 2011)</i> D. E. Jacob <i>Managing Director</i> Gary J. Lehman <i>(upto 31st January 2011)</i> Riad Fyzee J. M. Mapgaonkar Avinash P. Gandhi Ravi Kathpalia Rakesh Chopra Vivek Prakash <i>(with effect from 1st February 2011)</i>
COMPANY SECRETARY	: Marcel Rebello
BANKERS	: AXIS Bank Ltd. HDFC Bank Ltd.
AUDITORS	: B S R and Co Chartered Accountants Mumbai
REGISTERED OFFICE AND DOMESTIC UNIT	: Survey No. 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur, Maharashtra – 416 507. Tel.: (02320) 236605/6 Email : atlas@bom4.vsnl.net.in
EXPORT ORIENTED UNIT	: Survey No. 116 and 119, Shinoli (Budruk), Chandgad Taluka, Dist. Kolhapur, Maharashtra – 416 507. Tel.: (02320) 236605/6
CORPORATE OFFICE	: 202/3 Maruti Mansion, 17, R. Dadaji Street, Fort, Mumbai – 400 001. Tel.: 2266 6003, 2270 9025 Fax : 2266 6164 Email : atlas@bom4.vsnl.net.in
REGISTRARS AND SHARE TRANSFER AGENTS	: Sharex Dynamic (India) Pvt. Ltd. Unit - 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072. Tel. : 2851 5606, 2851 5646 Fax : 2851 2885 Email : sharexindia@vsnl.com

NOTICE

NOTICE is hereby given that the Twentyfirst Annual General Meeting of shareholders of Fairfield Atlas Limited (the “Company”) will be held on Tuesday, 9th August, 2011 at 4 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, 2011, 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. Ravi Kathpalia who retires by rotation and, being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Rakesh Chopra, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint B S R & Associates, Chartered Accountants (Firm’s Registration Number116231W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
5. To appoint a Director in place of Mr. Jeffrey Potrzebowski 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. Jeffrey Potrzebowski as a candidate for the office of a director liable to retire by rotation.
6. To appoint a Director in place of Mr. Vivek Prakash 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. Vivek Prakash as a candidate for the office of a director liable to retire by rotation.
7. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED that subject to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 and limits laid down therein read with Schedule XIII thereof as amended and subject to such other approvals as may be necessary, the approval of the company be and is hereby accorded to the appointment of Mr. Devanand E. Jacob, as Managing Director of the Company for the period commencing from 24th October 2010 and ending on 31st October, 2013 upon terms and conditions set out in the Agreement dated 15th November, 2010 entered into between Mr. Devanand E. Jacob and the Company.

“FURTHER RESOLVED that, subject to the limits, if any, specified in the Act for payment and provision of remuneration, perquisites and benefits, the Board of Directors be and is hereby authorised to approve any changes or amendments to the aforesaid Agreement and to review the remuneration, perquisites and benefits payable to Mr. Devanand E. Jacob from time to time.”

NOTES:

- a) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956 in regard to item nos. 5 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 Friday, 29th July 2011 to Tuesday, 9th August 2011 both days inclusive.
- d) 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 for shares held in physical form and to their Depository Participant for shares held in electronic form.
 - ii. Quote Folio Numbers in all their correspondence.
- e) 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.

Place : Mumbai
Dated : 26th April, 2011

By Order of the Board of Directors

Marcel Rebello
Company Secretary

Registered office :
Survey No. 157, Devarwadi Village,
Post Shinoli, Chandgad Taluka,
Dist. Kolhapur, Maharashtra – 416 507

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.5

The Board of Directors at the meeting held on 28th January 2011 appointed Mr. Jeffrey Potrzebowski as Additional Director with effect from 1st February 2011 and accordingly he would hold office till the ensuing Annual General Meeting. Mr. Potrzebowski has been nominated on the Board by Fairfield Manufacturing Co. Inc., USA the company’s Principals. Mr. Jeffrey Potrzebowski holds a Bachelor of Administration Degree with Accounting major. Mr. Potrzebowski is a Certified Public Accountant (CPA). Mr. Potrzebowski is presently the Chief Financial Officer of the Oerlikon Group – Drive Systems segment. Mr. Potrzebowski has worked extensively in the global market leading teams in America, Italy, China and India. Earlier as Chief Financial Officer of Fairfield Manufacturing Co., Inc., he was advising the company on financial matters and coordinating the financial reporting of the company.

In view of his vast experience the Directors have appointed him as Chairman of the Board. Mr. Potrzebowski does not hold any shares in the Company.

The Board 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. Potrzebowski has filed his consent with the company to act as 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. Potrzebowski for appointment as director of the Company.

Mr. Potrzebowski 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

The Board of Directors at their meeting held on 28th January, 2011 appointed Mr. Vivek Prakash as Additional Director with effect from 1st February, 2011 and accordingly he would hold office till the ensuing Annual General Meeting. Mr. Prakash graduated from University of Roorkee presently called IIT Roorkee. Since January 2009 he is the CEO and Managing Director of Graziano Trasmissioni (India) Pvt.Ltd., (GTIL) which is an affiliate of the company in the Oerlikon Group and has been leading the company since then. Before joining GTIL he was Chief Operating Officer with automotive component group – Sandhar Technologies. Later he was business head for AK Minda Group die-casting business and prior to that worked for more than two decades in various capacities, locations and functions viz. production, quality control, projects, materials, sales and service in the Tractor, Commercial vehicles and Gear business of Eicher Group in India.

He has been named as Business Unit Head – India by OC Oerlikon Corporation AG and is responsible for all business of Drive Systems in India. His appointment on the Board will therefore facilitate exploring the different synergies between the two companies and implementing the same.

In view of his experience in the industry and in similar line of activity the Board 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. Prakash has filed his consent with the company 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. Prakash for appointment as director of the Company.

Mr. Prakash 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.

FAIRFIELD ATLAS LIMITED

Regd. Office : Survey No. 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur, Maharashtra – 416 507.

ATTENDANCE SLIP

Registered Folio / Client ID

Name of the Member / Proxy / Representative

I hereby record my presence at the 21ST ANNUAL GENERAL MEETING of the Company held on Tuesday 9th August, 2011 at 4.00 p.m. at Survey No. 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur, Maharashtra

Signature of Attending Member / Proxy / Representative

NOTE : A Shareholder / Proxy Holder / Representative desiring to attend the meeting must complete the Attendance Slip and hand it over at the entrance of the meeting hall.

..... CUT HERE AND BRING THIS ATTENDANCE SLIP AT THE MEETING

FAIRFIELD ATLAS LIMITED

Regd. Office : Survey No. 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur, Maharashtra – 416 507.

PROXY FORM

I / We being a member / members of the above named company hereby, appoint ofor failing him ofas my / our proxy to vote for me /us on my / our behalf at the 21ST ANNUAL GENERAL MEETING of the Company to be held on Tuesday 9th August, 2011, and at any adjournment thereof.

Signed this day of2011

Reference Folio / Client ID No.

No. of Shares

Re. 1
Revenue
Stamp

Signature

NOTE : This Proxy form must be returned so as to reach the Registered Office of the Company, Fairfield Atlas Limited, Survey No. 157, Devarwadi Village, Post Shinoli, Chandgad Taluka, Dist. Kolhapur, Maharashtra not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting

ANNEXURE
ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE ACT
Balance Sheet Abstract and Company's General Business Profile:

I Registration Details

CIN No. L34300MH1990PLC055300
State Code 11
Balance Sheet Date 31 03 2011

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities #	Total Assets
1409115	1409115
# Including Shareholders' Funds	

Sources of Funds

Paid-Up Capital	Reserves and Surplus
273205	279121
Secured Loans	Unsecured Loans
406190	NIL
Deferred tax Liabilities	Unsecured Loans
16388	

Application of Funds

Net Fixed Assets	+ - Net Current Assets
524937	449967
Miscellaneous Expenditure	Accumulated Losses
NIL	NIL

IV Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
1649026	1454589
+ - Profit/Loss Before Tax@	+ - Profit/Loss After Tax
194437	176103
(Please tick ✓ appropriate box + for Profit, - for Loss)	
+ - Earning per Share (Basic and Diluted) (in Rs.)	Dividend Rate %
6.45	NIL

V Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
848340.00	Transmission Gears

For and on behalf of the Board of Directors

Jeffrey Potrzebowski
Chairman

D. E. Jacob
Managing Director

Vikram Nagar
Chief Financial Officer

Marcel Rebello
Company Secretary

Place : Mumbai
Date : 26th April 2011

ITEM NO.7

The Board of Directors at their meeting held on 22nd October, 2010 re-appointed Mr. Devanand E. Jacob as Managing Director of the Company for the period commencing from 24th October, 2010 and ending 31st October, 2013 on terms and conditions set out in the Agreement dated 15th November, 2010 the salient features of which are mentioned below:

1. Subject to the approval of the General Meeting and other necessary approvals, if any, Mr. Devanand E. Jacob be appointed Managing Director of the Company for the period commencing from 24th October, 2010 and ending 31st October, 2013.

The following additional information as required by Schedule XIII to the Companies Act 1956 is given below.

I. General Information :

i. Nature of industry

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

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

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

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

NOT APPLICABLE

iv. Financial performance based on given indicators – as per Audited Financial results for the year ended 31st March 2011.

Particulars	Rs. in lakhs
Turnover and other income	16490.27
Profit before Depreciation and Finance Charges	2717.99
Depreciation	693.79
Interest and other Finance Charges	79.82
Profit before taxation	1944.37
Provision for taxation	395.28
MAT Credit Entitlement	(375.83)
Deferred Tax	163.88
Profit after taxation	1761.03

v. Export performance and net foreign exchange collaborations.

The Company's earnings in foreign exchange were Rs.6698.18 lakhs for the financial year ended 31st March 2011.

vi. Foreign investments of collaborators, if any.

TH Licensing Inc., USA, a wholly owned subsidiary of Fairfield Manufacturing Co.Inc. USA, presently holds 22924796 equity shares of Rs.10/- each constituting 83.91% 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 stationed at the company's plant for the past 18 years. He was the Managing Director of the Company for a period of two years from 24th October, 2008 to 23rd October, 2010 and in view of his capability in successfully steering the operations of the company the Board of Directors has reappointed him as the Managing Director till 31st October 2013. In his present capacity as the Managing Director of the Company he oversees the entire plant operations both of the DTA Unit and EOU Unit. Mr. Jacob has received training at the Plant of the Company's Principals, Fairfield Manufacturing Co., Inc., USA and the company's other foreign suppliers.

ii. Past remuneration during financial year ended 31st March 2011.

The total remuneration drawn by Mr. D. E. Jacob as Managing Director for the year ended 31st March 2011 was Rs.36.89 lakhs including perquisites.

iii. Recognition or Awards

Not applicable

iv. Job Profile and their suitability.

Mr. D. E. Jacob is the Managing Director of the Company since 24th October 2008. The Board has delegated substantial powers of management of the Company to Mr. D. E. Jacob, in his capacity as Managing Director of the Company. Mr. Jacob is an Engineer by profession and has been stationed at the Company's plant for the past 18 years and hence has acquired indepth knowledge of the functioning of the various departments. He has received training at the Plant of the Company's Principals, Fairfield Manufacturing Co., Inc., USA and the Company's other foreign suppliers. Mr. Jacob is responsible interalia for development of the business of the Company. In his present capacity he overseas the entire Plant Operations both of the Domestic and Export Units. Apart from Plant Operations he also oversees the purchase, sales and HRD functions. 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. In view of his ably handling the business operations of the Company during his previous tenure the Board of Directors has reappointed him for a further period from 24th October, 2010 till 31st October, 2013. Therefore, in view of his long association and experience with the Company, Mr. Jacob is best suited for the position he occupies.

v. Remuneration proposed.

Mr. D. E. Jacob

Salary of Rs. 1,40,000 per month and perquisites, allowances and amenities mentioned at IV below and as set out in item No.7 of the Notice.

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

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

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

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

SCHEDULES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31st March 2011 (Currency : Indian Rupees)

18.19 Fairfield Manufacturing Company Inc., U.S.A. (FMC) had paid a sum of USD 11,967,023 (equivalent Rs. 543,792,583) to GE Capital services India (GECSI) in fulfillment of its obligation under the corporate guarantee executed to secure the loan availed by the Company from GECSI. FMC had agreed to treat the said sum as External commercial loan to the Company, subject to the terms and conditions set forth in the letter of intent date January 15, 2004. Reserve Bank of India (RBI) and Ministry of Finance had not approved the application made by the Company to treat the payment as external commercial loan. Further, RBI has not approved the payment of interest on the amount paid by FMC and repayment of principal amount exceeding Rs. 543,792,583. During 2005-06, 2006-07, 2009-10 and 2010-11, the Company had repaid USD 5,967,023 (Rs. 264,471,470) USD 200,000 (Rs. 9,344,000), USD 300,000 (Rs. 13,744,500) and USD 1,500,000 (Rs. 69,278,750) respectively, to FMC.

As at the year end, the Company owes USD 4,000,000 equivalent Rs 179,250,000 (maximum liability restricted by RBI to Rs 186,954,772) to FMC towards the said loan.

The said loan is secured by creation of hypothecation charge on all the fixed and current assets, excluding land and building.

18.20 The Company was entitled to a deferred sales tax benefit under the package scheme of incentives, 1993 of the government of Maharashtra for its plant at Sr. no. 157, Devarwadi, Shinoli, dist. Kolhapur. During the previous year, the Company had settled the entire liability at lower amount in pursuance of the option granted to it by the Bombay Sales Tax Act, 1959 and the difference between the amount payable and the amount paid on discounting the liability, aggregating Rs. 34,195,164 was credited to the profit and loss account for the previous year and shown in the profit and loss account as an exceptional item.

18.21 Previous year figures have been regrouped / rearranged wherever necessary to conform to current year's presentation.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W
Sadashiv Shetty
Partner
Membership No.: 048648

Place : Mumbai
Date : 26th April 2011

For and on behalf of the Board of Directors

Jeffrey Potrzebowski
Chairman

Vikram Nagar
Chief Financial Officer

Place : Mumbai
Date : 26th April 2011

D. E. Jacob
Managing Director

Marcel Rebello
Company Secretary

SCHEDULES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31st March 2011 (Currency : Indian Rupees)

(vi) Expenses recognized in the Profit and Loss Account

Particulars	2011 (Rupees)	2010 (Rupees)
Current service cost	1,839,858	1,682,080
Interest cost	1,740,493	1,450,251
Expected return on plan assets	(800,000)	-
Net actuarial (gain)/ loss to be recognized	(2,956,417)	1,738,258
Total (income)/ expense recognised in the profit and loss account **	(176,066)	4,870,589

** Included in employee costs "gratuity" (refer Schedule "15")

(vii) Balance sheet reconciliation

Particulars	2011 (Rupees)	2010 (Rupees)
Net liability/ (assets) as at 1 April 2010	11,756,166	17,176,087
(Income)/Expenses as above	(176,066)	4,870,589
Employers contribution	14,215,327	10,000,000
Benefits directly paid by Company	-	290,510
Net (asset)/liability recognized as at 31 March 2011	(2,635,227)	11,756,166

(viii) Experience Adjustment

Particulars	2011 (Rupees)	2010 (Rupees)	2009 (Rupees)
Experience adjustment on liabilities (gain)/loss	(1,425,264)	2,730,125	(408,323)
Experience adjustment on plan assets gain/(loss)	848,831	Nil	Nil

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

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

(x) Compensated absences

The liability for leave encashment and compensated absences as at year end is Rs. 7,610,214 (Previous year Rs. 7,433,208).

(xi) The estimates of future salary increases, considered in actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.**III. Other information**

1. Reason of loss or inadequate profits.

Not Applicable as the company has posted a net profit after tax of Rs.1761.03 lakhs during the year ended 31st March, 2011

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

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

Not applicable as the Company has adequate profits.

IV. Disclosures

Remuneration package of Mr. D. E. Jacob, Managing Director as approved by the Remuneration Committee and the Board of Directors is as follows:

1. Salary:

Basic Salary Rs. 1,40,000/- per month

2. Bonus:

Variable Income (Bonus Plan) in accordance with Corporate Policy and achievement of Target objectives set by top Management details and amount of which will be communicated annually to Mr. Jacob as participant, but not exceeding Rs.20 lakhs in any financial year.

3. Perquisites:

Provision of perquisites and benefits classified into three Categories A, B, C, as appearing hereinafter:

Category A

a. Housing:

HRA to be paid at 40% of Basic Salary

b. Medical Reimbursements and Hospitalisation:

Expenses incurred for self and the family, subject to a ceiling of Rs. 15,000/- per year. The amount can be carried forward in accordance with the Company Policy upto a period of 3 years.

c. Leave Travel Allowance:

For self and the family, once in a year, incurred in accordance with the Company Policy and limited to Rs. 35,000/- per year. This amount can be carried forward up to 3 years.

d. Attire Allowance:

Attire Allowance of Rs.25,000 per annum to be drawn in accordance with the Rules of the Company.

e. Personal Accident Insurance :

Payment of premium for personal accident insurance cover, in accordance with the Rules of the Company.

f. Reimbursement of any other expenses properly incurred by him in accordance with the Rules and Policies of the Company.

Explanation:

For the purpose of Category A, "family" shall mean and include his spouse, dependent children and dependent parents.

Category B

During the term of this Agreement, Mr. Jacob shall be entitled to the following perquisites, which shall not be included in the computation of the ceiling on the remuneration as specified in the preceding paragraph:

- Contribution by the Company to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding one month's salary for each completed year of service, and
- Encashment of leave at the end of the tenure of service with the Company.

Category C

Provision of Chauffeur driven car for use on Company's business and telephone at residence. These will not be considered as perquisites.

- The aggregate remuneration shall not exceed the limits specified in Sections 198, 309 and other applicable provisions of the Companies Act, 1956.
- In the event of absence or in adequacy of profits in any financial year, the above remuneration shall be payable to Mr. Jacob as minimum remuneration subject to limits, if any, specified in the Companies Act, 1956.

Inspection of Documents

The Agreement referred to in this Explanatory Statement will be available for inspection by shareholders 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.

Place : Mumbai
Dated : 26th April, 2011

Registered office :
Survey No. 157, Devarwadi Village,
Post Shinoli, Chandgad Taluka,
Dist. Kolhapur, Maharashtra – 416 507

By Order of the Board of Directors

Marcel Rebello
Company Secretary

SCHEDULES TO THE FINANCIAL STATEMENTS (Contd.)

for the year ended 31st March 2011 (Currency : Indian Rupees)

II Defined Benefit Plan
A. Gratuity

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

(i) Actuarial Assumptions for the year

Assumptions	2011	2010
Discount rate (per annum)	8.25%	8.00%
Rate of increase in compensation levels	7.5%	7.50%
Rate of return on plan assets	8.00%	8.00%

(ii) Changes in the Present Value of Obligation

Particulars	2011 (Rupees)	2010 (Rupees)
Present value of obligation as at 1 April 2010	21,756,166	17,176,087
Interest cost	1,740,493	1,450,251
Current service cost	1,839,858	1,682,080
Benefits paid	(484,871)	(290,510)
Actuarial (gain)/ loss (a)	(2,107,586)	1,738,258
Present value of obligation as at 31 March 2011	22,744,060	21,756,166

(iii) Fair value of plan assets

Particulars	2011 (Rupees)	2010 (Rupees)
Fair value of plan assets as at 1 April 2010	10,000,000	-
Expected return on plan assets	800,000	-
Contributions	14,215,327	10,000,000
Benefits paid	(484,871)	-
Actuarial gain/ (loss) on plan assets (b)	848,831	-
Fair value of plan assets as at 31 March 2011	25,379,287	10,000,000
Net actuarial gain/(loss) to be recognised on obligation and plan assets (a+b)	2,956,417	(1,738,258)

(iv) Actual return of plan assets

Particulars	2011 (Rupees)	2010 (Rupees)
Expected return on plan assets	800,000	-
Actuarial gain/ (loss) on plan assets (b)	848,831	-
Actual return on plan assets	1,648,831	-

(v) Amount recognized in the Balance Sheet

Particulars	2011 (Rupees)	2010 (Rupees)
Present value of obligation as at 31 March 2011	22,744,060	21,756,166
Fair value of plan assets as at 31 March 2011	25,379,287	10,000,000
Net liability/(asset) recognized as at 31 March 2011*	(2,635,227)	11,756,166

* Included in advances "gratuity" (refer Schedule "12")