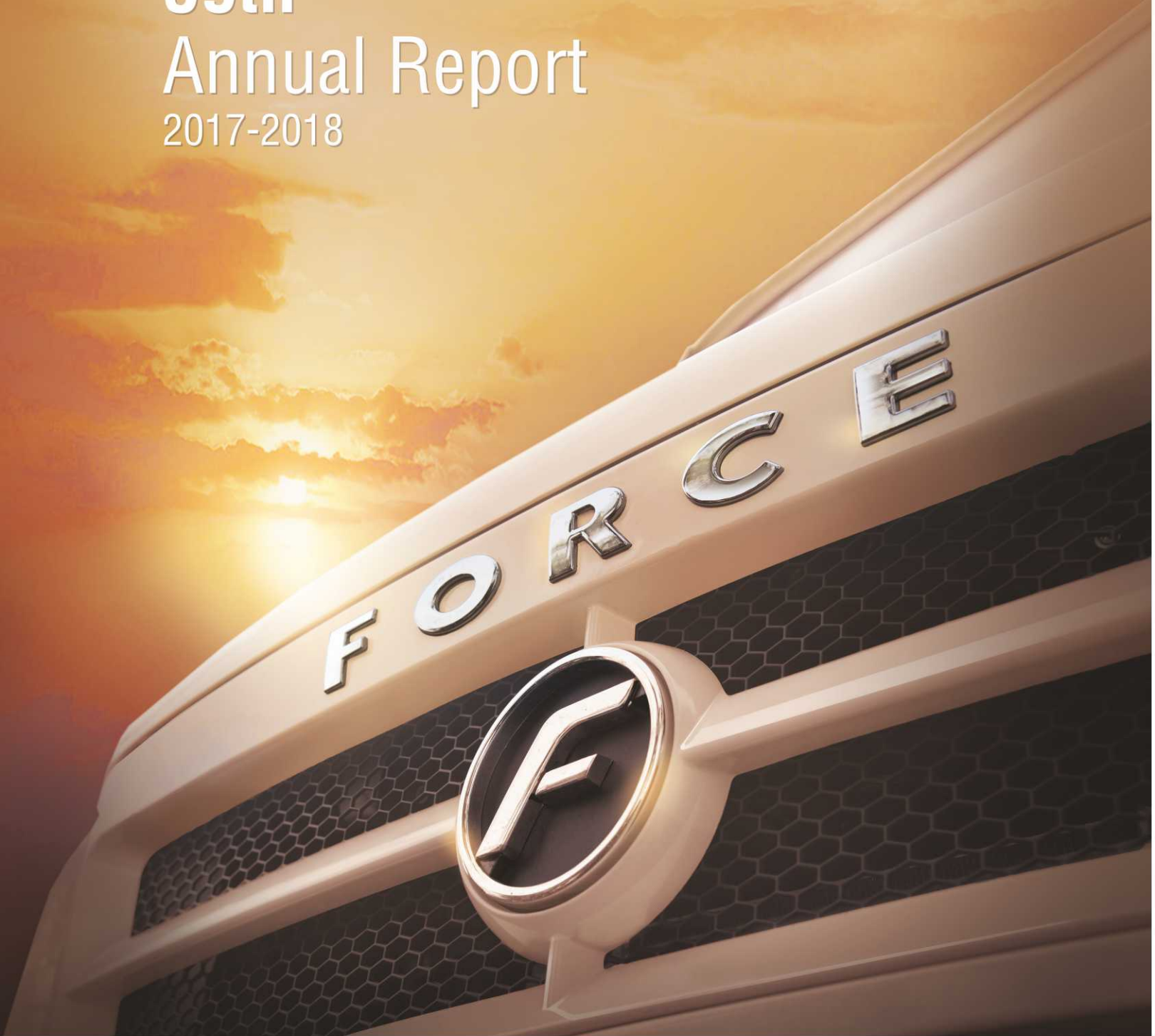


# 59th Annual Report 2017-2018



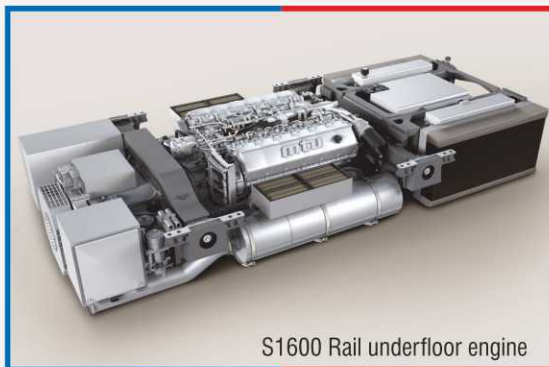
**FORCE MOTORS LIMITED**

Mumbai-Pune Road, Akurdi, Pune - 411035. INDIA

A Joint Venture of Force Motors and Rolls-Royce



S1600-10 cylinder engine



S1600 Rail underfloor engine



A new partnership: Mr. Andreas Schell, CEO, Rolls-Royce Power Systems and Mr. Prasan Firodia, MD - Force Motors

Force Motors signed a Joint Venture Agreement with Rolls-Royce Power Systems in Mumbai on 20th March 2018 at a media press conference. The JV will produce MTU's renowned 10 and 12 cylinder, Series 1600 engines with power output from 545 to 1050 HP. The Series 1600 engines are particularly suitable for power generation and rail underfloor applications.



**L to R: Rolls-Royce:** Mr Clemens Kraemer, Head of Project, Mr Kishore Jayaraman, MD Rolls-Royce India Operations, Mr Petar Pelemis, Sr Vice President, Product Management RRPS, Mr Andreas Schell CEO and President RRPS

**Force Motors:** Mr Prasan Firodia, Managing Director, Mr Prashant Inamdar, Executive Director, Mr Mohit Narayan, Sr Divisional Manager, Business Development

**BOARD OF DIRECTORS**

Abhaykumar Firodia, Chairman

Prasan Firodia, Managing Director

Sudhir Mehta

Pratap Pawar

S. Padmanabhan

Nitin Desai

Yeshwant Deosthalee

Arvind Mahajan

Dr. Indira Parikh

Arun Sheth

Vinay Kothari

Prashant V. Inamdar  
Executive Director (Operations)

**CHIEF FINANCIAL OFFICER**

Sanjay Kumar Bohra

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

Kishore P. Shah

**AUDITORS****Statutory Auditor**

M/s. Kirtane & Pandit LLP  
Chartered Accountants,  
Pune.

**Secretarial Auditor**

Mr. I. U. Thakur  
Company Secretary in Practice,  
Pune.

**Internal Auditors**

M/s. Capri Assurance and Advisory Services  
Chennai.

M/s. Jugal S. Rathi  
Chartered Accountants,  
Pune.

**COST ACCOUNTANTS**

M/s. Joshi Apte & Associates  
Cost Accountants,  
Pune.

**REGISTERED OFFICE**

Mumbai-Pune Road,  
Akurdi, Pune - 411 035,  
Maharashtra.

**WORKS**

- (i) Mumbai-Pune Road,  
Akurdi, Pune - 411 035,  
Maharashtra.
- (ii) Pithampur, District Dhar - 454 775,  
Madhya Pradesh.
- (iii) Nanekarwadi, Chakan,  
District Pune - 410 505,  
Maharashtra.
- (iv) Mahindra World City, Chengalpattu,  
District Kancheepuram - 603 004,  
Tamilnadu.



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## NOTICE

Notice is hereby given that the 59th Annual General Meeting of the Members of Force Motors Limited will be held on **Tuesday, the 11th day of September 2018 at 11:30 a.m.**, at the Registered Office of the Company at Mumbai-Pune Road, Akurdi, Pune - 411 035, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited financial statements and the consolidated audited financial statements of the Company, for the Financial Year ended 31st March 2018, together with the Board's Report and Auditors' Report thereon.
2. To declare dividend for the Financial Year ended 31st March 2018.
3. To appoint a Director in place of Mr. Vinay Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix the remuneration of M/s. Kirtane & Pandit LLP, Chartered Accountants, Statutory Auditors of the Company

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 142 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the members of the Company at the 58th Annual General Meeting held on 13th September 2017 in respect of the appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants (firm registration no.105215W/W100057), Pune, till the conclusion of the 63rd Annual General Meeting; the Board of Directors be and is hereby authorized to fix the remuneration of Statutory Auditors for the period commencing from the Financial Year 2018-19 until the conclusion of the 63rd Annual General Meeting of the Company."

### SPECIAL BUSINESS

#### 5. Contribution to bona fide charitable and other funds

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 181 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for contributing to bona fide charitable and other funds, a sum up to ₹ 25,00,00,000 (Rupees twenty five crore only), during the Financial Year 2018-19."

#### 6. Appointment of Cost Accountants with remuneration

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

"RESOLVED THAT M/s. Joshi Apte & Associates, Cost Accountants, Pune, who are appointed by the Board of Directors of the Company, to verify and review the cost records of the Company for the Financial Year ending 31st March 2019, be paid remuneration of ₹ 2,40,000/- (Rupees two lakh forty thousand only) plus travelling and out of pocket expenses and taxes, if any."

### NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE

**INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DULY FILLED IN ALL RESPECT AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

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

- 2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3) The Statement, setting out the material facts, pursuant to Section 102 of the Companies Act, 2013 concerning the Special Business mentioned in the Notice, is annexed hereto.
- 4) Brief details of the directors, who are seeking appointment / re-appointment, are annexed hereto as per requirements of Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from **Wednesday, 5th September 2018 to Tuesday, 11th September 2018**, both days inclusive.
- 6) Members desirous of obtaining any information concerning the accounts or operations of the Company are requested to address their questions to the Company Secretary of the Company, so as to reach at least 15 days before the date of the Meeting so that the information required may be made available at the Meeting.
- 7) Members / Proxies are requested to bring duly filled attendance slip along with their copy of Annual Report to the Meeting.
- 8) **Voting through electronic means –**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 59th Annual General Meeting ('the AGM') by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through poll shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through poll paper.

- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 7th September 2018 (9:00 a.m. IST) and ends on 10th September 2018 (5:00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4th September 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under :

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 :** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

**Details on Step 1 are mentioned below :**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL : <https://www.evoting.nsdl.com/> / either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares<br>i.e. Demat (NSDL or CDSL)<br>or Physical | Your User ID is :                                                                                                                                              |
|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.           | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.    |
| b) For Members who hold shares in demat account with CDSL.           | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****                                                          |
| c) For Members holding shares in Physical Form.                      | EVEN Number followed by Folio Number registered with the company.<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below :

- a) If you are already registered for e-Voting, then you can use

your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a.pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2 :** Cast your vote electronically on NSDL e-Voting system.

Details on Step 2 is given below:

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [abhijeet\\_bhagwat@pgbhagwatca.com](mailto:abhijeet_bhagwat@pgbhagwatca.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 4th September 2018.
5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 4th September 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company / RTA.
6. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting / voting at the AGM through poll paper.
8. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
9. Mr. Abhijeet Bhagwat, Chartered Accountant (FCA No. 13685) having office at Suite No. 102, "Orchard", Dr. Pai Marg, Baner, Pune - 411 045, has been appointed as the Scrutinizer to scrutinize the voting through poll and remote e-voting process in a fair and transparent manner.
10. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of poll paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
11. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall

be placed on the website of the Company [www.forcemotors.com](http://www.forcemotors.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

- 9) Members of the Company are requested to note that the dividend remaining unclaimed / unpaid for a period of seven years from the date of its transfer to Unclaimed Dividend Account shall be credited to the Investor Education and Protection Fund ('the Fund') set up by the Central Government. The members who have so far not claimed the dividend that was declared for the Financial Years 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 are requested to make their claim with the Company immediately. The Company has uploaded the details of such shareholders on the website of the Company at [www.forcemotors.com](http://www.forcemotors.com) and also on the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in) Further, the members who have not encashed dividend in previous consecutive seven years, are requested to approach the Company/Registrar and Transfer Agent for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.
- 10) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent.
- 11) **GREEN INITIATIVE** : As a step for paperless communication with the members of the Company, Company has decided to forward all notices, circulars and other documents to be served on members through electronic mode.

The members of the Company are requested to communicate their e-mail address on which they would like to have these communications. The e-mail address can be communicated by a letter as per specimen signature recorded with the Company and addressed to the Secretarial Department, Force Motors Limited, Mumbai-Pune Road, Akurdi, Pune - 411 035 or Link Intime India Private Limited, Block No. 202, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411 001.

**In view of the provisions of Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 henceforth the email id provided by the members holding shares in dematerialized and physical form would be treated as email id provided by the members for sending communication. Hence annual report and notices of any general meeting or other communication would be made only on these e-mail IDs and no separate paper communication would be made with such members.**

- 12) Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.forcemotors.com](http://www.forcemotors.com).
- 13) The Annual Report 2017-18 of the Company, circulated to the members of the Company, will be available on the Company's website at [www.forcemotors.com](http://www.forcemotors.com) and also on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) after its approval and adoption at the AGM.



14) All documents referred to in the Notice and Statement are open for inspection at the Registered Office of the Company on all working days (Time: 10.00 a.m. to 3.30 p.m.) till the 59th Annual General Meeting i.e., 11th September 2018.

15) The Directors Identification Number (DIN) of the Directors are as follows -

| Sr.no. | Name of Director           | DIN      |
|--------|----------------------------|----------|
| 1      | Mr. Abhaykumar Firodia     | 00025179 |
| 2      | Mr. Prasan Firodia         | 00029664 |
| 3      | Mr. Sudhir Mehta           | 00056867 |
| 4      | Mr. Pratap Pawar           | 00018985 |
| 5      | Mr. S. Padmanabhan         | 00001207 |
| 6      | Mr. Nitin Desai            | 00140239 |
| 7      | Mr. Yeshwant M. Deosthalee | 00001698 |
| 8      | Mr. Arvind Mahajan         | 07553144 |
| 9      | Dr. Indira Parikh          | 00143801 |
| 10     | Mr. Arun Sheth             | 00086891 |
| 11     | Mr. Vinay Kothari          | 00337134 |
| 12     | Mr. Prashant V. Inamdar    | 07071502 |

16) The route map of the venue of the Meeting is given at the end of the Annual Report. The prominent landmark for the venue is Khandoba Mandir that adjoins Jaya Hind Industries Limited that adjoins Force Motors Limited.

By Order of the Board of Directors  
For **Force Motors Limited**

Pithampur, 26th July 2018.

**Kishore P. Shah**  
Company Secretary &  
Compliance Officer

**Registered Office :**  
**Mumbai-Pune Road, Akurdi,**  
**Pune - 411 035.**

CIN : L34102PN1958PLC011172  
Website: [www.forcemotors.com](http://www.forcemotors.com)  
Phone : (Board) +91 20 2747 6381  
E-mail : [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com)

## STATEMENT TO THE NOTICE IN PURSUANCE OF SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013 ('the Act'), the following statements sets out all the material facts relating to the special business as mentioned in the notice, including brief details of the directors who are seeking appointment / re-appointment as per requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Item No. 3

#### Mr. Vinay Kothari (DIN: 00337134)

Mr. Vinay Kothari (DIN 00337134), 54, is a Commerce Graduate and holds MBA Degree from IESE Business School, Spain. He has business interest in Real Estate, Autoparts Industry, Retail Solutions manufacturing, Elevator Components and Construction.

Mr. Kothari is a director in Dihatex India Private Ltd., Lumaran Technologies Pvt. Ltd., Barca itechnologies Pvt. Ltd., Savera India Riding System Co. Private Limited, Savera Kothari India Private Limited, RAK Realty Private Limited, Caveo Pinnacle India Private Limited, Indaux India Private Limited, Kider India Private Limited and EMESA India Elevator Components Company Private Limited, Raloe Kothari Elevator Engineering Private Limited, Royo Kothari Vanity India Private Limited.

Mr. Kothari holds membership in Audit Committee and Nomination & Remuneration Committee of Force Motors Limited.

Mr. Kothari is not related to any director of the Company and holds 101 equity shares of the Company.

Mr. Kothari is not disqualified from being appointed as director in terms of Section 164 of the Act.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the said resolution.

The Board recommends the resolution for approval.

### Item No. 5

#### Contribution to bona fide charitable and other funds

As per the provisions of Section 181 of the Act prior permission of the Company, in general meeting, is required to contribute to bona fide charitable and other funds, if the aggregate amount, in any financial year exceeds five percent of the Company's average profits for three immediately preceding financial years. Considering the Company's profitability position in recent years and the requirement of donating certain amount to charitable institutions, the Board of Directors consider that the consent of the members of the Company should be obtained to contribute the sum up to ₹ 25,00,00,000 (Rupees twenty five crore only) to bona fide charitable and other funds during the Financial Year 2018-19.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the said resolution.

The Board recommends the resolution for approval.

### Item No. 6

#### Appointment of Cost Accountants with remuneration

The Board, after considering the recommendation of the Audit Committee, has approved the appointment and remuneration to M/s. Joshi Apte & Associates, Cost Accountants, Pune to conduct verification and review of the cost records of the Company for the Financial Year ending 31st March 2019 on a remuneration of ₹ 2,40,000 (Rupees two lakh forty thousand only) plus travelling and out of pocket expenses and taxes, if any.

Considering the applicable provisions of the Act and Rules made thereunder, approval of the members of the Company is being sought by this ordinary resolution as a matter of caution, though the said Cost Accountants are not appointed to audit the Cost Records of the Company.

The said appointment of M/s. Joshi Apte & Associates was made by the Board, on the basis of recommendations of the Audit Committee.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the said resolution.

The Board recommends the resolution for approval.

By Order of the Board of Directors  
For **Force Motors Limited**

Pithampur, 26th July 2018.

**Kishore P. Shah**  
Company Secretary &  
Compliance Officer

#### Registered Office :

Mumbai-Pune Road, Akurdi,  
Pune - 411 035.

CIN : L34102PN1958PLC011172

Website: [www.forcemotors.com](http://www.forcemotors.com)

Phone : (Board) +91 20 2747 6381

E-mail : [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com)

## BOARD'S REPORT

To  
The Members,

The Directors are pleased to present the 59th Annual Report, together with the audited financial statements and the consolidated audited financial statements for the Financial Year ended on 31st March 2018.

### 1. Financial Results

(Amounts in Lakh)  
**Standalone**

| Particulars                                       | 2017-18<br>₹    | 2016-17<br>₹ |
|---------------------------------------------------|-----------------|--------------|
| Revenue from Operations (Gross)*                  | <b>3,53,101</b> | 3,49,457     |
| Other Income                                      | <b>6,113</b>    | 8,494        |
| Gross Profit (Profit before Depreciation & Taxes) | <b>32,949</b>   | 34,808       |
| Depreciation                                      | <b>12,926</b>   | 11,308       |
| Profit before Taxes (Net)                         | <b>20,023</b>   | 23,500       |
| Provision for Taxation (Net)                      | <b>5,328</b>    | 5,508        |
| Profit After Tax                                  | <b>14,695</b>   | 17,992       |
| Other Comprehensive Income/(Loss)                 | <b>229</b>      | (216)        |
| Comprehensive Income for the year                 | <b>14,924</b>   | 17,776       |
| Proposed Dividend                                 | <b>1,318</b>    | 1,318        |
| Tax on proposed Dividend                          | <b>271</b>      | 268          |
| Balance in Retained Earnings                      | <b>1,37,074</b> | 1,23,828     |

**Consolidated**

| Particulars                                       | 2017-18<br>₹    | 2016-17<br>₹ |
|---------------------------------------------------|-----------------|--------------|
| Revenue from Operations (Gross)*                  | <b>3,53,136</b> | 3,49,495     |
| Other Income                                      | <b>6,113</b>    | 8,494        |
| Gross Profit (Profit before Depreciation & Taxes) | <b>32,984</b>   | 34,845       |
| Depreciation                                      | <b>12,926</b>   | 11,308       |
| Profit before Taxes (Net)                         | <b>20,058</b>   | 23,537       |
| Provision for Taxation (Net)                      | <b>5,337</b>    | 5,519        |
| Profit After Tax                                  | <b>14,721</b>   | 18,018       |
| Other Comprehensive Income/(Loss)                 | <b>229</b>      | (216)        |
| Comprehensive Income for the year                 | <b>14,950</b>   | 17,802       |
| <b>Attributable to :</b>                          |                 |              |
| (a) Equity holders of the Company                 | <b>14,941</b>   | 17,793       |
| (b) Non Controlling Interest                      | <b>9</b>        | 9            |
| Transfer to General Reserve                       | <b>6</b>        | 6            |
| Proposed Dividend                                 | <b>1,318</b>    | 1,318        |
| Tax on proposed dividend                          | <b>271</b>      | 268          |
| Balance in Retained Earnings                      | <b>1,37,251</b> | 1,23,992     |

\* Post the applicability of Goods and Services Tax (GST) with effect from 1st July 2017, revenue from operations is required to be disclosed net of GST. Accordingly, the revenue from operations for the year ended 31st March 2018 is not comparable with the previous year.

Considering the reserve position of the Company, the Board of Directors of your Company decided not to transfer further amount from the profits for the Financial Year under report to General Reserve.

The Audited Consolidated Financial Statements in accordance with the Companies Act, 2013 ('the Act') and Indian Accounting Standard 110 on Consolidated Financial Statements, is provided in this Annual Report.

### 2. State of Company's Affairs and Future Outlook

After the turbulence in the business environment caused by the three transitions of

- the installation of the GST regime,
- the demonetisation of November 2016 and,
- the nation-wide standardisation of BS-IV emission.

The Company's business environment and business processes have stabilised. The Company is now regularly producing BS-IV vehicles which are well accepted in the market. The adaption of GST by the country has enabled the Company to smoothen its inward and outward logistics, in so far as virtually all its depots could be eliminated. Company to Company transactions - between the factory and our dealers, have now become the norm. There is thus greater ease of business.

The plants of the Company are functioning well. Continuous improvements in manufacturing processes, and efforts to refine the work culture, are yielding the desired benefits.

The proportion of Company's sales value derived from 'vehicle manufacturing and selling' on the one hand, and 'components - engines, axles manufacturing' for Mercedes Benz and BMW on the other hand, continues to be nearly the same. Both activities are positive and the outlook is optimistic.

The Company has continued its efforts to achieve BS-VI capable engines in time, for all its vehicles. Currently the understanding, based on the Government of India's pronouncements is that vehicles manufactured after 1st of April 2020 will necessarily be compliant of BS-VI, whereas vehicles manufactured prior to 1st of April 2020, even if they are BS-IV compliant, will be sellable post 1st April 2020. This is a very tight programme, and any pre-emption caused by any regulatory phenomena, will create considerable problems and result in disruption in production and sale.

Various projects that the Company has been working on, such as successor product to the Traveller, and to the Trax platforms, as also development of new larger capacity buses, and a range of small commercial vehicles, are progressing well.

**3. Change in Nature of Business, if any**

During the year under review, there is no change in the nature of business of the Company.

**4. Dividend**

The Board recommended dividend at ₹ 10 per share for the year under report in its meeting held on 29th May 2018.

The details of the dividend and shares transferred to the Investor Education and Protection Fund during the year under review, are covered in the Report of Corporate Governance.

**5. Share Capital**

The paid up equity share capital as on 31st March 2018 was ₹ 13,17,62,620. There was no public issue, rights issue, bonus issue or preferential issue etc. during the period under review. The Company has not issued any shares with differential voting rights or granted stock options or sweat equity, during the period under review.

**6. Extract of Annual Return**

The extract of Annual Return as on 31st March 2018, pursuant to the provisions of Section 92 of the Act and Rules framed thereunder, in Form MGT-9 is annexed to this report.

**7. Number of Meetings of the Board of Directors**

During the Financial Year 2017-18, there were six meetings of the Board of Directors of the Company held on 11th May 2017, 20th July 2017, 13th September 2017, 9th November 2017, 23rd January 2018 and 20th March 2018.

**8. Particulars of Loans, Guarantees or Investments**

The Company has not given any loans, guarantees or made investments under Section 186 of the Act during the year under review. Particulars of investments made upto the previous financial year by the Company are provided in the Financial Statement attached to this Report.

**9. Particulars of Contracts or Arrangements with Related Party**

All Related Party Transactions ('RPT's) entered during the year were on arm's length basis. There were no material related party contract(s) or arrangement(s) or transaction(s) during the year under review as defined under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

During the Financial Year 2017-18, pursuant to Section 177 of the Act and Regulation 23 of the Listing Regulations, all RPTs were placed before the Audit Committee for its requisite approval. The policy on materiality of RPTs as approved by the Board is available on the Company's website [www.forcemotors.com](http://www.forcemotors.com).

**10. Explanation / Comments on any Qualification of Auditors**

There are no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Company Secretary in Practice (Secretarial Auditor) in their respective audit reports.

**11. Material Changes and Commitments**

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the Financial Year i.e. 31st March 2018 and the date of Report.

**12. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**
**Conservation of Energy**

The energy conservation efforts are steadily maintained through various projects and are yielding significant financial benefits as was explained last year.

The company is gearing up the Pithampur plant as a zero discharge plant, which objective should be achieved in the current year.

**Technology Absorption**

The Company has been working closely with technology houses such as IDIADA, MIRA, EDAG, Technocad, DSD Drive System Designs, Magna and others, to obtain selective specialist inputs on technology, in its progress for development of new vehicles, tractors, engines, transmissions, etc. The projects being carried out at the Company's enhanced R&D facilities, with the strengthened R&D teams, are progressing satisfactorily. The Company continues to derive the benefit of the technical consultancy and expertise from Dr. Manfred Duernholz and Dr. Rolf Bacher. The Company has already created an extended design facility, which is now fully operative, for housing the design teams connected with the Traveller and Trax platforms.

A new lab is being set up for noise, vibration, harshness engineering (NVH). It is expected to be commissioned in the last quarter of the current calendar year.

The expenditure on the R & D for new products, including the expenditure on Projects and Tool Engineering, was 5.66 % of the operational turnover of the Company for the year under report. The Company continues to maintain its emphasis on research, development and tool engineering activities.

| Particulars                                           | 2017-18<br>(₹)  | 2016-17<br>(₹)  |
|-------------------------------------------------------|-----------------|-----------------|
| Capital Expenditure on R&D                            | 15,792          | 5,855           |
| Revenue Expenditure on R&D                            | 4,176           | 5,494           |
| Total R&D Expenditure                                 | 19,968          | 11,349          |
| <b>Total Income</b>                                   | <b>3,59,214</b> | <b>3,57,951</b> |
| % of total R&D Expenditure to Total Income            | 5.56            | 3.17            |
| <b>Revenue from Operations</b>                        | <b>3,53,101</b> | <b>3,49,457</b> |
| % of total R&D Expenditure to Revenue from Operations | 5.66            | 3.25            |

**Foreign Exchange Earnings and Outgo**

The foreign exchange earned by the Company during the year under review was ₹ 3,680 Lakh as against ₹ 5,071 Lakh during the previous year.

Total foreign exchange outflow during the year under review was ₹ 1,17,118 Lakh, as compared to ₹ 85,365 Lakh during the previous year.



### 13. Subsidiary Company

Tempo Finance (West) Private Limited is a subsidiary of the Company. The Board of Directors of the Company has reviewed the affairs of the Subsidiary Company. As per Section 129 of the Act, the Company has prepared the Consolidated Financial Statements of the Company and the Subsidiary Company, which forms part of the Annual Report. A statement containing the salient features of the Financial Statement of the Subsidiary Company in the prescribed format AOC-1, forms part of the Audited Financial Statement of the Company.

A copy of the Audited Financial Statements of Subsidiary Company will be made available to the members of the Company, seeking such information. The Audited Financial Statements of Subsidiary Company will be kept for inspection by any member at the Registered Office of the Company on all working days (10.00 a.m. to 3.30 p.m.) upto the date of the ensuing Annual General Meeting. These financial statements and Policy on Material Subsidiaries is placed on the Company's website [www.forcemotors.com](http://www.forcemotors.com).

### 14. Joint Venture

The Company has entered into Joint Venture Agreement with MTU Friedrichshafen GmbH, a Subsidiary Company of Rolls-Royce Power Systems AG, to form an Indian Joint Venture Company, for producing engines (for power generation and rail application) and complete power generation systems including associated spare parts - for both the Indian and the global markets. A Joint Venture Company named 'Force MTU Power Systems India Private Limited' has been incorporated on 7th August, 2018.

The Company plans to build a dedicated production facility, under this joint venture, at Chakan, Pune.

### 15. Risk Management

The Company has in place a comprehensive Risk Management framework - to identify, monitor, review and take all necessary steps towards mitigation of any risk elements which can impact the business health of the Company, on a periodic basis.

All the identified risks are managed through continuous review of business parameters by the Management, and the Board of Directors, are also informed of the risks and concerns.

### 16. Directors and Key Managerial Personnel

Mr. Vinay Kothari, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

All the necessary information pertaining to Mr. Vinay Kothari, Director retiring by rotation is a part of the Statement attached to the notice dated 26th July 2018.

#### Key Managerial Personnel

In accordance with the provisions of Section 203 of the Act, the following are the Key Managerial Personnel of the Company :

- Mr. Prasan Firodia, Managing Director
- Mr. Sanjay Kumar Bohra, Chief Financial Officer
- Mr. Kishore P. Shah, Company Secretary

### 17. Declaration of Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Act so as to qualify themselves to be continued as Independent Directors under the provisions of the Act and the relevant Rules.

### 18. Details of Significant and Material Orders Passed by the Regulators or Court or Tribunal

There were no significant and material orders passed by the

regulators or courts or tribunals impacting the going concern status and Company's operation in future for the year under report.

As reported earlier, petition challenging the decision of the Hon'ble High Court of Judicature at Bombay, in respect of change in the name of the Company is still under consideration of the Hon'ble Supreme Court of India.

### 19. Adequacy of Internal Financial Controls

M/s. Capri Assurance & Advisory Services, Chennai and M/s. Jugal S. Rathi, Chartered Accountants, Pune are the Internal Auditors of the Company. The internal financial controls are adequate with reference to the financial status, size and operations of the Company.

### 20. Fixed Deposits

The details of deposits accepted / renewed during the year under review are furnished hereunder :

| Sr. No. | Particulars                                                                                                                                                               | Nos. | Amount (₹ in Lakh) |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------|
| a)      | accepted or renewed during the year*                                                                                                                                      | 6    | 27.00              |
| b)      | remained unpaid or unclaimed as at the end of the year (31st March 2018)**                                                                                                | 15   | 12.55              |
| c)      | Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved. |      |                    |
|         | i) at the beginning of the year                                                                                                                                           | Nil  | Nil                |
|         | ii) maximum during the year                                                                                                                                               | Nil  | Nil                |
|         | iii) at the end of the year                                                                                                                                               | Nil  | Nil                |

\* The deposits which were accepted or renewed during the Financial Year 2017-18, were repaid during the same Financial Year.

\*\* Includes 5 nos., fixed deposits amounting to ₹ 60,000 which are matured, claimed but have been withheld on the instructions of Statutory Authorities (CBI) and will be paid upon their approval.

### 21. Corporate Social Responsibility (CSR)

The Annual Report on the CSR activities of the Company, pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed to this report.

### 22. Audit Committee

The Audit Committee of the Company consists of Mr. Pratap Pawar, Mr. Arun Sheth, Dr. Indira Parikh, Mr. Vinay Kothari and Mr. Sudhir Mehta. Of the above, the Independent Directors viz. Mr. Pratap Pawar, Mr. Arun Sheth and Dr. Indira Parikh form the majority.

The Company has established a vigil mechanism, formulated a Whistleblower Policy, and the Committee would oversee the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The mechanism provides direct access to the Chairman of the Audit Committee in exceptional cases. The details of the mechanism / policy are disclosed on the website of the Company [www.forcemotors.com](http://www.forcemotors.com).

**23. Policy on Directors Appointment and Criteria**

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Act is available on the website of the Company [www.forcemotors.com](http://www.forcemotors.com).

**24. Formal Annual Evaluation of the Performance of Board / Committees and Directors**

Information on the manner in which formal annual evaluation is made by the Board, of its own performance and the directors, is given in the Report on Corporate Governance.

**25. Corporate Governance**

The Company has taken all necessary steps to implement the provisions of the Regulations and a detailed report on the various matters, including the Auditors' Report on Corporate Governance, is attached to this Report.

**26. Business Responsibility Report**

As required under Regulation 34(2) of the SEBI Listing Regulations, 2015, the Company, has presented its Business Responsibility (BR for brevity) Report for the financial year 2017-18, which is part of this Annual Report.

**27. Details of Directors and Employees' Remuneration**

The information required pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and the Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company (Time : 10.00 a.m. to 3.30 p.m.) on working days up to the date of ensuing Annual General Meeting. If any member(s) is / are interested in obtaining a copy thereof, such member(s) may write to the Company Secretary in this regard.

**28. Disclosure on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company has adopted Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees, as defined under the said Act, are covered under this policy. Awareness programs were carried out against sexual harassment. There were no complaints received during the year under review.

**29. Details of Frauds Reported by Auditors**

There are no frauds against the Company reported by the Auditors for the period under report.

**30. Directors' Responsibility Statement**

The Directors of your Company to the best of their knowledge and belief, and according to the information and explanations obtained by them, make the following statements in terms of Section 134 (3) (c) of the Act :

- a) in the preparation of the Annual Financial Statements for the year ended 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) for the Financial Year ended 31st March 2018 such accounting policies as mentioned in the Notes to the Financial Statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the year ended 31st March 2018;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**31. Secretarial Standards of the ICSI**

The Company is in compliance with the Secretarial Standards on the Meetings of Board of Directors (SS-1) and General Meetings (SS-2), as issued and amended, by the Institute of Company Secretaries of India ('the ICSI').

**32. Statutory Auditor**

The Shareholders, at the 58th Annual General Meeting, appointed M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W/W100057), Pune, as the Statutory Auditors of the Company for a period of five years, i.e. upto the conclusion of 63rd Annual General Meeting, subject to ratification by the members at each intervening Annual General Meeting.

In view of the amendment to Section 139 through the Companies (Amendment) Act, 2017 notified on 7th May 2018, ratification of auditors' appointment is no longer required. However, as required under Section 142 of the Companies Act, 2013, a proposal is put up for approval of members for authorising the Board of Directors of the Company to fix Auditors' remuneration for the Financial Year 2018-19 and thereafter. The members are requested to approve the same.

**33. Cost Accountant**

The Board of Directors of the Company has appointed M/s. Joshi Apte & Associates, Cost Accountants, Pune, for verification and review of the Cost Records of the Company, for the Financial Year 2018-19. You are requested to ratify the remuneration to be paid to them.

**34. Secretarial Audit Report**

Mr. I. U. Thakur, Company Secretary in Practice having Membership No. FCS 2298, was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2017-18, as required under Section 204 of the Act and Rules made there under. The Secretarial Audit Report, in Form MR-3, for the Financial Year 2017-18 is annexed to this report.

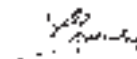
**35. Industrial Relations**

The industrial relations at all the Plants of the Company have been cordial during the year.

**36. Appreciation**

The Directors express their gratitude to the Dealers, Suppliers and Banks for their support, and express their warm appreciation of the sincere co-operation and dedicated work by the employees of the Company.

For and on behalf of the Board of Directors  
**Force Motors Limited**



**Abhaykumar Firodia**  
Chairman  
DIN: 00025179

Pithampur, 26th July 2018

**Registered Office :**

Mumbai-Pune Road, Akurdi, Pune - 411 035.

CIN: L34102PN1958PLC011172

Website: [www.forcemotors.com](http://www.forcemotors.com)

Phone: (Board) +91 20 2747 6381

E-mail: [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com)

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the Financial Year ended on 31st March 2018.**

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

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN : L34102PN1958PLC011172
- ii) Registration Date : 8th September 1958
- iii) Name of the Company : Force Motors Limited
- iv) Category / Sub-Category of the Company : Public Company Limited by Shares
- v) Address of the Registered Office and contact details : Mumbai-Pune Road, Akurdi, Pune - 411 035, Phone no. +91 20 27476381
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :  
Link Intime India Private Limited, Block no.202, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411 001.  
Phone no. +91 20 26160084 / 26161629.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company :

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / Service |       |       |           | % to Total turnover of the Company |
|---------|--------------------------------------------------|-----------------------------------|-------|-------|-----------|------------------------------------|
|         |                                                  | Division                          | Group | Class | Sub Class |                                    |
| 1)      | Light Commercial Vehicles & Utility Vehicles     | 29                                | 291   | 2910  | 29102     | 53.75                              |
| 2)      | Engines                                          | 29                                | 291   | 2910  | 29104     | 31.61                              |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sl. No. | Name and Address of the Company                                                    | CIN / GLN             | Holding / Subsidiary / Associate | % of Shares held | Applicable Section |
|---------|------------------------------------------------------------------------------------|-----------------------|----------------------------------|------------------|--------------------|
| 1)      | Jaya Hind Investments Private Limited<br>Mumbai-Pune Road, Akurdi, Pune - 411 035. | U67200PN1981PTC023979 | Holding                          | 56.86            | 2(46)              |
| 2)      | Tempo Finance (West) Private Limited<br>Mumbai-Pune Road, Akurdi, Pune - 411 035.  | U65910PN1991PTC062179 | Subsidiary                       | 66.43            | 2(87)              |

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Shareholding**

| Category of Shareholders |                           | No. of Shares held at the beginning of the year (01.04.2017) |          |                |                   | No. of Shares held at the end of the year (31.03.2018) |          |                |                   | % Change during the year |
|--------------------------|---------------------------|--------------------------------------------------------------|----------|----------------|-------------------|--------------------------------------------------------|----------|----------------|-------------------|--------------------------|
|                          |                           | Demat                                                        | Physical | Total          | % of Total Shares | Demat                                                  | Physical | Total          | % of Total Shares |                          |
| <b>A.</b>                | <b>Promoters</b>          |                                                              |          |                |                   |                                                        |          |                |                   |                          |
| <b>(1)</b>               | <b>Indian</b>             |                                                              |          |                |                   |                                                        |          |                |                   |                          |
| a)                       | Individual / HUF          | 485114                                                       | 0        | 485114         | 3.68              | 485114                                                 | 0        | 485114         | 3.68              | 0.00                     |
| b)                       | Central Govt.             | 0                                                            | 0        | 0              | 0                 | 0                                                      | 0        | 0              | 0                 | 0.00                     |
| c)                       | State Govt(s)             | 0                                                            | 0        | 0              | 0                 | 0                                                      | 0        | 0              | 0                 | 0.00                     |
| d)                       | Bodies Corp.              | 7559928                                                      | 0        | 7559928        | 57.38             | 7559928                                                | 0        | 7559928        | 57.38             | 0.00                     |
| e)                       | Banks / FI                | 0                                                            | 0        | 0              | 0                 | 0                                                      | 0        | 0              | 0                 | 0.00                     |
| f)                       | Any Other                 | 0                                                            | 0        | 0              | 0                 | 0                                                      | 0        | 0              | 0                 | 0.00                     |
|                          | <b>Sub-total (A)(1):-</b> | <b>8045042</b>                                               | <b>0</b> | <b>8045042</b> | <b>61.06</b>      | <b>8045042</b>                                         | <b>0</b> | <b>8045042</b> | <b>61.06</b>      | <b>0.00</b>              |
| <b>(2)</b>               | <b>Foreign</b>            |                                                              |          |                |                   |                                                        |          |                |                   |                          |
| a)                       | NRIs - Individuals        | 0                                                            | 0        | 0              | 0                 | 0                                                      | 0        | 0              | 0                 | 0.00                     |
| b)                       | Other – Individuals       | 0                                                            | 0        | 0              | 0                 | 0                                                      | 0        | 0              | 0                 | 0.00                     |

| Category of Shareholders |                                                                            | No. of Shares held at the beginning of the year (01.04.2017) |               |                 |                   | No. of Shares held at the end of the year (31.03.2018) |               |                 |                   | % Change during the year |
|--------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|---------------|-----------------|-------------------|--------------------------------------------------------|---------------|-----------------|-------------------|--------------------------|
|                          |                                                                            | Demat                                                        | Physical      | Total           | % of Total Shares | Demat                                                  | Physical      | Total           | % of Total Shares |                          |
| c)                       | Bodies Corp.                                                               | 0                                                            | 0             | 0               | 0                 | 0                                                      | 0             | 0               | 0                 | 0.00                     |
| d)                       | Banks / FI                                                                 | 0                                                            | 0             | 0               | 0                 | 0                                                      | 0             | 0               | 0                 | 0.00                     |
| e)                       | Any Other                                                                  | 0                                                            | 0             | 0               | 0                 | 0                                                      | 0             | 0               | 0                 | 0.00                     |
|                          | <b>Sub-total (A)(2):-</b>                                                  | <b>0</b>                                                     | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0</b>                                               | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0.00</b>              |
|                          | <b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>                | <b>8045042</b>                                               | <b>0</b>      | <b>8045042</b>  | <b>61.06</b>      | <b>8045042</b>                                         | <b>0</b>      | <b>8045042</b>  | <b>61.06</b>      | <b>0.00</b>              |
| <b>B.</b>                | <b>Public Shareholding</b>                                                 |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| <b>(1)</b>               | <b>Institutions</b>                                                        |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| a)                       | Mutual Funds                                                               | 324970                                                       | 0             | 324970          | 2.47              | 395909                                                 | 0             | 395909          | 3.00              | 0.54                     |
| b)                       | Banks / FI                                                                 | 900                                                          | 2254          | 3154            | 0.02              | 40392                                                  | 1100          | 41492           | 0.31              | 0.29                     |
| c)                       | Central Govt                                                               | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| d)                       | State Govt(s)                                                              | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| e)                       | Venture Capital Funds                                                      | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| f)                       | Insurance Companies                                                        | 20055                                                        | 0             | 20055           | 0.15              | 20055                                                  | 0             | 20055           | 0.15              | 0.00                     |
| g)                       | FIs / FPIs                                                                 | 760408                                                       | 300           | 760708          | 5.77              | 713022                                                 | 0             | 713022          | 5.41              | -0.36                    |
| h)                       | Foreign Venture Capital Funds                                              | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| i)                       | Others                                                                     | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
|                          | <b>Sub-total (B) (1):-</b>                                                 | <b>1106333</b>                                               | <b>2554</b>   | <b>1108887</b>  | <b>8.42</b>       | <b>1169378</b>                                         | <b>1100</b>   | <b>1170478</b>  | <b>8.88</b>       | <b>0.47</b>              |
| <b>(2)</b>               | <b>Non-Institutions</b>                                                    |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| a)                       | Bodies Corp.                                                               |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| i)                       | Indian                                                                     | 313610                                                       | 11987         | 325597          | 2.47              | 269456                                                 | 10841         | 280297          | 2.13              | -0.34                    |
| ii)                      | Overseas                                                                   | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
|                          | Individuals                                                                |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| i)                       | Individual shareholders holding nominal share capital upto ₹1 lakh         | 2397815                                                      | 413202        | 2811017         | 21.33             | 2614069                                                | 352086        | 2966155         | 22.51             | 1.18                     |
| ii)                      | Individual shareholders holding nominal share capital in excess of ₹1 lakh | 450747                                                       | 0             | 450747          | 3.42              | 240676                                                 | 0             | 240676          | 1.83              | -1.59                    |
| c)                       | Others                                                                     |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
|                          | IEPF                                                                       | 0                                                            | 0             | 0               | 0.00              | 41829                                                  | 0             | 41829           | 0.32              | 0.32                     |
|                          | Trusts                                                                     | 9247                                                         | 0             | 9247            | 0.07              | 3347                                                   | 0             | 3347            | 0.03              | -0.04                    |
|                          | Hindu Undivided Family                                                     | 147757                                                       | 0             | 147757          | 1.12              | 145321                                                 | 0             | 145321          | 1.10              | -0.02                    |
|                          | Non Resident Indians (Non Repat)                                           | 21498                                                        | 0             | 21498           | 0.16              | 28935                                                  | 0             | 28935           | 0.22              | 0.06                     |
|                          | Other Directors & REL                                                      | 105406                                                       |               | 105406          | 0.80              | 105406                                                 | 0             | 105406          | 0.80              | 0.00                     |
|                          | Non Resident Indians (Repat)                                               | 48122                                                        | 17575         | 65697           | 0.50              | 60541                                                  | 16700         | 77241           | 0.59              | 0.09                     |
|                          | Unclaimed Shares                                                           | 2612                                                         | 0             | 2612            | 0.02              | 461                                                    | 0             | 461             | 0.00              | -0.02                    |
|                          | Clearing Member                                                            | 82755                                                        | 0             | 82755           | 0.63              | 71074                                                  | 0             | 71074           | 0.54              | -0.09                    |
|                          | <b>Sub-total (B) (2):-</b>                                                 | <b>3579569</b>                                               | <b>442764</b> | <b>4022333</b>  | <b>30.53</b>      | <b>3581115</b>                                         | <b>379627</b> | <b>3960742</b>  | <b>30.06</b>      | <b>-0.47</b>             |
|                          | <b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>                     | <b>4685902</b>                                               | <b>445318</b> | <b>5131220</b>  | <b>38.94</b>      | <b>4750493</b>                                         | <b>380727</b> | <b>5131220</b>  | <b>38.94</b>      | <b>0.00</b>              |
| <b>C.</b>                | <b>Shares held by Custodian for GDRs &amp; ADRs</b>                        | <b>0</b>                                                     | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0</b>                                               | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0.00</b>              |
|                          | <b>Grand Total (A + B + C)</b>                                             | <b>12730944</b>                                              | <b>445318</b> | <b>13176262</b> | <b>100.00</b>     | <b>12795535</b>                                        | <b>380727</b> | <b>13176262</b> | <b>100.00</b>     | <b>0.00</b>              |

## (ii) Shareholding of Promoters :

| Sl. No. | Shareholder's Name                    | Shareholding at the beginning of the year (01.04.2017) |                                  |                                                  | Shareholding at the end of the year (31.03.2018) |                                  |                                                  | % change in shareholding during the year |
|---------|---------------------------------------|--------------------------------------------------------|----------------------------------|--------------------------------------------------|--------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|         |                                       | No. of Shares                                          | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares                                    | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares |                                          |
| 1)      | Jaya Hind Investments Private Limited | 7492244                                                | 56.86                            | 0                                                | 7492244                                          | 56.86                            | 0                                                | 0.00                                     |
| 2.      | Jaya Hind Industries Limited          | 10909                                                  | 0.08                             | 0                                                | 10909                                            | 0.08                             | 0                                                | 0.00                                     |
|         | <b>Total</b>                          | <b>7503153</b>                                         | <b>56.94</b>                     | <b>0</b>                                         | <b>7503153</b>                                   | <b>56.94</b>                     | <b>0</b>                                         | <b>0.00</b>                              |



**(iii) Change in Promoters' Shareholding ( please specify, if there is no change ) :**

| Sl. No. | Name of the Promoters                                                                                               | Shareholding at the beginning of the year (01.04.2017) |                                  | Cumulative Shareholding during the year |                                  |
|---------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                                                                     | No. of Shares                                          | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1.      | <b>JAYA HIND INVESTMENTS PRIVATE LIMITED</b><br>At the beginning of the year<br>At the end of the year (31.03.2018) | 7492244                                                | 56.86                            | 7492244                                 | 56.86                            |
| 2.      | <b>JAYA HIND INDUSTRIES LIMITED</b><br>At the beginning of the year<br>At the end of the year (31.03.2018)          | 10909                                                  | 0.08                             | 10909                                   | 0.08                             |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | For each of the top 10 Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Shareholding at the beginning of the year (01.04.2017)                                                                                                                                                   |                                                                                                                                                                                                     | Cumulative Shareholding during the year                                                                                                                                                                                                |                                                                                                                                                                                          |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | No. of Shares                                                                                                                                                                                            | % of total shares of the Company                                                                                                                                                                    | No. of Shares                                                                                                                                                                                                                          | % of total shares of the Company                                                                                                                                                         |
| 1.      | <b>National Westminster Bank PLC as trustee of the Jupiter India Fund</b><br><b>At the beginning of the year –</b><br>Purchase of shares as per report dated 07.04.2017<br>Purchase of shares as per report dated 30.06.2017<br>Purchase of shares as per report dated 09.02.2018<br><b>At the end of the year (or on the date of separation, if separated during the year)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>378844</b><br>5542<br>23294<br>3660                                                                                                                                                                   | <b>2.88</b><br>0.04<br>0.18<br>0.03                                                                                                                                                                 | <br>384386<br>407680<br>411340                                                                                                                                                                                                         | <br>2.92<br>3.09<br>3.12                                                                                                                                                                 |
| 2       | <b>Sundaram Mutual Fund A/C Sundaram Select Midcap</b><br><b>At the beginning of the year –</b><br>Purchase of shares as per report dated 07.04.2017<br>Purchase of shares as per report dated 28.04.2017<br>Purchase of shares as per report dated 02.06.2017<br>Purchase of shares as per report dated 23.06.2017<br>Purchase of shares as per report dated 30.06.2017<br>Purchase of shares as per report dated 14.07.2017<br>Purchase of shares as per report dated 21.07.2017<br>Purchase of shares as per report dated 11.08.2017<br>Purchase of shares as per report dated 01.09.2017<br>Purchase of shares as per report dated 08.09.2017<br>Purchase of shares as per report dated 15.09.2017<br>Purchase of shares as per report dated 29.09.2017<br>Purchase of shares as per report dated 20.10.2017<br>Purchase of shares as per report dated 27.10.2017<br>Purchase of shares as per report dated 24.11.2017<br>Purchase of shares as per report dated 01.12.2017<br>Purchase of shares as per report dated 08.12.2017<br>Purchase of shares as per report dated 22.12.2017<br>Purchase of shares as per report dated 29.12.2017<br>Purchase of shares as per report dated 05.01.2018<br>Purchase of shares as per report dated 12.01.2018<br>Purchase of shares as per report dated 09.02.2018<br>Purchase of shares as per report dated 23.03.2018<br><b>At the end of the year (or on the date of separation, if separated during the year)</b> | <b>113944</b><br>2156<br>5000<br>5243<br>1871<br>13042<br>233<br>1487<br>455<br>10939<br>10000<br>14193<br>1258<br>15000<br>500<br>855<br>939<br>7413<br>35676<br>41792<br>29763<br>2246<br>1310<br>8309 | <b>0.86</b><br>0.02<br>0.04<br>0.04<br>0.01<br>0.10<br>0.00<br>0.01<br>0.00<br>0.08<br>0.08<br>0.11<br>0.01<br>0.11<br>0.00<br>0.01<br>0.01<br>0.06<br>0.27<br>0.32<br>0.23<br>0.02<br>0.01<br>0.06 | <br>116100<br>121100<br>126343<br>128214<br>141256<br>141489<br>142976<br>143431<br>154370<br>164370<br>178563<br>179821<br>194821<br>195321<br>196176<br>197115<br>204528<br>240204<br>281996<br>311759<br>314005<br>315315<br>323624 | <br>0.88<br>0.92<br>0.96<br>0.97<br>1.07<br>1.07<br>1.09<br>1.09<br>1.17<br>1.25<br>1.36<br>1.36<br>1.48<br>1.48<br>1.49<br>1.50<br>1.55<br>1.82<br>2.14<br>2.37<br>2.38<br>2.39<br>2.46 |

| Sl. No. | For each of the Top 10 Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Shareholding at the beginning of the year (01.04.2017)                                                                                                      |                                                                                                                                                           | Cumulative Shareholding during the year                                                                                                                   |                                                                                                                                          |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | No. of Shares                                                                                                                                               | % of total shares of the Company                                                                                                                          | No. of Shares                                                                                                                                             | % of total shares of the Company                                                                                                         |
| 3       | <b>Jupiter South Asia Investment Company Limited - South Asia Access Fund</b><br><b>At the beginning of the year –</b><br>Sale of shares as per report dated 23.06.2017<br>Sale of shares as per report dated 05.01.2018<br>Sale of shares as per report dated 09.02.2018<br><b>At the end of the year (or on the date of separation, if separated during the year)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>123615</b><br>-12643<br>-2945<br>-1239                                                                                                                   | <b>0.94</b><br>-0.10<br>-0.02<br>-0.01                                                                                                                    | <br>110972<br>108027<br>106788                                                                                                                            | <br>0.84<br>0.82<br>0.81                                                                                                                 |
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                           | <b>106788</b>                                                                                                                                             | <b>0.81</b>                                                                                                                              |
| 4       | <b>Canara Robeco Mutual Fund Account Canara Robeco Emerging Equities</b><br><b>At the beginning of the year –</b><br>Sale of shares as per report dated 07.04.2017<br>Purchase of shares as per report dated 21.04.2017<br>Purchase of shares as per report dated 28.04.2017<br>Sale of shares as per report dated 19.05.2017<br>Sale of shares as per report dated 26.05.2017<br>Purchase of shares as per report dated 30.06.2017<br>Purchase of shares as per report dated 28.07.2017<br>Sale of shares as per report dated 06.10.2017<br>Sale of shares as per report dated 13.10.2017<br>Sale of shares as per report dated 03.11.2017<br>Sale of shares as per report dated 10.11.2017<br>Sale of shares as per report dated 24.11.2017<br>Sale of shares as per report dated 12.01.2018<br>Sale of shares as per report dated 12.01.2018<br>Sale of shares as per report dated 26.01.2018<br>Sale of shares as per report dated 02.02.2018<br>Sale of shares as per report dated 09.02.2018<br><b>At the end of the year (or on the date of separation, if separated during the year)</b> | <b>90061</b><br>-1550<br>1000<br>2000<br>-1250<br>-600<br>1000<br>1500<br>-7799<br>-12812<br>-502<br>-1223<br>-525<br>-300<br>-1000<br>-100<br>-120<br>-480 | <b>0.68</b><br>-0.01<br>0.01<br>0.02<br>-0.01<br>0.00<br>0.01<br>0.01<br>-0.06<br>-0.10<br>0.00<br>-0.01<br>0.00<br>0.00<br>-0.01<br>0.00<br>0.00<br>0.00 | <br>88511<br>89511<br>91511<br>90261<br>89661<br>90661<br>92161<br>84362<br>71550<br>71048<br>69825<br>69300<br>69000<br>68000<br>67900<br>67780<br>67300 | <br>0.67<br>0.68<br>0.69<br>0.69<br>0.68<br>0.69<br>0.70<br>0.64<br>0.54<br>0.54<br>0.53<br>0.53<br>0.52<br>0.52<br>0.52<br>0.51<br>0.51 |
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                           | <b>67300</b>                                                                                                                                              | <b>0.51</b>                                                                                                                              |
| 5       | <b>Indira Abhaykumar Firodia</b><br><b>At the beginning of the year –</b><br><b>At the end of the year (or on the date of separation, if separated during the year)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>64396</b>                                                                                                                                                | <b>0.49</b>                                                                                                                                               | <br><b>64396</b>                                                                                                                                          | <br><b>0.49</b>                                                                                                                          |
| 6       | <b>Sushma Dhoot</b><br><b>At the beginning of the year –</b><br><b>At the end of the year (or on the date of separation, if separated during the year)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>47800</b>                                                                                                                                                | <b>0.36</b>                                                                                                                                               | <br><b>47800</b>                                                                                                                                          | <br><b>0.36</b>                                                                                                                          |
| 7       | <b>Sundaram India Midcap Fund</b><br><b>At the beginning of the year –</b><br>Purchase of shares as per report dated 14.04.2017<br>Purchase of shares as per report dated 19.05.2017<br>Purchase of shares as per report dated 09.06.2017<br>Purchase of shares as per report dated 21.07.2017<br>Purchase of shares as per report dated 28.07.2017<br>Purchase of shares as per report dated 24.11.2017<br>Purchase of shares as per report dated 15.12.2017<br><b>At the end of the year (or on the date of separation, if separated during the year)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>12950</b><br>4050<br>4000<br>4900<br>4400<br>5700<br>4000<br>7000                                                                                        | <b>0.10</b><br>0.03<br>0.03<br>0.04<br>0.03<br>0.04<br>0.03<br>0.05                                                                                       | <br>17000<br>21000<br>25900<br>30300<br>36000<br>40000<br>47000                                                                                           | <br>0.13<br>0.16<br>0.20<br>0.23<br>0.27<br>0.30<br>0.36                                                                                 |
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                           | <b>47000</b>                                                                                                                                              | <b>0.36</b>                                                                                                                              |

| Sl. No. | For each of the Top 10 Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Shareholding at the beginning of the year (01.04.2017)             |                                                                       | Cumulative Shareholding during the year                              |                                                                             |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | No. of Shares                                                      | % of total shares of the Company                                      | No. of Shares                                                        | % of total shares of the Company                                            |
| 8       | <b>Investor Education and Protection Fund Authority<br/>Ministry of Corporate Affairs</b><br>At the beginning of the year –<br>Purchase of shares as per report dated 26.01.2018<br>At the end of the year (or on the date of separation, if separated during the year)                                                                                                                                                                                                                                                                                                                 | 0<br>41829                                                         | 0.00<br>0.32                                                          | 41829<br><b>41829</b>                                                | 0.32<br><b>0.32</b>                                                         |
| 9       | <b>Union Bank of India</b><br>At the beginning of the year –<br>Purchase of shares as per report dated 11.08.2017<br>Purchase of shares as per report dated 18.08.2017<br>Purchase of shares as per report dated 25.08.2017<br>Purchase of shares as per report dated 01.09.2017<br>Sale of shares as per report dated 15.09.2017<br>Purchase of shares as per report dated 29.09.2017<br>Purchase of shares as per report dated 13.10.2017<br>Purchase of shares as per report dated 20.10.2017<br>At the end of the year (or on the date of separation, if separated during the year) | 0<br>15590<br>6026<br>6860<br>9012<br>-4750<br>3801<br>830<br>2000 | 0.00<br>0.12<br>0.05<br>0.05<br>0.07<br>-0.04<br>0.03<br>0.01<br>0.02 | 15590<br>21616<br>28476<br>37488<br>32738<br>36539<br>37369<br>39369 | 0.12<br>0.16<br>0.22<br>0.28<br>0.25<br>0.28<br>0.28<br>0.30<br><b>0.30</b> |
| 10      | <b>Kamala Bansilal Bhandari</b><br>At the beginning of the year –<br>At the end of the year (or on the date of separation, if separated during the year)                                                                                                                                                                                                                                                                                                                                                                                                                                | 37250                                                              | 0.28                                                                  | 37250                                                                | 0.28                                                                        |

(v) **Shareholding of Directors and Key Managerial Personnel :**

| Sr. No. | For Each of the Directors and KMP                                                                      | Shareholding at the beginning of the year (01.04.2017) |                                  | Cumulative Shareholding during the year |                                  |
|---------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                                                        | No. of Shares                                          | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1.      | <b>Mr. Abhaykumar Firodia, Chairman</b><br>At the beginning of the year<br>At the end of the year      | 264351                                                 | 2.01                             | 264351                                  | 2.01                             |
| 2.      | <b>Mr. Prasan Firodia, Managing Director</b><br>At the beginning of the year<br>At the end of the year | 220763                                                 | 1.68                             | 220763                                  | 1.68                             |
| 3.      | <b>Mr. Vinay Kothari</b><br>At the beginning of the year<br>At the end of the year                     | 101                                                    | 0                                | 101                                     | 0.00                             |

**Note :** Other than the above, no Directors and the Key Managerial Personnel hold any shares in the Company.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest accrued but not due for payment :

|                                                            | Secured Loans excluding deposits | Unsecured Loans (in ₹) | Deposits (in ₹)      | Total Indebtedness (in ₹) |
|------------------------------------------------------------|----------------------------------|------------------------|----------------------|---------------------------|
| <b>Indebtedness at the beginning of the Financial Year</b> |                                  |                        |                      |                           |
| (i) Principal Amount *                                     | Nil                              | 196,47,26,020          | 3,53,85,000          | 200,01,11,020             |
| (ii) Interest due but not paid                             | Nil                              | Nil                    | Nil                  | Nil                       |
| (iii) Interest accrued but not due                         | Nil                              | Nil                    | 18,77,654            | 18,77,654                 |
| <b>Total (i+ii+iii)</b>                                    |                                  | <b>196,47,26,020</b>   | <b>3,72,62,654</b>   | <b>200,19,88,674</b>      |
| <b>Change in Indebtedness during the Financial Year</b>    |                                  |                        |                      |                           |
| • Addition                                                 | Nil                              | Nil                    | Nil                  | Nil                       |
| • Reduction                                                | Nil                              | 196,47,26,020          | 3,53,85,000          | 200,01,11,020             |
| <b>Net Change</b>                                          | <b>Nil</b>                       | <b>(196,47,26,020)</b> | <b>(3,53,85,000)</b> | <b>(200,01,11,020)</b>    |
| <b>Indebtedness at the end of the Financial Year</b>       |                                  |                        |                      |                           |
| (i) Principal Amount *                                     | Nil                              | Nil                    | Nil                  | Nil                       |
| (ii) Interest due but not paid                             | Nil                              | Nil                    | Nil                  | Nil                       |
| (iii) Interest accrued but not due                         | Nil                              | Nil                    | 25,051               | 25,051                    |
| <b>Total (i+ii+iii)</b>                                    |                                  |                        | <b>25,051</b>        | <b>25,051</b>             |

\* Excludes deposits matured but not claimed of ₹ 12,55,000

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager :**

| Sl. No.                                                                             | Particulars of Remuneration | Name of MD / WTD / Manager |                         | Total Amount (in ₹) |
|-------------------------------------------------------------------------------------|-----------------------------|----------------------------|-------------------------|---------------------|
|                                                                                     |                             | Mr. Prasan Firodia         | Mr. Prashant V. Inamdar |                     |
|                                                                                     |                             | (in ₹)                     | (in ₹)                  |                     |
| <b>1. Gross Salary</b>                                                              |                             |                            |                         |                     |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                             | 1,20,00,000                | 1,18,75,027             | 2,38,75,027         |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                             | 39,600                     | 1,09,200                | 1,48,800            |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                             | 16,50,000                  | 2,12,580                | 18,62,580           |
| 2. Stock Option                                                                     |                             | --                         | --                      | --                  |
| 3. Sweat Equity                                                                     |                             | --                         | --                      | --                  |
| 4. Commission                                                                       |                             |                            |                         |                     |
| • as% of profit                                                                     |                             | --                         | --                      | --                  |
| • others, specify...                                                                |                             | --                         | --                      | --                  |
| <b>5. Others - Employee contribution to PF and other funds</b>                      |                             | 37,22,913                  | 13,95,689               | 51,18,602           |
| <b>Total (A)</b>                                                                    |                             | <b>1,74,12,513</b>         | <b>1,35,92,496</b>      | <b>3,10,05,009</b>  |
| <b>Ceiling as per the Act</b>                                                       |                             |                            |                         | <b>20,74,38,950</b> |

**B. Remuneration to other Directors :**

| Sl. No.                                  | Names | Particulars of Remuneration (in ₹)             |            |          | Total Amount (in ₹) |
|------------------------------------------|-------|------------------------------------------------|------------|----------|---------------------|
|                                          |       | Fee for attending Board and Committee Meetings | Commission | Others   |                     |
| <b>(1) Independent Directors</b>         |       |                                                |            |          |                     |
| i. Mr. Arun Sheth                        |       | 5,50,000                                       | -          | -        | 5,50,000            |
| ii. Mr. Nitin Desai                      |       | 2,50,000                                       | -          | -        | 2,50,000            |
| iii. Mr. Pratap Pawar                    |       | 2,50,000                                       | -          | -        | 2,50,000            |
| iv. Mr. S. Padmanabhan                   |       | 4,50,000                                       | -          | -        | 4,50,000            |
| v. Dr. Indira Parikh                     |       | 5,50,000                                       | -          | -        | 5,50,000            |
| vi. Mr. Arvind Mahajan                   |       | 3,50,000                                       | -          | -        | 3,50,000            |
| vii. Mr. Yeshwant Deosthalee             |       | 2,00,000                                       | -          | -        | 2,00,000            |
| <b>Total (1)</b>                         |       | <b>26,00,000</b>                               | <b>-</b>   | <b>-</b> | <b>26,00,000</b>    |
| <b>(2) Other Non-Executive Directors</b> |       |                                                |            |          |                     |
| i. Mr. Sudhir Mehta                      |       | 4,50,000                                       | -          | -        | 4,50,000            |
| ii. Mr. Vinay Kothari                    |       | 5,00,000                                       | -          | -        | 5,00,000            |
| <b>Total (2)</b>                         |       | <b>9,50,000</b>                                | <b>-</b>   | <b>-</b> | <b>9,50,000</b>     |
| <b>Total (B) = (1+2)</b>                 |       | <b>35,50,000</b>                               | <b>-</b>   | <b>-</b> | <b>35,50,000</b>    |
| <b>Total Managerial Remuneration</b>     |       |                                                |            |          | <b>35,50,000</b>    |
| Overall Ceiling as per the Act           |       | Not Applicable as only sitting fees is paid    |            |          |                     |

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

| Sl. No.                                                        | Particulars of Remuneration                                                     | Key Managerial Personnel    |                                        |                    |
|----------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------|----------------------------------------|--------------------|
|                                                                |                                                                                 | Mr. Sanjay Kumar Bohra, CFO | Mr. Kishore P. Shah, Company Secretary | Total              |
|                                                                |                                                                                 | (in ₹)                      | (in ₹)                                 | (in ₹)             |
| <b>1. Gross salary</b>                                         |                                                                                 |                             |                                        |                    |
| (a)                                                            | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,33,16,546                 | 14,62,548                              | 1,47,79,094        |
| (b)                                                            | Value of perquisites u/s 17(2) of the Income-tax Act, 1961                      | 65,242                      | 15,000                                 | 82,242             |
| (c)                                                            | Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961       | 3,56,479                    | --                                     | 3,56,479           |
| <b>2. Stock Option</b>                                         |                                                                                 | --                          | --                                     | --                 |
| <b>3. Sweat Equity</b>                                         |                                                                                 | --                          | --                                     | --                 |
| <b>4. Commission</b>                                           |                                                                                 |                             |                                        |                    |
| •                                                              | as% of profit                                                                   | --                          | --                                     | --                 |
| •                                                              | others, specify...                                                              | --                          | --                                     | --                 |
| <b>5. Others - Employee contribution to PF and other funds</b> |                                                                                 | 8,32,688                    | 1,41,741                               | 9,74,429           |
| <b>Total</b>                                                   |                                                                                 | <b>1,45,70,955</b>          | <b>16,19,289</b>                       | <b>1,61,90,244</b> |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

| Type                                                                        | Section of the Companies Act, 1956 / Companies Act, 2013 | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|-----------------------------------------------------------------------------|----------------------------------------------------------|-------------------|------------------------------------------------------------|-------------------------------|------------------------------------|
| <b>A. COMPANY</b><br>Penalty<br>Punishment<br>Compounding                   |                                                          |                   | NIL                                                        |                               |                                    |
| <b>B. DIRECTORS</b><br>Penalty<br>Punishment<br>Compounding                 |                                                          |                   |                                                            |                               |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b><br>Penalty<br>Punishment<br>Compounding |                                                          |                   |                                                            |                               |                                    |



Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st March 2018**

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

To,  
The Members,  
**FORCE MOTORS LIMITED**  
Pune

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FORCE MOTORS LIMITED** (CIN:L34102PN1958PLC011172) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **FORCE MOTORS LIMITED** books, papers, minutes 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2018 complied with the statutory provisions 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:

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited (BSE)
- (vii) On the basis of the information provided by the Company; the following Acts, Rules & Regulations are also complied, to the extent applicable:
  - (a) The Motor Vehicles Act, 1988
  - (b) The Air (Prevention and Control of Pollution) Act, 1981 & The Air (Prevention and Control of Pollution) Rules 1982.
  - (c) The Water (Prevention and Control of Pollution) Act, 1974 & The Water (Prevention and Control of Pollution) Rules 1975.
  - (d) The Environment (Protection) Act, 1986 read with The Environment (Protection) Rules, 1986.
  - (e) The Factories Act, 1948 and The Maharashtra Factories Rules, 1963
  - (f) The Minimum Wages Act, 1948
  - (g) The Contract Labour (Regulation and Abolition) Act, 1970
  - (h) The Employees Provident Fund and Miscellaneous Provisions Act, 1956 and the schemes made thereunder-maintained electronically
  - (i) The Payment of Bonus Act, 1965
  - (j) The Payment of Gratuity Act, 1972

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**I further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Yeshwant M Deosthalee has been appointed as an Independent Director for a period of 5 years in the Annual General Meeting dated 13th September 2017. Mr. Pratap Pawar, Mr.S. Padmanabhan, Mr. Nitin Desai, Dr Indira Parikh & Mr. Arun Sheth have been reappointed as Independent Directors for a period of 5 years in the Annual General Meeting dated 13th September 2017.

Adequate notices are given to all directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days 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 decisions are carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report 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.

I further report that during the audit period no event has occurred during the year which has a major bearing on the Company's affairs.

I further report that during the audit period the Company entered into agreement with MTU Freidrichshafen GmbH, a subsidiary of Rolls Royce Power Systems AG Germany (MTU) in respect of the proposed joint venture for producing engines (for power generation and rail application) and complete power generation systems including associated spare parts for Indian and global markets.

Place : Pune

Date : 18th July 2018

Signature

Name of Company Secretary in practice : I U Thakur

FCS: 2298 C.P. No.: 1402

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To,

The Members

Force Motors Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company.
4. Wherever required, I 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, regulations, standards is the responsibility of management. My 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.

Place : Pune

Date : 18th July 2018

**I. U. THAKUR**

Practising Company Secretary

FCS - 2298 C.P.No. - 1402

## ANNUAL REPORT ON CSR ACTIVITIES 2017-18

**1. Outline of the CSR policy :**

- The Corporate Social Responsibility (CSR) Policy of the Company covers the causes that Company may pursue as its CSR.
- Based on the profit for each financial year, the Chief Financial Officer shall indicate the amount to be spent during the year.
- The procedure for approval of the project(s), investment/ incurring costs and monitoring is also laid down in the policy.
- The activity recommended by the CSR Committee is to pursue the project of establishing modern, multispecialty hospital at Akurdi, Pune 411 035, area in the locality of Company's factory & Registered Office.
- The said CSR Policy and the activity to be pursued by the Company are placed on the website of the Company at [http://www.forcemotors.com/page/index/shareholders\\_information](http://www.forcemotors.com/page/index/shareholders_information).

**2. The Committee consists of the following Directors as members :**

- Mr. S. Padmanabhan, Chairman
- Mr. Nitin Desai
- Mr. Sudhir Mehta

**3. Average net profit of the Company for previous three financial years : ₹ 20,258 Lakh.****4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) : ₹ 406 Lakh.****5. Details of CSR spent during the financial year :**

- Total amount spent for the Financial Year : ₹ 410 Lakh.
- Amount unspent, if any: Nil.
- Manner in which the amount spent during the Financial Year is detailed below :

| Sr. No. | CSR Project or Activity identified                                                                                             | Sector in which the Project is covered                                             | Projects or programs (1) local area or other (2) Specify the State and District where project or Program was undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency                 |
|---------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------|
| 1.      | Project of establishing modern, sophisticated hospital                                                                         | "Promoting Health Care including Preventive Health Care" Schedule VII Sr. No. (I)  | Akurdi, Pune, Maharashtra - 411 035.                                                                                    | ₹ 381 Lakh                                     | ₹ 381 Lakh                                                                                                     | ₹ 860 Lakh                                        | Directly*                                                          |
| 2.      | To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Health care | "Promoting Health Care including Preventive Health Care". Schedule VII Sr. No. (I) | Pune, Maharashtra - 411 001.                                                                                            | Nil                                            | Nil                                                                                                            | ₹ 16 Lakh                                         | Ruby Hall Clinic                                                   |
|         |                                                                                                                                |                                                                                    | Bhubaneswar, Orissa - 751 001.                                                                                          | Nil                                            | Nil                                                                                                            | ₹ 6 Lakh                                          | Utkal Bipanna Sahayata Samiti                                      |
|         |                                                                                                                                |                                                                                    | Jaipur, Rajasthan - 302 004.                                                                                            | ₹ 12 Lakh                                      | ₹ 12 Lakh                                                                                                      | ₹ 12 Lakh                                         | Bhagwan Mahaveer Viklang Sahayata Samiti, Sawai Man Singh Hospital |

| Sr. No. | CSR Project or Activity identified                                                                                                         | Sector in which the Project is covered                       | Projects or programs (1) local area or other (2) Specify the State and District where project or Program was undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency       |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------|
| 3.      | To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Livelihood enhancement. | “Livelihood enhancement projects”. Schedule VII Sr. No. (ii) | Rajgir, Nalanda, Bihar - 803 116.                                                                                       | Nil                                            | Nil                                                                                                            | ₹ 4 Lakh                                          | Veerayatan                                               |
|         |                                                                                                                                            |                                                              | Baramati, Maharashtra - 413 115.                                                                                        | Nil                                            | Nil                                                                                                            | ₹ 11 Lakh                                         | Agricultural Development Trust                           |
|         |                                                                                                                                            |                                                              | Dehradun, Uttarakhand - 248 001.                                                                                        | ₹ 17 Lakh                                      | ₹ 17 Lakh                                                                                                      | ₹ 27 Lakh                                         | Information Technology Institute for the Tribes of India |
|         |                                                                                                                                            |                                                              | <b>Total</b>                                                                                                            | <b>₹ 410 Lakh</b>                              | <b>₹ 410 Lakh</b>                                                                                              | <b>₹ 936 Lakh</b>                                 |                                                          |

\*The Company had decided to continue to assist Navalmal Firodia Memorial Hospital Trust for creation of a modern multispecialty hospital involving substantial outgo. During the year under review, a sum of ₹ 381 Lakh has been paid to the trust for the hospital.

6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report.  
- Not applicable
7. The Committee reviewed the implementation of CSR Policy and the spend as explained in the earlier part and confirmed the implementation and monitoring has been as per CSR Policy adopted by the Company. It was decided to examine broadening of the activity to include other deserving causes, if possible

Sd/-  
**S. Padmanabhan**  
Chairman, CSR Committee  
DIN : 00001207

Sd/-  
**Prasan Firodia**  
Managing Director  
DIN : 00029664

## BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### PREFACE

The Securities and Exchange Board of India ('the SEBI') mandated India's top 500 listed entities based on their market capitalization, to submit a Business Responsibility Report ('the BRR'), in line with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This BRR covers nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVG). The Company is pleased to present its second Business Responsibility Report.

### GENERAL INFORMATION

- Corporate Identity Number (CIN) of the Company : L34102PN1958PLC011172
- Name of the Company : Force Motors Limited
- Registered address : Mumbai-Pune Road, Akurdi, Pune - 411 035.
- Website : www.forcemotors.com
- E-mail id : sbobra@forcemotors.com
- Financial Year reported : 1st April 2017 to 31st March 2018
- Sector(s) that the Company is engaged in (industrial activity code-wise):

| Description | Industrial Activity Code |       |               |
|-------------|--------------------------|-------|---------------|
|             | Group                    | Class | Sub-class     |
| Automotive  | 291                      | 2910  | 29102 & 29104 |

- List three key products / services that the Company manufactures/ provides (as in balance sheet) :
  - Vehicles
  - Tractors
  - Engines, Transmission & Axles.
- Total number of locations where business activity is undertaken by the Company:
  - Number of International Locations (Provide details of major 5) : Nil
  - Number of National Locations : 4

- Markets served by the Company - Local / State / National / International : All

### FINANCIAL DETAILS

- Paid up Capital (INR) : 1,318 Lakh
- Total Turnover (INR) : 3,53,101 Lakh
- Total profit after taxes (INR) : 14,695 Lakh
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2%
- List of activities in which expenditure in 4 above has been incurred :
  - Healthcare
  - Livelihood enhancement

### OTHER DETAILS

The Company has one Subsidiary Company as on 31st March 2018. At present the BRR initiatives of the Company are restricted to its own operations only.

### BR INFORMATION

- Details of the Director responsible for implementation of the BR policy / policies:
  - DIN Number : 00029664
  - Name : Mr. Prasan Firodia
  - Designation : Managing Director
- Details of the BR Head

| Sr. No. | Particulars                | Details                      |
|---------|----------------------------|------------------------------|
| 1       | DIN Number (if applicable) | 07311037                     |
| 2       | Name                       | Mr. Sanjay Kumar Bohra       |
| 3       | Designation                | Chief Financial Officer      |
| 4       | Telephone number           | +91 20 2747 6381 (ext.:4620) |
| 5       | E-mail ID                  | sbobra@forcemotors.com       |

### Principle-wise BR Policy/policies as per 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVG):

- Details of compliance

|                  |                                                                                                                                                             |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principle 1 (P1) | Businesses should conduct and govern themselves with ethics, transparency and accountability                                                                |
| Principle 2 (P2) | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle                                     |
| Principle 3 (P3) | Businesses should promote the well being of all employees                                                                                                   |
| Principle 4 (P4) | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised |
| Principle 5 (P5) | Businesses should respect and promote human rights                                                                                                          |
| Principle 6 (P6) | Businesses should respect, protect, and make efforts to restore the environment                                                                             |
| Principle 7 (P7) | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner                                                  |
| Principle 8 (P8) | Businesses should support inclusive growth and equitable development                                                                                        |
| Principle 9 (P9) | Businesses should engage with and provide value to their customers and consumers in a responsible manner                                                    |



| Sl | Questions                                                                                                                                                    | P1                                                                                                                                                                                                                                                | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|
| 1  | Do you have a policy / policies for....                                                                                                                      | Y                                                                                                                                                                                                                                                 | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2  | Has the policy been formulated in consultation with the relevant stakeholders?                                                                               | The policies have evolved over a period of time by taking inputs from concerned stakeholders.                                                                                                                                                     |    |    |    |    |    |    |    |    |
| 3  | Does the policy conform to any national / international standards? If yes, specify? (50 words)                                                               | All the policies have been prepared as per the requirements of laws, wherever applicable, and are compliant with respective principles of NVG guidelines.                                                                                         |    |    |    |    |    |    |    |    |
| 4  | Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?                                      | All the policies have been approved by the Board, and signed by the Chairman or the Managing Director.                                                                                                                                            |    |    |    |    |    |    |    |    |
| 5  | Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?                                  | Mr. Prasan Firodia, Managing Director, is appointed by the Board to oversee BR initiatives. Mr. Sanjay Bohra (CFO) is the head of BR activity.                                                                                                    |    |    |    |    |    |    |    |    |
| 6  | Indicate the link for the policy to be viewed online?                                                                                                        | On written request, copies of the relevant policies can be made available.                                                                                                                                                                        |    |    |    |    |    |    |    |    |
| 7  | Has the relevant policy been formally communicated to all relevant internal and external stakeholders?                                                       | The policies are communicated to internal stakeholders through its internal line of communication like issue of circular / through tempest (intra) / Company's website. For external stakeholders, the Company has put the policy on its website. |    |    |    |    |    |    |    |    |
| 8  | Does the company have in-house structure to implement the policy / policies.                                                                                 | Y                                                                                                                                                                                                                                                 | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9  | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Y                                                                                                                                                                                                                                                 | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10 | Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?                                  | The working of these policies is being evaluated as a part of the Company's Management Audit.                                                                                                                                                     |    |    |    |    |    |    |    |    |

#### Governance related to BR

Mr. Prasan Firodia, Managing Director and the leadership team reviews all the BR activities on periodic basis.

The Business Responsibility Report for the Financial Year 2017-18 is uploaded on the website of the Company.

#### PRINCIPLE-WISE PERFORMANCE

##### Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

The Company has the Code of Conduct for Directors and employees of the Company which covers issues like ethics, bribery, corruption etc. It covers the dealings with all its business partners and the stakeholders.

The Company has formulated a Whistle Blower Policy, under which any employee of the Company can raise a concern about any serious irregularities within the Company. Further, the policies relating to prohibition of insider trading, ascertaining materiality of related party transactions have been adopted to ensure transparency.

The Company's philosophy on governance is based on compliance of applicable laws and exchanging relevant information and disclosures with the concerned stakeholders.

##### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company's decision making process and operational methods are guided by the philosophy of 'creating low cost, hi-tech products, which are suitable for Indian markets'. It has been always the endeavour of the Company to develop and deliver high quality products that apart from adding value to customers are inherently safe and have minimal impact on the environment.

The Company is continuously strengthening its R&D and technology capabilities. The Company has focused on the development of highly fuel efficient Common Rail Engines with low carbon footprint for the Company's product range complying with BS IV norms.

The Company is truly following "Make in India" philosophy as comprehensive manufacturing activities are carried out in-house, since decades.

##### Principle 3: Businesses should promote the well being of all employees

The Company ensures the well-being of its employees by creating environment which is collaborative, modern and safe. The Company focuses on upgrading skills and functional competencies of its employees by conducting various trainings. The Company has commissioned a large, modern and well equipped training centres both at its Akurdi Plant, and at Pithampur Plant, for conducting employee training activities.

As on 31st March 2018, there were a total of 7,423 workmen on the Company's rolls. The Company has 69 women employees out of the above. In addition, there were 885 workmen sourced from contractors.

The Company also has a policy on prevention of sexual harassment. A committee has been constituted in accordance with the requirements, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the Financial Year 2017-18, there were no complaints filed or pending, relating to child labour, forced labour, involuntary labour or sexual harassment.

The Company provides its employees subsidised food facility, assistance for transport and medical facilities. The Company also has accommodation facility for its some employees. The Company provides medical support to its employees under Group Mediclaim Facility.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

The Company has mapped its internal and external stakeholders and further identified the disadvantaged, vulnerable and marginalised stakeholders.

The Company is also striving to achieve this principle through its CSR initiatives by promoting healthcare and livelihood amongst different sections of the society. The details of initiatives taken by the Company in the area of promotion of healthcare and livelihood enhancement have been provided in the Annual Report on CSR Activities.

**Principle 5: Businesses should respect and promote human rights**

The Company's policies strive to protect human rights of all stakeholders of the Company. The effectiveness of these policies is assessed through periodic reviews. Portals are created for recording issues that may be raised by suppliers, customers, employees, etc. and are subject to departmental review. No unresolved complaints have been reported in this regard.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment**

The Company has a policy on environmental protection namely Environment, Occupational Health and Safety (EOHS) in the form of a manual. The Company has obtained the ISO 14001 Environmental Management System certification as well as OHSAS 18001 Occupational Health and Safety certification.

The employees at all plants of the Company are trained to operate, conduct their activities and maintain facilities in an environmentally responsible manner. Every employee contributes in driving efficient consumption of energy and other resources, by the following measures:

The emissions / wastes generated by the Company are within the permissible limits fixed by Central or State Pollution Control Bodies (CPCB / SPCB). The solid and hazardous wastes generated are disposed off strictly in adherence to the conditions of consent / authorization received from Statutory Authorities.

The Company adheres to all statutory environmental requirements and regularly strives for further improvement. Significant tree plantation activities are carried out at all of the Company's plants.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

The Company actively engages in public advocacy, in a responsible manner. The Company deals with the public officials with a proper protocol.

All such engagements are through recognized industry bodies / trade associations. As on 31st March 2018, the Company is a Member of the following trade associations:

- (a) Confederation of Indian Industry (CII)
- (b) Society of Indian Automobile Manufacturers (SIAM)
- (c) Maratha Chamber of Commerce, Industries & Agriculture (MCCIA)

- (d) Automotive Research Association of India (ARAI)
- (e) Association of Indian Automobile Manufacturers (AIAM)
- (f) Indo German Chamber of Commerce (IGCC)
- (g) Tractors Manufacturers Association (TMA)

**Principle 8: Businesses should support inclusive growth and equitable development**

The founders of the Company were patriots and persons with high degree of social consciousness. The present management believes in the founders' idealism of utilitarian and Gandhian values - i.e. growth with equitable development of people in the society.

The Company is contributing to community development in many areas including healthcare and livelihood enhancement. In accordance with the Companies Act, 2013, the Company has committed 2% of profit before tax towards the CSR initiatives.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

The Company was founded with the intention of providing utilitarian, low cost, and efficient transport - for the socially weak and rural population of India. The Company always focussed on creating utilitarian vehicles with high-cost efficiency, high-reliability, yet products of latest technology, manufactured using the best manufacturing processes. This has enabled the Company to produce vehicles which are especially appreciated in rural areas and by weaker sections of society.

A large portion of the Company's product portfolio caters to the health care sector, through the variety of ambulances it produces, and to the educational sector particularly for children by the large number and variety of school buses it manufactures.

The Company emphasises the production of vehicles for mass transport, and not for individual or for luxurious transport. This is reflected in the Company's commitment to provide to customers and consumers, appropriate products commensurate with the economic conditions of our society.

The customer-centric approach of the Company is reflected in its mechanism of connectivity with customers - pre-sales, during-sales and after-sales - by means of its helplines, its dealer management system (DMS) and its wide network for after-sales service, deploying of hundreds of engineers and technicians of its own, and of its dealers. The Company's products enjoy excellent reputation for reliability, ruggedness and low-cost of ownership. The Company employs latest information technology, for communication of the technical and commercial aspects relevant to the customer. This ensures timely redressal of complaints, gain valuable feedback and establishing enduring relationship with the customers.

The Company has conducted driver training programmes for school buses, for ambulance drivers on extensive basis, in hundreds of cities covering thousands of drivers. Also by conducting remote service camps, in far away places frequented by pilgrims, tourists, etc.

There is no case pending against the Company relating to anti-competitive or unfair trade practices under the Competition Act, 2002.

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Automobile Industry has reached a high level of sophistication and maturity. The total volume of vehicles produced in India, excluding two-wheelers, is Approx. 60 lakh Nos. Of this, light commercial vehicles industry has grown to Approx. 5.5 lakh Nos, including both passenger and goods vehicles. The last mile connectivity requirements based on high rate of urbanisation and modernisation of the economy has built significant demand for various small cargo vehicles. The Company was not present in the cargo segment for several years. Looking to the developments and future growth, the company will be offering a full platter of products in the 'small commercial vehicles' and 'light commercial vehicles' segment from this year on. It is planned that all the vehicles will also be offered with BS-VI capability - from the beginning of BS-VI emission regime. Also alternate fuels and electrification solutions are being pursued.

The unfortunate regulation, where vehicles between 9 and 13 seats capacity are perversely taxed, with the total incidence of 43 per cent GST (28 per cent GST + 15 per cent SGST) is not only harming your Company's business interests, but actually has a very adverse socio-economic impact as School Buses, Ambulances and Tour and Travel Vehicles, which fall in this category, are illogically penalised. This is detrimental to social causes and harmful to the economy. There is no logical basis for this differentiation as vehicles below 9 seats capacity and also those above 13 seats capacity, are taxed at substantially lower rates. Your Company has repeatedly brought this anomaly to the attention of the authorities.

New market segments, such as inner-city municipal vehicles, inner-city minibuses, multi-stretcher ambulances, etc. are slowly emerging to cope with the changing requirements of the transportation scenario. Your Company is actively engaged in developing vehicles for these applications.

Electrification of various vehicles is a policy focus for the Government, and the manufacturers of vehicles and components are seen to be heavily engaged in the development of appropriate solutions. For your Company, the market for inner-city passenger transportation vehicles, with electric propulsion appears to be a correct segment to aim at. Accordingly efforts are being made. However, it is expected that the size of this market will only increase gradually, but steadily, over the next decade, as cost competitiveness of electric vehicles is likely to improve due to improvement in battery technology.

With the introduction of BS-VI emission standards, slated for April 2020, the offerings of BS-VI capable inner-city transportation vehicles will significantly affect the cost of vehicles, as the technology impact on cost of small vehicles will proportionately be higher, than its impact on the cost of larger vehicles. The Company is cognizant of this aspect.

The industry structure, as also the market for light commercial vehicles, can benefit hugely if the Government is able to streamline

the disparate, mutually contradictory and random regulations - as instituted differently by different states, in relation to the rules for the Motor Vehicles Act, 1988. Particularly permits and licensing requirement for short haul passenger vehicles, used for private and for public transport, need to be brought in line, with streamlining of the permit requirements for similar size goods vehicles. This simplification will go a long way in providing to the public affordable, dignified, sensible modes of transport, rather than being dependent on the Government-run outdated bus transport system.

### II. PERFORMANCE OF THE COMPANY

#### Operational Performance

The number of vehicles sold during the Financial Year under report was 31,022 compared to 32,929 vehicles sold in the Financial Year 2016-17. During the year under report, the Company achieved a top line of ₹ 3,531.01 crore. The sales turnover stood at ₹ 3,493.19 crore compared to the previous year's turnover of ₹ 3,463.53 crore.

#### Financial Performance

As stated above, the Company sold 31,022 vehicles during the Financial Year 2017-18 compared to 32,929 vehicles in the previous Financial Year 2016-17. The Profit, before Finance Costs, Depreciation and Taxes, from operations for the year under report was ₹ 336.16 crore as compared to operating profit for the previous Financial Year 2016-17 amounting to ₹ 353.62 crore. The Net Profit of the Company after Finance Costs, Depreciation and Tax items was ₹ 146.95 crore for the Financial Year 2017-18. The Reserves and Surplus of the Company as on 31st March 2018 stood at ₹ 1,785.61 crore.

### III. OUTLOOK

Outlook on the business of the Company is covered in the Board's Report.

### IV. SUBSIDIARY

The Company is a subsidiary of Jaya Hind Investments Private Limited, promoter of the Company, which holds 56.86% in the Company.

The Company is a Holding Company of Tempo Finance (West) Private Limited, and holds 66.43 % in the subsidiary company.

### V. OPPORTUNITIES, THREATS AND RISK FACTORS

As explained earlier, the changing technology map (electrification, alternate fuels), and the evolving regulatory environment (axle loads, inner-city and inter-city permits, taxation rates for different sizes of vehicles), offers opportunities as well as threats. However, the major threat remains the adverse public opinion promoted by vested interests - on the efficacy of diesel fuel. The diesel technology of today is extraordinarily clean and free of hazards. However, public opinion has unfortunately and systematically evolved to shun diesel.

**VI. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

The Company maintains system of multi level internal controls which provides reasonable assurance regarding Effectiveness and Efficiency of Operations, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**VII. HUMAN RESOURCE DEVELOPMENT**

The Company has continued its programme for training and skill development in its plants, for employees at various levels, who are

provided training both in hard and soft skills. A large number of executives in the Sales & Marketing arm of the Company and in our dealer network spread all over India, are also provided continuous upgradation training in selling skills, product familiarisation, customer service aspects - in a well structured and extensive programme.

**VIII. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, amongst others, economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

## ANNUAL REPORT DISCLOSURES AS SPECIFIED UNDER REGULATION 34 AND SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

### A. RELATED PARTY DISCLOSURE

The necessary disclosure is provided in the Financial Statement as Note No. 35.

### B. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is provided in the Annual Report. Necessary disclosures relating to the Accounting Treatment as prescribed in the Accounting Standards are provided in the Board's Report and the Financial Statements.

### C. REPORT ON CORPORATE GOVERNANCE

#### 1. Company's philosophy on Corporate Governance

The Company's decision making process and operational methods are guided by the philosophy of "creating low cost, hi-tech products, which are suitable for Indian markets". Simplicity, self-reliance, social responsibility, trust and transparency in dealings with all stakeholders, the ethos on which this business was started by Late Shri N. K. Firodia, the founder of the Company, continues to be the guiding principles for the Organization, in arranging the activities. The Company's philosophy on the 'Code of Governance' is based on compliance of applicable provisions and requires exchange of relevant information and appropriate disclosures to each group of stakeholders, connected with the area of common interest / stake between the Company and the Stakeholder.

#### 2. Board of Directors

##### • Composition

As on 31st March 2018, the Board comprised 12 Directors. 03 Directors were Executive Directors, while remaining 09 were Non-Executive Directors. Of the Non-Executive Directors, 07 Directors were Independent Directors. The Company's Board did not consist of any Nominee Directors appointed by lender(s) or a group of equity investor(s). Mr. Abhaykumar Firodia, Chairman and Mr. Prasan Firodia, Managing Director of the Company represent Promoters of the Company.

##### • Directorships / Committee Positions

The details of other directorships / committee positions of the Directors (as of 31st March 2018) of the Company are as under :

| Name of the Director    | Number of other companies in which directorships held* |             | Committee positions in listed and unlisted public companies# |             |
|-------------------------|--------------------------------------------------------|-------------|--------------------------------------------------------------|-------------|
|                         | As Member                                              | As Chairman | As Member                                                    | As Chairman |
| Mr. Abhaykumar Firodia  | 08                                                     | 06          | --                                                           | --          |
| Mr. Prasan Firodia      | 06                                                     | 00          | --                                                           | --          |
| Mr. Sudhir Mehta        | 14                                                     | 01          | --                                                           | --          |
| Mr. Pratap Pawar        | 15                                                     | 01          | 05                                                           | 03          |
| Mr. S. Padmanabhan      | 07                                                     | 00          | 04                                                           | 01          |
| Mr. Nitin Desai         | 10                                                     | 00          | 01                                                           | 01          |
| Mr. Yeshwant Deosthalee | 01                                                     | 00          | 00                                                           | 00          |
| Dr. Indira Parikh@      | 09                                                     | 00          | 04                                                           | 00          |
| Mr. Arun Sheth          | 13                                                     | 11          | --                                                           | --          |
| Mr. Arvind Mahajan      | 02                                                     | 00          | 02                                                           | 00          |
| Mr. Vinay Kothari       | 12                                                     | 00          | --                                                           | --          |
| Mr. Prashant V. Inamdar | --                                                     | --          | --                                                           | --          |

\* includes directorship in private companies and bodies corporate.

# Only audit committee and stakeholders' relationship committee of public limited companies, whether listed or unlisted, are considered for the purpose of reckoning committee positions.

@ Dr. Indira Parikh is ceased to be a director of SINTEX-BAPL Limited w.e.f. 1st May 2018.

##### • Attendance

During the Financial Year 2017-18, six meetings of the Board were held on 11th May 2017, 20th July 2017, 13th September 2017, 9th November 2017, 23rd January 2018 and 20th March 2018. The attendance of Directors during the Financial Year 2017-18 for Board Meetings and General Meeting are as under :

| Name of the Director     | Number of Board Meetings attended | Whether present at the last Annual General Meeting held on 13th September 2017 |
|--------------------------|-----------------------------------|--------------------------------------------------------------------------------|
| Mr. Abhaykumar Firodia   | 6                                 | Yes                                                                            |
| Mr. Prasan Firodia       | 4                                 | Yes                                                                            |
| Mr. Sudhir Mehta         | 5                                 | Yes                                                                            |
| Mr. Pratap Pawar         | 3                                 | Yes                                                                            |
| Mr. S. Padmanabhan       | 5                                 | Yes                                                                            |
| Mr. Nitin Desai          | 4                                 | Yes                                                                            |
| Mr. Yeshwant Deosthalee* | 3                                 | Yes                                                                            |
| Dr. Indira Parikh        | 6                                 | Yes                                                                            |
| Mr. Arun Sheth           | 6                                 | Yes                                                                            |
| Mr. Arvind Mahajan       | 4                                 | Yes                                                                            |
| Mr. Vinay Kothari        | 5                                 | Yes                                                                            |
| Mr. Prashant Inamdar     | 5                                 | Yes                                                                            |

\* Mr. Yeshwant Deosthalee joined the Board of Directors w.e.f. 20th July 2017.



- **Inter-se Relation of Directors**

Mr. Abhaykumar Firodia and Mr. Prasan Firodia, being father and son, are related to each other. Mr. Sudhir Mehta being son-in-law is related to Mr. Abhaykumar Firodia. None of the other Directors are related to any other Director of the Company as defined under the Companies Act, 2013, ('the Act') including Rules thereof.

- **Information supplied to the Board**

The Board is presented with all the relevant information in various matters affecting the working of the Company and which requires deliberation at the highest level. Besides key operational and financial information, the Board is presented with information relevant to strategy formulation, for deliberations. This includes information as per Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') such as senior management change, compliances, major litigation, monthly production / sales data.

At each meeting, the Managing Directors present an elaborate report on the operations of the Company, including an assessment of the market, operational issues, operating profitability and various risks associated with the Company's business. Also, presented are assessments of the strategic and technological issues enabling a discussion on the strategy, projects, and tactics employed in the management of the Company's affairs. In the Board Meetings, the presentations were also made by the Senior Management Officials and Internal Auditors of the Company, covering different functions and areas of the business of the Company. The Directors made all disclosures as per the requirements of the Act from time to time, to the Board of Directors regarding their financial interest in the transactions with the Company.

The related party disclosure forms part of the Notes to Financial Statements as per the disclosure requirement of Indian Accounting Standard 24 issued by the Institute of Chartered Accountants of India. The Directors have informed the Company about the Committee positions occupied by them in other Companies and changes therein.

- **Independent Directors' Meeting**

The Independent Directors held their separate Meeting on 23rd January 2018 as mandated by the provisions of the Act and the Listing Regulations. The details of the familiarization programme for the Independent Directors of the Company can be accessed at the weblink : [http://www.forcemotors.com/page/index/shareholders\\_information](http://www.forcemotors.com/page/index/shareholders_information).

- **Performance Evaluation**

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including the Chairman, as well as evaluation of the working of its committees. The criteria for Performance Evaluation of Directors, the Board and its Committees, as approved by the Board of Directors of the Company are placed on the Company's website [www.forcemotors.com](http://www.forcemotors.com). Based on this, a separate exercise was carried out to evaluate the performance of the Board, the individual Directors including the Chairman of the Board.

- **Remuneration to Executive Directors**

The details of remuneration paid to the Executive Directors during the Financial Year 2017-18 are provided in MGT-9.

- **Remuneration to Non-Executive Directors**

The details of sitting fees/commission paid to the Non-Executive Directors during the Financial Year 2017-18 are provided in MGT-9.

- **Peculiar Transactions with Non-Executive Directors**

There are no financial transactions with the Non-Executive Directors

- **Stock Options to Directors**

No Stock Options are granted to any of the Directors.

- **Shares held by Directors**

The details of shares of the Company held by Directors are as under :

| Name of the Director   | Number of shares held |
|------------------------|-----------------------|
| Mr. Abhaykumar Firodia | 2,64,351              |
| Mr. Prasan Firodia     | 2,20,763              |
| Mr. Vinay Kothari      | 101                   |

- **Transactions with Promoter Group Company**

The value of purchases and sales from / to Jaya Hind Industries Limited, which is a company deemed to be a Promoter as per the provisions of the Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 were ₹ 8,217 Lakh and ₹ 470 Lakh respectively.

In addition to the above mentioned transactions, machinery was given to Jaya Hind Industries Limited on loan basis, for ₹ 21 Lakh.

### 3. Committees

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised 03 directors as on 31st March 2018 :

- Mr. S. Padmanabhan, Chairman, Independent Director
- Mr. Arvind Mahajan, Independent Director
- Mr. Vinay Kothari, Non-Executive Director

The Committee met twice during the Financial Year ended 31st March 2018. The attendance details of the meetings of the Nomination and Remuneration Committee are as follows:

| Name of the Director | Date of Nomination and Remuneration Committee meetings |            |
|----------------------|--------------------------------------------------------|------------|
|                      | 20.07.2017                                             | 23.01.2018 |
| Mr. S. Padmanabhan   | P                                                      | P          |
| Mr. Arvind Mahajan   | P                                                      | P          |
| Mr. Vinay Kothari    | P                                                      | P          |

Terms of reference of Nomination and Remuneration Committee includes -

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

On the recommendation of Nomination & Remuneration Committee, the Board has adopted the policy on appointment of Directors / Independent Directors and Key Managerial Personnel and remuneration payable to them. As mandated, the said policy is posted on the website of the Company [www.forcemotors.com](http://www.forcemotors.com).

#### **Audit Committee**

The Audit Committee comprised 05 directors as on 31st March 2018:

- Mr. Pratap Pawar, Chairman, Independent Director
- Mr. Arun Sheth, Independent Director
- Dr. Indira Parikh, Independent Director
- Mr. Sudhir Mehta, Non-Executive Director
- Mr. Vinay Kothari, Non-Executive Director

The Committee met four times during the Financial Year ended 31st March 2018. The attendance details of the Audit Committee meetings are as follows:

| Name of the Director | Date of Audit Committee meetings |            |            |            |
|----------------------|----------------------------------|------------|------------|------------|
|                      | 11.05.2017                       | 20.07.2017 | 09.11.2017 | 23.01.2018 |
| Mr. Pratap Pawar     | A                                | P          | P          | A          |
| Mr. Arun Sheth       | P                                | P          | P          | P          |
| Dr. Indira Parikh    | P                                | P          | P          | P          |
| Mr. Sudhir Mehta     | P                                | P          | A          | P          |
| Mr. Vinay Kothari    | A                                | P          | P          | P          |

The terms of reference of the Audit Committee includes:

- Oversight of Company's reporting processes and financial information, review of Financial Statements, both audited and unaudited.
- Review of accounting policies and practices, review of compliance with accounting standards, discussion with statutory auditors before the audit commences and post audit, Review of auditors' independence and performance.
- Recommendation of appointment and remuneration of statutory and cost auditors, internal auditors, approval of appointment of Chief Financial Officer.
- Review and approval of related party transaction(s), decide the principles for grant of omnibus approval for related party transaction(s).
- Oversee the vigil mechanism, evaluation of internal financial controls and risk management systems, and
- Other areas indicated in the Listing Regulations and as per the provisions of Section 177 of the Act.

The Audit Committee reviewed the Unaudited Financial Results

(Provisional) for the first three quarters in its meetings held on 20th July 2017, 9th November 2017 and 23rd January 2018 respectively; and Audited Annual Accounts for the Financial Year 2017-18 in its meeting held on 29th May 2018. During the year under report, the Audit Committee interacted with the Statutory Auditors, Cost & Management Consultants and Internal Auditors of the Company regarding internal control systems, discussed the financial results / cost accounting records, and also held a post statutory audit verification of the financial / cost accounts.

The Committee also interacted with the executives of the Company on finance related matters including officials of Internal Audit department of the Company. The Committee reviewed the risk management policies, insurance cover taken by the Company, purchase procedures of raw materials and components for manufacture of various types of motor vehicles and also the foreign exchange exposure of various transactions. The remuneration of the Auditors was decided in consultation with the Audit Committee. Extensive data / details connected with the financial management of the Company and on other related aspects were submitted to the Committee in each of the meetings.

The Certificate from the Managing Director and the Chief Financial Officer was also submitted to the Audit Committee and to the Board. The Audit Committee is empowered to require presence of any of the employee of the Company. No employee has sought access to the Audit Committee during the year under report.

#### **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee of the Board comprised 04 directors as on 31st March 2018:

- Mr. Sudhir Mehta, Chairman, Non-Executive Director
- Mr. Abhaykumar Firodia, Chairman of the Company
- Mr. Prasan Firodia, Managing Director
- Mr. Nitin Desai, Independent Director

Mr. Abhaykumar Firodia and Mr. Nitin Desai were appointed as members of the Committee w.e.f. 20th July 2017. Mr. Vinay Kothari ceased to be a member of the Committee w.e.f. 20th July 2017.

The Committee met from time to time for approval of transfer of shares, issue of duplicate share certificates, approval of transmission and to deal with non-routine shareholders' complaints.

Mr. Kishore P. Shah, Company Secretary, is the designated Compliance Officer.

During the year under report, 31 shareholders' complaints were received and all these complaints were resolved to the satisfaction of the concerned members. As of 31st March 2018, no complaint was pending.

#### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of the Board comprised 03 directors as on 31st March 2018:

- Mr. S. Padmanabhan, Chairman, Independent Director
- Mr. Nitin Desai, Independent Director
- Mr. Sudhir Mehta, Non-Executive Director

The Committee recommends Corporate Social Responsibility ('CSR') activities to the Board. The Committee approves to undertake CSR activities and amount of expenditure for them. The Committee also monitored the CSR policy and entrusted to formulate for transparent mechanism for implementation of CSR activities. The Committee reviews and ensures compliance with the requirement of the provisions of the Act and the CSR Rules.

During the year under report, the Committee met once on 20th July 2017.

#### 4. General Body Meetings

The details of the last three Annual General Meetings are as under :

| Annual General Meeting held on | Time       | Location                                 | Number of Special Resolutions | Subject of Special Resolution                                                                                          |
|--------------------------------|------------|------------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------|
| 26th September 2015            | 11.30 a.m. | Mumbai-Pune Road, Akurdi, Pune - 411035. | 01                            | Approval of the appointment of Mr. Prashant V. Inamdar, Executive Director / (Operations) and payment of remuneration. |
| 28th September 2016            | 11.30 a.m. | Mumbai-Pune Road, Akurdi, Pune - 411035. | 00                            | Nil                                                                                                                    |
| 13th September 2017            | 11.30 a.m. | Mumbai-Pune Road, Akurdi, Pune - 411035. | 05                            | Re-appointment of Independent Directors for a period of 5 years                                                        |

There was no matter, required to be dealt by the Company, by passing a resolution through postal ballot as per the provisions of Section 110 of the Act, read with the Companies (Management and Administration) Rules, 2014, during the Financial Year 2017-18.

#### 5. Means of Communication

The quarterly and annual financial results of the Company are communicated forthwith to the stock exchange and shareholders, on approval by the Board.

The manner, in which these results were communicated during the year under report, is as follows:

| Relevant period                                | Board's Approval on | Intimation to BSE on | Newspaper publication                                                               |
|------------------------------------------------|---------------------|----------------------|-------------------------------------------------------------------------------------|
| 1st Quarter                                    | 20th July 2017      | 20th July 2017       | Financial Express (All editions) & Loksatta (Mumbai & Pune edition)                 |
| 2nd Quarter                                    | 9th November 2017   | 9th November 2017    |                                                                                     |
| 3rd Quarter                                    | 23rd January 2018   | 23rd January 2018    |                                                                                     |
| 4th Quarter & Annual Audited Financial Results | 29th May 2018       | 29th May 2018        | Financial Express & Business Standard (All India); Loksatta (Mumbai & Pune edition) |

The working results of the Company are available on the Company's website [www.forcemotors.com](http://www.forcemotors.com)

No presentation was made to any institutional investors or analyst during the Financial Year 2017-18.

#### 6. Few Policies as mandated under SEBI Listing Regulations, 2015

##### • Archival Policy

Pursuant to Regulations 30(8) of SEBI Listing Regulations, 2015, every listed company shall disclose on its website all such events or information which have been disclosed to the stock exchange(s) under Regulation 30. Such disclosures shall be posted on the website of the company for a minimum period of five years and thereafter as per the archival policy of the company. Accordingly, 'Archival Policy' as approved by the Board of Directors of the Company can be accessed from the

Company's website at <http://forcemotors.com/themes/frontend/docs/share-holder-info/other/archival-policy.pdf>

##### • Dividend Distribution Policy

The Company's name has been included in Top 500 list of companies on the basis of market capitalization as on 31st March 2018 by the Bombay Stock Exchange, where the equity shares of the Company are listed. As such, as per SEBI circular, it is mandatory for the Company to declare and follow a Dividend Distribution Policy and the same is required to be disclosed in the annual report / website of companies. Accordingly, 'Dividend Distribution Policy' as approved by the Board of Directors of the Company can be accessed from the Company's website at <http://forcemotors.com/themes/frontend/docs/share-holder-info/other/Dividend-Distribution-Policy.pdf>

##### • Whistle Blower Policy / Vigil Mechanism

The Board has revised its Whistle Blower Policy / Vigil Mechanism in its meeting held on 23rd January 2018. The Audit Committee oversees the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against the victimization of employees and Directors who express their concerns. The details of the mechanism / policy are disclosed on the website of the Company at <http://forcemotors.com/themes/frontend/docs/share-holder-info/other/Whistleblower Policy.pdf>

##### • Policy on materiality of Related Party Transactions

The Board has formulated a policy on materiality of the Related Party Transactions. Web link for the policy is <http://forcemotors.com/themes/frontend/docs/share-holder-info/other/File-5-Policy-on-Related-Party-Transactions.pdf>

##### • Policy on Material Subsidiaries

The Board has formulated a policy for determining 'material' subsidiaries. Web link for the policy on Material Subsidiaries is <http://forcemotors.com/themes/frontend/docs/share-holder-info/other/File-3-Policy-for-determining-Material-Subsidiary.pdf>

#### 7. Other Disclosures

##### • Materially significant related party transactions

There were no materially significant related party contract(s) or arrangement(s) or transaction(s) during the year as defined under Regulation 23 of the Listing Regulations.

##### • Details of non-compliance etc. during the last three years

There was no non-compliance by the Company. No penalties were imposed by the Stock Exchange or the Securities and Exchange Board of India in any matter related to capital markets.

##### • Commodity Price Risk and Commodity Hedging Activities

There is no information to be provided under this heading.

#### 8. Compliance of Corporate Governance and Listing Regulations

The Company has complied with the requirements of Corporate Governance Report as specified in the Schedule V of the Listing Regulations. The Company has submitted quarterly compliance report on Corporate Governance to the Stock Exchange within 15 days from the end of the quarter during the Financial Year. The Company has complied with mandatory requirements of the Listing Regulations.

The Company has complied with the discretionary requirements as specified in Part E of Schedule II as under:

**• The Board**

The Chairman of the Company is also an Executive Director; hence disclosure under this head does not arise.

**• Shareholder Rights**

The quarterly/half-yearly/annual results, after they are taken on record by the Board of Directors, are forthwith sent to BSE Limited. The results, in prescribed format are published in the newspapers as per the requirements.

**• Modified opinion(s) in Audit Report**

The Company confirms that its Financial Statements are with unmodified audit opinion.

**• Separate post of Chairman and MD / CEO**

Mr. Abhaykumar Firodia, Managing Director, is designated as the Chairman of the Company and Mr. Prasan Firodia is Managing Director of the Company.

**• Reporting of Internal Auditor**

The internal Auditor of the Company reports to the Audit Committee.

**9. General Shareholders' Information**
**• Scheduled Annual General Meeting**

Time : 11.30 a.m.

Date : 11th September 2018

Venue : Registered Office at Mumbai - Pune Road, Akurdi, Pune - 411 035.

**• Financial Year**

The Financial Year observed by the Company is 1st April of a year to 31st March of the following year.

**• Financial Calendar**

Unaudited Financial Results will be published on or before:

For Quarter 1 : 14th August

For Quarter 2 : 14th November

For Quarter 3 : 14th February

Audited Results : 30th May

**• Payment of Dividend**

The Board in its meeting held on 29th May 2018 has recommended a final dividend of ₹ 10 per equity share on 1,31,76,262 equity shares for the Financial Year ended 31st March 2018. The dividend, if declared by the members of the Company will be paid after 11th September 2018.

**• Date of Book Closure**

The register of members and share transfer books of the Company will remain closed from Wednesday, 5th September 2018 to Tuesday, 11th September 2018, both days inclusive.

**• Listing on Stock Exchange**

Shares of the Company are listed on BSE Limited. Annual Listing fee for the Financial Year 2017-18 has been paid to BSE Limited.

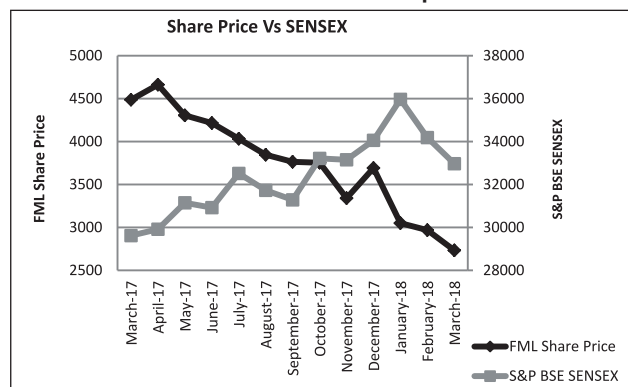
**• Stock Code**

The Stock Code allotted by BSE Limited is 500033.

**• Market Price Data**

Market price data during the Financial Year 2017-18 is as under:

| Month          | Share Price |          | BSE Sensex |          |
|----------------|-------------|----------|------------|----------|
|                | High<br>₹   | Low<br>₹ | High       | Low      |
| April 2017     | 4810.00     | 4460.00  | 30184.22   | 29241.48 |
| May 2017       | 4709.50     | 4101.10  | 31255.28   | 29804.12 |
| June 2017      | 4499.00     | 4180.00  | 31522.87   | 30680.66 |
| July 2017      | 4379.80     | 4020.15  | 32672.66   | 31017.11 |
| August 2017    | 4122.20     | 3691.20  | 32686.48   | 31128.02 |
| September 2017 | 4300.00     | 3716.00  | 32524.11   | 31081.83 |
| October 2017   | 3928.00     | 3500.10  | 33340.17   | 31440.48 |
| November 2017  | 3775.50     | 3190.15  | 33865.95   | 32683.59 |
| December 2017  | 3799.00     | 2966.65  | 34137.97   | 32565.16 |
| January 2018   | 3799.00     | 3030.00  | 36443.98   | 33703.37 |
| February 2018  | 3130.00     | 2808.00  | 36256.83   | 33482.81 |
| March 2018     | 3037.85     | 2725.00  | 34278.63   | 32483.84 |

**• FML Share Price vs BSE Sensex Comparison**

**• Distribution of Shareholding**

Distribution of shareholding as on 31st March 2018 was as under:

| Category (Shares) | Number of shareholders | Percentage to total shareholders | Number of shares   | Percentage to total number of shares held |
|-------------------|------------------------|----------------------------------|--------------------|-------------------------------------------|
| 1 to 500          | 61,452                 | 98.36                            | 21,13,039          | 16.04                                     |
| 501 to 1000       | 556                    | 0.89                             | 4,12,923           | 3.13                                      |
| 1001 to 2000      | 232                    | 0.37                             | 3,25,738           | 2.47                                      |
| 2001 to 3000      | 87                     | 0.14                             | 2,18,093           | 1.66                                      |
| 3001 to 4000      | 41                     | 0.07                             | 1,49,163           | 1.13                                      |
| 4001 to 5000      | 25                     | 0.04                             | 1,17,154           | 0.89                                      |
| 5001 to 10000     | 46                     | 0.07                             | 3,37,014           | 2.56                                      |
| 10001 & above     | 35                     | 0.06                             | 95,03,138          | 72.12                                     |
| <b>Total</b>      | <b>62,474</b>          | <b>100.00</b>                    | <b>1,31,76,262</b> | <b>100.00</b>                             |



**• Share Transfer Agent**

The Company's Registrar and Share Transfer Agent is Link Intime India Private Limited, situated at Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411001, who handles the demat and physical share transfers as well as other shares related activities of the Company.

**• Share Transfer System**

Applications for transfers, transmission, are received by the Company at its Registered Office or at the office of its Registrar and Share Transfer Agents and are processed by the Registrar and Share Transfer Agents on regular basis. Request for transfer of shares in dematerialized form are duly processed by National Securities Depository Limited / Central Depository Services (India) Limited in the electronic form through the respective depository participants. As on the date of report, no transfer and transmission request of shares held in physical form is pending. During the year under report, the Company processed 10 share transfers, 314 transmissions and 114 requests for dematerialization of shares.

**• Dematerialisation / Rematerialisation of Shares**

The shares of the Company are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number code allotted to the shares of the Company is INE451A01017.

As on 31st March 2018, 97.11% of our shares were held in dematerialized form and 2.89% in physical form.

- The Company has not issued any GDRs, ADRs or Warrants or Convertible Instruments.

**• CIN**

The Corporate Identity Number allotted to the Company is L34102PN1958PLC011172.

**• Registered Office**

The Company's registered address is Mumbai-Pune Road, Akurdi, Pune - 411 035.

**• Plant locations**

The Company's plants are located at the following places:

- Mumbai-Pune Road, Akurdi, Pune - 411 035.
- Plot No.3, Sector No.1, Industrial Area, Pithampur, District Dhar - 454 775, Madhya Pradesh.
- Gat no. 330 (P), 331, 332, 333, 312 / 5 / 6 / 7 and 355 Village Nanekarwadi, Chakan, Taluka Khed, District Pune - 410 505.
- Mahindra World City, Panchayat Anjur, Taluka Chengalpattu, District Kancheepuram - 603 004, Tamilnadu.

**• The address for correspondence is -**

Mr. Kishore P. Shah  
Company Secretary & Compliance Officer

**Force Motors Limited**

Mumbai - Pune Road, Akurdi,  
Pune - 411 035.

Phone : +9120 27476381

e-mail : compliance-officer@forcemotors.com

or

Mr. Bhagavant Sawant

**Link Intime India Private Limited**

Block no. 202, Akshay Complex,  
Near Ganesh Temple, Off Dhole Patil Road,  
Pune - 411 001.

Phone : +91 20 26161629 / 26160084 / 26163503

Telefax No. : +91 20 26163503

e-mail : pune@linkintime.co.in

**D. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The certificate obtained from the Statutory Auditors of the Company regarding compliance of conditions on Corporate Governance, as per the provisions of the Listing Regulations is attached to the Report. The Code of Conduct approved by the Board of Directors of the Company is available on the website of the Company. The confirmation about compliance of the code is being obtained on annual basis. A declaration signed by the Managing Director to that effect is obtained. The Company has complied with the mandatory requirements prescribed under the Listing Regulations.

**E. UNPAID / UNCLAIMED DIVIDEND**

In terms of the provisions of Section 124 of the Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account to the credit of the Investor Education and Protection Fund ('IEPF') established by the Central Government.

Members are hereby informed that the seven years period for payment of the dividend pertaining to the financial years as given below will expire on respective dates and thereafter the amount standing to the credit in the said account will be transferred to the IEPF of the Central Government. Members are therefore requested to encash the dividend at the earliest.

**Dates of transfer of Unclaimed Dividend to the fund :**

| Sr. No. | Financial Year | Date of Dividend Declaration | Date on Which Dividend become Due for Transfer to IEPF |
|---------|----------------|------------------------------|--------------------------------------------------------|
| 1       | 2010-11        | 24-Sep-2011                  | 23-Oct-2018                                            |
| 2       | 2011-12        | 22-Sep-2012                  | 21-Oct-2019                                            |
| 3       | 2012-13        | 21-Sep-2013                  | 20-Oct-2020                                            |
| 4       | 2013-14        | 20-Sep-2014                  | 19-Oct-2021                                            |
| 5       | 2014-15        | 26-Sep-2015                  | 25-Oct-2022                                            |
| 6       | 2015-16        | 12-Mar-2016                  | 18-Apr-2023                                            |
| 7       | 2016-17        | 13-Sep-2017                  | 12-Oct-2024                                            |

**F. TRANSFER OF SHARES TO IEPF**

During the year the Company transferred 41,829 shares on 23rd January 2018 to IEPF. The shares were transferred on account of dividends unclaimed for seven consecutive years.

The voting rights on these shares shall remain frozen until the rightful owner claims the shares.

All the benefits accruing on these shares pursuant to any corporate action and any further dividend received on the shares shall be credited to the designated Demat Account / Bank account of the IEPF.



**G. UNCLAIMED SHARE CERTIFICATES AND SUSPENSE ACCOUNT**

Share certificates in respect of 2,612 shares earlier issued as right shares or bonus shares were returned undelivered. The Company had intimated this fact to the concerned members from time to time including reminders issued as per the requirement. List of these members is hosted on the website of the Company. These unclaimed shares were transferred to the 'Force Motors Limited-Unclaimed Securities Suspense Account'.

Of the above mentioned shares, 2,151 shares were transferred to IEPF of the Central Government in accordance with Section 124(6) of the Act and rules made thereunder.

As per the Listing Regulations, all corporate benefits in terms of securities accruing on these 2,612 shares shall be credited to the 'Force Motors Limited-Unclaimed Securities Suspense Account' (for 461 shares) and to the demat account of IEPF (for 2,151 shares).

**The details of the above shares are as given below:**

- a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : 2,612 Equity Shares of ₹ 10 each of 23 shareholders
- b) Number of shareholders who approached the Company for transfer of shares from suspense account during the year: Nil
- c) Number of shareholders to whom shares were transferred from suspense account during the year : Nil
- d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 461 Equity Shares of ₹ 10 each of 3 shareholders
- e) Voting rights on these shares shall remain frozen till the rightful owner of these shares presents a claim for the same

**H. DECLARATION BY THE MANAGING DIRECTOR FOR COMPLIANCE WITH CODE OF CONDUCT**

To  
The Members of Force Motors Limited

I, Prasan Firodia, Managing Director of Force Motors Limited declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2018.

Pune, 17th July 2018

**Prasan Firodia**  
Managing Director  
DIN : 00029664

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Force Motors Limited

We have examined the compliance of conditions of corporate governance by Force Motors limited ('the Company') for the year ended 31st March, 2018 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI.

Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

For **M/s. Kirtane & Pandit LLP**  
[FRN : 105215W/W100057]  
Chartered Accountants

Pune, 18th July 2018.

**Suhas Deshpande**  
Partner  
Membership No. 031787

## INDEPENDENT AUDITORS' REPORT

To the Members of Force Motors Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Force Motors Limited ("**the Company**"), which comprise the Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("**the Act**") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Other Matter

Corresponding figures for the year ended 31st March 2017 have been audited by another auditor who expressed an unmodified opinion dated 11th May 2017 on the standalone Ind AS financial statements of the Company for the year ended 31st March 2017.

Our opinion on the standalone Ind AS financial statements is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("**the Order**") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 30 to Ind AS financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 42 to Ind AS financial statements.

For **M/s. Kirtane & Pandit LLP**  
 Firm Reg. No. 105215W/W100057  
 Chartered Accountants

Place : Pune  
 Date : 29th May 2018

**Suhas Deshpande**  
 Partner  
 Membership No. : 031787

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) As explain to us, considering the nature of the Fixed Asset, the same have been physically verified by the management at reasonable intervals during the year as per verification plan adopted by the Company, which, in our opinion, is reasonable having regards to size of the Company and the nature of the assets. According to information and explanation give to us and the records produced to us for our verification, the discrepancies noticed during such physical verification were not material and same have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company.  
 In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
- (ii) As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals and the discrepancies noticed during such physical verification were not material.  
 The discrepancies noticed on physical verification of Inventory as compared to the book records have been properly dealt with the Books of Account.
- (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 Companies Act. Accordingly, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, made investments or given guarantees which are covered by the provisions of Sections 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the company has complied with the directives of the Reserve Bank of India and the provision of Sections 73 to 76 of the Companies Act 2013, and the rules framed there under, wherever applicable. As informed to us, no order has been passed against the Company, by the Company Law Board, the National Company Law Tribunal, RBI, or any court or any tribunal.
- (vi) The Central Government has specified maintenance of cost records under Sub-Section (1) of Section 148 of the Act and we are of the opinion that prima facie such records are 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 on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax, Goods and Service Tax, Employees' State Insurance, Cess and any other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.  
 According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Service Tax or Goods and Services Tax or Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited by the Company on account of disputes, except for the following :

| Sr No. | Name of the Statute      | Nature of the Dues | Amount* (Rs in Lakhs) | Period(s) to which the amount relates (Various year covering the period) | Forum where such dispute is pending                       |
|--------|--------------------------|--------------------|-----------------------|--------------------------------------------------------------------------|-----------------------------------------------------------|
| 1      | Central Excise Act, 1944 | Excise Duty        | 253                   | 1987-1991, 1990-1991, 1998-2000, 2008-2013, 2011-2015, 2014-2016         | Customs, Excise & Service Tax Appellate Tribunal (CESTAT) |
|        |                          |                    | 24                    | 1995-1996, 2000-2001, 2014-2015                                          | Appellate Authority upto Commissioner's level             |
| 2      | Sales Tax Laws           | Sales Tax          | 396                   | 1995-1998, 2003-2012, 2015-2016                                          | Appellate Authority upto Commissioner's level             |
|        |                          |                    | 55                    | 2003-2004, 2006-2008, 2010-2011                                          | Commercial Tax Appellate Board                            |
| 3      | Custom Act, 1962         | Custom Duty        | 17                    | 2004-2005, 2012-2013                                                     | Customs, Excise & Service Tax Appellate Tribunal (CESTAT) |

\* amount as per demand orders including penalty wherever quantified in the Order.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

**For M/s. Kirtane & Pandit LLP**  
Firm Registration No. 105215W/W100057  
Chartered Accountants

Place : Pune  
Date : 29th May 2018

**Suhas Deshpande**  
Partner  
Membership No. 031787



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Force Motors Limited (“the Company”) as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For M/s. Kirtane & Pandit LLP  
Firm Registration No. 105215W/W100057  
Chartered Accountants

Place : Pune  
Date : 29th May 2018

**Suhas Deshpande**  
Partner  
Membership No. 031787

**Balance Sheet as at 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                              | Note No. | As at 31st March 2018 | As at 31st March 2017 |
|------------------------------------------|----------|-----------------------|-----------------------|
| <b>I ASSETS :</b>                        |          |                       |                       |
| <b>1. Non-current Assets</b>             |          |                       |                       |
| (a) Property, Plant and Equipment        | 3        | 86,877                | 85,633                |
| (b) Capital Work-in-progress             | 3        | 17,351                | 12,011                |
| (c) Investment Property                  | 4        | 603                   | 628                   |
| (d) Other Intangible Assets              | 5        | 7,366                 | 4,881                 |
| (e) Intangible Assets under development  | 5        | 19,566                | 10,015                |
| (f) Financial Assets                     |          |                       |                       |
| (i) Investments                          | 6        | 1,060                 | 967                   |
| (ii) Loans and Advances                  | 7        | 1,671                 | 1,765                 |
| (g) Deferred Tax Assets (Net)            | 8        | --                    | 1,144                 |
| (h) Other Non-current Assets             | 9        | 5,229                 | 4,560                 |
| <b>Total Non-current Assets</b>          |          | <b>1,39,723</b>       | <b>1,21,604</b>       |
| <b>2. Current Assets</b>                 |          |                       |                       |
| (a) Inventories                          | 10       | 47,710                | 43,767                |
| (b) Financial Assets                     |          |                       |                       |
| (i) Trade Receivables                    | 11       | 24,191                | 11,510                |
| (ii) Cash and Cash equivalents           | 12       | 3,961                 | 8,645                 |
| (iii) Bank Balance other than (ii) above | 12       | 132                   | 14,777                |
| (iv) Loans and Advances                  | 7        | 244                   | 119                   |
| (v) Other Financial Assets               | 13       | 20,131                | 41,450                |
| (c) Current Tax Assets (Net)             | 8        | --                    | 801                   |
| (d) Other Current Assets                 | 9        | 15,811                | 17,343                |
| <b>Total Current Assets</b>              |          | <b>1,12,180</b>       | <b>1,38,412</b>       |
| <b>Total Assets</b>                      |          | <b>2,51,903</b>       | <b>2,60,016</b>       |
| <b>II EQUITY AND LIABILITIES :</b>       |          |                       |                       |
| <b>1. Equity</b>                         |          |                       |                       |
| (a) Equity Share Capital                 | 14       | 1,318                 | 1,318                 |
| (b) Other Equity                         | 15       | 1,78,561              | 1,65,223              |
| <b>Total Equity</b>                      |          | <b>1,79,879</b>       | <b>1,66,541</b>       |
| <b>2. Liabilities</b>                    |          |                       |                       |
| <b>Non-current Liabilities</b>           |          |                       |                       |
| (a) Financial Liabilities                |          |                       |                       |
| (i) Borrowings                           | 16       | --                    | 199                   |
| (ii) Other Financial Liabilities         | 17       | 396                   | 396                   |
| (b) Provisions                           | 18       | 2,698                 | 2,519                 |
| (c) Deferred Tax Liabilities (Net)       | 8        | 443                   | --                    |
| (d) Other Non-current Liabilities        | 20       | 189                   | 228                   |
| <b>Total Non-current Liabilities</b>     |          | <b>3,726</b>          | <b>3,342</b>          |
| <b>Current Liabilities</b>               |          |                       |                       |
| (a) Financial Liabilities                |          |                       |                       |
| (i) Borrowings                           | 16       | --                    | 19,647                |
| (ii) Trade Payables                      | 19       | 56,487                | 48,535                |
| (iii) Other Financial Liabilities        | 17       | 3,078                 | 2,888                 |
| (b) Other Current Liabilities            | 20       | 6,019                 | 16,217                |
| (c) Current Tax Liabilities (Net)        | 8        | 238                   | --                    |
| (d) Provisions                           | 18       | 2,476                 | 2,846                 |
| <b>Total Current Liabilities</b>         |          | <b>68,298</b>         | <b>90,133</b>         |
| <b>Total Liabilities</b>                 |          | <b>72,024</b>         | <b>93,475</b>         |
| <b>Total Equity and Liabilities</b>      |          | <b>2,51,903</b>       | <b>2,60,016</b>       |

See accompanying notes forming part of the financial statements

1-47

As per our separate report of even date.

**For M/s. Kirtane & Pandit LLP**

[FRN : 105215W/W100057]

Chartered Accountants

**Suhas Deshpande**

Partner

Membership No. 31787

Place : Pune

Date : 29th May 2018

**Sanjay Kumar Bohra**

Chief Financial Officer

**Kishore P. Shah**

Company Secretary

On behalf of the Board of Directors

**Prasan Firodia**

Managing Director

**Sudhir Mehta**

Director

Place : Pune

Date : 29th May 2018

**Statement of Profit and Loss for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                                                                                                                    | Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|--------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------|------------------------------------|
| <b>I INCOME :</b>                                                                                                              |          |                                    |                                    |
| (a) Revenue from Operations                                                                                                    | 21       | <b>3,53,101</b>                    | 3,49,457                           |
| (b) Other Income                                                                                                               | 22       | <b>6,113</b>                       | 8,494                              |
| <b>Total Income</b>                                                                                                            |          | <b>3,59,214</b>                    | 3,57,951                           |
| <b>II EXPENSES :</b>                                                                                                           |          |                                    |                                    |
| (a) Cost of Materials consumed                                                                                                 | 23       | <b>2,60,924</b>                    | 2,13,056                           |
| (b) Change in Inventories of Finished Goods and Work-in-progress                                                               | 24       | <b>(5,132)</b>                     | 7,179                              |
| (c) Excise Duty                                                                                                                |          | <b>10,082</b>                      | 42,558                             |
| (d) Employee benefits expense                                                                                                  | 25       | <b>38,655</b>                      | 35,008                             |
| (e) Finance costs                                                                                                              | 26       | <b>667</b>                         | 554                                |
| (f) Depreciation and Amortization expense                                                                                      | 27       | <b>12,926</b>                      | 11,308                             |
| (g) Other expenses                                                                                                             | 28       | <b>31,213</b>                      | 32,192                             |
|                                                                                                                                |          | <b>3,49,335</b>                    | 3,41,855                           |
| <b>Less : Expenditure included in the above items capitalized</b>                                                              |          | <b>10,144</b>                      | 7,309                              |
| <b>Total Expenses</b>                                                                                                          |          | <b>3,39,191</b>                    | 3,34,546                           |
| <b>III Profit before exceptional items and tax</b>                                                                             |          | <b>20,023</b>                      | 23,405                             |
| <b>IV Exceptional Items</b>                                                                                                    | 45       | <b>--</b>                          | 95                                 |
| <b>V Profit Before Tax</b>                                                                                                     |          | <b>20,023</b>                      | 23,500                             |
| <b>VI Tax Expense :</b>                                                                                                        | 8        |                                    |                                    |
| (a) Current Tax                                                                                                                |          | <b>4,362</b>                       | 4,904                              |
| (b) Deferred Tax                                                                                                               |          | <b>1,514</b>                       | 606                                |
| (c) Taxation in respect of earlier years                                                                                       |          | <b>(548)</b>                       | (2)                                |
| <b>Total Tax Expense</b>                                                                                                       |          | <b>5,328</b>                       | 5,508                              |
| <b>VII Profit for the year</b>                                                                                                 |          | <b>14,695</b>                      | 17,992                             |
| <b>VIII Other Comprehensive Income</b>                                                                                         |          |                                    |                                    |
| (a) Items that will not be reclassified to Profit or Loss                                                                      |          |                                    |                                    |
| (i) Re-measurements of net defined benefit liability                                                                           |          | <b>210</b>                         | (522)                              |
| (ii) Equity instrument through Other Comprehensive Income                                                                      |          | <b>92</b>                          | 124                                |
|                                                                                                                                |          | <b>302</b>                         | (398)                              |
| (b) Income tax relating to items that will not be reclassified to Profit or Loss                                               |          |                                    |                                    |
| (i) Taxes on re-measurements of net defined benefit liability                                                                  |          | <b>(73)</b>                        | 181                                |
| (ii) Taxes on Equity instrument through Other Comprehensive Income                                                             |          | <b>--</b>                          | 1                                  |
|                                                                                                                                |          | <b>(73)</b>                        | 182                                |
| <b>Total Other Comprehensive Income</b>                                                                                        |          | <b>229</b>                         | (216)                              |
| <b>IX Total Comprehensive Income for the year (comprising Profit and Other Comprehensive Income for the year) (VII + VIII)</b> |          | <b>14,924</b>                      | 17,776                             |
| <b>X Basic and Diluted Earnings per equity share</b>                                                                           | 29       | <b>111.53</b>                      | 136.55                             |
| [Nominal value per share ₹ 10] ₹                                                                                               |          |                                    |                                    |

See accompanying notes forming part of the financial statements

1-47

As per our separate report of even date.

 For M/s. Kirtane & Pandit LLP  
 [FRN : 105215W/W100057]  
 Chartered Accountants

 Sanjay Kumar Bohra  
 Chief Financial Officer

 Suhas Deshpande  
 Partner  
 Membership No. 31787

 Kishore P. Shah  
 Company Secretary

 Place : Pune  
 Date : 29th May 2018

On behalf of the Board of Directors

 Prasan Firodia  
 Managing Director

 Sudhir Mehta  
 Director

 Place : Pune  
 Date : 29th May 2018

**Statement of Changes in Equity for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**A. Equity Share Capital**

| Balance as at<br>1st April 2016 | Changes in Equity<br>Share Capital during<br>the year | Balance as at<br>31st March 2017         |
|---------------------------------|-------------------------------------------------------|------------------------------------------|
| 1,318                           | --                                                    | 1,318                                    |
| Balance as at<br>1st April 2017 | Changes in Equity<br>Share Capital during<br>the year | <b>Balance as at<br/>31st March 2018</b> |
| 1,318                           | --                                                    | <b>1,318</b>                             |

**B. Other Equity**

|                                                    | Reserves and Surplus             |                    |                      | Equity<br>Instruments<br>through Other<br>Comprehensive<br>Income | Total           |
|----------------------------------------------------|----------------------------------|--------------------|----------------------|-------------------------------------------------------------------|-----------------|
|                                                    | Securities<br>Premium<br>Reserve | General<br>Reserve | Retained<br>earnings |                                                                   |                 |
| Balance as at 1st April 2016                       | 5,920                            | 34,629             | 1,06,177             | 720                                                               | 1,47,446        |
| Profit for the year                                | --                               | --                 | 17,992               | --                                                                | 17,992          |
| Other Comprehensive Income (Net of tax)            | --                               | --                 | (341)                | 126                                                               | (215)           |
| Balance as at 31st March 2017                      | 5,920                            | 34,629             | 1,23,828             | 846                                                               | 1,65,223        |
| Balance as at 1st April 2017                       | 5,920                            | 34,629             | 1,23,828             | 846                                                               | 1,65,223        |
| Profit for the year                                | --                               | --                 | 14,695               | --                                                                | 14,695          |
| Other Comprehensive Income (Net of tax)            | --                               | --                 | 137                  | 92                                                                | 229             |
| Dividends (including dividend<br>distribution tax) | --                               | --                 | (1,586)              | --                                                                | (1,586)         |
| <b>Balance as at 31st March 2018</b>               | <b>5,920</b>                     | <b>34,629</b>      | <b>1,37,074</b>      | <b>938</b>                                                        | <b>1,78,561</b> |

**Statement of Cash Flows for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                                                               | For the year<br>ended 31st<br>March 2018 | For the year<br>ended 31st<br>March 2017 |
|---------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>A. Cash flow from Operating Activities :</b>                           |                                          |                                          |
| Profit before tax                                                         | 20,023                                   | 23,500                                   |
| <b>Adjustments for :</b>                                                  |                                          |                                          |
| Depreciation and Amortization expense                                     | 12,926                                   | 11,308                                   |
| Net exchange differences (unrealised)                                     | 216                                      | (198)                                    |
| Interest Income                                                           | (2,433)                                  | (2,367)                                  |
| Dividend income on Equity Securities                                      | (8)                                      | (16)                                     |
| Loss / (Gain) on disposal of Property, Plant and Equipment                | (114)                                    | 129                                      |
| Finance Costs                                                             | 667                                      | 554                                      |
| Inventory write down                                                      | 511                                      | 156                                      |
| Provision for bad, doubtful debts and debit balances                      | 71                                       | 40                                       |
| <b>Operating Profit before Working Capital adjustments</b>                | <b>31,859</b>                            | <b>33,106</b>                            |
| <b>Working Capital adjustments</b>                                        |                                          |                                          |
| <b>(Increase) / Decrease in :</b>                                         |                                          |                                          |
| Trade Receivables                                                         | (12,750)                                 | 3,508                                    |
| Inventories                                                               | (4,454)                                  | 10,827                                   |
| Other Financial Assets                                                    | 14,613                                   | 12,426                                   |
| Other Non-financial Assets                                                | 1,536                                    | (6,905)                                  |
| Trade Payables                                                            | 7,820                                    | 7,007                                    |
| Financial Liabilities                                                     | 15                                       | (57)                                     |
| Non-financial Liabilities                                                 | (10,236)                                 | (7,127)                                  |
| Provisions                                                                | 19                                       | 305                                      |
| <b>Cash generated from Operations</b>                                     | <b>28,422</b>                            | <b>53,090</b>                            |
| Income Tax paid (Net)                                                     | (2,774)                                  | (6,027)                                  |
| <b>Net Cash flow from Operating Activities</b>                            | <b>25,648</b>                            | <b>47,063</b>                            |
| <b>B. Cash flow from Investing Activities :</b>                           |                                          |                                          |
| Payments for Property, Plant and Equipment and Intangible Assets          | (32,414)                                 | (23,529)                                 |
| Proceeds from sale of Property, Plant and Equipment and Intangible Assets | 595                                      | 92                                       |
| Deposits with Financial Institution                                       | 20,000                                   | (40,000)                                 |
| Interest received                                                         | 3,752                                    | 1,343                                    |
| Dividends received                                                        | 8                                        | 16                                       |
| <b>Net Cash flow from Investing Activities</b>                            | <b>(8,059)</b>                           | <b>(62,078)</b>                          |
| <b>C. Cash flow from Financing Activities :</b>                           |                                          |                                          |
| Repayment of borrowings                                                   | (367)                                    | (981)                                    |
| Proceeds from / (Repayment of) borrowings                                 | (19,647)                                 | 19,647                                   |
| Interest paid                                                             | (688)                                    | (649)                                    |
| Dividends paid (including Dividend distribution Tax)                      | (1,586)                                  | --                                       |
| <b>Net Cash flow from Financing Activities</b>                            | <b>(22,288)</b>                          | <b>18,017</b>                            |
| <b>Net Increase / (Decrease) in Cash and Cash equivalents</b>             | <b>(4,699)</b>                           | <b>3,002</b>                             |
| Cash and Cash equivalents at beginning of the financial year              | 8,656                                    | 5,654                                    |
| Cash and Cash equivalents at end of the financial year                    | 3,957                                    | 8,656                                    |
| Cash and Cash equivalents as per Note 12                                  | 3,961                                    | 8,645                                    |
| Effects of exchange rate fluctuations on Cash and Cash equivalents held   | (4)                                      | 11                                       |
|                                                                           | <b>3,957</b>                             | <b>8,656</b>                             |

As per our separate report of even date.

 For **M/s. Kirtane & Pandit LLP**  
 [FRN : 105215W/W100057]  
 Chartered Accountants

**Suhas Deshpande**  
 Partner  
 Membership No. 31787

 Place : Pune  
 Date : 29th May 2018

**Sanjay Kumar Bohra**  
 Chief Financial Officer

**Kishore P. Shah**  
 Company Secretary

On behalf of the Board of Directors

**Prasan Firodia**  
 Managing Director

**Sudhir Mehta**  
 Director

 Place : Pune  
 Date : 29th May 2018



## Notes to Financial Statements for the year ended 31st March 2018

### 1. THE CORPORATE INFORMATION

Force Motors Limited is a Public Limited Company domiciled and incorporated in India. The Registered Office of the Company is situated at Mumbai-Pune Road, Akurdi, Pune - 411035. The Company's ordinary shares are listed on the Bombay Stock Exchange.

The Company is a fully, vertically integrated automobile company, with expertise in design, development and manufacture of the full spectrum of automotive components, aggregates and vehicles. Its range of products includes Light Commercial Vehicles (LCV), Multi-Utility Vehicles (MUV), Small Commercial Vehicles (SCV), Sports Utility Vehicles (SUV) and Agricultural Tractors.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of Compliance

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

#### (b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except certain financial instruments and defined benefit plans, which are measured at fair value.

#### (c) Revenue Recognition

##### (i) Sales :

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue, when it has transferred to the buyer the significant risks and rewards associated with the goods and the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

##### (ii) Other Incomes :

Other incomes are recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

#### (d) Inventories

Inventories are valued at lower of their cost or net realizable value. The cost of raw materials, stores and consumables is measured on moving weighted average basis.

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

Raw materials and bought out components are valued at the lower of cost or net realizable value. Cost is determined on the basis of the weighted average method.

Finished Goods and work-in-progress are carried at cost or net realizable value, whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realizable value, whichever is lower.

#### (e) Property, Plant and Equipment

Property, plant and equipment, except land, are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and amortization. Freehold land is carried at cost of acquisition.

Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

Costs incurred to manufacture property, plant and equipment and intangible are reduced from the total expense under the head 'Expenditure, included in above items, capitalised' in the Statement of Profit and Loss.

#### (f) Intangible Assets

Intangible Assets acquired are stated at acquisition cost, less accumulated amortization and impaired losses, if any.

##### Intangible Assets internally generated :

Expenditure incurred by the Company on development of know-how researched, is recognized as an intangible asset, if and only if the future economic benefits attributable to the use of such know-how are probable to flow to the Company and the costs / expenditure can be measured reliably.

#### (g) Investment Property

Investment property is measured at cost less accumulated depreciation.

#### (h) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### (i) Depreciation & Amortization

##### (i) Property, Plant and Equipment :

- The Depreciation on Property, Plant and Equipment is provided as per Schedule-II to the Companies Act, 2013.
- Leasehold land is amortized over the period of lease.

**(ii) Intangible Assets :**

- Software and their implementation costs are written off over the period of 5 years.
- Technical Know-how acquired and internally generated is amortized over the useful life of the assets, not exceeding 10 years.

**(j) Borrowing Costs**

Cost of borrowings incurred for acquisition, construction or production of qualifying asset is capitalized.

**(k) Research and Development Expenses**

Revenue expenditure on Research and Development is charged off as an expense in the year in which incurred and capital expenditure is grouped with Assets under appropriate heads and depreciation is provided as per rates applicable.

**(l) Leases****(i) Where the Company is the Lessee :**

- Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.
- Finance leases are capitalized at the inception of the lease at fair value of the leased property.

**(ii) Where the Company is the Lessor :**

Lease rentals are recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**(m) Earnings per Share**

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period.

**(n) Foreign currency transactions****Transactions and balances**

- Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.
- Monetary items of Assets and Liabilities booked in foreign currency are translated in to rupee at the exchange rate prevailing at the Balance Sheet date
- Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognized in the Statement of Profit and Loss.
- Exchange difference arising on translation of foreign currency liabilities for acquisition of Property, Plant and Equipments are adjusted to the Statement of Profit and Loss

**Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs, unless otherwise stated.

**(o) Employee Benefits****Defined benefit plans**

- The accruing liability of Gratuity is covered by Employees Group Gratuity Scheme of Life Insurance Corporation of India (LIC) and the premium is accounted for in the year of accrual. The additional liability, if any, due to deficit in the Plan assets managed by LIC as compared to the present value of accrued liability on the basis of actuarial valuation, is recognized and provided for.
- Provident fund contributions are made to Company's Provident Fund Trust. The contributions are accounted for as defined benefit plans and the contributions are recognized as employee benefits expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Company.
- Current service cost and net interest on defined benefit obligation are directly recognized in the Statement of Profit and Loss.
- Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized 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.

**Defined contribution plans**

- The Company's superannuation scheme is a defined contribution plan. The contributions are recognized as employee benefit expenses when they are due.
- Benefits in respect of compensated absence payable after 12 months are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.

**(p) Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax liabilities are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except to the extent that it relate to the items that are recognized in other comprehensive income or directly in equity, in this case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

**(q) Provisions and Contingent Liabilities**

**Provision :**

A provision is recorded 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 reasonably estimated.

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as and when warranty claims arises. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

**Contingent liability :**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

**(r) Incentives**

Incentives receivable / received are disclosed as "Other Income", in the Financial Statements.

**(s) Financial instruments**

**Equity investments at fair value through other comprehensive income**

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss, when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

**(t) Fair value measurement**

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as;

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**(u) Use of estimates and judgements**

Detailed information about accounting judgements, estimates and assumption is included in the relevant notes.

- (i) Estimation of defined benefit obligation – refer Note 36.
- (ii) Estimation of provision for warranty claims – refer Note 18.
- (iii) Estimated useful life of intangible assets- refer Note 2(i) (ii) above.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognized prospectively.

**(v) Recent accounting pronouncements**

New Accounting pronouncements affecting amounts reported and / or disclosures in the financial statements.

The Company has not applied the following revisions to Ind AS that have been issued but are not yet effective. The Company is evaluating the impact of these pronouncements on the financial statements.

Ind AS 40 - Investment Property

Ind AS 21 - The effects of Changes in Foreign Exchange Rates

Ind AS 12 - Income Taxes

Ind AS 28 - Investments in Associates and Joint Ventures

Ind AS 112 - Disclosure of Interests in Other Entities.

Ind AS 115 - Revenue from Contracts with Customers

### Notes to Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

#### 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

| Particulars                          | Land       |              | Buildings     | Plant & Equipment | Furniture & Fixtures | Vehicles     | Office Equipment | Aircrafts     | Total           | Capital Work-in-Progress |
|--------------------------------------|------------|--------------|---------------|-------------------|----------------------|--------------|------------------|---------------|-----------------|--------------------------|
|                                      | Freehold   | Leasehold    |               |                   |                      |              |                  |               |                 |                          |
| Gross carrying amount                |            |              |               |                   |                      |              |                  |               |                 |                          |
| Balance as at 1st April 2017         | 864        | 1,590        | 25,102        | 1,43,181          | 1,329                | 3,635        | 841              | 19,149        | 1,95,691        | 12,011                   |
| Additions                            | 4          | --           | 2,842         | 9,191             | 244                  | 745          | 132              | --            | 13,158          | 5,922                    |
| Disposals / Adjustments              | --         | --           | --            | 3,912             | 3                    | 445          | 7                | 1,159         | 5,526           | 582                      |
| <b>Balance as at 31st March 2018</b> | <b>868</b> | <b>1,590</b> | <b>27,944</b> | <b>1,48,460</b>   | <b>1,570</b>         | <b>3,935</b> | <b>966</b>       | <b>17,990</b> | <b>2,03,323</b> | <b>17,351</b>            |
| Accumulated depreciation             |            |              |               |                   |                      |              |                  |               |                 |                          |
| Balance as at 1st April 2017         | --         | 54           | 6,705         | 96,043            | 787                  | 2,013        | 557              | 3,899         | 1,10,058        |                          |
| Depreciation for the year            | --         | 16           | 950           | 9,087             | 85                   | 353          | 93               | 849           | 11,433          |                          |
| Disposals / Adjustments              | --         | --           | --            | 3,910             | 1                    | 207          | 6                | 921           | 5,045           |                          |
| <b>Balance as at 31st March 2018</b> | <b>--</b>  | <b>70</b>    | <b>7,655</b>  | <b>1,01,220</b>   | <b>871</b>           | <b>2,159</b> | <b>644</b>       | <b>3,827</b>  | <b>1,16,446</b> |                          |
| <b>Carrying amounts (Net)</b>        |            |              |               |                   |                      |              |                  |               |                 |                          |
| As at 31st March 2018                | 868        | 1,520        | 20,289        | 47,240            | 699                  | 1,776        | 322              | 14,163        | 86,877          | 17,351                   |
| As at 31st March 2017                | 864        | 1,536        | 18,397        | 47,138            | 542                  | 1,622        | 284              | 15,250        | 85,633          | 12,011                   |

#### Notes :

- Refer to Note 34 for Plant & Equipment given on Operating Lease.
- Refer to Note 30 (b) for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- Capital Work-in-Progress mainly comprises Plant and Equipment.

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**4. INVESTMENT PROPERTY**

| Particulars                          | Industrial Shed |
|--------------------------------------|-----------------|
| <b>Gross carrying amount</b>         |                 |
| Balance as at 1st April 2017         | 794             |
| Additions                            | --              |
| Disposals / Adjustments              | --              |
| <b>Balance as at 31st March 2018</b> | <b>794</b>      |
| <b>Accumulated depreciation</b>      |                 |
| Balance as at 1st April 2017         | 166             |
| Depreciation for the year            | 25              |
| Disposals / Adjustments              | --              |
| <b>Balance as at 31st March 2018</b> | <b>191</b>      |
| Carrying amounts (Net)               |                 |
| As at 31st March 2018                | 603             |
| As at 31st March 2017                | 628             |

**Information regarding income and expenditure of Investment Property :**

| Particulars                                                                                       | As at 31st March 2018 | As at 31st March 2017 |
|---------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Rental income derived from investment property                                                    | <b>524</b>            | 498                   |
| Direct operating expenses (including repairs and maintenance) generating rental income            | --*                   | --*                   |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | --                    | --                    |
| Profit arising from investment property before depreciation and indirect expenses                 | <b>524</b>            | 498                   |
| <b>Less : Depreciation</b>                                                                        | <b>25</b>             | 25                    |
| Profit from investment property                                                                   | <b>499</b>            | 473                   |

**Leasing arrangements**

The Company's investment property consists of industrial property given on operating lease for the period of 10 years. Refer Note 34.

**Fair Value**

The Company's investment property is at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a Level - 2 valuation.

| Particulars         | As at 31st March 2018 | As at 31st March 2017 |
|---------------------|-----------------------|-----------------------|
| Industrial Property | <b>2,735</b>          | 2,705                 |

**Reconciliation of fair value**

| Particulars                          | Industrial Property |
|--------------------------------------|---------------------|
| Balance as at 1st April 2017         | 2,705               |
| Change in fair value                 | 30                  |
| <b>Balance as at 31st March 2018</b> | <b>2,735</b>        |

--\* Denotes amount less than ₹ 50,000



## Notes to Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### 5. INTANGIBLE ASSETS

| Particulars                          | Software     | Technical Know-how acquired | Technical Know-how acquired upto 1st April 2003 | Technical Know-how internally generated | Total         | Intangible Assets under development |
|--------------------------------------|--------------|-----------------------------|-------------------------------------------------|-----------------------------------------|---------------|-------------------------------------|
| <b>Gross carrying amount</b>         |              |                             |                                                 |                                         |               |                                     |
| Balance as at 1st April 2017         | 3,086        | 4,425                       | 822                                             | 3,835                                   | 12,168        | 10,015                              |
| Additions                            | 1,433        | 200                         | --                                              | 2,320                                   | 3,953         | 11,034                              |
| Disposals / Adjustments              | --           | --                          | --                                              | --                                      | --            | 1,483                               |
| <b>Balance as at 31st March 2018</b> | <b>4,519</b> | <b>4,625</b>                | <b>822</b>                                      | <b>6,155</b>                            | <b>16,121</b> | <b>19,566</b>                       |
| Balance as at 1st April 2017         | 2,004        | 2,895                       | 822                                             | 1,566                                   | 7,287         |                                     |
| Amortization for the year            | 462          | 400                         | --                                              | 606                                     | 1,468         |                                     |
| Disposals / Adjustments              | --           | --                          | --                                              | --                                      | --            |                                     |
| <b>Balance as at 31st March 2018</b> | <b>2,466</b> | <b>3,295</b>                | <b>822</b>                                      | <b>2,172</b>                            | <b>8,755</b>  |                                     |
| <b>Carrying amounts (Net)</b>        |              |                             |                                                 |                                         |               |                                     |
| As at 31st March 2018                | 2,053        | 1,330                       | --                                              | 3,983                                   | 7,366         | 19,566                              |
| As at 31st March 2017                | 1,082        | 1,530                       | --                                              | 2,269                                   | 4,881         | 10,015                              |

**Note :** Intangible Assets under development mainly comprises internally generated Technical Know-how.

### 6. FINANCIAL ASSETS : INVESTMENTS (NON-CURRENT)

|                                                                                                                          | As at 31st March 2018 | As at 31st March 2017 |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>A. Investments at Fair Value through Other Comprehensive Income (FVTOCI)</b>                                          |                       |                       |
| <b>(a) Unquoted Equity Shares (fully paid) *</b>                                                                         |                       |                       |
| (i) Nil (31st March 2017 : 25,000) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (North) Private Limited       | --                    | --                    |
| (ii) 1 (31st March 2017 : 1) Equity Share of ₹ 10, fully paid in MAN Trucks India Private Limited                        | --*                   | --*                   |
| (iii) 50,000 (31st March 2017: 50,000) Equity Shares of ₹ 10 each, fully paid in Pithampur Auto Cluster Limited          | 5                     | 5                     |
| (iv) 5 (31st March 2017: 5) Equity Shares of ₹ 50 each, fully paid in Mittal Tower Premises Co-operative Society Limited | --*                   | --*                   |
| <b>(b) Quoted Equity Shares (fully paid) **</b>                                                                          |                       |                       |
| 3,47,187 (31st March 2017 : 3,15,625) Equity Shares of ₹ 2 each, fully paid in ICICI Bank Limited                        | 967                   | 874                   |
| <b>Total FVTOCI Investments</b>                                                                                          | <b>972</b>            | <b>879</b>            |
| <b>B. Investment in Subsidiary</b>                                                                                       |                       |                       |
| 8,80,200 (31st March 2017 : 8,80,200) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (West) Private Limited *** | 88                    | 88                    |
| <b>Total Non-current Investments</b>                                                                                     | <b>1,060</b>          | <b>967</b>            |
| Aggregate book value of quoted investments                                                                               | 967                   | 874                   |
| Aggregate market value of quoted investments                                                                             | 967                   | 874                   |
| Aggregate value of unquoted investments                                                                                  | 93                    | 93                    |
| Aggregate amount of impairment in the value of investments                                                               | --                    | --                    |

\* The fair value of the investments in unquoted equity shares have been estimated using valuation technique which approximates its carrying value.

\*\* For determination of fair values of quoted equity investments, the investments classified as FVTOCI. Refer Note 37.

\*\*\* Investment in subsidiary is accounted at cost in accordance with "Ind AS 27" Separate financial statements.

--\* Denotes amount less than ₹ 50,000

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**7. FINANCIAL ASSETS : LOANS AND ADVANCES**

|                                                     | <u>As at 31st<br/>March 2018</u> | <u>As at 31st<br/>March 2017</u> |
|-----------------------------------------------------|----------------------------------|----------------------------------|
| <b>Non-current :</b>                                |                                  |                                  |
| <b>(a) Security Deposits</b>                        |                                  |                                  |
| (i) Unsecured, Considered Good                      | 1,667                            | 1,567                            |
| (ii) Doubtful                                       | --                               | --                               |
| <b>(b) Other Loans and Advances</b>                 |                                  |                                  |
| (i) Unsecured, Considered Good                      | 4                                | 198                              |
| (ii) Doubtful                                       | 9                                | 10                               |
|                                                     | <u>13</u>                        | <u>208</u>                       |
| <b>Less : Allowances for expected credit losses</b> | 9                                | 10                               |
|                                                     | <u>4</u>                         | <u>198</u>                       |
| <b>Total Non-current Loans and Advances</b>         | <u>1,671</u>                     | <u>1,765</u>                     |
| <b>Current :</b>                                    |                                  |                                  |
| <b>(a) Security Deposits</b>                        |                                  |                                  |
| Unsecured, Considered Good                          | 50                               | 45                               |
| <b>(b) Other Loans and Advances</b>                 |                                  |                                  |
| Unsecured, Consider Good                            | 194                              | 74                               |
| <b>Total Current Loans and Advances</b>             | <u>244</u>                       | <u>119</u>                       |
| <b>Total Loans and Advances</b>                     | <u>1,915</u>                     | <u>1,884</u>                     |

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**8. CURRENT AND DEFERRED TAX**

|                                                                        | As at 31st<br>March 2018         | As at 31st<br>March 2017         |
|------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>A. Statement of Profit or Loss</b>                                  |                                  |                                  |
| <b>(a) Current Tax :</b>                                               |                                  |                                  |
| (i) Current Income Tax charge                                          | 4,362                            | 4,904                            |
| (ii) Taxation in respect of earlier years                              | (548)                            | (2)                              |
| <b>(b) Deferred Tax :</b>                                              |                                  |                                  |
| Relating to origination and reversal of temporary differences          | 1,514                            | 606                              |
| <b>Income Tax expense reported in the Statement of Profit or Loss</b>  | <b>5,328</b>                     | <b>5,508</b>                     |
| <b>(c) Other Comprehensive Income (OCI)</b>                            |                                  |                                  |
| <b>Deferred Tax related to items recognized in OCI during the year</b> |                                  |                                  |
| (i) Re-measurements on defined benefit plan                            | (73)                             | 181                              |
| (ii) Unquoted Equity Instruments                                       | --                               | 1                                |
| <b>Income Tax recognized in OCI</b>                                    | <b>(73)</b>                      | <b>182</b>                       |
| <b>B. Balance Sheet</b>                                                | <b>As at 31st<br/>March 2018</b> | <b>As at 31st<br/>March 2017</b> |
| <b>(a) Current Tax Assets</b>                                          |                                  |                                  |
| Advance Income Tax                                                     | --                               | 801                              |
| <b>Total Current Tax Assets (Net)</b>                                  | <b>--</b>                        | <b>801</b>                       |
| <b>(b) Current Tax Liabilities</b>                                     |                                  |                                  |
| Provision for Income Tax                                               | 238                              | --                               |
| <b>Total Current Tax Liabilities (Net)</b>                             | <b>238</b>                       | <b>--</b>                        |
| <b>(c) Deferred Tax</b>                                                |                                  |                                  |
| (i) Deferred Tax Assets (DTA)                                          | 16,072                           | 13,203                           |
| (ii) Deferred Tax Liabilities (DTL)                                    | (16,515)                         | (12,059)                         |
| <b>Net Deferred Tax Asset / (Liabilities)</b>                          | <b>(443)</b>                     | <b>1,144</b>                     |

**Reconciliation of tax expense and the accounting profit for the year ended 31st March 2018 and 31st March 2017 :**

|                                            | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|--------------------------------------------|--------------------------|--------------------------|
| Accounting Profit Before Tax               | 20,023                   | 23,500                   |
| (a) Tax as per Income Tax Act              | 6,930                    | 8,133                    |
| <b>(b) Tax Expense</b>                     |                          |                          |
| (i) Current Tax                            | 4,362                    | 4,904                    |
| (ii) Deferred Tax                          | 1,514                    | 606                      |
| (iii) Taxation in respect of earlier years | (548)                    | (2)                      |
| <b>Total Tax expense</b>                   | <b>5,328</b>             | <b>5,508</b>             |
| (c) Difference (a-b)                       | 1,602                    | 2,625                    |
| <b>(d) Tax Reconciliation</b>              |                          |                          |
| (i) Permanent Dis-allowances               | (120)                    | (95)                     |
| (ii) Allowances and accelerated deductions | 1,337                    | 2,718                    |
| (iii) Change due to tax rate difference    | 138                      | --                       |
| (iv) MAT credit                            | (301)                    | --                       |
| (v) Taxation in respect of earlier years   | 548                      | 2                        |
| <b>Total</b>                               | <b>1,602</b>             | <b>2,625</b>             |

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Deferred Tax Asset and Liabilities are as follows :**
**Deferred Tax Asset / Liabilities in relation to :**

- (a) Property, Plant and Equipment
- (b) Provision for doubtful advances
- (c) Expenditure allowable under Income Tax Act on payment basis
- (d) Prepaid taxes claimed u/s 43B
- (e) MAT credit entitlement
- (f) Unquoted Equity Instrument through Other Comprehensive Income

**Net Deferred Tax Assets / (Liabilities)**

| <b>Balance Sheet</b>         |                              |
|------------------------------|------------------------------|
| <b>As at 31st March 2018</b> | <b>As at 31st March 2017</b> |
| <b>(16,509)</b>              | (12,054)                     |
| <b>97</b>                    | 41                           |
| <b>2,002</b>                 | 2,268                        |
| <b>(6)</b>                   | (5)                          |
| <b>13,971</b>                | 10,892                       |
| <b>2</b>                     | 2                            |
| <b>(443)</b>                 | 1,144                        |

**Significant components of net Deferred Tax Asset and Liabilities are as follows :**

| <b>Movement in temporary differences</b>                      | <b>As at 1st April 2017</b> | <b>Recognized in profit or loss during 2017-18</b> | <b>Recognized in Other Comprehensive Income during 2017-18</b> | <b>As at 31st March 2018</b> |
|---------------------------------------------------------------|-----------------------------|----------------------------------------------------|----------------------------------------------------------------|------------------------------|
| Property, Plant & Equipment                                   | (12,054)                    | (4,455)                                            | --                                                             | <b>(16,509)</b>              |
| Provision for doubtful advances                               | 41                          | 56                                                 | --                                                             | <b>97</b>                    |
| Expenditure allowable under Income Tax Act on payment basis   | 2,268                       | (193)                                              | (73)                                                           | <b>2,002</b>                 |
| Prepaid taxes claimed u/s 43B                                 | (5)                         | (1)                                                | --                                                             | <b>(6)</b>                   |
| MAT credit entitlement                                        | 10,892                      | 3,079                                              | --                                                             | <b>13,971</b>                |
| Unquoted Equity Instrument through Other Comprehensive Income | 2                           | --                                                 | --                                                             | <b>2</b>                     |
|                                                               | <b>1,144</b>                | <b>(1,514)</b>                                     | <b>(73)</b>                                                    | <b>(443)</b>                 |

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**9. OTHER ASSETS**

|                                                                                            | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|--------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Non-current</b>                                                                         |                          |                          |
| (a) <b>Capital Advances</b>                                                                |                          |                          |
| Unsecured, Considered Good                                                                 | 5,148                    | 4,475                    |
| (b) <b>Prepaid Lease rentals</b>                                                           | 81                       | 85                       |
| <b>Total Non-current Other Assets</b>                                                      | <b>5,229</b>             | <b>4,560</b>             |
| <b>Current :</b>                                                                           |                          |                          |
| (a) <b>Advances recoverable in cash or kind</b><br>(includes Govt. Incentives, Taxes etc.) |                          |                          |
| (i) Unsecured, Considered Good                                                             | 15,807                   | 17,339                   |
| (ii) Doubtful                                                                              | 227                      | 108                      |
|                                                                                            | 16,034                   | 17,447                   |
| <b>Less : Provision for doubtful advances</b>                                              | 227                      | 108                      |
|                                                                                            | 15,807                   | 17,339                   |
| (b) <b>Prepaid Lease rentals</b>                                                           | 4                        | 4                        |
| <b>Total Current Other Assets</b>                                                          | <b>15,811</b>            | <b>17,343</b>            |
| <b>Total Other Assets</b>                                                                  | <b>21,040</b>            | <b>21,903</b>            |

**10. INVENTORIES (CURRENT)**

|                                                                                    | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|------------------------------------------------------------------------------------|--------------------------|--------------------------|
| (a) Raw Materials and Components*                                                  | 24,891                   | 25,068                   |
| (b) Finished Goods                                                                 | 15,757                   | 10,699                   |
| (c) Excise Duty on Inventory of Finished Goods                                     | --                       | 1,364                    |
| (d) Work-in-progress                                                               | 4,332                    | 4,258                    |
| (e) Stores and spares                                                              | 2,730                    | 2,378                    |
| * [Includes Goods in transit : ₹ 7,562 Lakhs<br>(31st March 2017 : ₹ 5,653 Lakhs)] |                          |                          |
| <b>Total Inventories</b>                                                           | <b>47,710</b>            | <b>43,767</b>            |

The write-down of inventories to net realisable value during the year amounted to ₹ 511 Lakhs (31st March 2017 : ₹ 157 Lakhs). The write-down are included in the cost of material consumed or changes in inventories of finished goods and work-in-progress.

**11. TRADE RECEIVABLES (CURRENT)**

|                                                  | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|--------------------------------------------------|--------------------------|--------------------------|
| (a) From Related Parties                         | 58                       | 76                       |
| (b) From others                                  |                          |                          |
| (i) Unsecured, Considered Good                   | 24,133                   | 11,434                   |
| (ii) Doubtful                                    | 42                       | --                       |
|                                                  | 24,175                   | 11,434                   |
| <b>Less : Provision for Doubtful Receivables</b> | 42                       | --                       |
| <b>Total Trade Receivables</b>                   | <b>24,191</b>            | <b>11,510</b>            |



**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**12. CASH AND CASH EQUIVALENTS (CURRENT)**

|                                                                                     | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>(a) Cash and Cash equivalents</b>                                                |                          |                          |
| (i) Balances with Banks - Current Account                                           | 3,597                    | 991                      |
| (ii) Balances with Banks - Short term deposits with maturity less than three months | 354                      | 7,646                    |
| (iii) Cheques / Drafts on hand                                                      | 6                        | 6                        |
| (iv) Cash on hand                                                                   | 4                        | 2                        |
|                                                                                     | <b>3,961</b>             | <b>8,645</b>             |
| <b>(b) Other Bank balances</b>                                                      |                          |                          |
| (i) Unpaid Dividend Accounts                                                        | 55                       | 52                       |
| (ii) Margin money and Security deposit                                              | 77                       | 225                      |
| (iii) Bank deposits with original maturity of three to twelve months                | --                       | 14,500                   |
|                                                                                     | <b>132</b>               | <b>14,777</b>            |
| <b>Total Cash and Cash equivalents</b>                                              | <b>4,093</b>             | <b>23,422</b>            |

**13. OTHER FINANCIAL ASSETS (CURRENT)**

|                                             | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------|--------------------------|--------------------------|
| (a) Interest accrued on deposits with Banks | 131                      | 1,450                    |
| (b) Corporate Deposits                      | 20,000                   | 40,000                   |
| <b>Total Other Financial Assets</b>         | <b>20,131</b>            | <b>41,450</b>            |

## Notes to Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### 14. EQUITY SHARE CAPITAL

|                                                                                                                                                                                                                                                                                                    | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Authorised</b>                                                                                                                                                                                                                                                                                  |                          |                          |
| 2,00,00,000 (31st March 2017: 2,00,00,000) Equity Shares of ₹10 each                                                                                                                                                                                                                               | <b>2,000</b>             | 2,000                    |
| <b>Issued</b>                                                                                                                                                                                                                                                                                      |                          |                          |
| 1,32,13,802 (31st March 2017 : 1,32,13,802) Equity Shares of ₹10 each                                                                                                                                                                                                                              | <b>1,321</b>             | 1,321                    |
| <b>Subscribed and Paid-up</b>                                                                                                                                                                                                                                                                      |                          |                          |
| 1,31,76,262 (31st March 2017 : 1,31,76,262)<br>Equity Shares of ₹10 each fully paid up                                                                                                                                                                                                             | <b>1,318</b>             | 1,318                    |
| [of the above 2,00,918 (31st March 2017 : 2,00,918) Equity Shares are allotted as fully paid shares pursuant to a contract without payment being received in cash and 57,29,934 (31st March 2017 : 57,29,934) Equity Shares are allotted as fully paid Bonus Shares by capitalisation of reserves] |                          |                          |
| [These allotments were made before earlier financial year and not in the period of five years preceding 31st March 2018 or 31st March 2017].                                                                                                                                                       |                          |                          |
| <b>Add:</b> Amount paid for forfeited Shares                                                                                                                                                                                                                                                       | --*                      | --*                      |
| <b>Total Equity Share Capital</b>                                                                                                                                                                                                                                                                  | <b>1,318</b>             | 1,318                    |

**Note :** Offer on Rights basis for 17,932 (31st March 2017 : 17,932) Equity Shares of ₹ 10 each is kept in abeyance as per the provisions of Section 126 of the Act.

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period (Equity Shares of ₹ 10 each) :

| Particulars                                     | As at 31st March 2018 |        | As at 31st March 2017 |        |
|-------------------------------------------------|-----------------------|--------|-----------------------|--------|
|                                                 | Number                | Amount | Number                | Amount |
| Shares outstanding at the beginning of the year | 1,31,76,262           | 1,318  | 1,31,76,262           | 1,318  |
| Issued/ Reduction during the year               | --                    | --     | --                    | --     |
| Shares outstanding at the end of the year       | 1,31,76,262           | 1,318  | 1,31,76,262           | 1,318  |

#### (b) Terms / rights attached to Equity Shares

The Company has issued equity shares. All equity shares issued rank pari passu in respect of distribution of dividend and repayment of capital. 1,30,32,914 Equity Shares are quoted equity shares with no restriction on transfer of shares. 27,600 Equity Shares are 'A' equity shares, which are transferrable only to permanent employees of the Company. 1,15,748 Equity Shares are Second 'A' equity shares which are transferrable to permanent employees, who have put in five years of service with the Company.

#### (c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

- The Company is a subsidiary of Jaya Hind Investments Private Limited, which holds 56.86% (31st March 2017 : 56.86%), 74,92,244 (31st March 2017 : 74,92,244) shares in the Company.
- Jaya Hind Industries Limited, being associate company of Jaya Hind Investments Private Limited, holds 0.08% (31st March 2017 : 0.08 %) shares in the Company.

#### (e) Details of shareholder holding more than 5% shares

| Name of Shareholder                   | As at 31st March 2018                |              | As at 31st March 2017                 |              |
|---------------------------------------|--------------------------------------|--------------|---------------------------------------|--------------|
|                                       | No. of Shares of ₹10 each fully paid | % of Holding | No. of Shares of ₹ 10 each fully paid | % of Holding |
| Jaya Hind Investments Private Limited | 74,92,244                            | 56.86%       | 74,92,244                             | 56.86%       |

--\* Denotes amount less than ₹50,000

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**15. OTHER EQUITY**

|                                                                  | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|------------------------------------------------------------------|--------------------------|--------------------------|
| <b>I. Reserves and Surplus</b>                                   |                          |                          |
| (a) Securities Premium Reserve                                   | 5,920                    | 5,920                    |
| (b) General Reserve                                              | 34,629                   | 34,629                   |
| (c) Retained Earnings                                            |                          |                          |
| (i) Opening balance                                              | 1,23,828                 | 1,06,177                 |
| (ii) Net profit for the year                                     | 14,695                   | 17,992                   |
| (iii) Comprehensive income for the year                          | 137                      | (341)                    |
|                                                                  | <b>1,38,660</b>          | <b>1,23,828</b>          |
| <b>Adjustments</b>                                               |                          |                          |
| (i) Equity Dividend                                              | 1,318                    | --                       |
| (ii) Tax on Equity Dividend                                      | 268                      | --                       |
|                                                                  | <b>1,586</b>             | <b>--</b>                |
| <b>Closing Balance</b>                                           | <b>1,37,074</b>          | <b>1,23,828</b>          |
| <b>II. Equity instruments through Other Comprehensive Income</b> |                          |                          |
| Opening Balance                                                  | 846                      | 720                      |
| <b>Adjustments</b>                                               |                          |                          |
| FVTOCI Equity Investments - change in fair value                 | 92                       | 126                      |
| <b>Closing Balance</b>                                           | <b>938</b>               | <b>846</b>               |
| <b>Total Other Equity</b>                                        | <b>1,78,561</b>          | <b>1,65,223</b>          |

**16. FINANCIAL LIABILITIES: BORROWINGS**

|                                                                                                                                         | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Non-current</b>                                                                                                                      |                          |                          |
| Unsecured Public Deposits                                                                                                               | --                       | 354                      |
| <b>Less : Current maturities of Non-current Borrowings disclosed under the head Current Other Financial Liabilities (Refer Note 17)</b> | <b>--</b>                | <b>155</b>               |
| <b>Total Non-current Borrowings</b>                                                                                                     | <b>--</b>                | <b>199</b>               |
| (Refer Note 38 for maturity pattern of Public Deposits accepted)                                                                        |                          |                          |
| <b>Current</b>                                                                                                                          |                          |                          |
| Unsecured Commercial Paper                                                                                                              | --                       | 19,647                   |
| <b>Total Current Borrowings</b>                                                                                                         | <b>--</b>                | <b>19,647</b>            |

The Consortium of Banks has sanctioned Working Capital Limits to the Company. These limits are secured by hypothecation of Company's stock of raw materials, work-in-progress, finished goods, consumable stores, spares, bills receivable and book debts, both present and future, situated at Company's factories or at any other place.

The Fund Based Limits, if utilised, are payable on demand to the Banks.

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**17. OTHER FINANCIAL LIABILITIES**

|                                                                     | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Non-current</b>                                                  |                          |                          |
| Security Deposits                                                   | 396                      | 396                      |
| <b>Total Non-current Other Financial Liabilities</b>                | <b>396</b>               | <b>396</b>               |
| <b>Current</b>                                                      |                          |                          |
| (a) Current maturities of Non-current Borrowings<br>(Refer Note 16) |                          |                          |
| (i) Deposits                                                        | --                       | 155                      |
| (ii) Deposits matured but not claimed                               | 13                       | 25                       |
|                                                                     | <b>13</b>                | <b>180</b>               |
| (b) Interest on Fixed Deposits                                      |                          |                          |
| (i) Accrued but not due                                             | --*                      | 19                       |
| (ii) Accrued and due on unclaimed deposits                          | --                       | 2                        |
|                                                                     | <b>--*</b>               | <b>21</b>                |
| (c) Unclaimed Dividend                                              | 55                       | 52                       |
| (d) Creditors for Capital Goods                                     | 2,263                    | 2,001                    |
| (e) Security Deposits                                               | 347                      | 318                      |
| (f) Other payables                                                  | 400                      | 316                      |
| <b>Total Current Other Financial Liabilities</b>                    | <b>3,078</b>             | <b>2,888</b>             |
| <b>Total Other Financial Liabilities</b>                            | <b>3,474</b>             | <b>3,284</b>             |

**18. PROVISIONS**

|                                                     | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-----------------------------------------------------|--------------------------|--------------------------|
| <b>Non-current</b>                                  |                          |                          |
| (a) Provision for Employee benefits (Refer Note 36) | 2,616                    | 2,376                    |
| (b) Provision for Product Warranties                | 82                       | 143                      |
| <b>Total Non-current Provisions</b>                 | <b>2,698</b>             | <b>2,519</b>             |
| <b>Current</b>                                      |                          |                          |
| (a) Provision for Employee benefits (Refer Note 36) | 1,970                    | 2,209                    |
| (b) Provision for Product Warranties                | 506                      | 637                      |
| <b>Total Current Provisions</b>                     | <b>2,476</b>             | <b>2,846</b>             |
| <b>Total Provisions</b>                             | <b>5,174</b>             | <b>5,365</b>             |

The provision for warranties is based on the estimates made from the technical evaluation and historical data.

--\* Denotes amount less than ₹ 50,000

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Movement in Product Warranties**
**Product Warranties**

|                                               | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-----------------------------------------------|--------------------------|--------------------------|
| (a) Opening balance                           | 780                      | 763                      |
| (b) Additional provision made during the year | 409                      | 680                      |
| (c) Amount paid during the year               | (250)                    | (663)                    |
| (d) Amount written back                       | (351)                    | --                       |
| <b>Closing balance</b>                        | <b>588</b>               | <b>780</b>               |

**19. TRADE PAYABLES**

|                                                               | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------------------------|--------------------------|--------------------------|
| (a) Related Parties                                           | 1,212                    | 1,021                    |
| (b) Others                                                    |                          |                          |
| (i) Dues of Micro and Small Enterprises                       | 78                       | 52                       |
| (ii) Dues of creditors other than Micro and Small Enterprises | 55,197                   | 47,462                   |
| <b>Total Trade Payables</b>                                   | <b>56,487</b>            | <b>48,535</b>            |

**20. OTHER LIABILITIES**

|                                            | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|--------------------------------------------|--------------------------|--------------------------|
| <b>Non-current</b>                         |                          |                          |
| Service Coupon Liability                   | 189                      | 228                      |
| <b>Total Non-current Other Liabilities</b> | <b>189</b>               | <b>228</b>               |
| <b>Current</b>                             |                          |                          |
| (a) Advances and deposits against order    | 3,329                    | 11,303                   |
| (b) Statutory dues                         | 2,197                    | 4,273                    |
| (c) Service Coupon Liability               | 493                      | 641                      |
| <b>Total Current Other Liabilities</b>     | <b>6,019</b>             | <b>16,217</b>            |
| <b>Total Other Liabilities</b>             | <b>6,208</b>             | <b>16,445</b>            |

**Movement in Service Coupon Liability**

|                                                | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|------------------------------------------------|--------------------------|--------------------------|
| <b>Free Service Coupons</b>                    |                          |                          |
| (a) Opening balance                            | 869                      | 558                      |
| (b) Additional provisions made during the year | 539                      | 662                      |
| (c) Amount paid during the year                | (463)                    | (351)                    |
| (d) Amount written back                        | (263)                    | --                       |
| <b>Closing balance</b>                         | <b>682</b>               | <b>869</b>               |

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**21. REVENUE FROM OPERATIONS**

|                                              | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Sale of Products (including Excise Duty) | 3,49,319                              | 3,46,353                              |
| (b) Other Operating Revenue                  |                                       |                                       |
| (i) Service charges                          | 817                                   | 377                                   |
| (ii) Others                                  | 2,965                                 | 2,727                                 |
| <b>Total Revenue from Operations</b>         | <b>3,53,101</b>                       | <b>3,49,457</b>                       |

**22. OTHER INCOME**

|                                                                                                         | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|---------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Interest income                                                                                     | 3,053                                 | 2,656                                 |
| (b) Dividend income from Equity Investments designated at FVTOCI                                        | 8                                     | 16                                    |
| (c) Net gain on foreign currency translation and transaction<br>(other than considered as Finance Cost) | --                                    | 1,741                                 |
| (d) Industrial Promotion Incentive (Refer Note 43)                                                      | 1,830                                 | 3,146                                 |
| (e) Rental income                                                                                       | 524                                   | 498                                   |
| (f) Profit on sale of assets                                                                            | 245                                   | 6                                     |
| (g) Others                                                                                              | 453                                   | 431                                   |
| <b>Total Other Income</b>                                                                               | <b>6,113</b>                          | <b>8,494</b>                          |

**23. COST OF MATERIALS CONSUMED**

|                                         | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|-----------------------------------------|---------------------------------------|---------------------------------------|
| (a) Steel and other metals              | 11,172                                | 9,882                                 |
| (b) Castings and Forgings               | 4,182                                 | 4,741                                 |
| (c) Other Components                    | 2,45,570                              | 1,98,433                              |
| <b>Total Cost of Materials Consumed</b> | <b>2,60,924</b>                       | <b>2,13,056</b>                       |

**24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

|                                                                            | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Opening Stock</b>                                                       |                                       |                                       |
| (a) Finished Goods                                                         | 10,699                                | 18,053                                |
| (b) Work-in- progress                                                      | 4,258                                 | 4,083                                 |
|                                                                            | 14,957                                | 22,136                                |
| <b>Closing Stock</b>                                                       |                                       |                                       |
| (a) Finished Goods                                                         | 15,757                                | 10,699                                |
| (b) Work-in- progress                                                      | 4,332                                 | 4,258                                 |
|                                                                            | 20,089                                | 14,957                                |
| <b>Total Changes in Inventories of Finished Goods and Work-in-progress</b> | <b>(5,132)</b>                        | <b>7,179</b>                          |

**25. EMPLOYEE BENEFITS EXPENSE**

|                                                        | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Salaries, Wages and Bonus                          | 35,002                                | 31,632                                |
| (b) Contribution to Provident, Other Funds and Schemes | 2,381                                 | 2,173                                 |
| (c) Staff welfare expenses                             | 1,272                                 | 1,203                                 |
| <b>Total Employee Benefits Expense</b>                 | <b>38,655</b>                         | <b>35,008</b>                         |



**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**26. FINANCE COSTS**

|                                                          | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Interest expense                                     | 526                                   | 429                                   |
| (b) Other borrowing costs                                | 46                                    | 46                                    |
| (c) Net interest cost on net defined benefit obligations | 95                                    | 79                                    |
| <b>Total Finance Costs</b>                               | <b>667</b>                            | <b>554</b>                            |

**27. DEPRECIATION AND AMORTIZATION EXPENSE**

|                                                    | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Depreciation of Property, Plant and Equipment  | 11,433                                | 10,004                                |
| (b) Amortization of Intangible Assets              | 1,468                                 | 1,279                                 |
| (c) Depreciation on Investment Property            | 25                                    | 25                                    |
| <b>Total Depreciation and Amortization Expense</b> | <b>12,926</b>                         | <b>11,308</b>                         |

**28. OTHER EXPENSES**

|                                                                    | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Consumption of Stores and Spares                               | 7,635                                 | 7,159                                 |
| (b) Fabrication and Processing Charges                             | 947                                   | 823                                   |
| (c) Power and Fuel                                                 | 4,823                                 | 4,455                                 |
| (d) Forwarding Charges                                             | 2,995                                 | 2,659                                 |
| (e) Rent                                                           | 158                                   | 305                                   |
| (f) Rates and Taxes                                                | 401                                   | 611                                   |
| (g) Insurance                                                      | 570                                   | 612                                   |
| (h) Repairs and Maintenance:                                       |                                       |                                       |
| (i) Plant and Machinery                                            | 2,115                                 | 1,893                                 |
| (ii) Buildings                                                     | 572                                   | 609                                   |
| (iii) Others                                                       | 176                                   | 231                                   |
| (i) Publicity and Sales promotion                                  | 1,897                                 | 3,715                                 |
| (j) Payments to Auditors (Refer details below)                     | 26                                    | 25                                    |
| (k) Commission to Non-executive Director                           | 100                                   | --                                    |
| (l) Loss on Exchange Fluctuation (Net)                             | 818                                   | --                                    |
| (m) Donation                                                       | 16                                    | 42                                    |
| (n) Expenditure on Corporate Social Responsibility (Refer Note 44) | 410                                   | 300                                   |
| (o) Bad Debts / Provision for doubtful Advances & Receivables      | 71                                    | 40                                    |
| (p) Miscellaneous Expenses                                         | 7,483                                 | 8,713                                 |
| <b>Total Other Expenses</b>                                        | <b>31,213</b>                         | <b>32,192</b>                         |

**Details of payments to Auditors**

|                                           | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|-------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Audit Fees                            | 20                                    | 20                                    |
| (b) Tax Audit Fees                        | 1                                     | 1                                     |
| (c) Limited review and Certification work | 4                                     | 4                                     |
| (d) Reimbursement of expenses             | 1                                     | --*                                   |
| <b>Total payments to Auditors</b>         | <b>26</b>                             | <b>25</b>                             |

**29. EARNINGS PER SHARE**

|                                                                            | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Profit attributable to Equity Shareholders                             | 14,695                                | 17,992                                |
| (b) Weighted average number of Equity Shares used as Denominator           | 1,31,76,262                           | 1,31,76,262                           |
| (c) Basic and Diluted Earnings Per Share of nominal value of ₹ 10 each : ₹ | 111.53                                | 136.55                                |

--\* Denotes amount less than ₹ 50,000

## Notes to Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### 30. CONTINGENT LIABILITIES AND COMMITMENTS

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>(a) Contingent Liabilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                          |                          |
| Claims against the Company not acknowledged as debts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |                          |
| (i) Taxes and Duties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3,292                    | 5,494                    |
| (ii) Others (Court cases pending)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 3,581                    | 3,739                    |
| <b>(b) Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                          |                          |
| Estimated amount of contracts remaining to be executed on capital account and not provided for                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 12,276                   | 9,031                    |
| <b>(c)</b> As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Company has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Company. The Company has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Company and the developments in respect thereof. Moreover, considering the period lapsed, since the conclusion of the said legal proceedings, the Company does not expect any impact of this litigation on its financial position. |                          |                          |

### 31. DISCLOSURE AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006:

As on 31st March 2018, the Company has not received any intimation, except in few cases, as to the status as Micro, Small or Medium Enterprises from suppliers of the Company along with a copy of the Memorandum, filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). The proceedings initiated by one of the suppliers, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹157 Lakhs with interest. The Company has not accepted the said liability. The Company has a major counter-claim against the said supplier amounting to about ₹ 906 Lakhs, which being unearned income, is not accounted. The award is challenged by the Company, as per the provisions of the Act and proceedings are pending before the Hon'ble District Judge, Pune, and before the Hon'ble High Court of Judicature at Bombay.

### 32. FOREIGN EXCHANGE DIFFERENCES

The amount of net exchange differences included in the Profit / Loss for the year on Revenue account is ₹ 838 Lakhs Debit (31st March 2017 : ₹ 1,675 Lakhs Credit) and on Capital account is ₹ 20 Lakhs Credit (31st March 2017 : ₹ 65 Lakhs Credit).

### 33. EXPENDITURE ON RESEARCH AND DEVELOPMENT

The Company's expenditure on its research and development activity during the year under report was as follows:

|                         | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-------------------------|--------------------------|--------------------------|
| (a) Capital Expenditure | 15,792                   | 5,855                    |
| (b) Revenue Expenditure | 4,176                    | 5,494                    |

(The above expenditure is grouped with other non-R&D expenditure under various heads of Capital and Revenue expenditures.)

As per the Indian Accounting Standard (Ind AS 38) - Intangible Assets, the Company has recognized Intangible Assets, arising out of in-house Research and Development activities of the Company.

As the development activity, of few projects, is continued, these assets are considered as Capital Work-in-progress, and will be amortized over the period of their life, after the completion of the development phase.

### 34. LEASES

#### Operating Leases:

#### (a) Leases as Lessor

##### (i) Industrial Shed at Chakan :

The Company has entered into a lease agreement for industrial shed at Chakan, Pune, for a period of 10 years. The lessee is entitled to terminate the lease agreement after the expiry of 60 months from the date of agreement. On termination of lease, due to exercise of the option by the Lessee, at the end of 60 months, the Lessee shall be liable to pay a sum of ₹ 200 Lakhs. Agreement includes clause to enable upward revision of rental charges according to prevailing market conditions. The Lessor is also entitled to terminate the Lease Agreement, if the Lessee defaults the terms and conditions of the Lease Agreement. The lease income has been recognized in the Statement of Profit and Loss.

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Future minimum lease payments :**

The future minimum lease payments are as follows :

| Particulars                                           | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-------------------------------------------------------|--------------------------|--------------------------|
| (a) Not later than one year                           | 524                      | 524                      |
| (b) Later than one year but not later than five years | 799                      | 1,322                    |
| (c) Later than five years                             | --                       | --                       |

**(ii) Freehold Land :**
**Out of the freehold land at Akurdi, Pune;**

2700 sq. mtrs. (cost ₹1,374) of land is given on lease to Maharashtra State Electricity Distribution Company Limited for 99 years, w.e.f. 1st August 1989. Lease rentals are recognized in the Statement of Profit and Loss.

19,000 sq. mtrs. (cost ₹ 9,669) of land is given on lease to Navalmal Firodia Memorial Hospital Trust for 25 years, w.e.f. 12th August 2014. Lease rentals are recognized in the Statement of Profit and Loss.

These land given on lease are not considered as investment property considering the insignificant area and cost of that with respect to total area and cost of freehold land at Akurdi, Pune.

**(b) Leases as Lessee**
**Leasehold land :**

The Company has entered into Lease Agreement for Industrial Land, at Pithampur in Madhya Pradesh for a period of 30 years. The Company, being a Lessee, may surrender the leased area after giving Lessor 3 months notice period in writing. The lease premium is not refundable to Company in case of early termination of agreement by the Company. The Lessor is also entitled to terminate the Lease Agreement, if the Lessee defaults the terms and conditions of the Lease Agreement. The lease expense has been recognized in the Statement of Profit and Loss.

**35. RELATED PARTY DISCLOSURES**
**I. Names of the related party and nature of relationship where control exists :**
**Name of the Related Party**

- (a) Jaya Hind Investments Private Limited
- (b) Tempo Finance (West) Private Limited

**Nature of relationship**

- Holding Company
- Subsidiary Company

**II. List of other related parties with whom there are transactions in the current year :**
**Name of the Related Party**
**Nature of relationship**
**A. Key Management Personnel (KMP)**

- |                         |                                 |
|-------------------------|---------------------------------|
| (a) Abhaykumar Firodia  | Chairman                        |
| (b) Prasan Firodia      | Managing Director               |
| (c) Sudhir Mehta        | Director                        |
| (d) Pratap Pawar        | Director                        |
| (e) S. Padmanabhan      | Director                        |
| (f) Nitin Desai         | Director                        |
| (g) Dr. Indira Parikh   | Director                        |
| (h) Arun Sheth          | Director                        |
| (i) Arvind Mahajan      | Director                        |
| (j) Vinay Kothari       | Director                        |
| (k) Yeshwant Deosthalee | Director                        |
| (l) Prashant V. Inamdar | Executive Director (Operations) |
| (m) Sanjay Kumar Bohra  | Chief Financial Officer         |

**B. Other Entities**

- |                                              |                                     |
|----------------------------------------------|-------------------------------------|
| (a) Jaya Hind Industries Limited             | Associate of Holding Company        |
| (b) Jaya Hind Montupet Private Limited       | Associate of Holding Company        |
| (c) Pinnacle Industries Limited              | Entity controlled by KMP of Company |
| (d) Kider (India) Private Limited            | Entity controlled by KMP of Company |
| (e) Bajaj Tempo Limited Provident Fund       | Post employment benefit Trust       |
| (f) Sakal Papers Private Limited             | Entity controlled by KMP of Company |
| (g) Sakal Media Private Limited              | Entity controlled by KMP of Company |
| (h) Amar Prerana Trust                       | Entity controlled by KMP of Company |
| (i) Navalmal Firodia Memorial Hospital Trust | Entity controlled by KMP of Company |

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**III. Transactions with Related Parties**

| Name of Related Party                                   | 2017-18                               |                                                           | 2016-17                               |                                                           |
|---------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|
|                                                         | Amount of transaction during the year | Balance as at 31st March 2018<br>Receivables / (Payables) | Amount of transaction during the year | Balance as at 31st March 2017<br>Receivables / (Payables) |
| <b>A. Holding Company</b>                               |                                       |                                                           |                                       |                                                           |
| Jaya Hind Investments Private Limited                   |                                       |                                                           |                                       |                                                           |
| Dividend paid                                           | 749                                   | --                                                        | --                                    | --                                                        |
| <b>B. Key Management Personnel</b>                      |                                       |                                                           |                                       |                                                           |
| <b>(a) Remuneration</b>                                 |                                       |                                                           |                                       |                                                           |
| (i) Short term employee benefits (including Commission) | 701                                   |                                                           | 341                                   |                                                           |
| (ii) Post employment benefits                           | 35                                    | (347)                                                     | 32                                    | (19)                                                      |
| (iii) Other long term benefits                          | 46                                    |                                                           | 43                                    |                                                           |
| <b>(b) Others</b>                                       |                                       |                                                           |                                       |                                                           |
| (i) Dividend paid                                       | 49                                    | --                                                        | --                                    | --                                                        |
| (ii) Sitting fees                                       | 36                                    | --                                                        | 37                                    | --                                                        |
| (iii) Commission                                        | 100                                   | (100)                                                     | --                                    | --                                                        |
| <b>C. Other Entities</b>                                |                                       |                                                           |                                       |                                                           |
| <b>(a) Jaya Hind Industries Limited</b>                 |                                       |                                                           |                                       |                                                           |
| (i) Purchase of Capital Goods                           | --                                    |                                                           | 504                                   |                                                           |
| (ii) Purchase of Raw Materials, Components & Others     | 8,216                                 |                                                           | 7,002                                 |                                                           |
| (iii) Sundry Sales                                      | 344                                   | (545)                                                     | 297                                   | (649)                                                     |
| (iv) Service Charges recovered                          | 64                                    | 4,668                                                     | 55                                    | 4,549                                                     |
| (v) Processing Charges recovered                        | 62                                    |                                                           | 39                                    |                                                           |
| (vi) Machinery given on Loan                            | 21                                    |                                                           | 1,055                                 |                                                           |
| (vii) Material given on Loan                            | --                                    |                                                           | --                                    |                                                           |
| (viii) Dividend paid                                    | 1                                     |                                                           | --                                    |                                                           |
| <b>(b) Jaya Hind Montupet Private Limited</b>           |                                       |                                                           |                                       |                                                           |
| (i) Purchase of Raw Materials, Components & Others      | 346                                   | (65)                                                      | 322                                   | (26)                                                      |
| (ii) Service Charges recovered                          | 21                                    | 11                                                        | 15                                    | 4                                                         |
| (iii) Processing Charges recovered                      | --*                                   |                                                           | --                                    |                                                           |
| <b>(c) Pinnacle Industries Limited</b>                  |                                       |                                                           |                                       |                                                           |
| (i) Purchase of Capital Goods                           | 115                                   |                                                           | --                                    |                                                           |
| (ii) Purchase of Raw Material, Components & Others      | 15,096                                |                                                           | 12,770                                |                                                           |
| (iii) Sundry Sales                                      | 86                                    | (611)                                                     | 78                                    | (452)                                                     |
| (iv) Service Charges expenses                           | --                                    | 965                                                       | 17                                    | 1,064                                                     |
| (v) Machinery given on Loan                             | --                                    |                                                           | --                                    |                                                           |
| (vi) Material given on Loan                             | --                                    |                                                           | --                                    |                                                           |
| <b>(d) Kider (India) Private Limited</b>                |                                       |                                                           |                                       |                                                           |
| Purchase of Capital Goods                               | 4                                     | --                                                        | 42                                    | (3)                                                       |
| <b>(e) Bajaj Tempo Limited Provident Fund</b>           |                                       |                                                           |                                       |                                                           |
| Contribution to Provident Fund                          | 604                                   | (53)                                                      | 534                                   | (47)                                                      |
| <b>(f) Sakal Papers Private Limited</b>                 |                                       |                                                           |                                       |                                                           |
| Publicity Charges                                       | --                                    | --                                                        | 21                                    | --                                                        |
| <b>(g) Sakal Media Private Limited</b>                  |                                       |                                                           |                                       |                                                           |
| Publicity Charges                                       | 20                                    | --                                                        | --                                    | --                                                        |
| <b>(h) Amar Prerana Trust</b>                           |                                       |                                                           |                                       |                                                           |
| Training Facility utilisation                           | 296                                   | (7)                                                       | --                                    | --                                                        |
| <b>(i) Navalmal Firodia Memoril Hospital Trust</b>      |                                       |                                                           |                                       |                                                           |
| Contribution towards Corporate Social Responsibility    | 381                                   | --                                                        | 253                                   | --                                                        |

--\* Denotes amount less than ₹ 50,000

**36. EMPLOYEE BENEFITS**
**A. Defined Contribution Plans :**

An amount of ₹ 660 Lakhs (31st March 2017 : ₹ 648 Lakhs) is recognized as an expense and included in "Employee Benefits Expense" in the Statement of Profit and Loss.

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**B. Defined Benefit Plans:**
**(a) The amounts recognized in Balance Sheet are as follows:**

|                                                     | As at 31st March 2018     |                             | As at 31st March 2017     |                             |
|-----------------------------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                                                     | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) |
| (i) <b>Amount to be recognized in Balance Sheet</b> |                           |                             |                           |                             |
| Present value of defined benefit obligation         | 5,318                     | 147                         | 5,109                     | 484                         |
| <b>Less : Fair value of plan assets</b>             | <b>3,949</b>              | <b>1,133</b>                | <b>3,437</b>              | <b>1,105</b>                |
| Amount to be recognized as Liability or (Asset)     | <b>1,369</b>              | <b>(986)</b>                | <b>1,672</b>              | <b>(621)</b>                |
| (ii) <b>Amount to be reflected in Balance Sheet</b> |                           |                             |                           |                             |
| Liabilities                                         | 1,369                     | (986)                       | 1,672                     | (621)                       |
| Assets                                              | --                        | --                          | --                        | --                          |
| Net Liability / (Assets)                            | <b>1,369</b>              | <b>(986)</b>                | <b>1,672</b>              | <b>(621)</b>                |

\* Not considered in the books, being excess of plan assets over defined benefit obligation.

**(b) The amounts recognized in the Statement of Profit and Loss are as follows:**

|                                                                                   | As at 31st March 2018     |                             | As at 31st March 2017     |                             |
|-----------------------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                                                                                   | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) |
| (i) <b>Employee Benefits Expense</b>                                              |                           |                             |                           |                             |
| Current service cost                                                              | 411                       | 62                          | 324                       | 63                          |
| (ii) <b>Finance cost</b>                                                          |                           |                             |                           |                             |
| Net Interest (Income) / Expenses                                                  | 95                        | (44)                        | 78                        | (58)                        |
| <b>Net periodic benefit cost recognized in the Statement of Profit and Loss -</b> | <b>506</b>                | <b>18</b>                   | <b>402</b>                | <b>5</b>                    |

\* Not considered in the books, being excess of plan assets over defined benefit obligation.

**(c) The amounts recognized in the Statement of Other Comprehensive Income (OCI)**

|                                                                           | As at 31st March 2018     |                             | As at 31st March 2017     |                             |
|---------------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                                                                           | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) |
| (i) Opening amount recognized in OCI outside Statement of Profit and Loss | --                        | --                          | --                        | --                          |
| (ii) Re-measurements for the year - obligation (Gain) / Loss              | (191)                     | (434)                       | 543                       | 194                         |
| (iii) Re-measurements for the year - plan assets (Gain) / Loss            | (19)                      | 51                          | (21)                      | (86)                        |
| (iv) Total re-measurements cost / (credit) for the year recognized in OCI | (210)                     | (383)                       | 522                       | 108                         |
| (v) <b>Less : Accumulated balances transferred to retained earnings</b>   | <b>(210)</b>              | <b>(383)</b>                | <b>522</b>                | <b>108</b>                  |
| Closing balances (re-measurements (Gain)/Loss recognized in OCI)          | --                        | --                          | --                        | --                          |

\* Not considered in the books, being excess of plan assets over defined benefit obligation.

**(d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:**

|                                                                 | As at 31st March 2018     |                            | As at 31st March 2017     |                            |
|-----------------------------------------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
|                                                                 | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) |
| (i) Present value of obligation as at the beginning of the year | 5,109                     | 484                        | 4,336                     | 210                        |
| (ii) Acquisition adjustment                                     | --                        | --                         | 1                         | --                         |
| (iii) Transfer in / (out)                                       | 2                         | --                         | --                        | --                         |
| (iv) Interest expenses                                          | 354                       | 35                         | 322                       | 17                         |
| (v) Past service cost                                           | --                        | --                         | --                        | --                         |
| (vi) Current service cost                                       | 411                       | 62                         | 324                       | 63                         |
| (vii) Curtailment cost / (credit)                               | --                        | --                         | --                        | --                         |
| (viii) Settlement cost / (credit)                               | --                        | --                         | (2)                       | --                         |
| (ix) Benefits paid                                              | (367)                     | --                         | (415)                     | --                         |
| (x) Re-measurements on obligation - (Gain) / Loss               | (191)                     | (434)                      | 543                       | 194                        |
| <b>Present value of obligation as at the end of the year</b>    | <b>5,318</b>              | <b>147</b>                 | <b>5,109</b>              | <b>484</b>                 |

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:**

|                                                                                            | As at 31st March 2018     |                            | As at 31st March 2017     |                            |
|--------------------------------------------------------------------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
|                                                                                            | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) |
| (i) Fair value of the plan assets as at beginning of the year                              | 3,437                     | 1,105                      | 3,064                     | 945                        |
| (ii) Acquisition adjustment                                                                | --                        | --                         | 1                         | --                         |
| (iii) Transfer in / (out)                                                                  | 2                         | --                         | --                        | --                         |
| (iv) Interest income                                                                       | 259                       | 79                         | 243                       | 74                         |
| (v) Contributions                                                                          | 603                       | --                         | 527                       | --                         |
| (vi) Mortality Charges and Taxes                                                           | (4)                       | --                         | (2)                       | --                         |
| (vii) Benefits paid                                                                        | (367)                     | --                         | (415)                     | --                         |
| (viii) Amount paid on settlement                                                           | --                        | --                         | (2)                       | --                         |
| (ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | 19                        | (51)                       | 21                        | 86                         |
| <b>Fair value of plan assets as at the end of the year</b>                                 | <b>3,949</b>              | <b>1,133</b>               | <b>3,437</b>              | <b>1,105</b>               |
| <b>Actual return on plan assets</b>                                                        | <b>278</b>                |                            | <b>264</b>                |                            |

**(f) Net interest (income) / expenses**

|                                                     | As at 31st March 2018     |                            | As at 31st March 2017     |                            |
|-----------------------------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
|                                                     | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) |
| (i) Interest (income) / expense - obligation        | 354                       | 35                         | 322                       | 17                         |
| (ii) Interest (income) / expense - plan assets      | (259)                     | (79)                       | (243)                     | (74)                       |
| <b>Net interest (income) / expense for the year</b> | <b>95</b>                 | <b>(44)</b>                | <b>79</b>                 | <b>(57)</b>                |

**(g) The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:**

|                                                      | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|------------------------------------------------------|--------------------------|--------------------------|
| (i) Central Government securities                    | 25.54%                   | 21.14%                   |
| (ii) State Government securities                     | 38.01%                   | 41.04%                   |
| (iii) Bonds and debentures, etc.                     | 25.47%                   | 31.33%                   |
| (iv) Fixed Deposits                                  | 2.40%                    | 4.33%                    |
| (v) Equity Shares                                    | 6.88%                    | 2.08%                    |
| (vi) Collateralized borrowing and lending obligation | 0.65%                    | 0.08%                    |
| (vii) Other approved Security                        | 1.03%                    | --                       |
| (viii) Loan                                          | 0.02%                    | --                       |
| <b>Total</b>                                         | <b>100.00%</b>           | <b>100.00%</b>           |

**Basis used to determine the overall expected return :**

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 7.20% has been used for the valuation purpose.



**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)**

| <b>Gratuity</b>                             | <b>As at 31st<br/>March 2018</b> | <b>As at 31st<br/>March 2017</b> |
|---------------------------------------------|----------------------------------|----------------------------------|
| (i) Discount rate                           | <b>7.80%</b>                     | 7.20%                            |
| (ii) Expected return on plan assets         | <b>7.20%</b>                     | 7.80%                            |
| (iii) Salary growth rate *                  | <b>10%</b>                       | 10%                              |
| (iv) Attrition rate - for Bargainable Staff | <b>10%</b>                       | 10%                              |
| (v) Attrition rate - others                 | <b>2%</b>                        | 2%                               |

\* The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

| <b>Provident Fund</b>                       | <b>As at 31st<br/>March 2018</b> | <b>As at 31st<br/>March 2017</b> |
|---------------------------------------------|----------------------------------|----------------------------------|
| (i) Discount rate                           | <b>7.80%</b>                     | 7.20%                            |
| (ii) Interest rate                          | <b>8.55%</b>                     | 8.65%                            |
| (iii) Yield spread                          | <b>0.50%</b>                     | 0.50%                            |
| (iv) Attrition rate - for Bargainable Staff | <b>10%</b>                       | 10%                              |
| (v) Attrition rate - others                 | <b>2%</b>                        | 2%                               |

**Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of Obligation (PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

| <b>Change in assumption</b>                                 | <b>As at 31st March 2018</b> |                       | <b>As at 31st March 2017</b> |                       |
|-------------------------------------------------------------|------------------------------|-----------------------|------------------------------|-----------------------|
|                                                             | <b>Gratuity</b>              | <b>Provident Fund</b> | <b>Gratuity</b>              | <b>Provident Fund</b> |
| <b>(i) Discount rate</b>                                    |                              |                       |                              |                       |
| Increase by 1%                                              | <b>5,006</b>                 | --                    | 4,799                        | --                    |
| Decrease by 1%                                              | <b>5,666</b>                 | --                    | 5,456                        | --                    |
| Increase by 0.5%                                            | --                           | --                    | --                           | 719                   |
| Decrease by 0.5%                                            | --                           | <b>382</b>            | --                           | 265                   |
| <b>(ii) Salary increase rate</b>                            |                              |                       |                              |                       |
| Increase by 1%                                              | <b>5,607</b>                 | --                    | 5,397                        | --                    |
| Decrease by 1%                                              | <b>5,053</b>                 | --                    | 4,845                        | --                    |
| <b>(iii) Withdrawal rate</b>                                |                              |                       |                              |                       |
| Increase by 1%                                              | <b>5,284</b>                 | --                    | 5,066                        | --                    |
| Decrease by 1%                                              | <b>5,354</b>                 | --                    | 5,155                        | --                    |
| <b>(iv) Expected future interest rate of Provident Fund</b> |                              |                       |                              |                       |
| Increase by 1%                                              | --                           | --                    | --                           | --                    |
| Decrease by 1%                                              | --                           | --                    | --                           | --                    |
| Increase by 0.5%                                            | --                           | <b>374</b>            | --                           | 271                   |
| Decrease by 0.5%                                            | --                           | --                    | --                           | 697                   |

## Notes to Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### 37. FINANCIAL INSTRUMENTS - FAIR VALUES

#### Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities with its classification.

|                                                                   | Carrying Value     |                    | Fair Value         |                    |
|-------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                   | 31st March<br>2018 | 31st March<br>2017 | 31st March<br>2018 | 31st March<br>2017 |
| <b>Financial Assets</b>                                           |                    |                    |                    |                    |
| <b>(a) Fair Value through Other Comprehensive Income (FVTOCI)</b> |                    |                    |                    |                    |
| Equity Investments                                                | 972                | 879                | 972                | 879                |
| <b>(b) Amortized cost</b>                                         |                    |                    |                    |                    |
| Trade receivables                                                 | 24,191             | 11,510             | 24,191             | 11,510             |
| Loans - Security Deposits                                         | 1,915              | 1,884              | 1,915              | 1,884              |
| Other Financial Assets                                            | 20,131             | 41,450             | 20,131             | 41,450             |
| Cash and Cash equivalents                                         | 3,961              | 8,645              | 3,961              | 8,645              |
| Other Bank Balances                                               | 132                | 14,777             | 132                | 14,777             |
| <b>Total</b>                                                      | <b>51,302</b>      | <b>79,145</b>      | <b>51,302</b>      | <b>79,145</b>      |
| <b>Financial Liabilities</b>                                      |                    |                    |                    |                    |
| <b>Amortized cost</b>                                             |                    |                    |                    |                    |
| Non-current Borrowings                                            | --                 | 199                | --                 | 199                |
| Current Borrowing                                                 | --                 | 19,647             | --                 | 19,647             |
| Trade Payable                                                     | 56,487             | 48,535             | 56,487             | 48,535             |
| Other Financial Liabilities                                       | 3,474              | 3,284              | 3,474              | 3,284              |
| <b>Total</b>                                                      | <b>59,961</b>      | <b>71,665</b>      | <b>59,961</b>      | <b>71,665</b>      |

#### The following methods and assumptions were used to estimate the fair values :

The fair values of Trade Payables, Trade Receivables, Cash and Cash equivalents and Other Bank Balances, are reasonable approximation of fair value due to the short-term maturities of these instruments.

Allowance for credit loss on Trade Receivables, is taken into account, on the basis of credit worthiness of the customer individual.

Borrowings of the previous year represents Public Deposits and Commercial Paper obtained at market rates of interest available for debt on similar terms, credit risk and remaining maturities. As of reporting date, the fair value of borrowings is measured at amortized cost, which is reasonable approximation of fair value.

#### Fair value hierarchy and valuation techniques used

##### (a) Financial Assets and Liabilities measured at fair value

|                               | Level   | 31st March<br>2018 | 31st March<br>2017 | Valuation<br>technique used | Inputs<br>used                                                            |
|-------------------------------|---------|--------------------|--------------------|-----------------------------|---------------------------------------------------------------------------|
| <b>Financial Assets</b>       |         |                    |                    |                             |                                                                           |
| FVTOCI Investments - Quoted   | Level 1 | 967                | 874                |                             |                                                                           |
| FVTOCI Investments - Unquoted | Level 3 | 5                  | 5                  | Discounted cash flow        | Free cash flow, EBITDA, earnings growth rate, risk adjusted discount rate |
| <b>Total</b>                  |         | <b>972</b>         | <b>879</b>         |                             |                                                                           |

##### (b) Financial Assets and Liabilities measured at amortized cost for which fair value is disclosed

|                                                    | Level   | 31st March<br>2018 | 31st March<br>2017 | Valuation<br>technique used | Inputs<br>used                                               |
|----------------------------------------------------|---------|--------------------|--------------------|-----------------------------|--------------------------------------------------------------|
| <b>Financial Assets measured at amortized cost</b> |         |                    |                    |                             |                                                              |
| Loans - Security Deposits                          | Level 2 | 1,915              | 1,884              | Discounted cash flow        | Maturity, prevailing interest rate and future net cash flows |
| Other Financial Assets                             | Level 2 | 20,131             | 41,450             | Discounted cash flow        | Maturity, prevailing interest rate and future cash flows     |
| <b>Total</b>                                       |         | <b>22,046</b>      | <b>43,334</b>      |                             |                                                              |

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(c) Financial Liabilities measured at amortized cost**

|                             | Level   | 31st March<br>2018 | 31st March<br>2017 | Valuation<br>technique used | Inputs<br>used                                      |
|-----------------------------|---------|--------------------|--------------------|-----------------------------|-----------------------------------------------------|
| Non-current Borrowings      | Level 2 | --                 | 199                | Discounted cash flow        | Prevailing interest rate in market, future pay-outs |
| Current Borrowings          | Level 2 | --                 | 19,647             | Discounted cash flow        | Prevailing interest rate in market, future pay-outs |
| Other Financial Liabilities | Level 2 | <b>3,474</b>       | 3,284              | Discounted cash flow        | Prevailing interest rate in market, future pay-outs |
| <b>Total</b>                |         | <b>3,474</b>       | <b>23,130</b>      |                             |                                                     |

The fair values disclosed in level 2 category are calculated using discounted cash flow method. These fair values reasonably approximate to the carrying values of financial assets and liabilities measured at amortized cost.

During the year ended 31st March 2018, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

**38. FINANCIAL INSTRUMENT**
**Financial Risk Management Policy and Objectives**

The Company's principal financial liabilities comprise of Trade and Other Payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade and Other Receivables, Cash and Cash equivalents which are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The management of these risks is overseen by the senior management which is advised by a team of senior officials. The Risk Management team oversees the policies and systems, on a regular basis to reflect changes in market conditions and company's activities and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Board of Directors reviews and agrees policies for managing each of these risk is summarized below :

| Risk                           | Exposure arising from                                                                                                                                                                  | Measurement                                                | Management                                                                                 |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Credit risk                    | Cash and Cash equivalents, Trade Receivables, Financial Assets measured at amortized cost                                                                                              | Aging analysis Credit ratings [Refer Note 38 (a)]          | Diversification of Bank Deposits, Credit Limits and Letters of Credit, Sales on cash basis |
| Liquidity risk                 | Borrowings and Other Financial Liabilities                                                                                                                                             | Cash flow forecasts [Refer Note 38 (b)]                    | Availability of committed credit lines and borrowing facilities                            |
| Market risk - foreign exchange | Recognized Financial Assets and Liabilities not denominated in Indian Rupee                                                                                                            | Cash flow forecasting Sensitivity analysis (Refer Note 39) | Company's net forex exposure is covered by natural hedge                                   |
| Market risk - interest rate    | Company had borrowings which is in the nature of Public Deposits and Commercial Paper, which are at fixed rate of interest. Consequently, Company is not exposed to interest rate risk |                                                            |                                                                                            |
| Market risk - equity prices    | Investments in Equity Securities                                                                                                                                                       | Sensitivity analysis [Refer Note 38 (c)]                   | Portfolio diversification                                                                  |

**(a) Credit Risk**

The table summarises aging for Trade Receivable:

|                              | Not due       | Less than 6 Months | More than 6 Months | Total         |
|------------------------------|---------------|--------------------|--------------------|---------------|
| <b>As at 31st March 2018</b> |               |                    |                    |               |
| Gross Carrying Amount        | 20,024        | 3,422              | 787                | 24,233        |
| Allowance for doubtful debts | --            | --                 | (42)               | (42)          |
| <b>Net</b>                   | <b>20,024</b> | <b>3,422</b>       | <b>745</b>         | <b>24,191</b> |
| <b>As at 31st March 2017</b> |               |                    |                    |               |
| Gross Carrying Amount        | 4,703         | 6,166              | 641                | 11,510        |
| Allowance for doubtful debts | --            | --                 | --                 | --            |
| <b>Net</b>                   | <b>4,703</b>  | <b>6,166</b>       | <b>641</b>         | <b>11,510</b> |

The Cash and Cash equivalents are held with Banks and financial institutions counter-parties with an external rating of "AAA". Thus, the Company considers that its Cash and Cash equivalents have low credit risks.

## Notes to Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### (b) Liquidity Risk

The table summarises the maturity profile of Company's financial liabilities based on contractual un-discounted payments

| As at 31st March 2018       |                 |           |                    |                    |               |
|-----------------------------|-----------------|-----------|--------------------|--------------------|---------------|
|                             | Carrying amount | On Demand | Less than 6 months | More than 6 months | Total         |
| Interest bearing borrowings | --              | --        | --                 | --                 | --            |
| Other Financial Liabilities | 3,474           | 68        | 2,663              | 743                | <b>3,474</b>  |
| Trade and Other Payable     | 56,487          | --        | 56,487             | --                 | <b>56,487</b> |

| As at 31st March 2017       |                 |           |                    |                    |        |
|-----------------------------|-----------------|-----------|--------------------|--------------------|--------|
|                             | Carrying amount | On Demand | Less than 6 months | More than 6 months | Total  |
| Interest bearing borrowings | 19,846          | --        | 19,647             | 199                | 19,846 |
| Other Financial Liabilities | 3,284           | 79        | 2,472              | 733                | 3,284  |
| Trade and Other Payable     | 48,535          | --        | 48,535             | --                 | 48,535 |

### (c) Market Risk : Equity price Risk

At the reporting date, the exposure to unquoted equity securities at fair value was ₹ 5 Lakhs.

At the reporting date, the exposure to quoted equity securities at fair value was ₹ 967 Lakhs. A decrease / increase of 15% on the bank Nifty market index could have an impact of approximately ₹ 91 Lakhs on the OCI or equity attributable to the Company. These changes would not have an effect on profit or loss.

## 39. FOREIGN CURRENCY SENSITIVITY ANALYSIS

| Currency | Net exposure in foreign currency |                       | Net exposure in INR   |                       |
|----------|----------------------------------|-----------------------|-----------------------|-----------------------|
|          | As at 31st March 2018            | As at 31st March 2017 | As at 31st March 2018 | As at 31st March 2017 |
| USD      | <b>6,46,382</b>                  | 2,04,780              | <b>423</b>            | 134                   |
| EUR      | <b>2,21,76,249</b>               | 2,08,40,803           | <b>17,938</b>         | 14,595                |
| JPY      | <b>10,25,13,190</b>              | 22,42,59,540          | <b>635</b>            | 1,312                 |
| GBP      | <b>11,983</b>                    | --                    | <b>11</b>             | --                    |

| Currency | Sensitivity % | Impact on profit (strengthening)* |                       | Impact on profit (weakening)* |                       |
|----------|---------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|          |               | As at 31st March 2018             | As at 31st March 2017 | As at 31st March 2018         | As at 31st March 2017 |
| USD      | 5%            | <b>(21)</b>                       | (7)                   | <b>21</b>                     | 7                     |
| EUR      | 5%            | <b>(897)</b>                      | (730)                 | <b>897</b>                    | 730                   |
| JPY      | 5%            | <b>(32)</b>                       | (66)                  | <b>32</b>                     | 66                    |
| GBP      | 5%            | <b>(1)</b>                        | --                    | <b>1</b>                      | --                    |
|          |               | <b>(951)</b>                      | (803)                 | <b>951</b>                    | 803                   |

(\* Strengthening / weakening of foreign currency)

## 40. CAPITAL MANAGEMENT

The Company's capital includes issued Equity Capital, Share Premium and Free Reserves.

The Company's policy is to meet the financial covenants attached to the interest-bearing borrowings / deposit from Public by maintaining a strong capital base. The Company aims to sustain investor, creditor and market confidence so as to be able to leverage such confidence for future capital/debt requirements.

Management monitors the return on capital earned, the capital / debt requirements for various business plans under consideration and determines the level of dividends to equity shareholders.

**Notes to Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

No changes were made in the objectives, policies or processes for managing capital during the financial years ended on 31st March 2018 and 31st March 2017.

| Particulars                                                  | As at 31st March 2018 | As at 31st March 2017 |
|--------------------------------------------------------------|-----------------------|-----------------------|
| Total Shareholder's Equity as reported in Balance Sheet      | <b>1,79,879</b>       | 1,66,541              |
| <b>Net Debit :</b>                                           |                       |                       |
| Short term debt                                              | --                    | 19,647                |
| Long term debt (including current portion of long term debt) | --                    | 354                   |
| <b>Gross Debt :</b>                                          | --                    | 20,001                |
| <b>Less : Cash &amp; Bank Balances</b>                       | <b>4,093</b>          | 23,422                |
| <b>Net Debt / (Net Cash and Bank balances)</b>               | <b>(4,093)</b>        | (3,421)               |

**41. DIVIDEND**

The Board of Directors has recommended payment of Dividend of ₹10 per fully paid Equity Shares (31st March 2017 : ₹10). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting. The Company to pay distribution tax of ₹ 271 Lakhs on proposed dividend. This dividend and tax on that is not recognized in the books of account at the end of the reporting period.

**42. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

All amounts which became due, for transfer to the credit of Investor Education and Protection Fund, as of 31st March 2018, have been transferred to that fund, except a sum of ₹ 0.60 Lakh (31st March 2017 : ₹ 0.60 Lakh) being amount of 5 (31st March 2017: 5) fixed deposits and interest thereon amounting to ₹ 0.25 Lakh (31st March 2017 : ₹ 0.25 Lakh). In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

43. During the year under report, on the basis of the eligibility and method of availing various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, the Company has recognized a sum of ₹1,830 Lakhs (31st March 2017 : ₹ 3,146 Lakhs) in the Statement of Profit and Loss as "Industrial Investment Incentives". These incentives are accounted on accrual basis. These incentives are available as per the Industrial Promotion Policy of the Government of Madhya Pradesh, based on the investment made by the Company, in eligible assets, for eligible products, in the State of Madhya Pradesh. These incentives are monetary incentives.

44. The Company has spent ₹ 410 Lakhs (31st March 2017 : ₹ 300 Lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.28 (n)] to the Notes to Financial Statements.

(a) Gross amount required to be spent by the Company during the year ₹ 410 Lakhs.

(b) Amount spent during the year on:

| Sr. No. | Description                                                                                     | In Cash    | Yet to be paid in Cash | Total      |
|---------|-------------------------------------------------------------------------------------------------|------------|------------------------|------------|
| (i)     | Project of establishing modern, sophisticated hospital                                          | 381        | --                     | <b>381</b> |
| (ii)    | Donation of vehicles manufactured by the Company towards health care and livelihood enhancement | 29         | --                     | <b>29</b>  |
|         | <b>Total</b>                                                                                    | <b>410</b> | <b>--</b>              | <b>410</b> |

**45. EXCEPTIONAL ITEMS**

Exceptional items of previous year - The Welfare Trust created by the Company has recalled in the month of September, 2016 and accordingly the Trustees of the said trust transferred immovable property, situated at Mahabaleshwar, District Satara, admeasuring 9,408.97 sq. mtrs., to the Company, by Registered Revocation Deed. ₹ 95 Lakhs, being the amount contributed by the Company to the said trust, has been recognized as "Exceptional Income" in the year 2016-17 and the said asset has capitalized.

46. The Company is operating in a Single Segment.

47. Previous year/period's figures are re-arranged wherever necessary.

As per our separate report of even date.

On behalf of the Board of Directors

For **M/s. Kirtane & Pandit LLP**

[FRN : 105215W/W100057]

Chartered Accountants

**Sanjay Kumar Bohra**

Chief Financial Officer

**Prasan Firodia**

Managing Director

**Suhas Deshpande**

Partner

Membership No. 31787

**Kishore P. Shah**

Company Secretary

**Sudhir Mehta**

Director

Place : Pune

Date : 29th May 2018

Place : Pune

Date : 29th May 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### Form AOC - 1

*Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014*

### Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

#### Part "A" : SUBSIDIARIES

|     |                                                                                                                              |                                                    |
|-----|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| 1.  | Sr. No.                                                                                                                      | 1                                                  |
| 2.  | Name of the subsidiary                                                                                                       | Tempo Finance (West) Private Limited               |
| 3.  | The date since when subsidiary was acquired                                                                                  | 14th August 2012                                   |
| 4.  | Reporting period for the subsidiary concerned, if different from the holding company's reporting period.                     | Same as per the Holding Company's reporting period |
| 5.  | Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N. A.                                              |
| 6.  | Share Capital                                                                                                                | 133                                                |
| 7.  | Reserves & Surplus                                                                                                           | 352                                                |
| 8.  | Total Assets                                                                                                                 | 486                                                |
| 9.  | Total Liabilities                                                                                                            | 486                                                |
| 10. | Investments                                                                                                                  | --                                                 |
| 11. | Turnover (Total Revenue)                                                                                                     | 36                                                 |
| 12. | Profit before taxation                                                                                                       | 35                                                 |
| 13. | Provision for taxation                                                                                                       | 9                                                  |
| 14. | Profit after taxation                                                                                                        | 26                                                 |
| 15. | Proposed Dividend                                                                                                            | --                                                 |
| 16. | % of shareholding                                                                                                            | 66.43%                                             |

|    |                                                                          |       |
|----|--------------------------------------------------------------------------|-------|
| 1. | Names of subsidiaries which are yet to commence operations               | N. A. |
| 2. | Names of subsidiaries which have been liquidated or sold during the year | N. A. |



(All amounts in ₹ Lakhs, unless otherwise stated)

**Part "B" : Associates and Joint Ventures**

*Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures*

|    | <b>Name of Associates / Joint Ventures</b>                                | N. A. |
|----|---------------------------------------------------------------------------|-------|
| 1. | Latest Audited Balance Sheet date                                         | N. A. |
| 2. | Shares of Associate / Joint Ventures held by the Company on the year end. | N. A. |
|    | (a) No.                                                                   | N. A. |
|    | (b) Amount of Investment in Associates/Joint Ventures                     | N. A. |
|    | (c) Extend of Holding %                                                   | N. A. |
| 3. | Description of how there is significant influence                         | N. A. |
| 4. | Reason why the Associate/Joint venture is not consolidated                | N. A. |
| 5. | Networth attributable to Shareholding as per latest Audited Balance Sheet | N. A. |
| 6. | Profit / Loss for the year                                                | N. A. |
|    | (a) Considered in Consolidation                                           | N. A. |
|    | (b) Not considered in Consolidation                                       | N. A. |

|    |                                                                                          |       |
|----|------------------------------------------------------------------------------------------|-------|
| 1. | Names of Associates or Joint Ventures which are yet to commence operations               | N. A. |
| 2. | Names of Associates or Joint Ventures which have been liquidated or sold during the year | N. A. |

As per our separate report of even date.

**For M/s. Kirtane & Pandit LLP**  
[FRN : 105215W/W100057]  
Chartered Accountants

**Suhas Deshpande**  
Partner  
Membership No. 31787

Place : Pune  
Date : 29th May 2018

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Kishore P. Shah**  
Company Secretary

On behalf of the Board of Directors

**Prasan Firodia**  
Managing Director

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th May 2018

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORCE MOTORS LIMITED

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Force Motors Limited ("hereinafter referred to as **"the holding Company"**") and its subsidiary (the Holding Company and its subsidiary together referred to as **"the Group"**), comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as **"the consolidated Ind AS financial statements"**).

### Management's Responsibility for the Consolidated Ind AS Financial Statement

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as **"the Act"**) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements/financial information of the subsidiary referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2018, and their consolidated profit/loss, consolidated total comprehensive income/ loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Other Matters

- a) We did not audit the financial statements/financial information of subsidiary, whose financial statements/financial information reflect total assets (net) of ₹ 486 Lakhs as at 31st March 2018, total revenues of ₹ 36 Lakhs and net cash inflows amounting to ₹ 27 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.
- b) Corresponding figures of the Group for the year ended 31st March 2017 have been audited by another auditor who expressed an unmodified opinion dated 11th May 2017 on the consolidated Ind AS financial statements of the Group for the year ended 31st March 2017.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statement and the other financial information of subsidiary company incorporated in India, referred in the Other Matters paragraph above 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 of the aforesaid consolidated Ind AS financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Ind AS Financial Statements.
  - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the holding company as on 31st March 2018 taken on record by the Board of Directors of the holding company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”, which is based on auditors’ reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding Company and subsidiary company incorporated in India.
  - g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on the consolidated financial position in its Ind AS financial statements - Refer note 31 to consolidated Ind AS financial statements;
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiary company incorporated in India-Refer note 43 to consolidated Ind AS financial statement.

**For M/s/ Kirtane & Pandit LLP**

 Firm’s Registration Number : 105215W / W100057  
 Chartered Accountants

 Place : Pune  
 Date : 29th May 2018

**Suhas Deshpande**

 Partner  
 Membership Number 031787

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Force Motors Limited (“the Holding Company”) and its subsidiary company which is company incorporated in India as of 31st March 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the holding company and its subsidiary company which is incorporated in India, has, in all material respects, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2018 based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **M/s. Kirtane & Pandit LLP**  
Firm Registration No. 105215W/W100057  
Chartered Accountants

Place : Pune  
Date : 29th May 2018

**Suhas Deshpande**  
Partner  
Membership No. 031787

**Consolidated Balance Sheet as at 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                                      | Note No. | As at 31st March 2018 | As at 31st March 2017 |
|--------------------------------------------------|----------|-----------------------|-----------------------|
| <b>I ASSETS</b>                                  |          |                       |                       |
| <b>(1) Non-current Assets</b>                    |          |                       |                       |
| (a) Property, Plant and Equipment                | 3        | 86,877                | 85,633                |
| (b) Capital Work-in-progress                     | 3        | 17,351                | 12,011                |
| (c) Investment Property                          | 4        | 603                   | 628                   |
| (d) Goodwill                                     |          | 1                     | 1                     |
| (e) Other Intangible Assets                      | 5        | 7,366                 | 4,881                 |
| (f) Intangible Assets under development          | 5        | 19,566                | 10,015                |
| (g) Financial Assets                             |          |                       |                       |
| (i) Investments                                  | 6        | 972                   | 878                   |
| (ii) Loans and Advances                          | 7        | 1,671                 | 1,765                 |
| (h) Deferred Tax Assets (Net)                    | 8        | --                    | 1,144                 |
| (i) Other Non-current Assets                     | 9        | 5,229                 | 4,560                 |
| <b>Total Non-current Assets</b>                  |          | <b>1,39,636</b>       | <b>1,21,516</b>       |
| <b>(2) Current Assets</b>                        |          |                       |                       |
| (a) Inventories                                  | 10       | 47,710                | 43,767                |
| (b) Financial Assets                             |          |                       |                       |
| (i) Trade Receivables                            | 11       | 24,191                | 11,510                |
| (ii) Cash and Cash equivalents                   | 12       | 3,962                 | 8,646                 |
| (iii) Bank balance other than (ii) above         | 12       | 307                   | 14,925                |
| (iv) Loans and Advances                          | 7        | 244                   | 119                   |
| (v) Other Financial Assets                       | 13       | 20,436                | 41,755                |
| (c) Current Tax Assets (Net)                     | 8        | --                    | 807                   |
| (d) Other Current Assets                         | 9        | 15,811                | 17,343                |
| <b>Total Current Assets</b>                      |          | <b>1,12,661</b>       | <b>1,38,872</b>       |
| <b>Total Assets</b>                              |          | <b>2,52,297</b>       | <b>2,60,388</b>       |
| <b>II EQUITY AND LIABILITIES</b>                 |          |                       |                       |
| <b>(1) Equity</b>                                |          |                       |                       |
| (a) Equity Share Capital                         | 14       | 1,318                 | 1,318                 |
| (b) Other Equity                                 | 15       | 1,78,795              | 1,65,440              |
| (c) Equity attributable to owners of the Company |          | 1,80,113              | 1,66,758              |
| (d) Non-controlling Interest                     | 21       | 163                   | 154                   |
| <b>Total Equity</b>                              |          | <b>1,80,276</b>       | <b>1,66,912</b>       |
| <b>(2) Liabilities</b>                           |          |                       |                       |
| <b>Non-current Liabilities</b>                   |          |                       |                       |
| (a) Financial Liabilities                        |          |                       |                       |
| (i) Borrowings                                   | 16       | --                    | 199                   |
| (ii) Other Financial Liabilities                 | 17       | 396                   | 396                   |
| (b) Provisions                                   | 18       | 2,698                 | 2,519                 |
| (c) Deferred Tax Liabilities (Net)               | 8        | 443                   | --                    |
| (d) Other Non-current Liabilities                | 20       | 189                   | 228                   |
| <b>Total Non-current Liabilities</b>             |          | <b>3,726</b>          | <b>3,342</b>          |
| <b>Current Liabilities</b>                       |          |                       |                       |
| (a) Financial Liabilities                        |          |                       |                       |
| (i) Borrowings                                   | 16       | --                    | 19,647                |
| (ii) Trade Payables                              | 19       | 56,487                | 48,535                |
| (iii) Other Financial Liabilities                | 17       | 3,080                 | 2,889                 |
| (b) Other Current Liabilities                    | 20       | 6,019                 | 16,217                |
| (c) Current Tax Liabilities (Net)                | 8        | 233                   | --                    |
| (d) Provisions                                   | 18       | 2,476                 | 2,846                 |
| <b>Total Current Liabilities</b>                 |          | <b>68,295</b>         | <b>90,134</b>         |
| <b>Total Liabilities</b>                         |          | <b>72,021</b>         | <b>93,476</b>         |
| <b>Total Equity and Liabilities</b>              |          | <b>2,52,297</b>       | <b>2,60,388</b>       |

See accompanying notes forming part of the consolidated financial statements

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As per our separate report of even date.

For M/s. Kirtane &amp; Pandit LLP

[FRN : 105215W/W100057]

Chartered Accountants

Sanjay Kumar Bohra

Chief Financial Officer

Suhas Deshpande

Partner

Membership No. 31787

Kishore P. Shah

Company Secretary

Place : Pune

Date : 29th May 2018

On behalf of the Board of Directors

Prasan Firodia

Managing Director

Sudhir Mehta

Director

Place : Pune

Date : 29th May 2018

**Consolidated Statement of Profit and Loss for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                                                                                                                | Note No. | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|----------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------|------------------------------------|
| <b>I INCOME</b>                                                                                                            |          |                                    |                                    |
| (a) Revenue from Operations                                                                                                | 22       | 3,53,136                           | 3,49,495                           |
| (b) Other Income                                                                                                           | 23       | 6,113                              | 8,494                              |
| <b>Total Income</b>                                                                                                        |          | <b>3,59,249</b>                    | <b>3,57,989</b>                    |
| <b>II EXPENSES</b>                                                                                                         |          |                                    |                                    |
| (a) Cost of Materials consumed                                                                                             | 24       | 2,60,924                           | 2,13,056                           |
| (b) Change in Inventories of Finished Goods and Work-in-progress                                                           | 25       | (5,132)                            | 7,179                              |
| (c) Excise Duty                                                                                                            |          | 10,082                             | 42,558                             |
| (d) Employee benefits expense                                                                                              | 26       | 38,655                             | 35,008                             |
| (e) Finance costs                                                                                                          | 27       | 667                                | 554                                |
| (f) Depreciation and Amortization expense                                                                                  | 28       | 12,926                             | 11,308                             |
| (g) Other expenses                                                                                                         | 29       | 31,213                             | 32,193                             |
|                                                                                                                            |          | <b>3,49,335</b>                    | <b>3,41,856</b>                    |
| <b>Less : Expenditure included in the above items capitalized</b>                                                          |          | <b>10,144</b>                      | <b>7,309</b>                       |
| <b>Total Expenses</b>                                                                                                      |          | <b>3,39,191</b>                    | <b>3,34,547</b>                    |
| <b>III Profit before exceptional items and tax</b>                                                                         |          | <b>20,058</b>                      | <b>23,442</b>                      |
| <b>IV Exceptional Items</b>                                                                                                | 46       | --                                 | 95                                 |
| <b>V Profit Before Tax</b>                                                                                                 |          | <b>20,058</b>                      | <b>23,537</b>                      |
| <b>VI Tax Expense</b>                                                                                                      | 8        |                                    |                                    |
| (a) Current tax                                                                                                            |          | 4,371                              | 4,915                              |
| (b) Deferred tax                                                                                                           |          | 1,514                              | 606                                |
| (c) Taxation in respect of earlier years                                                                                   |          | (548)                              | (2)                                |
| <b>Total Tax Expense</b>                                                                                                   |          | <b>5,337</b>                       | <b>5,519</b>                       |
| <b>VII Profit for the year</b>                                                                                             |          | <b>14,721</b>                      | <b>18,018</b>                      |
| <b>VIII Attributable to</b>                                                                                                |          |                                    |                                    |
| (a) Owners of the Company                                                                                                  |          | 14,712                             | 18,009                             |
| (b) Non-controlling interest                                                                                               | 21       | 9                                  | 9                                  |
|                                                                                                                            |          | <b>14,721</b>                      | <b>18,018</b>                      |
| <b>IX Other Comprehensive Income</b>                                                                                       |          |                                    |                                    |
| (a) Items that will not be reclassified to Profit or Loss                                                                  |          |                                    |                                    |
| (i) Re-measurements of net defined benefit liability                                                                       |          | 210                                | (522)                              |
| (ii) Equity instrument through Other Comprehensive Income                                                                  |          | 92                                 | 124                                |
|                                                                                                                            |          | <b>302</b>                         | <b>(398)</b>                       |
| (b) Income tax relating to items that will not be reclassified to Profit or Loss                                           |          |                                    |                                    |
| (i) Taxes on re-measurements of net defined benefit liability                                                              |          | (73)                               | 181                                |
| (ii) Taxes on Equity instrument through Other Comprehensive Income                                                         |          | --                                 | 1                                  |
|                                                                                                                            |          | <b>(73)</b>                        | <b>182</b>                         |
| <b>Total Other Comprehensive Income</b>                                                                                    |          | <b>229</b>                         | <b>(216)</b>                       |
| <b>Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year) (VIII + IX)</b> |          | <b>14,950</b>                      | <b>17,802</b>                      |
| <b>X Attributable to</b>                                                                                                   |          |                                    |                                    |
| (a) Owners of the Company                                                                                                  |          | 14,941                             | 17,793                             |
| (b) Non-controlling interest                                                                                               | 21       | 9                                  | 9                                  |
|                                                                                                                            |          | <b>14,950</b>                      | <b>17,802</b>                      |
| <b>XI Basic and Diluted Earnings Per Equity Share</b>                                                                      |          |                                    |                                    |
| [Nominal value per share ₹ 10] ₹                                                                                           | 30       | 111.72                             | 136.75                             |
| See accompanying notes forming part of the Consolidated Financial Statements                                               | 1-48     |                                    |                                    |

As per our separate report of even date.

For **M/s. Kirtane & Pandit LLP**  
[FRN : 105215W/W100057]  
Chartered Accountants

**Suhas Deshpande**  
Partner  
Membership No. 31787

Place : Pune  
Date : 29th May 2018

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Kishore P. Shah**  
Company Secretary

On behalf of the Board of Directors

**Prasan Firodia**  
Managing Director

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th May 2018



**Consolidated Statement of Changes in Equity for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**A. Equity Share Capital**

| Balance as at<br>1st April 2016 | Changes in Equity<br>Share Capital during<br>the year | Balance as at<br>31st March 2017         |
|---------------------------------|-------------------------------------------------------|------------------------------------------|
| 1,318                           | --                                                    | 1,318                                    |
| Balance as at<br>1st April 2017 | Changes in Equity<br>Share Capital during<br>the year | <b>Balance as at<br/>31st March 2018</b> |
| 1,318                           | --                                                    | <b>1,318</b>                             |

**B. Other Equity**

|                                                 | Reserves and Surplus             |                    |                      | Equity<br>Instruments<br>through Other<br>Comprehensive<br>Income | Total           | Non-controlling<br>Interest |
|-------------------------------------------------|----------------------------------|--------------------|----------------------|-------------------------------------------------------------------|-----------------|-----------------------------|
|                                                 | Securities<br>Premium<br>Reserve | General<br>Reserve | Retained<br>earnings |                                                                   |                 |                             |
| Balance as at 1st April 2016                    | 5,920                            | 34,679             | 1,06,328             | 720                                                               | 1,47,647        | 146                         |
| Profit for the year                             | --                               | --                 | 18,009               | --                                                                | 18,009          | 8                           |
| Other Comprehensive Income (net of tax)         | --                               | --                 | (341)                | 125                                                               | (216)           | --                          |
| Transfer to General Reserve                     | --                               | 4                  | (4)                  | --                                                                | --              | --                          |
| Balance as at 31st March 2017                   | 5,920                            | 34,683             | 1,23,992             | 845                                                               | 1,65,440        | 154                         |
| Balance as at 1st April 2017                    | 5,920                            | 34,683             | 1,23,992             | 845                                                               | 1,65,440        | 154                         |
| Profit for the year                             | --                               | --                 | 14,712               | --                                                                | 14,712          | 9                           |
| Other Comprehensive Income (net of tax)         | --                               | --                 | 137                  | 92                                                                | 229             | --                          |
| Dividends (including dividend distribution tax) | --                               | --                 | (1,586)              | --                                                                | (1,586)         | --                          |
| Transfer to General Reserve                     | --                               | 4                  | (4)                  | --                                                                | --              | --                          |
| <b>Balance as at 31st March 2018</b>            | <b>5,920</b>                     | <b>34,687</b>      | <b>1,37,251</b>      | <b>937</b>                                                        | <b>1,78,795</b> | <b>163</b>                  |

**Consolidated Statement of Cash Flows for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

| Particulars                                                               | For the year<br>ended 31st<br>March 2018 | For the year<br>ended 31st<br>March 2017 |
|---------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>A. Cash flow from Operating Activities :</b>                           |                                          |                                          |
| Profit before tax                                                         | 20,058                                   | 23,537                                   |
| <b>Adjustments for :</b>                                                  |                                          |                                          |
| Depreciation and Amortization expense                                     | 12,926                                   | 11,308                                   |
| Net exchange differences (unrealised)                                     | 216                                      | (198)                                    |
| Interest Income                                                           | (2,433)                                  | (2,367)                                  |
| Dividend income on equity securities                                      | (8)                                      | (16)                                     |
| Loss / (Gain) on disposal of Property, Plant and Equipment                | (114)                                    | 129                                      |
| Finance Costs                                                             | 667                                      | 554                                      |
| Inventory write down                                                      | 511                                      | 156                                      |
| Provision for bad, doubtful debts and debit balances                      | 71                                       | 40                                       |
| <b>Operating Profit before Working Capital adjustments</b>                | <b>31,894</b>                            | <b>33,143</b>                            |
| <b>Working Capital adjustments</b>                                        |                                          |                                          |
| <b>(Increase) / Decrease in :</b>                                         |                                          |                                          |
| Trade Receivables                                                         | (12,750)                                 | 3,508                                    |
| Inventories                                                               | (4,454)                                  | 10,827                                   |
| Other Financial Assets                                                    | 14,587                                   | 12,401                                   |
| Other Non-financial Assets                                                | 1,536                                    | (6,905)                                  |
| Trade Payables                                                            | 7,820                                    | 7,007                                    |
| Financial Liabilities                                                     | 15                                       | (57)                                     |
| Non-financial Liabilities                                                 | (10,236)                                 | (7,127)                                  |
| Provisions                                                                | 19                                       | 305                                      |
| <b>Cash generated from Operations</b>                                     | <b>28,431</b>                            | <b>53,102</b>                            |
| Income Tax paid (net)                                                     | (2,783)                                  | (6,038)                                  |
| <b>Net cash inflow from Operating Activities</b>                          | <b>25,648</b>                            | <b>47,064</b>                            |
| <b>B. Cash flow from Investing Activities</b>                             |                                          |                                          |
| Payments for Property, Plant and Equipment and Intangible Assets          | (32,414)                                 | (23,529)                                 |
| Proceeds from sale of Property, Plant and Equipment and Intangible Assets | 595                                      | 92                                       |
| Deposits with Financial Institution                                       | 20,000                                   | (40,000)                                 |
| Interest received                                                         | 3,752                                    | 1,343                                    |
| Dividends received                                                        | 8                                        | 16                                       |
| <b>Net Cash outflow from Investing Activities</b>                         | <b>(8,059)</b>                           | <b>(62,078)</b>                          |
| <b>C. Cash flow from Financing Activities</b>                             |                                          |                                          |
| Repayment of borrowings                                                   | (367)                                    | (981)                                    |
| Proceeds from / (Repayment of) borrowings                                 | (19,647)                                 | 19,647                                   |
| Interest paid                                                             | (688)                                    | (649)                                    |
| Dividends paid (including Dividend distribution Tax)                      | (1,586)                                  | --                                       |
| <b>Net Cash outflow from Financing Activities</b>                         | <b>(22,288)</b>                          | <b>18,017</b>                            |
| <b>Net increase / (decrease) in Cash and Cash equivalents</b>             | <b>(4,699)</b>                           | <b>3,003</b>                             |
| Cash and Cash equivalents at beginning of the financial year              | 8,657                                    | 5,654                                    |
| Cash and Cash equivalents at end of the financial year                    | 3,958                                    | 8,657                                    |
| Cash and Cash equivalents as per Note 12                                  | 3,962                                    | 8,646                                    |
| Effects of exchange rate fluctuations on Cash and Cash equivalent held    | (4)                                      | 11                                       |
|                                                                           | <b>3,958</b>                             | <b>8,657</b>                             |

As per our separate report of even date.

For **M/s. Kirtane & Pandit LLP**  
 [FRN : 105215W/W100057]  
 Chartered Accountants

**Suhas Deshpande**  
 Partner  
 Membership No. 31787

Place : Pune  
 Date : 29th May 2018

**Sanjay Kumar Bohra**  
 Chief Financial Officer

**Kishore P. Shah**  
 Company Secretary

On behalf of the Board of Directors

**Prasan Firodia**  
 Managing Director

**Sudhir Mehta**  
 Director

Place : Pune  
 Date : 29th May 2018

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

### 1. GROUP INFORMATION

#### Holding Company :

Force Motors Limited is a Public Limited Company domiciled and incorporated in India. The Registered Office of the Company is situated at Mumbai-Pune Road, Akurdi, Pune - 411 035. The Company's ordinary shares are listed on the Bombay Stock Exchange.

The Company is a fully, vertically integrated automobile company, with expertise in design, development and manufacture of the full spectrum of automotive components, aggregates and vehicles. Its range of products includes Light Commercial Vehicles (LCV), Multi-Utility Vehicles (MUV), Small Commercial Vehicles (SCV), Sports Utility Vehicles (SUV) and Agricultural Tractors.

#### Subsidiary Company :

Tempo Finance (West) Private Limited, a Subsidiary Company of Force Motors Limited, is domiciled and incorporated in India, having its Registered Office at Mumbai-Pune Road, Akurdi, Pune - 411035. The Company is engaged in providing financial services.

The Holding Company and the Subsidiary Company together referred to as the Group.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of Compliance

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

#### (b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except certain financial instruments and defined benefit plans, which are measured at fair value.

#### (c) Revenue Recognition

##### (i) Sales :-

Revenue is measured at the fair value of the consideration received or receivable. The Group recognizes revenue, when it has transferred, to the buyer, the significant risks and rewards associated with the goods, and the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

##### (ii) Other Incomes :-

Other incomes are recognized when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

#### (d) Inventories

Inventories are valued at lower of their cost or net realizable value. The cost of raw materials, stores and consumables is measured on moving weighted average basis.

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

Raw materials and Bought out components are valued at the lower of cost or net realizable value. Cost is determined on the basis of the weighted average method.

Finished Goods and work-in-progress are carried at cost or net realizable value, whichever is lower.

Stores, spares and tools, other than obsolete and slow moving items, are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realizable value, whichever is lower.

#### (e) Property, Plant and Equipment

Property, plant and equipment, except land, are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and amortization. Freehold land is carried at cost of acquisition.

Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

Costs incurred to manufacture property, plant and equipment and intangible are reduced from the total expense under the head 'Expenditure, included in above items, capitalized' in the Statement of Profit and Loss.

#### (f) Intangible Assets

Intangible Assets acquired are stated at acquisition cost, less accumulated amortization and impaired losses, if any.

##### Intangible Assets internally generated :

Expenditure incurred by the Group on development of know-how researched, is recognized as an intangible asset, if and only if the future economic benefits attributable to the use of such know-how are probable to flow to the Group and the costs/expenditure can be measured reliably.

#### (g) Investment Property

Investment property is measured at cost less accumulated depreciation.

**(h) Impairment of Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**(i) Depreciation & Amortization****(i) Property, Plant and Equipment :**

- The Depreciation on Property, Plant and Equipment is provided as per Schedule-II to the Companies Act, 2013.
- Leasehold land is amortized over the period of lease.

**(ii) Intangible Assets :**

- Software and their implementation costs are written off over the period of 5 years.
- Technical Know-how acquired and internally generated is amortized over the useful life of the assets, not exceeding 10 years.

**(j) Borrowing Costs**

Cost of borrowings incurred for acquisition, construction or production of qualifying asset is capitalized.

**(k) Research and Development Expenses**

Revenue expenditure on Research and Development is charged off as an expense in the year in which incurred and capital expenditure is grouped with Assets under appropriate heads and depreciation is provided as per rates applicable.

**(l) Leases****(i) Where the Group is the Lessee :**

- Leases, where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.
- Finance leases are capitalized at the inception of the lease at fair value of the leased property.

**(ii) Where the Group is the Lessor :**

Lease rentals are recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**(m) Earnings per Share**

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period.

**(n) Foreign currency transactions****Transactions and balances**

- (i) Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.
- (ii) Monetary items of Assets and Liabilities booked in foreign currency are translated in to rupee at the exchange rate prevailing at the Balance Sheet date.
- (iii) Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognized in the Statement of Profit and Loss.
- (iv) Exchange difference arising on translation of foreign currency liabilities for acquisition of Property, Plant and Equipments are adjusted to the Statement of Profit and Loss.

**(o) Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs, unless otherwise stated.

**(p) Employee Benefits****Defined benefit plans**

- The accruing liability of Gratuity is covered by Employees Group Gratuity Scheme of Life Insurance Corporation of India (LIC) and the premium is accounted for in the year of accrual. The additional liability, if any, due to deficit in the Plan assets managed by LIC as compared to the present value of accrued liability on the basis of actuarial valuation, is recognized and provided for.
- Provident fund contributions are made to Group's Provident Fund Trust. The contributions are accounted for as defined benefit plans and the contributions are recognized as employee benefits expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Group.
- Current service cost and net interest on defined benefit obligation are directly recognized in the Statement of Profit and Loss.
- Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized 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.

**Defined contribution plans**

- The Group's superannuation scheme is a defined contribution plan. The contributions are recognized as employee benefit expenses when they are due.
- Benefits in respect of compensated absence payable after 12 months are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.

**(q) Hire Purchase**

The Group has followed Equated Balance Method for the implicit rate for accounting the income from Hire Purchase. Directions and guidelines issued by the Reserve Bank of India in respect of income recognition, asset classification and provision for bad and doubtful debts have been followed.

**(r) Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax liabilities are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except to the extent that it relate to the items that are recognized in other comprehensive income or directly in equity, in this case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax against which the MAT paid will be adjusted.

**(s) Provisions and Contingent Liabilities**
**Provision :**

A provision is recorded when the Group 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 reasonably estimated.

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled as and when warranty claims arises. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

**Contingent Liability :**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

**(t) Incentives**

Incentives receivable/received are disclosed as "Other Income", in the Financial Statements.

**(u) Financial instruments**
**Equity investments at fair value through other comprehensive income**

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss, when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

**(v) Fair value measurement**

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as;

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**(w) Use of estimates & judgements**

Detailed information about accounting judgements, estimates and assumption is included in the relevant notes.

- (i) Estimation of defined benefit obligation - refer Note 37.
- (ii) Estimation of provision for warranty claims - refer Note 18.
- (iii) Estimated useful life of intangible assets- refer Note 2(i)(ii) above.

Estimation and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

**(x) Recent accounting pronouncements**

New Accounting pronouncements affecting amounts reported and/ or disclosures in the financial statements.

The Group has not applied the following revisions to Ind AS that have been issued but are not yet effective. The Group is evaluating the impact of these pronouncements on the financial statements.

Ind AS 40 - Investment Property

Ind AS 21 - The effects of Changes in Foreign Exchange Rates

Ind AS 12 - Income Taxes

Ind AS 28 - Investments in Associates and Joint Ventures

Ind AS 112 - Disclosure of Interests in Other Entities.

Ind AS 115 - Revenue from Contracts with Customers

### Notes to Consolidated Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

#### 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

| Particulars                          | Land       |              | Buildings     | Plant & Equipment | Furniture & Fixtures | Vehicles     | Office Equipment | Aircrafts     | Total           | Capital Work-in-Progress |
|--------------------------------------|------------|--------------|---------------|-------------------|----------------------|--------------|------------------|---------------|-----------------|--------------------------|
|                                      | Freehold   | Leasehold    |               |                   |                      |              |                  |               |                 |                          |
| <b>Gross carrying amount</b>         |            |              |               |                   |                      |              |                  |               |                 |                          |
| Balance as at 1st April 2017         | 864        | 1,590        | 25,102        | 1,43,181          | 1,329                | 3,635        | 841              | 19,149        | 1,95,691        | 12,011                   |
| Additions                            | 4          | --           | 2,842         | 9,191             | 244                  | 745          | 132              | --            | 13,158          | 5,922                    |
| Disposals / Adjustments              | --         | --           | --            | 3,912             | 3                    | 445          | 7                | 1,159         | 5,526           | 582                      |
| <b>Balance as at 31st March 2018</b> | <b>868</b> | <b>1,590</b> | <b>27,944</b> | <b>1,48,460</b>   | <b>1,570</b>         | <b>3,935</b> | <b>966</b>       | <b>17,990</b> | <b>2,03,323</b> | <b>17,351</b>            |
| Accumulated depreciation             |            |              |               |                   |                      |              |                  |               |                 |                          |
| Balance as at 1st April 2017         | --         | 54           | 6,705         | 96,043            | 787                  | 2,013        | 557              | 3,899         | 1,10,058        |                          |
| Depreciation for the year            | --         | 16           | 950           | 9,087             | 85                   | 353          | 93               | 849           | 11,433          |                          |
| Disposals / Adjustments              | --         | --           | --            | 3,910             | 1                    | 207          | 6                | 921           | 5,045           |                          |
| <b>Balance as at 31st March 2018</b> | <b>--</b>  | <b>70</b>    | <b>7,655</b>  | <b>1,01,220</b>   | <b>871</b>           | <b>2,159</b> | <b>644</b>       | <b>3,827</b>  | <b>1,16,446</b> |                          |
| Carrying amounts (Net)               |            |              |               |                   |                      |              |                  |               |                 |                          |
| As at 31st March 2018                | 868        | 1,520        | 20,289        | 47,240            | 699                  | 1,776        | 322              | 14,163        | 86,877          | 17,351                   |
| As at 31st March 2017                | 864        | 1,536        | 18,397        | 47,138            | 542                  | 1,622        | 284              | 15,250        | 85,633          | 12,011                   |

#### Notes :

- Refer to Note 35 for Plant & Equipment given on Operating Lease.
- Refer to Note 31 (b) for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- Capital Work-in-progress mainly comprises Plant and Equipment.



**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**4. INVESTMENT PROPERTY**

| Particulars                          | Industrial Shed |
|--------------------------------------|-----------------|
| <b>Gross carrying amount</b>         |                 |
| Balance as at 1st April 2017         | 794             |
| Additions                            | --              |
| Disposals / Adjustments              | --              |
| <b>Balance as at 31st March 2018</b> | <b>794</b>      |
| <b>Accumulated depreciation</b>      |                 |
| Balance as at 1st April 2017         | 166             |
| Depreciation for the year            | 25              |
| Disposals / Adjustments              | --              |
| <b>Balance as at 31st March 2018</b> | <b>191</b>      |
| <b>Carrying amounts (Net)</b>        |                 |
| As at 31st March 2018                | 603             |
| As at 31st March 2017                | 628             |

**Information regarding income and expenditure of Investment Property :**

| Particulars                                                                                       | As at 31st March 2018 | As at 31st March 2017 |
|---------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Rental income derived from investment property                                                    | <b>524</b>            | 498                   |
| Direct operating expenses (including repairs and maintenance) generating rental income            | --*                   | --*                   |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | --                    | --                    |
| Profit arising from investment property before depreciation and indirect expenses                 | <b>524</b>            | 498                   |
| <b>Less : Depreciation</b>                                                                        | <b>25</b>             | 25                    |
| Profit from investment property                                                                   | <b>499</b>            | 473                   |

**Leasing arrangements**

The Group's investment property consists of industrial property given on operating lease for the period of 10 years. Refer Note 35.

**Fair Value**

The Group's investment property is at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a Level - 2 valuation.

| Particulars         | As at 31st March 2018 | As at 31st March 2017 |
|---------------------|-----------------------|-----------------------|
| Industrial Property | <b>2,735</b>          | 2,705                 |

**Reconciliation of fair value**

| Particulars                          | Industrial Property |
|--------------------------------------|---------------------|
| Balance as at 1st April 2017         | 2,705               |
| Change in fair value                 | 30                  |
| <b>Balance as at 31st March 2018</b> | <b>2,735</b>        |

--\* Denotes amount less than ₹ 50,000

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**5. INTANGIBLE ASSETS**

| Particulars                          | Software     | Technical Know-how acquired | Technical Know-how acquired upto 1st April 2003 | Technical Know-how internally generated | Total         | Intangible Assets under development |
|--------------------------------------|--------------|-----------------------------|-------------------------------------------------|-----------------------------------------|---------------|-------------------------------------|
| <b>Gross carrying amount</b>         |              |                             |                                                 |                                         |               |                                     |
| Balance as at 1st April 2017         | 3,086        | 4,425                       | 822                                             | 3,835                                   | 12,168        | 10,015                              |
| Additions                            | 1,433        | 200                         | --                                              | 2,320                                   | 3,953         | 11,034                              |
| Disposals / Adjustments              | --           | --                          | --                                              | --                                      | --            | 1,483                               |
| <b>Balance as at 31st March 2018</b> | <b>4,519</b> | <b>4,625</b>                | <b>822</b>                                      | <b>6,155</b>                            | <b>16,121</b> | <b>19,566</b>                       |
| <b>Accumulated Amortization</b>      |              |                             |                                                 |                                         |               |                                     |
| Balance as at 1st April 2017         | 2,004        | 2,895                       | 822                                             | 1,566                                   | 7,287         |                                     |
| Amortization for the year            | 462          | 400                         | --                                              | 606                                     | 1,468         |                                     |
| Disposals / Adjustments              | --           | --                          | --                                              | --                                      | --            |                                     |
| <b>Balance as at 31st March 2018</b> | <b>2,466</b> | <b>3,295</b>                | <b>822</b>                                      | <b>2,172</b>                            | <b>8,755</b>  |                                     |
| <b>Carrying amounts (Net)</b>        |              |                             |                                                 |                                         |               |                                     |
| As at 31st March 2018                | 2,053        | 1,330                       | --                                              | 3,983                                   | 7,366         | 19,566                              |
| As at 31st March 2017                | 1,082        | 1,530                       | --                                              | 2,269                                   | 4,881         | 10,015                              |

**Note :** Intangible Assets under development mainly comprises internally generated technical know how.

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**6. FINANCIAL ASSETS : INVESTMENTS (NON-CURRENT)**

|                                                                                                                           | <u>As at 31st<br/>March 2018</u> | <u>As at 31st<br/>March 2017</u> |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Investments at fair value through Other Comprehensive Income (FVTOCI)</b>                                              |                                  |                                  |
| <b>(a) Unquoted Equity Shares (fully paid) *</b>                                                                          |                                  |                                  |
| (i) Nil (31st March 2017 : 25,000) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (North) Private Limited        | --                               | --                               |
| (ii) 1 (31st March 2017 : 1) Equity Share of ₹ 10, fully paid in MAN Trucks India Private Limited                         | --*                              | --*                              |
| (iii) 50,000 (31st March 2017 : 50,000) Equity Shares of ₹ 10 each, fully paid in Pithampur Auto Cluster Limited          | 5                                | 5                                |
| (iv) 5 (31st March 2017 : 5) Equity Shares of ₹ 50 each, fully paid in Mittal Tower Premises Co-operative Society Limited | --*                              | --*                              |
| <b>(b) Quoted Equity Shares (fully paid) **</b>                                                                           |                                  |                                  |
| 3,47,187 (31st March 2017 : 3,15,625) Equity Shares of ₹ 2 each, fully paid in ICICI Bank Limited                         | <u>967</u>                       | <u>873</u>                       |
| <b>Total FVTOCI Investments</b>                                                                                           | <u>972</u>                       | <u>878</u>                       |
| <b>Total Non-current Investments</b>                                                                                      | <u>972</u>                       | <u>878</u>                       |
| Aggregate book value of quoted investments                                                                                | 967                              | 873                              |
| Aggregate market value of quoted investments                                                                              | 967                              | 873                              |
| Aggregate value of unquoted investments                                                                                   | 5                                | 5                                |
| Aggregate amount of impairment in the value of investments                                                                | --                               | --                               |

\* The fair value of the investments in unquoted equity shares have been estimated using valuation technique which approximates its carrying value.

\*\* For determination of fair values of quoted equity investments, the investments classified as FVTOCI. Refer Note 38.

--\* Denotes amount less than ₹ 50,000

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**7. FINANCIAL ASSETS : LOANS AND ADVANCES**

|                                                     | <u>As at 31st<br/>March 2018</u> | <u>As at 31st<br/>March 2017</u> |
|-----------------------------------------------------|----------------------------------|----------------------------------|
| <b>Non-current :</b>                                |                                  |                                  |
| <b>(a) Security Deposits</b>                        |                                  |                                  |
| (i) Unsecured, Considered Good                      | 1,667                            | 1,567                            |
| (ii) Doubtful                                       | --                               | --                               |
| <b>(b) Other Loans and Advances</b>                 |                                  |                                  |
| (i) Unsecured, Considered Good                      | 4                                | 198                              |
| (ii) Doubtful                                       | 9                                | 10                               |
|                                                     | <u>13</u>                        | <u>208</u>                       |
| <b>Less : Allowances for expected credit losses</b> | <u>9</u>                         | <u>10</u>                        |
|                                                     | <u>4</u>                         | <u>198</u>                       |
| <b>Total Non-current Loans and Advances</b>         | <u>1,671</u>                     | <u>1,765</u>                     |
| <b>Current :</b>                                    |                                  |                                  |
| <b>(a) Security Deposits</b>                        |                                  |                                  |
| Unsecured, Considered Good                          | 50                               | 45                               |
| <b>(b) Other Loans and Advances</b>                 |                                  |                                  |
| Unsecured, Considered Good                          | 194                              | 74                               |
|                                                     | <u>244</u>                       | <u>119</u>                       |
| <b>Total Current Loans and Advances</b>             | <u>244</u>                       | <u>119</u>                       |
| <b>Total Loans and Advances</b>                     | <u>1,915</u>                     | <u>1,884</u>                     |

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**8. CURRENT AND DEFERRED TAX**

|                                                                        | As at 31st<br>March 2018         | As at 31st<br>March 2017         |
|------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>A. Statement of Profit or Loss</b>                                  |                                  |                                  |
| <b>(a) Current Tax :</b>                                               |                                  |                                  |
| (i) Current Income Tax charge                                          | 4,371                            | 4,915                            |
| (ii) Taxation in respect of earlier years                              | (548)                            | (2)                              |
| <b>(b) Deferred Tax:</b>                                               |                                  |                                  |
| Relating to origination and reversal of temporary differences          | 1,514                            | 606                              |
| <b>Income Tax expense reported in the Statement of Profit and Loss</b> | <b>5,337</b>                     | <b>5,519</b>                     |
| <b>(c) Other Comprehensive Income (OCI)</b>                            |                                  |                                  |
| <b>Deferred tax related to items recognized in OCI during the year</b> |                                  |                                  |
| (i) Re-measurements on defined benefit plan                            | (73)                             | 181                              |
| (ii) Unquoted Equity Instruments                                       | --                               | 2                                |
| <b>Income Tax recognized in OCI</b>                                    | <b>(73)</b>                      | <b>183</b>                       |
|                                                                        | <b>As at 31st<br/>March 2018</b> | <b>As at 31st<br/>March 2017</b> |
| <b>B. Balance Sheet</b>                                                |                                  |                                  |
| <b>(a) Current Tax Assets</b>                                          |                                  |                                  |
| Advance Income Tax                                                     | --                               | 807                              |
| <b>Total Current Tax Assets (Net)</b>                                  | <b>--</b>                        | <b>807</b>                       |
| <b>(b) Current Tax Liabilities</b>                                     |                                  |                                  |
| Provision for Income Tax                                               | 233                              | --                               |
| <b>Total Current Tax Liabilities (Net)</b>                             | <b>233</b>                       | <b>--</b>                        |
| <b>(c) Deferred Tax</b>                                                |                                  |                                  |
| (i) Deferred Tax Assets (DTA)                                          | 16,072                           | 13,203                           |
| (ii) Deferred Tax Liabilities (DTL)                                    | (16,515)                         | (12,059)                         |
| <b>Net Deferred Tax Assets / (Liabilities)</b>                         | <b>(443)</b>                     | <b>1,144</b>                     |

**Reconciliation of tax expense and the accounting profit for 31st March 2018 and 31st March 2017 :**

|                                            | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|--------------------------------------------|--------------------------|--------------------------|
| Accounting Profit Before Tax               | 20,058                   | 23,537                   |
| (a) Tax as per Income Tax Act              | 6,939                    | 8,144                    |
| <b>(b) Tax Expense</b>                     |                          |                          |
| (i) Current Tax                            | 4,371                    | 4,915                    |
| (ii) Deferred Tax                          | 1,514                    | 606                      |
| (iii) Taxation in respect of earlier years | (548)                    | (2)                      |
| <b>Total Tax Expense</b>                   | <b>5,337</b>             | <b>5,519</b>             |
| (c) Difference (a-b)                       | 1,602                    | 2,625                    |
| <b>(d) Tax Reconciliation</b>              |                          |                          |
| (i) Permanent Disallowances                | (120)                    | (95)                     |
| (ii) Allowances and accelerated deductions | 1,337                    | 2,718                    |
| (iii) Change due to tax rate difference    | 138                      | --                       |
| (iv) MAT credit                            | (301)                    | --                       |
| (v) Taxation in respect of earlier years   | 548                      | 2                        |
| <b>Total</b>                               | <b>1,602</b>             | <b>2,625</b>             |

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Deferred Tax Assets and Liabilities are as follows :**

|                                                                   | <b>Balance Sheet</b>         |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                   | <b>As at 31st March 2018</b> | <b>As at 31st March 2017</b> |
| <b>Deferred Tax Assets / (Liabilities) in relation to :</b>       |                              |                              |
| (a) Property, Plant and Equipment                                 | <b>(16,509)</b>              | (12,054)                     |
| (b) Provision for doubtful advances                               | <b>97</b>                    | 41                           |
| (c) Expenditure allowable under Income Tax Act on payment basis   | <b>2,002</b>                 | 2,268                        |
| (d) Prepaid taxes claimed u/s 43B                                 | <b>(6)</b>                   | (5)                          |
| (e) MAT credit entitlement                                        | <b>13,971</b>                | 10,892                       |
| (f) Unquoted Equity Instrument through Other Comprehensive Income | <b>2</b>                     | 2                            |
| <b>Net Deferred Tax Assets / (Liabilities)</b>                    | <b>(443)</b>                 | 1,144                        |

Significant components of net Deferred Tax Asset and Liabilities for the year ended 31st March 2018 are as follows :

| <b>Movement in temporary differences</b>                      | <b>As at 1st April 2017</b> | <b>Recognized in Profit or Loss during 2017-18</b> | <b>Recognized in Other Comprehensive Income during 2017-18</b> | <b>As at 31st March 2018</b> |
|---------------------------------------------------------------|-----------------------------|----------------------------------------------------|----------------------------------------------------------------|------------------------------|
| Property, Plant and Equipment                                 | (12,054)                    | (4,455)                                            | --                                                             | <b>(16,509)</b>              |
| Provision for doubtful advances                               | 41                          | 56                                                 | --                                                             | <b>97</b>                    |
| Expenditure allowable under Income Tax Act on payment basis   | 2,268                       | (193)                                              | (73)                                                           | <b>2,002</b>                 |
| Prepaid taxes claimed u/s 43B                                 | (5)                         | (1)                                                | --                                                             | <b>(6)</b>                   |
| MAT credit entitlement                                        | 10,892                      | 3,079                                              | --                                                             | <b>13,971</b>                |
| Unquoted Equity Instrument through Other Comprehensive Income | 2                           | --                                                 | --                                                             | <b>2</b>                     |
|                                                               | 1,144                       | (1,514)                                            | (73)                                                           | <b>(443)</b>                 |

The deferred tax liability on taxable temporary difference relating to investment in subsidiary is not provided since the Group is able to control the timing of the reversal of temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. The deferred tax liability of ₹ 82 Lakhs (31st March 2017 : ₹ 75 Lakhs) has not been recognized.



**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**9. OTHER ASSETS**

|                                                                                             | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Non-current</b>                                                                          |                          |                          |
| (a) <b>Capital Advances</b>                                                                 |                          |                          |
| Unsecured, Considered Good                                                                  | 5,148                    | 4,475                    |
| (b) <b>Prepaid Lease rentals</b>                                                            | 81                       | 85                       |
| <b>Total Non-current Other Assets</b>                                                       | <b>5,229</b>             | <b>4,560</b>             |
| <b>Current</b>                                                                              |                          |                          |
| (a) <b>Advances recoverable in cash or kind</b><br>(includes Govt. Incentives, Taxes, etc.) |                          |                          |
| (i) Unsecured, Considered Good                                                              | 15,807                   | 17,339                   |
| (ii) Doubtful                                                                               | 227                      | 108                      |
|                                                                                             | <b>16,034</b>            | <b>17,447</b>            |
| <b>Less : Provision for doubtful advances</b>                                               | <b>227</b>               | <b>108</b>               |
|                                                                                             | <b>15,807</b>            | <b>17,339</b>            |
| <br>(b) <b>Prepaid Lease rentals</b>                                                        | <br>4                    | <br>4                    |
| <b>Total Current Other Assets</b>                                                           | <b>15,811</b>            | <b>17,343</b>            |
| <br><b>Total Other Assets</b>                                                               | <br><b>21,040</b>        | <br><b>21,903</b>        |

**10. INVENTORIES (CURRENT)**

|                                                                                | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|--------------------------------------------------------------------------------|--------------------------|--------------------------|
| (a) Raw Materials and Components*                                              | 24,891                   | 25,068                   |
| (b) Finished Goods                                                             | 15,757                   | 10,699                   |
| (c) Excise Duty on Inventory of Finished Goods                                 | --                       | 1,364                    |
| (d) Work-in-progress                                                           | 4,332                    | 4,258                    |
| (e) Stores and spares                                                          | 2,730                    | 2,378                    |
| * [Include Goods in transit : ₹ 7,562 Lakhs (31st March 2017 : ₹ 5,653 Lakhs)] |                          |                          |
| <b>Total Inventories</b>                                                       | <b>47,710</b>            | <b>43,767</b>            |

The write-down of inventories to net realisable value during the year amounted to ₹ 511 Lakhs (31st March 2017 : ₹ 157 Lakhs). The write-down are included in the cost of material consumed or changes in inventories of finished goods and work-in-progress.

**11. TRADE RECEIVABLES (CURRENT)**

|                                                  | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|--------------------------------------------------|--------------------------|--------------------------|
| (a) From Related Parties                         | 58                       | 76                       |
| (b) From others                                  |                          |                          |
| (i) Unsecured, Considered Good                   | 24,133                   | 11,434                   |
| (ii) Doubtful                                    | 42                       | --                       |
|                                                  | <b>24,175</b>            | <b>11,434</b>            |
| <b>Less : Provision for Doubtful Receivables</b> | <b>42</b>                | <b>--</b>                |
| <b>Total Trade Receivables</b>                   | <b>24,191</b>            | <b>11,510</b>            |

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**12. CASH AND CASH EQUIVALENTS (CURRENT)**

|                                                                                     | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>(a) Cash and Cash equivalents</b>                                                |                          |                          |
| (i) Balances with Banks - Current Account                                           | 3,598                    | 991                      |
| (ii) Balances with Banks - Short term deposits with maturity less than three months | 354                      | 7,646                    |
| (iii) Cheques / Drafts on hand                                                      | 6                        | 6                        |
| (iv) Cash on hand                                                                   | 4                        | 3                        |
|                                                                                     | <b>3,962</b>             | <b>8,646</b>             |
| <b>(b) Other Bank balances</b>                                                      |                          |                          |
| (i) Unpaid Dividend Accounts                                                        | 55                       | 52                       |
| (ii) Margin Money and Security deposit                                              | 77                       | 225                      |
| (iii) Bank deposits with original maturity of three to twelve months                | 175                      | 14,648                   |
|                                                                                     | <b>307</b>               | <b>14,925</b>            |
| <b>Total Cash and Cash equivalents</b>                                              | <b>4,269</b>             | <b>23,571</b>            |

**13. OTHER FINANCIAL ASSETS (CURRENT)**

|                                             | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------|--------------------------|--------------------------|
| (a) Interest accrued on deposits with Banks | 136                      | 1,455                    |
| (b) Corporate Deposits                      | 20,300                   | 40,300                   |
| <b>Total Other Financial Assets</b>         | <b>20,436</b>            | <b>41,755</b>            |

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**14. EQUITY SHARE CAPITAL**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Authorised</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |                          |
| 2,00,00,000 (31st March 2017 : 2,00,00,000)<br>Equity Shares of ₹10 each                                                                                                                                                                                                                                                                                                                                                                           | <b>2,000</b>             | 2,000                    |
| <b>Issued</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                          |
| 1,32,13,802 (31st March 2017 : 1,32,13,802)<br>Equity Shares of ₹10 each                                                                                                                                                                                                                                                                                                                                                                           | <b>1,321</b>             | 1,321                    |
| <b>Subscribed and Paid-up</b>                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                          |
| 1,31,76,262 (31st March 2017 : 1,31,76,262)<br>Equity Shares of ₹10 each fully paid up                                                                                                                                                                                                                                                                                                                                                             | <b>1,318</b>             | 1,318                    |
| [of the above 2,00,918 (31st March 2017 : 2,00,918) Equity Shares are allotted as fully paid shares pursuant to a contract without payment being received in cash and 57,29,934 (31st March 2017 : 57,29,934) Equity Shares are allotted as fully paid Bonus Shares by capitalisation of reserves]<br>[These allotments were made before earlier financial year and not in the period of five years preceding 31st March 2018 or 31st March 2017]. |                          |                          |
| <b>Add: Amount paid for forfeited Shares</b>                                                                                                                                                                                                                                                                                                                                                                                                       | <b>--*</b>               | <b>--*</b>               |
| <b>Total Equity Share Capital</b>                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>1,318</b>             | 1,318                    |

**Note :** Offer on Right basis for 17,932 (31st March 2017 : 17,932) Equity Shares of ₹ 10 each is kept in abeyance as per the provisions of Section 126 of the Act.

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period (Equity Shares of ₹ 10 each) :**

| Particulars                                     | As at 31st March 2018 |        | As at 31st March 2017 |        |
|-------------------------------------------------|-----------------------|--------|-----------------------|--------|
|                                                 | Number                | Amount | Number                | Amount |
| Shares outstanding at the beginning of the year | 1,31,76,262           | 1,318  | 1,31,76,262           | 1,318  |
| Issued / Reduction during the year              | --                    | --     | --                    | --     |
| Shares outstanding at the end of the year       | 1,31,76,262           | 1,318  | 1,31,76,262           | 1,318  |

**(b) Terms / rights attached to Equity Shares**

The Group has issued equity shares. All equity shares issued rank pari passu in respect of distribution of dividend and repayment of capital. 1,30,32,914 Equity Shares are quoted equity shares with no restriction on transfer of shares. 27,600 Equity Shares are 'A' equity shares, which are transferrable only to permanent employees of the Group. 1,15,748 Equity Shares are Second 'A' equity shares which are transferrable to permanent employees, who have put in five years of service with the Group.

**(c) In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.**
**(d) Shares held by holding / ultimate holding company and / or their subsidiaries / associates**

- The Company is a subsidiary of Jaya Hind Investments Private Limited, which holds 56.86% (31st March 2017 : 56.86%) 74,92,244 (31st March 2017 : 74,92,244) shares in the Company.
- Jaya Hind Industries Limited, being associate company of Jaya Hind Investments Private Limited, holds 0.08% (31st March 2017 : 0.08 %) 10,909 (31st March 2017 : 10,909) shares in the Company.

**(e) Details of shareholder holding more than 5% shares**

| Name of the Shareholder               | As at 31st March 2018                |              | As at 31st March 2017                 |              |
|---------------------------------------|--------------------------------------|--------------|---------------------------------------|--------------|
|                                       | No. of Shares of ₹10 each fully paid | % of Holding | No. of Shares of ₹ 10 each fully paid | % of Holding |
| Jaya Hind Investments Private Limited | 74,92,244                            | 56.86%       | 74,92,244                             | 56.86%       |

--\* Denotes amount less than ₹ 50,000

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**15. OTHER EQUITY**

|                                                                  | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|------------------------------------------------------------------|--------------------------|--------------------------|
| <b>I. Reserves and Surplus</b>                                   |                          |                          |
| (a) Securities Premium Reserve                                   | 5,920                    | 5,920                    |
| (b) General Reserve                                              |                          |                          |
| (i) Opening balance                                              | 34,710                   | 34,704                   |
| (ii) Add : Transferred from retained earnings                    | 6                        | 6                        |
|                                                                  | 34,716                   | 34,710                   |
| (iii) Less : Transferred from non-controlling interest           | 29                       | 27                       |
| <b>Closing balance</b>                                           | 34,687                   | 34,683                   |
| (c) Retained Earnings                                            |                          |                          |
| (i) Opening balance                                              | 1,24,074                 | 1,06,403                 |
| (ii) Net profit for the year                                     | 14,721                   | 18,018                   |
| (iii) Comprehensive income for the year                          | 137                      | (341)                    |
|                                                                  | 1,38,932                 | 1,24,080                 |
| <b>Adjustments</b>                                               |                          |                          |
| (i) Equity Dividend                                              | 1,318                    | --                       |
| (ii) Tax on Equity Dividend                                      | 268                      | --                       |
| (iii) Transfer to General Reserve                                | (6)                      | (6)                      |
|                                                                  | 1,37,340                 | 1,24,074                 |
| <b>Less : Transferred to non-controlling interest</b>            | 89                       | 82                       |
| <b>Closing Balance</b>                                           | 1,37,251                 | 1,23,992                 |
| <b>II. Equity instruments through Other Comprehensive Income</b> |                          |                          |
| <b>Opening Balance</b>                                           | 845                      | 720                      |
| <b>Adjustments</b>                                               |                          |                          |
| FVTOCI equity investments - change in fair value                 | 92                       | 125                      |
| <b>Closing Balance</b>                                           | 937                      | 845                      |
| <b>Total Other Equity</b>                                        | 1,78,795                 | 1,65,440                 |

**16. FINANCIAL LIABILITIES: BORROWINGS**

|                                                                  | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Non-current</b>                                               |                          |                          |
| Unsecured Public Deposits                                        | --                       | 354                      |
| <b>Less : Current maturities of Non-current</b>                  | --                       | 155                      |
| Borrowings disclosed under the head                              |                          |                          |
| Current Other Financial Liabilities                              |                          |                          |
| (Refer Note 17)                                                  |                          |                          |
| <b>Total Non-current Borrowings</b>                              | --                       | 199                      |
| (Refer Note 39 for maturity pattern of Public Deposits accepted) |                          |                          |
| <b>Current</b>                                                   |                          |                          |
| Unsecured Commercial Paper                                       | --                       | 19,647                   |
| <b>Total Current Borrowings</b>                                  | --                       | 19,647                   |

The Consortium of Banks has sanctioned Working Capital Limits to the Group. These limits are secured by hypothecation of Group's stock of raw materials, work-in-progress, finished goods, consumable stores, spares, bills receivable and book debts, both present and future, situated at Group's factories or at any other place.

The Fund Based Limits, if utilised, are payable on demand to the Banks.

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**17. OTHER FINANCIAL LIABILITIES**

|                                                                     | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Non-current</b>                                                  |                          |                          |
| Security Deposits                                                   | 396                      | 396                      |
| <b>Total Non-current Other Financial Liabilities</b>                | <b>396</b>               | <b>396</b>               |
| <b>Current</b>                                                      |                          |                          |
| (a) Current maturities of Non-current Borrowings<br>(Refer Note 16) |                          |                          |
| (i) Deposits                                                        | --                       | 155                      |
| (ii) Deposits matured but not claimed                               | 13                       | 25                       |
|                                                                     | <b>13</b>                | <b>180</b>               |
| (b) Interest on Fixed Deposits                                      |                          |                          |
| (i) Accrued but not due                                             | --*                      | 19                       |
| (ii) Accrued and due on unclaimed deposits                          | --                       | 2                        |
|                                                                     | <b>--*</b>               | <b>21</b>                |
| (c) Unclaimed Dividend                                              | 55                       | 52                       |
| (d) Creditors for Capital Goods                                     | 2,263                    | 2,001                    |
| (e) Security Deposits                                               | 347                      | 318                      |
| (f) Other payables                                                  | 402                      | 317                      |
| <b>Total Current Other Financial Liabilities</b>                    | <b>3,080</b>             | <b>2,889</b>             |
| <b>Total Other Financial Liabilities</b>                            | <b>3,476</b>             | <b>3,285</b>             |

**18. PROVISIONS**

|                                                     | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-----------------------------------------------------|--------------------------|--------------------------|
| <b>Non-Current</b>                                  |                          |                          |
| (a) Provision for Employee benefits (Refer Note 37) | 2,616                    | 2,376                    |
| (b) Provision for Product Warranties                | 82                       | 143                      |
| <b>Total Non-current Provisions</b>                 | <b>2,698</b>             | <b>2,519</b>             |
| <b>Current</b>                                      |                          |                          |
| (a) Provision for Employee benefits (Refer Note 37) | 1,970                    | 2,209                    |
| (b) Provision for Product Warranties                | 506                      | 637                      |
| <b>Total Current Provisions</b>                     | <b>2,476</b>             | <b>2,846</b>             |
| <b>Total Provisions</b>                             | <b>5,174</b>             | <b>5,365</b>             |

The provision for warranties is based on the estimates made from the technical evaluation and historical data.

--\* Denotes amount less than ₹ 50,000

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Movement in Product Warranties****Product Warranties**

|                                               | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-----------------------------------------------|--------------------------|--------------------------|
| (a) Opening balance                           | 780                      | 763                      |
| (b) Additional provision made during the year | 409                      | 680                      |
| (c) Amount paid during the year               | (250)                    | (663)                    |
| (d) Amount written back                       | (351)                    | --                       |
| <b>Closing balance</b>                        | <b>588</b>               | <b>780</b>               |

**19. TRADE PAYABLES**

|                                                               | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------------------------|--------------------------|--------------------------|
| (a) Related Parties                                           | 1,212                    | 1,021                    |
| (b) Others                                                    |                          |                          |
| (i) Dues of Micro and Small Enterprises                       | 78                       | 52                       |
| (ii) Dues of creditors other than Micro and Small Enterprises | 55,197                   | 47,462                   |
| <b>Total Trade Payables</b>                                   | <b>56,487</b>            | <b>48,535</b>            |

**20. OTHER LIABILITIES****Non-current**

Service Coupon Liability

|  |     |     |
|--|-----|-----|
|  | 189 | 228 |
|--|-----|-----|

**Total Non-current Other Liabilities****Current**

|                                        |       |        |
|----------------------------------------|-------|--------|
| (a) Advance and deposits against order | 3,329 | 11,303 |
| (b) Statutory dues                     | 2,197 | 4,273  |
| (c) Service Coupon Liability           | 493   | 641    |

**Total Current Other Liabilities**

|  |       |        |
|--|-------|--------|
|  | 6,019 | 16,217 |
|--|-------|--------|

**Total Other Liabilities****Movement in Service Coupon Liability****Free Service Coupons**

|                                               | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-----------------------------------------------|--------------------------|--------------------------|
| (a) Opening balance                           | 869                      | 558                      |
| (b) Additional provision made during the year | 539                      | 662                      |
| (c) Amount paid during the year               | (463)                    | (351)                    |
| (d) Amount written back                       | (263)                    | --                       |
| <b>Closing balance</b>                        | <b>682</b>               | <b>869</b>               |

**21. NON-CONTROLLING INTEREST (NCI)**

|                                                                   | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-------------------------------------------------------------------|--------------------------|--------------------------|
| Non-controlling Interest (%)                                      | 33.57%                   | 33.57%                   |
| Current Assets                                                    | 486                      | 460                      |
| Current Liabilities                                               | (1)                      | (1)                      |
| Net Assets                                                        | 485                      | 459                      |
| <b>Net Assets attributable to NCI</b>                             | <b>163</b>               | <b>154</b>               |
| Net Profit for the period of Tempo Finance (West) Private Limited | 26                       | 26                       |
| Net Profit attributable to NCI                                    | 9                        | 9                        |
| <b>Total Comprehensive Income attributable to NCI</b>             | <b>9</b>                 | <b>9</b>                 |



**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**22. REVENUE FROM OPERATIONS**

|                                              | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Sale of Products (including Excise Duty) | 3,49,319                              | 3,46,353                              |
| (b) Interest income                          | 35                                    | 38                                    |
| (c) Other Operating Revenue                  |                                       |                                       |
| (i) Service charges                          | 817                                   | 377                                   |
| (ii) Others                                  | 2,965                                 | 2,727                                 |
| <b>Total Revenue from Operations</b>         | <b>3,53,136</b>                       | <b>3,49,495</b>                       |

**23. OTHER INCOME**

|                                                                                                         | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|---------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Interest income                                                                                     | 3,053                                 | 2,656                                 |
| (b) Dividend income from Equity Investments designated at FVTOCI                                        | 8                                     | 16                                    |
| (c) Net gain on foreign currency translation and transaction<br>(other than considered as Finance Cost) | --                                    | 1,741                                 |
| (d) Industrial Promotion Incentive (Refer Note 44)                                                      | 1,830                                 | 3,146                                 |
| (e) Rental income                                                                                       | 524                                   | 498                                   |
| (f) Profit on sale of assets                                                                            | 245                                   | 6                                     |
| (g) Others                                                                                              | 453                                   | 431                                   |
| <b>Total Other Income</b>                                                                               | <b>6,113</b>                          | <b>8,494</b>                          |

**24. COST OF MATERIALS CONSUMED**

|                                         | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|-----------------------------------------|---------------------------------------|---------------------------------------|
| (a) Steel and other metals              | 11,172                                | 9,882                                 |
| (b) Castings and Forgings               | 4,182                                 | 4,741                                 |
| (c) Other Components                    | 2,45,570                              | 1,98,433                              |
| <b>Total Cost of Materials Consumed</b> | <b>2,60,924</b>                       | <b>2,13,056</b>                       |

**25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

|                                                                            | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Opening Stock</b>                                                       |                                       |                                       |
| (a) Finished Goods                                                         | 10,699                                | 18,053                                |
| (b) Work-in- progress                                                      | 4,258                                 | 4,083                                 |
|                                                                            | 14,957                                | 22,136                                |
| <b>Closing Stock</b>                                                       |                                       |                                       |
| (a) Finished Goods                                                         | 15,757                                | 10,699                                |
| (b) Work-in- progress                                                      | 4,332                                 | 4,258                                 |
|                                                                            | 20,089                                | 14,957                                |
| <b>Total Changes in Inventories of Finished Goods and Work-in-progress</b> | <b>(5,132)</b>                        | <b>7,179</b>                          |

**26. EMPLOYEE BENEFITS EXPENSE**

|                                                        | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Salaries, Wages and Bonus                          | 35,002                                | 31,632                                |
| (b) Contribution to Provident, Other Funds and Schemes | 2,381                                 | 2,173                                 |
| (c) Staff Welfare expenses                             | 1,272                                 | 1,203                                 |
| <b>Total Employee Benefits Expense</b>                 | <b>38,655</b>                         | <b>35,008</b>                         |

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**27. FINANCE COSTS**

|                                                          | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Interest expense                                     | 526                                   | 429                                   |
| (b) Other borrowing costs                                | 46                                    | 46                                    |
| (c) Net interest cost on net defined benefit obligations | 95                                    | 79                                    |
| <b>Total Finance Costs</b>                               | <b>667</b>                            | <b>554</b>                            |

**28. DEPRECIATION AND AMORTIZATION EXPENSE**

|                                                    | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Depreciation of Property, Plant and Equipment  | 11,433                                | 10,004                                |
| (b) Amortization of Intangible Assets              | 1,468                                 | 1,279                                 |
| (c) Depreciation on Investment Property            | 25                                    | 25                                    |
| <b>Total Depreciation and Amortization Expense</b> | <b>12,926</b>                         | <b>11,308</b>                         |

**29. OTHER EXPENSES**

|                                                                    | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|--------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Consumption of Stores and Spares                               | 7,635                                 | 7,159                                 |
| (b) Fabrication and Processing Charges                             | 947                                   | 823                                   |
| (c) Power and Fuel                                                 | 4,823                                 | 4,455                                 |
| (d) Forwarding Charges                                             | 2,995                                 | 2,659                                 |
| (e) Rent                                                           | 158                                   | 305                                   |
| (f) Rates and Taxes                                                | 401                                   | 611                                   |
| (g) Insurance                                                      | 570                                   | 612                                   |
| (h) Repairs and Maintenance:                                       |                                       |                                       |
| (i) Plant and Machinery                                            | 2,115                                 | 1,893                                 |
| (ii) Buildings                                                     | 572                                   | 609                                   |
| (iii) Others                                                       | 176                                   | 231                                   |
| (i) Publicity and Sales promotion                                  | 1,897                                 | 3,715                                 |
| (j) Payments to Auditors (Refer details below)                     | 26                                    | 25                                    |
| (k) Commission to Non-executive Directors                          | 100                                   | --                                    |
| (l) Loss on Exchange Fluctuation (Net)                             | 818                                   | --                                    |
| (m) Donation                                                       | 16                                    | 42                                    |
| (n) Expenditure on Corporate Social Responsibility (Refer Note 45) | 410                                   | 300                                   |
| (o) Bad Debts / Provision for doubtful advances & Receivables      | 71                                    | 40                                    |
| (p) Miscellaneous Expenses                                         | 7,483                                 | 8,714                                 |
| <b>Total Other Expenses</b>                                        | <b>31,213</b>                         | <b>32,193</b>                         |

**Details of payments to Auditors**

|                                           | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|-------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Audit Fees                            | 20                                    | 20                                    |
| (b) Tax Audit Fees                        | 1                                     | 1                                     |
| (c) Limited review and Certification work | 4                                     | 4                                     |
| (d) Reimbursement of expenses             | 1                                     | --*                                   |
| <b>Total payments to Auditors</b>         | <b>26</b>                             | <b>25</b>                             |

--\* Denotes amount less than ₹ 50,000

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**30. EARNINGS PER SHARE**

|                                                                            | For the year ended<br>31st March 2018 | For the year ended<br>31st March 2017 |
|----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Profit attributable to Equity Shareholders                             | 14,721                                | 18,018                                |
| (b) Weighted average number of Equity Shares used as Denominator           | 1,31,76,262                           | 1,31,76,262                           |
| (c) Basic and Diluted Earnings Per Share of nominal value of ₹ 10 each : ₹ | 111.72                                | 136.75                                |

**31. CONTINGENT LIABILITIES AND COMMITMENTS**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>(a) Contingent Liabilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                          |
| Claims against the Group not acknowledged as debts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          |                          |
| (i) Taxes and Duties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 3,300                    | 5,505                    |
| (ii) Others (Court cases pending)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 3,581                    | 3,739                    |
| <b>(b) Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                          |
| Estimated amount of contracts remaining to be executed on Capital account and not provided for                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 12,276                   | 9,031                    |
| <b>(c)</b> As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Group has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Group. The Group has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Group and the developments in respect thereof. Moreover, considering the period lapsed, since the conclusion of the said legal proceedings, the Group does not expect any impact of this litigation on its financial position. |                          |                          |

**32. DISCLOSURE AS PER THE REQUIREMENT OF SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006 :**

As on 31st March 2018, the Group has not received any intimation, except in few cases, as to the status as Micro, Small or Medium Enterprises from suppliers of the Group along with a copy of the Memorandum, filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006 (the Act). The proceedings initiated by one of the suppliers, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹157 Lakhs with interest. The Group has not accepted the said liability. The Group has a major counter-claim against the said supplier amounting to about ₹ 906 Lakhs, which being unearned income, is not accounted. The award is challenged by the Group, as per the provisions of the Act and proceedings are pending before the Hon'ble District Judge, Pune, and before the Hon'ble High Court of Judicature at Bombay.

**33. FOREIGN EXCHANGE DIFFERENCES**

The amount of net exchange differences included in the Profit / Loss for the year on Revenue account is ₹ 838 Lakhs Debit (31st March 2017 : ₹ 1,675 Lakhs Credit) and on Capital account is ₹ 20 Lakhs Credit (31st March 2017 : ₹ 65 Lakhs Credit).

**34. EXPENDITURE ON RESEARCH AND DEVELOPMENT**

The Group's expenditure on its Research and Development activity during the year under report was as follows:

|                         | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-------------------------|--------------------------|--------------------------|
| (a) Capital Expenditure | 15,792                   | 5,855                    |
| (b) Revenue Expenditure | 4,176                    | 5,494                    |

(The above expenditure is grouped with other non-R&D expenditure under various heads of capital and revenue expenditures.)

As per the Indian Accounting Standard (Ind AS 38) - Intangible Assets, the Group has recognized Intangible Assets, arising out of in-house Research and Development activities of the Group.

As the development activity, of few projects, is continued, these assets are considered as Capital Work-in-progress, and will be amortized over the period of their life, after the completion of the development phase.

**35. LEASES**
**Operating Leases:**
**(a) Leases as Lessor**
**(i) Industrial Shed at Chakan :**

The Group has entered into a Lease Agreement for Industrial Shed at Chakan, Pune, for a period of 10 years. The Lessee is entitled to terminate the Lease Agreement after the expiry of 60 months from the date of agreement. On termination of lease, due to exercise of the option by the Lessee, at the end of 60 months, the Lessee shall be liable to pay a sum of ₹ 200 Lakhs. Agreement includes clause to enable upward revision of rental charges according to prevailing market conditions. The Lessor is also entitled to terminate the Lease Agreement, if the Lessee defaults the terms and conditions of the Lease Agreement. The lease income has been recognized in the Statement of Profit and Loss.

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### Future minimum lease payments :

The future minimum lease payments are as follows :

| Particulars                                           | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|-------------------------------------------------------|--------------------------|--------------------------|
| (a) Not later than one year                           | 524                      | 524                      |
| (b) Later than one year but not later than five years | 799                      | 1,322                    |
| (c) Later than five years                             | --                       | --                       |

### (ii) Freehold land :

#### Out of the freehold land at Akurdi, Pune;

2700 sq. mtrs. (cost ₹ 1,374) of land has been given on lease to Maharashtra State Electricity Distribution Company Limited for 99 years, w.e.f. 1st August 1989. Lease rentals are recognized in the Statement of Profit and Loss.

19,000 sq. mtrs. (cost ₹ 9,669) of land has been given on lease to Navalmal Firodia Memorial Hospital Trust for 25 years, w.e.f. 12th August 2014. Lease rentals are recognized in the Statement of Profit and Loss.

These land given on lease are not considered as investment property considering the insignificant area and cost of that with respect to total area and cost of freehold land at Akurdi, Pune.

### (b) Leases as Lessee

#### Leasehold land :

The Group has entered into Lease Agreement for industrial land, at Pithampur in Madhya Pradesh for a period of 30 years. The Group being a Lessee may surrender the leased area after giving Lessor 3 months notice period in writing. The lease premium is not refundable to Group in case of early termination of agreement by the Group. The Lessor is also entitled to terminate the Lease Agreement, if the Lessee defaults the terms and conditions of the Lease Agreement. The lease expense has been recognized in the Statement of Profit and Loss.

## 36. RELATED PARTY DISCLOSURES

### I. Names of the related party and nature of relationship where control exists :

#### Name of the Related Party

#### Nature of relationship

(a) Jaya Hind Investments Private Limited

Holding Company

(b) Tempo Finance (West) Private Limited

Subsidiary Company

### II. List of other related parties with whom there are transactions in the current year :

#### Name of the Related Party

#### Nature of relationship

#### A. Key Management Personnel (KMP)

(a) Abhaykumar Firodia

Chairman

(b) Prasan Firodia

Managing Director

(c) Sudhir Mehta

Director

(d) Pratap Pawar

Director

(e) S. Padmanabhan

Director

(f) Nitin Desai

Director

(g) Dr. Indira Parikh

Director

(h) Arun Sheth

Director

(i) Arvind Mahajan

Director

(j) Vinay Kothari

Director

(k) Yeshwant Deosthalee

Director

(l) Prashant V. Inamdar

Executive Director (Operations)

(m) Sanjay Kumar Bohra

Chief Financial Officer

#### B. Other Entities

(a) Jaya Hind Industries Limited

Associate of Holding Company

(b) Jaya Hind Montupet Private Limited

Associate of Holding Company

(c) Pinnacle Industries Limited

Entity controlled by KMP of Company

(d) Kider (India) Private Limited

Entity controlled by KMP of Company

(e) Bajaj Tempo Limited Provident Fund

Post employment benefit Trust

(f) Sakal Papers Private Limited

Entity controlled by KMP of Company

(g) Sakal Media Private Limited

Entity controlled by KMP of Company

(h) Amar Prerana Trust

Entity controlled by KMP of Company

(i) Navalmal Firodia Memorial Hospital Trust

Entity controlled by KMP of Company

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**III. Transactions with Related Parties**

| Name of Related Party                                   | 2017-18                               |                                                           | 2016-17                               |                                                           |
|---------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|
|                                                         | Amount of transaction during the year | Balance as at 31st March 2018<br>Receivables / (Payables) | Amount of transaction during the year | Balance as at 31st March 2017<br>Receivables / (Payables) |
| <b>A. Holding Company</b>                               |                                       |                                                           |                                       |                                                           |
| Jaya Hind Investments Private Limited                   |                                       |                                                           |                                       |                                                           |
| Dividend paid                                           | 749                                   | --                                                        | --                                    | --                                                        |
| <b>B. Key Management Personnel</b>                      |                                       |                                                           |                                       |                                                           |
| <b>(a) Remuneration</b>                                 |                                       |                                                           |                                       |                                                           |
| (i) Short term employee benefits (including Commission) | 701                                   |                                                           | 341                                   |                                                           |
| (ii) Post employment benefits                           | 35                                    | (347)                                                     | 32                                    | (19)                                                      |
| (iii) Other long term benefits                          | 46                                    |                                                           | 43                                    |                                                           |
| <b>(b) Others</b>                                       |                                       |                                                           |                                       |                                                           |
| (i) Dividend paid                                       | 49                                    | --                                                        | --                                    | --                                                        |
| (ii) Sitting fees                                       | 36                                    | --                                                        | 37                                    | --                                                        |
| (iii) Commission                                        | 100                                   | (100)                                                     | --                                    | --                                                        |
| <b>C. Other Entities</b>                                |                                       |                                                           |                                       |                                                           |
| <b>(a) Jaya Hind Industries Limited</b>                 |                                       |                                                           |                                       |                                                           |
| (i) Purchase of Capital Goods                           | --                                    |                                                           | 504                                   |                                                           |
| (ii) Purchase of Raw Materials, Components & Others     | 8,216                                 |                                                           | 7,002                                 |                                                           |
| (iii) Sundry Sales                                      | 344                                   |                                                           | 297                                   |                                                           |
| (iv) Service Charges recovered                          | 64                                    | (545)                                                     | 55                                    | (649)                                                     |
| (v) Processing Charges recovered                        | 62                                    | 4,668                                                     | 39                                    | 4,549                                                     |
| (vi) Machinery given on loan                            | 21                                    |                                                           | 1,055                                 |                                                           |
| (vii) Material given on loan                            | --                                    |                                                           | --                                    |                                                           |
| (viii) Dividend paid                                    | 1                                     |                                                           | --                                    |                                                           |
| <b>(b) Jaya Hind Montupet Private Limited</b>           |                                       |                                                           |                                       |                                                           |
| (i) Purchase of Raw Materials, Components & Others      | 346                                   | (65)                                                      | 322                                   | (26)                                                      |
| (ii) Service Charges recovered                          | 21                                    | 11                                                        | 15                                    | 4                                                         |
| (iii) Processing Charges recovered                      | --*                                   |                                                           | --                                    |                                                           |
| <b>(c) Pinnacle Industries Limited</b>                  |                                       |                                                           |                                       |                                                           |
| (i) Purchase of Capital Goods                           | 115                                   |                                                           | --                                    |                                                           |
| (ii) Purchase of Raw Materials, Components & Others     | 15,096                                |                                                           | 12,770                                |                                                           |
| (iii) Sundry Sales                                      | 86                                    | (611)                                                     | 78                                    | (452)                                                     |
| (iv) Service Charges expenses                           | --                                    | 967                                                       | 17                                    | 1,066                                                     |
| (v) Interest received                                   | 25                                    |                                                           | 28                                    |                                                           |
| (vi) Machinery given on loan                            | --                                    |                                                           | --                                    |                                                           |
| (vii) Material given on loan                            | --                                    |                                                           | --                                    |                                                           |
| <b>(d) Kider (India) Private Limited</b>                |                                       |                                                           |                                       |                                                           |
| Purchase of Capital Goods                               | 4                                     | --                                                        | 42                                    | (3)                                                       |
| <b>(e) Bajaj Tempo Limited Provident Fund</b>           |                                       |                                                           |                                       |                                                           |
| Contribution to Provident Fund                          | 604                                   | (53)                                                      | 534                                   | (47)                                                      |
| <b>(f) Sakal Papers Private Limited</b>                 |                                       |                                                           |                                       |                                                           |
| Publicity Charges                                       | --                                    | --                                                        | 21                                    | --                                                        |
| <b>(g) Sakal Media Private Limited</b>                  |                                       |                                                           |                                       |                                                           |
| Publicity Charges                                       | 20                                    | --                                                        | --                                    | --                                                        |
| <b>(h) Amar Prerana Trust</b>                           |                                       |                                                           |                                       |                                                           |
| Training Facility utilisation                           | 296                                   | (7)                                                       | --                                    | --                                                        |
| <b>(i) Navalmal Firodia Memorial Hospital Trust</b>     |                                       |                                                           |                                       |                                                           |
| Contribution towards Corporate Social Responsibility    | 381                                   | --                                                        | 253                                   | --                                                        |

--\* Denotes amount less than ₹ 50,000

**37. EMPLOYEE BENEFITS**
**A. Defined Contribution Plans:**

An amount of ₹ 660 Lakhs (31st March 2017 : ₹ 648 Lakhs) is recognized as an expense and included in "Employees Benefits Expense" in the Statement of Profit and Loss.

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**B. Defined Benefit Plans :**
**(a) The amounts recognized in Balance Sheet are as follows:**

|                                                     | As at 31st March 2018     |                             | As at 31st March 2017     |                             |
|-----------------------------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                                                     | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) |
| <b>(i) Amount to be recognized in Balance Sheet</b> |                           |                             |                           |                             |
| Present value of defined benefit obligation         | 5,318                     | 147                         | 5,109                     | 484                         |
| <b>Less:</b> Fair value of plan assets              | 3,949                     | 1,133                       | 3,437                     | 1,105                       |
| Amount to be recognized as Liability or (Asset)     | 1,369                     | (986)                       | 1,672                     | (621)                       |
| <b>(ii) Amount to be reflected in Balance Sheet</b> |                           |                             |                           |                             |
| Liabilities                                         | 1,369                     | (986)                       | 1,672                     | (621)                       |
| Assets                                              | --                        | --                          | --                        | --                          |
| Net Liability / (Assets)                            | 1,369                     | (986)                       | 1,672                     | (621)                       |

\* Not considered in the books, being excess of plan assets over defined benefit obligation.

As the Group is not entitled for any surplus in provident fund scheme, Group has not recorded, any asset for excess of plan assets over provident fund liability.

**(b) The amounts recognized in the Statement of Profit and Loss are as follows:**

|                                                                          | As at 31st March 2018     |                             | As at 31st March 2017     |                             |
|--------------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                                                                          | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) |
| <b>(i) Employee Benefit Expenses</b>                                     |                           |                             |                           |                             |
| Current service cost                                                     | 411                       | 62                          | 324                       | 63                          |
| <b>(ii) Finance cost</b>                                                 |                           |                             |                           |                             |
| Net Interest (Income) / Expenses                                         | 95                        | (44)                        | 78                        | (57)                        |
| Net periodic benefit cost recognized in the Statement of Profit and Loss | 506                       | 18                          | 402                       | (6)                         |

\* Not considered in the books, being excess of plan assets over defined benefit obligation.



**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(c) The amounts recognized in the statement of Other Comprehensive Income (OCI)**

|                                                                           | As at 31st March 2018     |                             | As at 31st March 2017     |                             |
|---------------------------------------------------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|                                                                           | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund*<br>(Funded) |
| (i) Opening amount recognised in OCI outside Statement of Profit and Loss | --                        | --                          | --                        | --                          |
| (ii) Re-measurements for the year - obligation (Gain) / Loss              | (191)                     | (434)                       | 543                       | 194                         |
| (iii) Re-measurements for the year - plan assets (Gain)/Loss              | (19)                      | 51                          | (21)                      | (86)                        |
| (iv) Total re-measurements cost / (credit) for the year recognized in OCI | (210)                     | (383)                       | 522                       | 108                         |
| (v) <b>Less</b> : Accumulated balances transferred to retained earnings   | (210)                     | (383)                       | 522                       | 108                         |
| Closing balances (re-measurements (Gain) / Loss recognized in OCI)        | --                        | --                          | --                        | --                          |

\* Not considered in the books, being excess of plan assets over defined benefit obligation.

**(d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:**

|                                                                 | As at 31st March 2018     |                            | As at 31st March 2017     |                            |
|-----------------------------------------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
|                                                                 | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) |
| (i) Present value of obligation as at the beginning of the year | 5,109                     | 484                        | 4,336                     | 210                        |
| (ii) Acquisition adjustment                                     | --                        | --                         | 1                         | --                         |
| (iii) Transfer in/ (out)                                        | 2                         | --                         | --                        | --                         |
| (iv) Interest expenses                                          | 354                       | 35                         | 322                       | 17                         |
| (v) Past service cost                                           | --                        | --                         | --                        | --                         |
| (vi) Current service cost                                       | 411                       | 62                         | 324                       | 63                         |
| (vii) Curtailment cost / (credit)                               | --                        | --                         | --                        | --                         |
| (viii) Settlement cost/ (credit)                                | --                        | --                         | (2)                       | --                         |
| (ix) Benefits paid                                              | (367)                     | --                         | (415)                     | --                         |
| (x) Re-measurements on obligation - (Gain) / Loss               | (191)                     | (434)                      | 543                       | 194                        |
| <b>Present value of obligation as at the end of the year</b>    | <b>5,318</b>              | <b>147</b>                 | <b>5,109</b>              | <b>484</b>                 |

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### (e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

|                                                                                            | As at 31st March 2018     |                            | As at 31st March 2017     |                            |
|--------------------------------------------------------------------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
|                                                                                            | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) |
| (i) Fair value of the plan assets as at beginning of the year                              | 3,437                     | 1,105                      | 3,064                     | 945                        |
| (ii) Acquisition adjustment                                                                | --                        | --                         | 1                         | --                         |
| (iii) Transfer in/(out)                                                                    | 2                         | --                         | --                        | --                         |
| (iv) Interest income                                                                       | 259                       | 79                         | 243                       | 74                         |
| (v) Contributions                                                                          | 603                       | --                         | 527                       | --                         |
| (vi) Mortality Charges and Taxes                                                           | (4)                       | --                         | (2)                       | --                         |
| (vii) Benefits paid                                                                        | (367)                     | --                         | (415)                     | --                         |
| (viii) Amount paid on settlement                                                           | --                        | --                         | (2)                       | --                         |
| (ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | 19                        | (51)                       | 21                        | 86                         |
| <b>Fair value of plan assets as at the end of the year</b>                                 | <b>3,949</b>              | <b>1,133</b>               | <b>3,437</b>              | <b>1,105</b>               |
| <b>Actual return on plan assets</b>                                                        | <b>278</b>                |                            | <b>264</b>                |                            |

### (f) Net interest (Income) / Expenses

|                                                     | As at 31st March 2018     |                            | As at 31st March 2017     |                            |
|-----------------------------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
|                                                     | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) | Gratuity Plan<br>(Funded) | Provident Fund<br>(Funded) |
| (i) Interest (income) / expense – obligation        | 354                       | 35                         | 322                       | 17                         |
| (ii) Interest (income) / expense – plan assets      | (259)                     | (79)                       | (243)                     | (74)                       |
| <b>Net interest (income) / expense for the year</b> | <b>95</b>                 | <b>(44)</b>                | <b>79</b>                 | <b>(57)</b>                |

### (g) The broad categories of plan assets as a percentage of total plan assets of employee's gratuity scheme are as under:

|                                                      | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|------------------------------------------------------|--------------------------|--------------------------|
| (i) Central Government securities                    | 25.54%                   | 21.14%                   |
| (ii) State Government securities                     | 38.01%                   | 41.04%                   |
| (iii) Bonds and debentures, etc.                     | 25.47%                   | 31.33%                   |
| (iv) Fixed Deposits                                  | 2.40%                    | 4.33%                    |
| (v) Equity Shares                                    | 6.88%                    | 2.08%                    |
| (vi) Collateralized borrowing and lending obligation | 0.65%                    | 0.08%                    |
| (vii) Other approved Security                        | 1.03%                    | --                       |
| (viii) Loan                                          | 0.02%                    | --                       |
| <b>Total</b>                                         | <b>100%</b>              | <b>100%</b>              |

#### Basis used to determine the overall expected return :

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 7.20% has been used for the valuation purpose.

### (h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

#### Gratuity

|                                             | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------|--------------------------|--------------------------|
| (i) Discount rate                           | 7.80%                    | 7.20%                    |
| (ii) Expected return on plan assets         | 7.20%                    | 7.80%                    |
| (iii) Salary growth rate *                  | 10%                      | 10%                      |
| (iv) Attrition rate - for Bargainable Staff | 10%                      | 10%                      |
| (v) Attrition rate - others                 | 2%                       | 2%                       |

#### Provident Fund

|                                             | As at 31st<br>March 2018 | As at 31st<br>March 2017 |
|---------------------------------------------|--------------------------|--------------------------|
| (i) Discount rate                           | 7.80%                    | 7.20%                    |
| (ii) Interest rate                          | 8.55%                    | 8.65%                    |
| (iii) Yield spread                          | 0.50%                    | 0.50%                    |
| (iv) Attrition rate - for Bargainable Staff | 10%                      | 10%                      |
| (v) Attrition rate - others                 | 2%                       | 2%                       |

\* The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

**Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of Obligation (PVO). Sensitivity analysis is done by varying (increasing/decreasing) one parameter by 100 basis points (1%).

**Change in assumption**

|                                                             | As at 31st March 2018 |                | As at 31st March 2017 |                |
|-------------------------------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                                             | Gratuity              | Provident fund | Gratuity              | Provident fund |
| <b>(i) Discount rate</b>                                    |                       |                |                       |                |
| Increase by 1%                                              | 5,006                 | --             | 4,799                 | --             |
| Decrease by 1%                                              | 5,666                 | --             | 5,456                 | --             |
| Increase by 0.5%                                            | --                    | --             | --                    | 719            |
| Decrease by 0.5%                                            | --                    | 382            | --                    | 265            |
| <b>(ii) Salary increase rate</b>                            |                       |                |                       |                |
| Increase by 1%                                              | 5,607                 | --             | 5,397                 | --             |
| Decrease by 1%                                              | 5,053                 | --             | 4,845                 | --             |
| <b>(iii) Withdrawal rate</b>                                |                       |                |                       |                |
| Increase by 1%                                              | 5,284                 | --             | 5,066                 | --             |
| Decrease by 1%                                              | 5,354                 | --             | 5,155                 | --             |
| <b>(iv) Expected future interest rate of Provident Fund</b> |                       |                |                       |                |
| Increase by 1%                                              | --                    | --             | --                    | --             |
| Decrease by 1%                                              | --                    | --             | --                    | --             |
| Increase by 0.5%                                            | --                    | 374            | --                    | 271            |
| Decrease by 0.5%                                            | --                    | --             | --                    | 697            |

**38. FINANCIAL INSTRUMENTS - FAIR VALUES**
**Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities with its classification.

|                                                                   | Carrying value  |                 | Fair Value      |                 |
|-------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                   | 31st March 2018 | 31st March 2017 | 31st March 2018 | 31st March 2017 |
| <b>Financial Assets</b>                                           |                 |                 |                 |                 |
| <b>(a) Fair Value through Other Comprehensive Income (FVTOCI)</b> |                 |                 |                 |                 |
| Equity Investments                                                | 972             | 878             | 972             | 878             |
| <b>(b) Amortized cost</b>                                         |                 |                 |                 |                 |
| Trade Receivables                                                 | 24,191          | 11,510          | 24,191          | 11,510          |
| Loans - Security Deposits                                         | 1,915           | 1,884           | 1,915           | 1,884           |
| Other Financial Assets                                            | 20,436          | 41,755          | 20,436          | 41,755          |
| Cash and cash equivalents                                         | 3,962           | 8,646           | 3,962           | 8,646           |
| Other Bank Balances                                               | 307             | 14,925          | 307             | 14,925          |
|                                                                   | <b>51,783</b>   | <b>79,598</b>   | <b>51,783</b>   | <b>79,598</b>   |
| <b>Financial Liabilities</b>                                      |                 |                 |                 |                 |
| <b>Amortized cost</b>                                             |                 |                 |                 |                 |
| Non-current Borrowings                                            | --              | 199             | --              | 199             |
| Current Borrowing                                                 | --              | 19,647          | --              | 19,647          |
| Trade Payable                                                     | 56,487          | 48,535          | 56,487          | 48,535          |
| Other Financial Liabilities                                       | 3,476           | 3,285           | 3,476           | 3,285           |
| <b>Total</b>                                                      | <b>59,963</b>   | <b>71,666</b>   | <b>59,963</b>   | <b>71,666</b>   |

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### The following methods and assumptions were used to estimate the fair values:

The fair values of Trade Payables, Trade Receivables, Cash and Cash equivalents and other Bank Balances, are reasonable approximation of fair value due to the short-term maturities of these instruments.

Allowance for credit loss on Trade Receivables, is taken into account, on the basis of credit worthiness of the customer individual.

Borrowings of previous year represents Public Deposits and Commercial Paper obtained at market rates of interest available for debt on similar terms, credit risk and remaining maturities. As of reporting date, the fair value of borrowings is measured at amortized cost, which is reasonable approximation of fair value.

### Fair value hierarchy and valuation techniques used

#### (a) Financial Assets and Liabilities measured at fair value

|                               | Level   | 31st March<br>2018 | 31st March<br>2017 | Valuation<br>technique used | Inputs<br>used                                                            |
|-------------------------------|---------|--------------------|--------------------|-----------------------------|---------------------------------------------------------------------------|
| <b>Financial Assets</b>       |         |                    |                    |                             |                                                                           |
| FVTOCI Investments - Quoted   | Level 1 | 967                | 873                |                             |                                                                           |
| FVTOCI Investments - Unquoted | Level 3 | 5                  | 5                  | Discounted cash flow        | Free cash flow, EBITDA, earnings growth rate, risk adjusted discount rate |
| <b>Total</b>                  |         | <b>972</b>         | <b>878</b>         |                             |                                                                           |

#### (b) Financial Assets and Liabilities measured at amortized cost for which fair value is disclosed

|                                                    | Level   | 31st March<br>2018 | 31st March<br>2017 | Valuation<br>technique used | Inputs<br>used                                               |
|----------------------------------------------------|---------|--------------------|--------------------|-----------------------------|--------------------------------------------------------------|
| <b>Financial Assets measured at amortized cost</b> |         |                    |                    |                             |                                                              |
| Loans - Security Deposits                          | Level 2 | 1,915              | 1,884              | Discounted cash flow        | Maturity, prevailing interest rate and future net cash flows |
| Other Financial Assets                             | Level 2 | 20,436             | 41,755             | Discounted cash flow        | Maturity, prevailing interest rate and future cash flows     |
| <b>Total</b>                                       |         | <b>22,351</b>      | <b>43,639</b>      |                             |                                                              |

#### (c) Financial Liabilities measured at amortized cost

|                             | Level   | 31st March<br>2018 | 31st March<br>2017 | Valuation<br>technique used | Inputs<br>used                                      |
|-----------------------------|---------|--------------------|--------------------|-----------------------------|-----------------------------------------------------|
| Non-current Borrowings      | Level 2 | --                 | 199                | Discounted cash flow        | Prevailing interest rate in market, future pay-outs |
| Current Borrowings          | Level 2 | --                 | 19,647             | Discounted cash flow        | Prevailing interest rate in market, future pay-outs |
| Other Financial Liabilities | Level 2 | 3,476              | 3,285              | Discounted cash flow        | Prevailing interest rate in market, future pay-outs |
| <b>Total</b>                |         | <b>3,476</b>       | <b>23,131</b>      |                             |                                                     |

The fair values disclosed in level 2 category are calculated using discounted cash flow method. These fair values reasonably approximate to the carrying values of financial assets and liabilities measured at amortized cost.

During the year ended 31st March 2018, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**39. FINANCIAL RISK MANAGEMENT**
**Financial Risk Management Policy and Objectives**

The Group's principal financial liabilities comprise of Trade and Other Payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Trade and Other Receivables, Cash and Cash equivalents, which are derived directly from its operations.

Group is exposed to market risk, credit risk and liquidity risk.

The management of these risks is overseen by the senior management, which is advised by a team of senior officials. The Risk Management team oversees the policies and systems, on a regular basis to reflect changes in market conditions and Group's activities and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Board of Directors reviews and agrees policies for managing each of these risk is summarized below:

| Risk                           | Exposure arising from                                                                                                                                                              | Measurement                                                | Management                                                                                 |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Credit risk                    | Cash and Cash equivalents, Trade Receivables, Financial Assets measured at amortized cost                                                                                          | Aging analysis Credit ratings [Refer Note 39 (a)]          | Diversification of Bank Deposits, Credit Limits and Letters of Credit, sales on cash basis |
| Liquidity risk                 | Borrowings and Other Financial Liabilities                                                                                                                                         | Cash flow forecasts [Refer Note 39 (b)]                    | Availability of committed credit lines and borrowing facilities                            |
| Market risk - foreign exchange | Recognized Financial Assets and Liabilities not denominated in Indian Rupee                                                                                                        | Cash flow forecasting Sensitivity analysis (Refer Note 40) | Group's net forex exposure is covered by natural hedge                                     |
| Market risk - interest rate    | Group had borrowings which is in the nature of Public Deposits and Commercial Paper, which are at fixed rate of interest. Consequently, Group is not exposed to interest rate risk |                                                            |                                                                                            |
| Market risk - equity prices    | Investments in equity securities                                                                                                                                                   | Sensitivity analysis [Refer Note 39 (c)]                   | Portfolio diversification                                                                  |

**(a) Credit Risk**

The table summarises aging for Trade Receivable :

|                              | Not due       | Less than 6 months | More than 6 months | Total         |
|------------------------------|---------------|--------------------|--------------------|---------------|
| <b>As at 31st March 2018</b> |               |                    |                    |               |
| Gross Carrying Amount        | 20,024        | 3,422              | 787                | 24,233        |
| Allowance for doubtful debts | --            | --                 | (42)               | (42)          |
| <b>Net</b>                   | <b>20,024</b> | <b>3,422</b>       | <b>745</b>         | <b>24,191</b> |
| <b>As at 31st March 2017</b> |               |                    |                    |               |
| Gross Carrying Amount        | 4,703         | 6,166              | 641                | 11,510        |
| Allowance for doubtful debts | --            | --                 | --                 | --            |
| <b>Net</b>                   | <b>4,703</b>  | <b>6,166</b>       | <b>641</b>         | <b>11,510</b> |

The Cash and Cash equivalents are held with Banks and financial institutions counter-parties with an external rating of "AAA". Thus, the Group considers that its Cash and Cash equivalents have low credit risks.

**(b) Liquidity Risk**

The table summarises the maturity profile of Group's Financial Liabilities based on contractual un-discounted payments

| As at 31st March 2018       |                 |           |                    |                    |               |
|-----------------------------|-----------------|-----------|--------------------|--------------------|---------------|
|                             | Carrying amount | On Demand | Less than 6 months | More than 6 months | Total         |
| Interest bearing borrowings | --              | --        | --                 | --                 | --            |
| Other Financial Liabilities | 3,476           | 68        | 2,665              | 743                | <b>3,476</b>  |
| Trade and Other Payable     | 56,487          | --        | 56,487             | --                 | <b>56,487</b> |
| As at 31st March 2017       |                 |           |                    |                    |               |
|                             | Carrying amount | On Demand | Less than 6 months | More than 6 months | Total         |
| Interest bearing borrowings | 19,846          | --        | 19,647             | 199                | 19,846        |
| Other Financial Liabilities | 3,285           | 79        | 2,473              | 733                | 3,285         |
| Trade and Other Payable     | 48,535          | --        | 48,535             | --                 | 48,535        |

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

### (c) Market Risk : Equity Price Risk

At the reporting date, the exposure to unquoted equity securities at fair value was ₹ 5 Lakhs.

At the reporting date, the exposure to quoted equity securities at fair value was ₹ 967 Lakhs. A decrease / increase of 15% on the bank Nifty market index could have an impact of approximately ₹ 91 Lakhs on the OCI or equity attributable to the Group. These changes would not have an effect on profit or loss.

### 40. FOREIGN CURRENCY SENSITIVITY ANALYSIS

| Currency | Net exposure in foreign currency |                       | Net exposure in INR   |                       |
|----------|----------------------------------|-----------------------|-----------------------|-----------------------|
|          | As at 31st March 2018            | As at 31st March 2017 | As at 31st March 2018 | As at 31st March 2017 |
| USD      | 6,46,382                         | 2,04,780              | 423                   | 134                   |
| EUR      | 2,21,76,249                      | 2,08,40,803           | 17,938                | 14,595                |
| JPY      | 10,25,13,190                     | 22,42,59,540          | 635                   | 1,312                 |
| GBP      | 11,983                           | --                    | 11                    | --                    |

#### Sensitivity analysis

| Currency | Sensitivity % | Impact on profit (strengthening)* |                       | Impact on profit (weakening)* |                       |
|----------|---------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
|          |               | As at 31st March 2018             | As at 31st March 2017 | As at 31st March 2018         | As at 31st March 2017 |
| USD      | 5 %           | (21)                              | (7)                   | 21                            | 7                     |
| EUR      | 5 %           | (897)                             | (730)                 | 897                           | 730                   |
| JPY      | 5 %           | (32)                              | (66)                  | 32                            | 66                    |
| GBP      | 5 %           | (1)                               | --                    | 1                             | --                    |
|          |               | (951)                             | (803)                 | 951                           | 803                   |

(\* Strengthening / weakening of foreign currency)

### 41. CAPITAL MANAGEMENT

The Group's policy is to meet the financial covenants attached to the interest-bearing borrowings/ deposit from public by maintaining a strong capital base. The Group's aims to sustain investor, creditor and market confidence so as to be able to leverage such confidence for future capital/debt requirements.

Management monitors the return on capital earned, the capital/debt requirements for various business plans under consideration and determines the level of dividends to equity shareholders.

No changes were made in the objectives, policies or processes for managing capital during the financial years ended on 31st March 2018 and 31st March 2017.

| Particulars                                                  | As at 31st March 2018 | As at 31st March 2017 |
|--------------------------------------------------------------|-----------------------|-----------------------|
| Total Shareholder's Equity as reported in Balance Sheet      | 1,80,276              | 1,66,912              |
| <b>Net Debit :</b>                                           |                       |                       |
| Short term debt                                              | --                    | 19,647                |
| Long term debt (including current portion of long term debt) | --                    | 354                   |
| <b>Gross Debt :</b>                                          | --                    | 20,001                |
| <b>Less : Cash &amp; Bank Balances</b>                       | <b>4,269</b>          | <b>23,571</b>         |
| <b>Net Debt / (Net Cash and Bank balance)</b>                | <b>(4,269)</b>        | <b>(3,570)</b>        |

### 42. DIVIDEND

The Board of Directors has recommended payment of dividend of ₹10 per fully paid equity shares (31st March 2017 : ₹ 10). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting. The Group to pay distribution tax of ₹ 271 Lakhs on proposed dividend. This dividend and tax on that is not recognized in the books of account at the end of the reporting period.



**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

(All amounts in ₹ Lakhs, unless otherwise stated)

**43. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

All amounts which became due, for transfer to the credit of Investor Education and Protection Fund, as of 31st March 2018, have been transferred to that fund, except a sum of ₹ 0.60 Lakh (31st March 2017 : ₹ 0.60 Lakh) being amount of 5 (31st March 2017: 5) fixed deposits and interest thereon amounting to ₹ 0.25 Lakh (31st March 2017 : ₹ 0.25 Lakh). In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

44. During the year under report, on the basis of the eligibility and method of availing, various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, the Group has recognized a sum of ₹1,830 Lakhs (31st March 2017: ₹ 3,146 Lakhs) in the statement of profit and loss as "Industrial Investment Incentives". These incentives are accounted on accrual basis. These incentives are available as per the Industrial Promotion Policy of the Government of Madhya Pradesh, based on the investment made by the Group, in eligible assets, for eligible products, in the state of Madhya Pradesh. These incentives are monetary incentives.

45. The Group has spent ₹ 410 Lakhs (31st March 2017 : ₹ 300 Lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.29 (n)] to the Notes to Financial Statements.

(a) Gross amount required to be spent by the Group during the year: ₹ 410 Lakhs.

(b) Amount spent during the year on :

| Sr. No. | Description                                                                                   | In Cash    | Yet to be paid in Cash | Total      |
|---------|-----------------------------------------------------------------------------------------------|------------|------------------------|------------|
| (i)     | Project of establishing modern, sophisticated hospital                                        | 381        | --                     | <b>381</b> |
| (ii)    | Donation of vehicles manufactured by the Group towards health care and livelihood enhancement | 29         | --                     | <b>29</b>  |
|         | <b>Total</b>                                                                                  | <b>410</b> | <b>--</b>              | <b>410</b> |

**46. EXCEPTIONAL ITEMS**

Exceptional items of previous year - The Welfare Trust created by the Group has recalled in the month of September, 2016 and accordingly the Trustees of the said trust transferred immovable property, situated at Mahabaleshwar, District Satara, admeasuring 9,408.97 sq. mtrs., to the Group, by Registered Revocation Deed. ₹ 95 Lakhs, being the amount contributed by the Group to the said trust, has been recognized as "Exceptional Income" in the year 2016-17 and the said asset has capitalized.

47. The Group is operating in a Single Segment.

48. Previous year/period's figures are re-arranged wherever necessary.

As per our separate report of even date.

**For M/s. Kirtane & Pandit LLP**  
[FRN : 105215W/W100057]  
Chartered Accountants

**Sanjay Kumar Bohra**  
Chief Financial Officer

On behalf of the Board of Directors

**Prasan Firodia**  
Managing Director

**Suhas Deshpande**  
Partner  
Membership No. 31787

**Kishore P. Shah**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th May 2018

Place : Pune  
Date : 29th May 2018

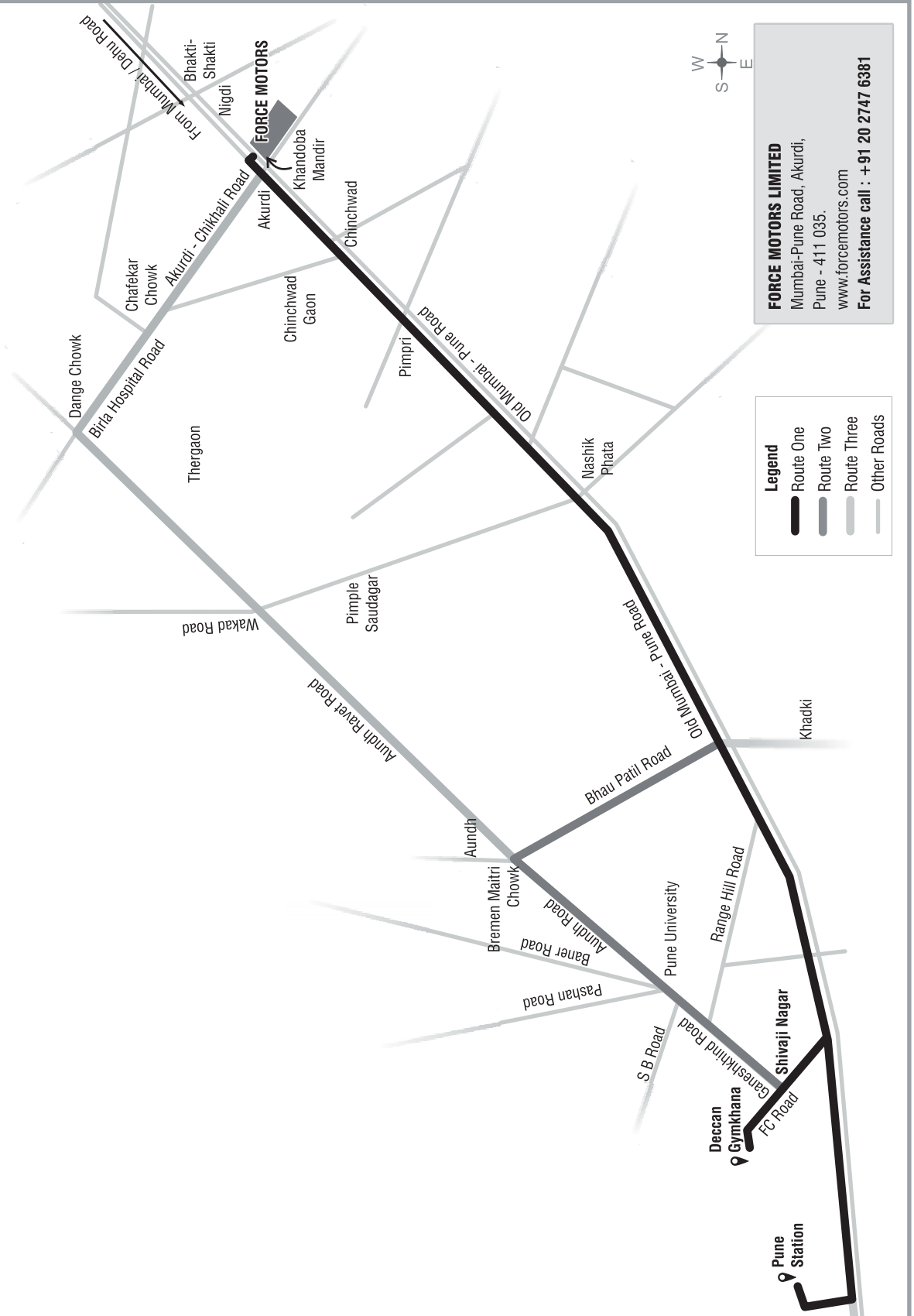
(All amounts in ₹ Lakhs, unless otherwise stated)

**Disclosure as per Schedule III**

| Name of the entity                         | Net Assets                        |          | Share in Profit or Loss               |        |
|--------------------------------------------|-----------------------------------|----------|---------------------------------------|--------|
|                                            | As a % of consolidated Net Assets | Amount   | As a % of consolidated Profit or Loss | Amount |
| Force Motors Limited                       | 99.78                             | 1,79,879 | 99.82                                 | 14,695 |
| Indian Subsidiary :                        |                                   |          |                                       |        |
| Tempo Finance (West) Private Limited       | 0.22                              | 397      | 0.18                                  | 26     |
| Non-controlling Interest (Indian Minority) | 0.09                              | 163      | 0.06                                  | 9      |

ROUTE MAP

**Pune Station, Deccan Gymkhana to Force Motors, Akurdi**



**FORCE MOTORS LIMITED**

CIN: L34102PN1958PLC011172

**Registered Office :**

Mumbai-Pune Road, Akurdi, Pune - 411 035.

Te l: +91 20 27476381

E-mail: compliance-officer@forcemotors.com

Website : www.forcemotors.com

**FORCE**

59th Annual Report 2017-18

**PROXY FORM**

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L34102PN1958PLC011172

Name of the Company : FORCE MOTORS LIMITED

Registered Office : Mumbai - Pune Road, Akurdi, Pune - 411 035.

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No/ Client Id : \_\_\_\_\_

DP ID : \_\_\_\_\_

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

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

2. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

3. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 59th Annual General Meeting of the Company, to be held on Tuesday, the 11th September 2018 at 11.30 a.m. at the Registered Office of the Company at Mumbai - Pune Road, Akurdi, Pune - 411 035 and at any adjournment thereof in respect of such resolutions as are indicated below :

| Resolutions              | Description                                                                                                                                                                                                                 | For | Against |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| <b>Ordinary Business</b> |                                                                                                                                                                                                                             |     |         |
| 1                        | Adoption of the audited financial statements and the consolidated audited financial statements of the Company, for the Financial Year ended 31st March 2018, together with the Board's Report and Auditors' Report thereon. |     |         |
| 2                        | Declaration of Dividend.                                                                                                                                                                                                    |     |         |
| 3                        | Appointment of Director in place of Mr. Vinay Kothari, who retires by rotation and being eligible, offers himself for re-appointment.                                                                                       |     |         |
| 4                        | Fixing remuneration of M/s Kirtane & Pandit LLP, Chartered Accountants, Statutory Auditors of the Company.                                                                                                                  |     |         |
| <b>Special Business</b>  |                                                                                                                                                                                                                             |     |         |
| 5                        | Contribution to bona fide charitable and other funds                                                                                                                                                                        |     |         |
| 6                        | Fixing remuneration of M/s. Joshi Apte & Associates, Cost Accountants.                                                                                                                                                      |     |         |

Signed this ..... day of .....2018

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of shareholder\_\_\_\_\_  
Signature of Proxy holder(s)

- Notes :**
- This form of proxy, in order to be effective, must be duly filled, stamped, signed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.
  - As provided under Regulation 44 of the SEBI Listing Regulations, 2015, shareholder may vote for or against each resolution.

## Forthcoming FORCE Vehicle Range

### Shaktiman Range



Shaktiman 200



Shaktiman 400



Shaktiman 600

### Traveller Range



T1

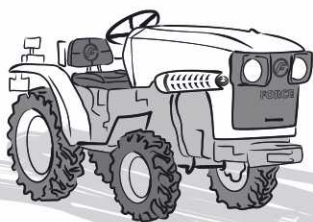


T2



T3

### Tractor Range



Abhiman



Sanman 5000



Sanman 6000

### Trax



Trax Kargoking Grand

### Force Gurkha Range



Gurkha Xplorer



Gurkha Xtreme



## **FORCE MOTORS LIMITED**

**CIN L34102PN1958PLC011172**

**Mumbai-Pune Road, Akurdi, Pune - 411 035. INDIA**

**[www.forcemotors.com](http://www.forcemotors.com)**

**Tel: +91 20 2747 6381**