



58th Annual Report

2016-2017

FORCE MOTORS LIMITED

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

Abhay Firodia
Chairman



Prasan Firodia
Managing Director



Board Of Directors



Sudhir Mehta
Director



Pratap Pawar
Director



S. Padmanabhan
Director



Nitin Desai
Director



Yeshwant Deosthalee
Director



Arvind Mahajan
Director



Dr. Indira Parikh
Director



Arun Sheth
Director



Vinay Kothari
Director



Prashant Inamdar
Executive Director-Operations

Management Team



Prashant Inamdar
Executive Director
Operations



Sanjay Kumar Bohra
Group CFO



Ashutosh Khosla
President
Sales & Marketing



Mansinh Kumbhar
President
Head R&D



Makarand Kanade
Sr. Vice President
Corporate Quality,
Aftersales Service Support



Pravin Kamavat
Sr. Vice President
Materials



Pradeep Dhadiwal
Sr. Vice President
Corporate & Controlling



Ajit Khirapate
Vice President
Production Engineering



R. Ram
Vice President
Projects



Yatish Mathur
Vice President
Pithampur Operations

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. P. G. Bhagwat
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 58th Annual General Meeting of the Members of Force Motors Limited will be held on **Wednesday, the 13th day of September 2017 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 2017, together with the Board's Report and Auditors' Report thereon.
2. To declare a dividend for the Financial Year ended on 31st March 2017.
3. To appoint a Director in place of Mr. Prashant V. Inamdar, who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors and to fix their 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. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W/W100057) of Pune, be and are hereby appointed as Auditors of the Company, to hold office from the 58th Annual General Meeting till the conclusion of the 63rd Annual General Meeting of the Company, on a remuneration of ₹ 20,00,000 (Rupees twenty lakh only) per annum plus out of pocket expenses."

SPECIAL BUSINESS

5. Appointment of Mr. Yeshwant M. Deosthalee as an Independent Director

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

"RESOLVED THAT Mr. Yeshwant M. Deosthalee (DIN 00001698), be and is hereby appointed as an Independent Director of the Company for a period of 5 years from the date of conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 20th July 2017 attached to this Notice, be and are hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to issue letter of appointment to Mr. Yeshwant M. Deosthalee, in respect of his appointment as an Independent Director and to take all necessary steps as may be required in this respect."

6. Re-appointment of Mr. Pratap Pawar as an Independent Director

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

"RESOLVED THAT Mr. Pratap Pawar, Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the

Company for a further period of 5 years from the date of conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 20th July 2017 attached to this Notice, be and are hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to issue letter of appointment to Mr. Pratap Pawar, in respect of his appointment as an Independent Director and to take all necessary steps as may be required in this respect."

7. Re-appointment of Mr. S Padmanabhan as an Independent Director

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

"RESOLVED THAT Mr. S Padmanabhan, Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a further period of 5 years from the date of conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 20th July 2017 attached to this Notice, be and are hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to issue letter of appointment to Mr. S Padmanabhan, in respect of his appointment as an Independent Director and to take all necessary steps as may be required in this respect."

8. Re-appointment of Mr. Nitin Desai as an Independent Director

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

"RESOLVED THAT Mr. Nitin Desai, Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a further period of 5 years from the date of conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 20th July 2017 attached to this Notice, be and are hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to issue letter of appointment to Mr. Nitin Desai, in respect of his appointment as an Independent Director and to take all necessary steps as may be required in this respect."

9. Re-appointment of Dr. Indira Parikh as an Independent Director

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

“RESOLVED THAT Dr. Indira Parikh, Independent Director of the Company, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a further period of 5 years from the date of conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 20th July 2017 attached to this Notice, be and are hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to issue letter of appointment to Dr. Indira Parikh, in respect of her appointment as an Independent Director and to take all necessary steps as may be required in this respect.”

10. Re-appointment of Mr. Arun Sheth as an Independent Director

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

“RESOLVED THAT Mr. Arun Sheth, Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a further period of 5 years from the date of conclusion of this Annual General Meeting.

RESOLVED FURTHER THAT the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 20th July 2017 attached to this Notice, be and are hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to issue letter of appointment to Mr. Arun Sheth, in respect of his appointment as an Independent Director and to take all necessary steps as may be required in this respect.”

11. 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 2017-18.”

12. 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 2018, be paid remuneration of ₹ 2,30,000 (Rupees two lakh thirty thousand only) plus travelling and out of pocket expenses and taxes, if any.”

13. Consent to the Board to invite and accept Deposits

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

“RESOLVED THAT subject to the compliance of the provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 or other laws / rules / regulations, as applicable, consent of the Company be and is hereby accorded to, and the Board of Directors of the Company be and is hereby authorized to invite and accept, from time to time, deposits from members of the Company and public to such an extent that the deposits outstanding and the deposits to be accepted shall not exceed 10% of the aggregate Paid up Share Capital, Free Reserves and Securities Premium Account of the Company as per the latest Audited Financial Statements, as adopted by the Company in its General Meeting and 25% of the aggregate of the Paid up Share Capital, Free Reserves and Securities Premium Account of the Company as per the latest Audited Financial Statements, in respect of the deposits to be accepted from the members of the Company and public respectively.

RESOLVED FURTHER THAT the deposits to be accepted by the Company shall be unsecured deposits, accepted for a term not less than six months and not more than thirty six months and shall carry the rate of interest, as may be decided by the Board of Directors of the Company.”

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.

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 **Thursday, 7th September 2017 to Wednesday, 13th September 2017**, 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 58th 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 10th September 2017 (9:00 a.m. IST) and ends on 12th September 2017 (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 6th September 2017, 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:

A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :

- (i) Open email and open PDF file viz., "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put your user ID and password. Click Login.
- (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly

recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Force Motors Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on a resolution, you will not be allowed to modify your vote.

(xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sanjay_athavale@pgbhagwatca.com with a copy marked to evoting@nsdl.co.in.

B. In case a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number) USER ID
PASSWORD / PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE : Shareholders who forgot the User Details / Password can use "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case shareholders are holding shares in demat mode, user ID is the combination of (DP ID + Client ID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No. + Folio No.).

VIII. 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).

IX. 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 6th September 2017.

- X. 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. 6th September 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company / RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. : 1800-222-990.

- XI. 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.
- XII. 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.
- XIII. Mr. Sanjay Athavale, Chartered Accountant (FCA No. 83374) 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.
- XIV. 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.
- XV. 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 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 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 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 and also on the website of the Ministry of Corporate Affairs at 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.
- 13) The Annual Report 2016-17 of the Company, circulated to the members of the Company, will be available on the Company's website at www.forcemotors.com and also on the website of BSE Limited at 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 58th Annual General Meeting i.e., 13th September 2017.

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**

Kishore P. Shah

Pune, 20th July 2017. Company Secretary & Compliance Officer

Registered Office :

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

CIN : L34102PN1958PLC011172

Website: www.forcemotors.com

Phone : (Board) +91 20 2747 6381

E-mail : 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 ordinary business and 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. Prashant V. Inamdar (DIN 07071502)

Mr. Prashant V. Inamdar, 52, is a Mechanical Engineer. Mr. Inamdar started his career at Force Motors Limited as a Junior Engineer in 1984. Since then he has worked and proven his mettle in different divisions. During his tenure in Corporate Controlling he worked across Industrial Engineering, Management Information Services, Industrial Relations, Human Resource Development and SAP Implementation Projects. Special highlights in his career include the setting up of Engine Shop for MAN Trucks at Pithampur (Madhya Pradesh) and setting up a Plant in Chennai. At present, Mr. Inamdar is Executive Director (Operations) of the Company and responsible for Operations of all the Plants of Force Motors Limited.

Mr. Prashant V. Inamdar's job profile, at present is to manage the operations of all Plants of the Company since his appointment as Executive Director (Operations) w.e.f. 16th January 2015 for a period of five years. He reports to the Chairman & Managing Director of the Company.

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

Mr. Inamdar is not related to any director of the Company and also does not hold any shares in the Company.

Mr. Inamdar is not a Director of any other company nor he holds membership of any committee of the Board of Directors of any other entity.

Except Mr. Inamdar, 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. 4

Appointment of Statutory Auditors and to fix their remuneration

The Act was notified w.e.f. from 1st April 2014. Section 139 of the Act lays down criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate auditors on completion of two terms of five consecutive years. The Rules also lay down the transition period that can be served by the existing auditors, depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/s. P. G. Bhagwat, Chartered Accountants (Firm Registration No. 101118W) have been the Auditors of the Company for over 10 years before the Act was notified, and will be completing the maximum permissible transition period (three years), at the ensuing Annual General Meeting.

On 20th July 2017, the Audit Committee of the Company has proposed, and the Board has recommended, the appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants as the Statutory Auditors of the Company. M/s. Kirtane & Pandit LLP, will hold the office for a period of five consecutive years from the conclusion of the 58th Annual General Meeting, till the conclusion of the 63rd Annual General Meeting.

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

Mr. Yeshwant M. Deosthalee (DIN 00001698)

Mr. Yeshwant M. Deosthalee, 70, is a Chartered Accountant and has a

Degree in Law. He joined Larsen & Toubro (L&T) Group in 1974 and retired as Chairman from the Board of L&T Finance Holdings and its subsidiaries in May 2017.

During his long tenure of over 43 years with L&T Group, Mr. Deosthalee made significant contribution in areas of Finance & Accounts, Risk Management, Human Resources, Shared Services and several businesses of the Group such as Information Technology, Machinery & Industrial Products, etc.

He was instrumental in setting up the Financial Service Business of L&T Group in 1994, which is one of the large NBFCs in the country having a presence in Lending, Asset Management and Wealth Management. In September 2011, he was appointed as the Chairman & Managing Director of L&T Finance Holdings. He was also Non-Executive Chairman of L&T Metro Rail (Hyderabad) Limited.

Mr. Deosthalee was member on various committees such as Advisory Committee for Liquidity Management set up by the Finance Ministry, Takeover Regulations Advisory Committee constituted by SEBI, Committee set up by the Department of Corporate Affairs for revamping Company Law, 2013. He was a member of CII's National Council for several years and was also the Chairman of CII's National Council for NBFCs.

Mr. Deosthalee was ranked 3rd best CFO by Finance Asia (Asia's Best Companies 2009 Awards) and was named 'Best CFO of the Year' and also 'Best CFO in the Capital Goods Sector' at the CNBC TV18 Business Leaders Awards in 2009.

Mr. Deosthalee is not related to any director of the Company and also does not hold any shares in the Company.

Mr. Deosthalee was appointed as an Additional Director in the capacity of an Independent Director, on 20th July 2017. As Mr. Deosthalee fulfills criteria indicated in Section 149 of the Act, and Jaya Hind Investments Private Limited, proposed his candidature and gave notice as per the provisions of Section 160 of the Act, the resolution in Item No. 5 of the notice is being put for the consideration of the Members of the Company for appointing Mr. Deosthalee as an Independent Director on the Board of the Company, for a period of 5 (five) years from the date of the ensuing Annual General Meeting. Mr. Deosthalee, if appointed at the ensuing Annual General Meeting, being an Independent Director, is not liable to retire by rotation.

In the opinion of the Board, Mr. Deosthalee fulfills the conditions specified in the Act, and the Listing Regulations.

The Company has prepared a standard draft of Appointment Letter to be issued to Independent Directors, a copy of which is available for inspection as stated in note no. 14 of the Notes to the Notice.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Deosthalee and accordingly recommends the ordinary resolution set forth in Item No. 5 of the Notice for approval of the Members.

The Company has received data in the prescribed Form DIR-8 from Mr. Deosthalee in compliance with the provisions of Section 164 of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Except Mr. Deosthalee, 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
Mr. Pratap Pawar (DIN 00018985)

Mr. Pratap Pawar, 72, is a Bachelor of Engineering from Birla Institute of Technology & Science, Pilani. He is Chairman of Sakal Papers Pvt. Ltd. His specialisation is in Marketing (Domestic & International) and Finance for techno-commercial projects.

He became Director of 'Sakal', a leading newspaper in Maharashtra in 1985 and Managing Director in March, 1986. 'Sakal', under the leadership of Mr. Pawar, has achieved substantial growth and total modernisation. In April 2005, 'Sakal' launched 'Agrowon' the first daily newspaper devoted solely for the cause of agriculture and farmers. It has received an overwhelming response from the farmers. 'Agrowon' organises Sarpanch Parishad for last 3 years, which is initiated by Mr. Pawar. More than 4,500 Sarpanch participated in this event. This is a very unique activity of 'Agrowon', where villagers and farmers are benefited by active participation of their thought leaders in such Parishad.

Mr. Pawar has received many awards for his contributions to industry and journalism. He was conferred Padma Shri in 2014, for his distinguished service in trade and industry.

Mr. Pawar is also associated with many social and philanthropic institutions such as Kirloskar Foundation, Pune Balkalyan Sanstha, Sakal India Foundation, Sakal Relief Fund etc.

Mr. Pawar is not related to any director of the Company and also does not hold any shares in the Company.

Mr. Pawar is a director in other listed entities viz. Finolex Cables Limited, Kirloskar Oil Engines Limited and Bharat Forge Limited. He is a member of the committees of the Board of these companies as follows :

Sr. no.	Name of the Company	Name of the Committee	Member / Chairman
1)	Finolex Cables Limited	Share Transfer & Investors' Grievance Committee	Chairman
		Nomination and Remuneration Committee	Member
		Audit Committee	Member
2)	Kirloskar Oil Engines Limited	Stakeholders Relationship Committee	Chairman
		Audit Committee	Member
3)	Bharat Forge Limited	Nomination and Remuneration Committee	Chairman
		Audit Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Finance & Risk Management Committee	Member
4)	Force Motors Limited	Audit Committee	Chairman

Mr. Pawar was re-appointed as an Independent Director of the Company for a period of 3 (three) years by the members of the Company in their 55th Annual General Meeting held on 20th September 2014. Considering the provisions of Section 149 of the Act, Mr. Pawar is proposed to be re-appointed as an Independent Director for a further period of 5 (five) years. Mr. Pawar, being an Independent Director, is not liable to retire by rotation.

Jaya Hind Investments Private Limited has given notice proposing the candidature of Mr. Pawar for re-appointment as an Independent Director on the Board of Directors of the Company and hence, the resolution covered by Item No.6 of the notice is being put for the consideration of the members.

The Company has prepared a standard draft of Appointment Letter to be issued to Independent Directors, a copy of which is available for inspection as stated in note no. 14 of the Notes to the Notice.

Mr. Pawar fulfills the criteria laid out in Section 149 (6) of the Act in this regard. Section 149 (10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to re-appoint Mr. Pawar as an Independent Director of the Company to hold office for a further term of 5 (five) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Pawar and accordingly recommends the special resolution set forth in Item No. 6 of the Notice for approval of the Members.

In the opinion of the Board, Mr. Pawar fulfills the conditions specified in the Act and the Listing Regulations and he is independent of the management.

The Company has received data in the prescribed Form DIR-8 from Mr. Pawar in compliance with the provisions of Section 164 of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Except Mr. Pawar, 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. 7
Mr. S. Padmanabhan (DIN 00001207)

Mr. S. Padmanabhan, 77, IAS (ret.) has had a distinguished career as an administrator & bureaucrat. Subsequent to his retirement from government service, he is associated with several leading companies as director, management consultant and advisor.

Mr. Padmanabhan is also a director on the Board of Pune Smart City Development Corporation Limited.

Mr. Padmanabhan is not related to any director of the Company and also does not hold any shares in the Company.

He holds directorship in other listed entities such as Sudarshan Chemical Industries Limited, Premier Limited and Sanghvi Movers Limited.

The Committee positions held by Mr. Padmanabhan in listed entities, are as follows:

Sr. no.	Name of the Company	Name of the Committee	Member / Chairman
1)	Premier Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
2)	Sanghvi Movers Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		CSR Committee	Member
3)	Force Motors Limited	Nomination and Remuneration Committee	Chairman
		Corporate Social Responsibility Committee	Chairman

Mr. Padmanabhan was re-appointed as an Independent Director of the Company for a period of 3 (three) years by the members of the Company in their 55th Annual General Meeting held on 20th September 2014. Considering the provisions of Section 149 of the Act, Mr. Padmanabhan is proposed to be re-appointed as an Independent Director for a further period of 5 (five) years. Mr. Padmanabhan, being an Independent Director, is not liable to retire by rotation.

Jaya Hind Investments Private Limited has given notice proposing the candidature of Mr. Padmanabhan for re-appointment as an Independent Director on the Board of Directors of the Company and hence, the resolution covered by Item No.7 of the notice is being put for the consideration of the members.

The Company has prepared a standard draft of Appointment Letter to be issued to Independent Directors, a copy of which is available for inspection as stated in note no. 14 of the Notes to the Notice.

Mr. Padmanabhan fulfills the criteria laid out in Section 149 (6) of the Act in this regard. Section 149 (10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to re-appoint Mr. Padmanabhan as an Independent Director of the Company to hold office for a further term of 5 (five) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Padmanabhan and accordingly recommends the special resolution set forth in Item No. 7 of the Notice for approval of the members.

In the opinion of the Board, Mr. Padmanabhan fulfills the conditions specified in the Act and the Listing Regulations and he is independent of the management.

The Company has received data in the prescribed Form DIR-8 from Mr. Padmanabhan in compliance with the provisions of Section 164 of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Except Mr. Padmanabhan, 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. 8

Mr. Nitin Desai (DIN 00140239)

Mr. Nitin Desai, 73, is a Graduate in Civil Engineering and Masters in Environmental Engineering from the University of Michigan, Ann Arbor, USA.

Mr. Desai is the Chairman and Managing Director of Desai Brothers Limited, Pune, a leading corporate in the diversified business of manufacturing tobacco and food products, finance and investments, hospitality and renewable energy.

In the year 2003, Desai Brothers Ltd. was awarded the Certificate of Excellence in recognition of "Sensitive to the Cause of Social Security" in the Large Scale Category by the Employees' Provident Fund Organization and the company was awarded India's Best Employer in the Large Scale Category.

Mr. Desai is also Chairman of Aquapharm Chemicals Pvt. Ltd., which is engaged in the business of specialty chemicals.

Mr. Desai is actively associated with the healthcare industry. He is one of the Promoter Directors of the fast expanding "Sahyadri Hospitals Ltd". He is also actively involved with diverse social activities, mainly in the spheres of eye care, environment, support to the disabled and education.

Mr. Desai is the Chairman of the Poona Blind Mens' Association, Pune and H. V. Desai Eye Hospital, Pune. In recognition of his leading role in providing comprehensive eye care, he was felicitated by the former President of India, Late Dr. A. P. J. Abdul Kalam.

Mr. Desai has served as President of the prestigious Poona Club. He was also President of Poona Junior Chamber and Vice President of Indian Jaycees.

In appreciation of Mr. Desai's multifarious achievements and noteworthy contribution in the fields of business and social work, the Poona Merchants Chambers awarded Mr. Desai the "Adarsh Vyapari – Uttam Puraskar" in 2004.

Mr. Desai is not related to any director of the Company and also does not hold any shares in the Company.

Mr. Desai is an Independent Director of Cadila Healthcare Ltd., a listed entity. The Committee positions held by him in the listed entities are as follows:

Sr. no.	Name of the Company	Name of the Committee	Member / Chairman
1)	Cadila Healthcare Limited	Nomination and Remuneration Committee	Chairman
		Audit Committee	Member
2)	Force Motors Limited	Corporate Social Responsibility Committee	Member
		Stakeholder's Relationship Committee	Member

Mr. Desai was appointed as an Independent Director of the Company for a period of 3 (three) years by the members of the Company in their 55th Annual General Meeting held on 20th September 2014. Considering the provisions of Section 149 of the Act, Mr. Desai is proposed to be re-appointed as an Independent Director for a further period of 5 (five) years. Mr. Desai, being an Independent Director, is not liable to retire by rotation.

Jaya Hind Investments Private Limited has given notice proposing the candidature of Mr. Desai for re-appointment as an Independent Director on the Board of Directors of the Company and hence, the resolution covered by Item No.8 of the notice is being put for the consideration of the members.

The Company has prepared a standard draft of Appointment Letter to be issued to Independent Directors, a copy of which is available for inspection as stated in note no. 14 of the Notes to the Notice.

Mr. Desai fulfills the criteria laid out in Section 149 (6) of the Act in this regard. Section 149 (10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to re-appoint Mr. Desai as an Independent Director of the Company to hold office for a further term of 5 (five) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Desai and accordingly recommends the special resolution set forth in Item No. 8 of the Notice for approval of the members.

In the opinion of the Board, Mr. Desai fulfills the conditions specified in the Act and the Listing Regulations and he is independent of the management.

The Company has received data in the prescribed Form DIR-8 from Mr. Desai in compliance with the provisions of Section 164 of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Except Mr. Desai, 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. 9
Dr. Indira Parikh (DIN 00143801)

Dr. Indira J. Parikh, 73, is M. Ed from University of Rochester, New York, USA and the Doctorate from Gujarat University. She was a faculty at IIM-Ahmedabad for over 30 years and Dean from 2002 to 2005. She has taught at INSEAD, Fontainebleau (France) and Texas A&M University.

Dr. Parikh has specialized in organization development and design, and institution building. She has been a consultant and conducted diagnostic studies for organizations. She has designed and conducted leadership and institution building programs in public & private sector and multinational organizations.

Dr. Parikh is the President of 'Antardisha' (Directions from Within). 'Antardisha' is a private entity creating a space for individuals, collectivities, organizations and institutions to have a dialogue to discover themselves, to review their past, to reflect on the present 'Here and Now' and renew themselves for the future. Dr. Parikh is also the Founder President of FLAME University, Pune. She has been involved in creating the academic vision of holistic and Liberal Education and shaping FLAME. She has also conceptualized the models of management development programs anchored in thresholds of Life, Life Space, Life Roles and Identity. Her focus is on transformation and lifelong learning, development and growth. She is the founder member of Sumedhas Academy of Human Context. She is also the founder of AURONYA College at Puducherry.

Dr. Parikh has been honored with several lifetime achievement awards, both nationally and internationally, for her contribution in education, HR, leadership roles and as a teacher. She has written numerous articles published in National & International Journals and is the co-author/author of several books.

Dr. Parikh is not related to any director of the Company and also does not hold any shares in the Company.

Dr. Parikh holds directorship in other listed entities namely, Sintex Industries Limited, Zydus Wellness Limited, Foseco India Limited, Arvind Smartspaces Limited, Deepak Nitrite Limited and Johnson Controls-Hitachi Air Conditioning India Limited.

The Committee positions held by Dr. Parikh in listed entities are as follows:

Sr. no.	Name of the Company	Name of the Committee	Member / Chairman
1)	Sintex Industries Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
2)	Zydus Wellness Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
3)	Foseco India Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
		Stakeholders Relationship Committee	Member
4)	Force Motors Limited	Audit Committee	Member

Dr. Parikh was appointed as an Independent Director of the Company for a period of 3 (three) years by the members of the Company in their 55th Annual General Meeting held on 20th September 2014. Considering the provisions of Section 149 of the Act, Dr. Parikh is proposed to be re-appointed as an Independent Director for a further period of 5 (five) years. Dr. Parikh, being an Independent Director, is not liable to retire by rotation.

Jaya Hind Investments Private Limited has given notice proposing the candidature of Dr. Parikh for re-appointment as an Independent Director on the Board of Directors of the Company and hence, the resolution covered by Item No.9 of the notice is being put for the consideration of the members.

The Company has prepared a standard draft of Appointment Letter to be issued to Independent Directors, a copy of which is available for inspection as stated in note no. 14 of the Notes to the Notice.

Dr. Parikh fulfills the criteria laid out in Section 149 (6) of the Act in this regard. Section 149 (10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to re-appoint Dr. Parikh as an Independent Director of the Company to hold office for a further term of 5 (five) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Dr. Indira Parikh and accordingly recommends the special resolution set forth in Item No. 9 of the Notice for approval of the members.

In the opinion of the Board, Dr. Parikh fulfills the conditions specified in the Act and the Listing Regulations and she is independent of the management.

The Company has received data in the prescribed Form DIR-8 from Dr. Parikh in compliance with the provisions of Section 164 of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Except Dr. Parikh, 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. 10
Mr. Arun Sheth (DIN 00086891)

Mr. Arun Sheth, 69, is a Commerce Graduate. He is the Chairman and Managing Director of Prabhudas Lilladher Private Limited, leading member of BSE Limited and National Stock Exchange of India Limited.

Mr. Sheth has pioneered numerous ventures like portfolio advisory services and a full-fledged equity research division.

Mr. Sheth is not related to any director of the Company and also does not hold any shares in the Company.

Mr. Sheth is not a director in any other listed entity. He is a member of the Audit Committee of the Board of the Company.

Mr. Sheth was re-appointed as an Independent Director of the Company for a period of 3 (three) years by the members of the Company in their 55th Annual General Meeting held on 20th September 2014. Considering the provisions of Section 149 of the Act, Mr. Sheth is proposed to be re-appointed as an Independent Director for a further period of 5 (five) years. Mr. Sheth, being an Independent Director, is not liable to retire by rotation.

Jaya Hind Investments Private Limited has given notice proposing the candidature of Mr. Sheth for re-appointment as an Independent Director on the Board of Directors of the Company and hence, the resolution covered by Item No.10 of the notice is being put for the consideration of the members.

The Company has prepared a standard draft of Appointment Letter to be issued to Independent Directors, a copy of which is available for inspection as stated in note no. 14 of the Notes to the Notice.

Mr. Sheth fulfills the criteria laid out in Section 149 (6) of the Act in this regard. Section 149 (10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to re-appoint Mr. Sheth as an Independent Director of the Company to hold office for a further term of 5 (five) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Sheth and accordingly recommends the special resolution set forth in Item No. 10 of the Notice for approval of the members.

In the opinion of the Board, Mr. Sheth fulfills the conditions specified in the Act and the Listing Regulations and he is independent of the management.

The Company has received data in the prescribed Form DIR-8 from Mr. Sheth in compliance with the provisions of Section 164 of the Act and Rule 14 (1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Except Mr. Sheth, 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. 11

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 amounts, 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 2017-18.

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. 12

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 2018 on a remuneration of ₹ 2,30,000 (Rupees two lakh thirty 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.

Item No. 13

Consent to the Board to invite and accept Deposits

Considering the provisions of the Act and provisions of Companies (Acceptance of Deposits) Rules, 2014, if the Company decides to accept the deposits from the members / public, a resolution needs to be passed in the general meeting of the members of the Company, permitting acceptance of deposits and approving the terms and conditions, subject to which such deposits shall be accepted. Considering the present financial position of the Company, Company may not need to accept deposits from time to time. The Company shall comply with the provisions of Section 74 of the Act.

In order to enable the Board to take a decision about acceptance/renewal of deposits, from time to time, depending on the financial position of the Company and prevalent rate of interest, the Board recommends that powers be vested in the Directors of the Company to accept the deposits from the Members of the Company and from Public, up to the permitted limits.

Such deposits would be unsecured deposits carrying interest rate depending on the rate of interest prevalent from time to time. The term of deposits to be accepted shall not be less than six months and not more than thirty six months.

The Company, before accepting deposits, shall comply with all other formalities as prescribed by the Act and the Companies (Acceptance of Deposits) Rules, 2014, as in force from time to time.

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**

Kishore P. Shah

Pune, 20th July 2017. Company Secretary & Compliance Officer

Registered Office :

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

CIN : L34102PN1958PLC011172

Website: www.forcemotors.com

Phone : (Board) +91 20 2747 6381

E-mail : compliance-officer@forcemotors.com

BOARD'S REPORT

To

The Members,

The Directors are pleased to present the 58th Annual Report, together with the audited financial statements and the consolidated audited financial statements for the Financial Year ended on 31st March 2017.

1. Financial Results

(Amounts in Lakh)
Standalone

Particulars	2016-17 ₹	2015-16 ₹
Revenue from Operations (Gross)	3,49,457	3,45,211
Other Income	8,494	7,144
Gross Profit (Profit before Depreciation & Taxes)	34,808	34,014
Depreciation	11,308	9,189
Profit before Taxes (Net)	23,500	24,825
Provision for Taxation (Net)	5,508	6,951
Profit After Tax	17,992	17,874
Other Comprehensive Income/(Loss)	(216)	(145)
Comprehensive Income for the year	17,776	17,729
Proposed Dividend	1,318	--
Tax on proposed Dividend	268	--
Interim Equity Dividend	--	1,318
Tax on Interim Equity Dividend	--	268
Balance in Retained Earnings	1,23,828	1,06,177

Consolidated

Particulars	2016-17 ₹	2015-16 ₹
Revenue from Operations (Gross)	3,49,495	3,45,245
Other Income	8,494	7,144
Gross Profit (Profit before Depreciation & Taxes)	34,845	34,047
Depreciation	11,308	9,189
Profit before Taxes (Net)	23,537	24,858
Provision for Taxation (Net)	5,519	6,961
Profit After Tax	18,018	17,897
Other Comprehensive Income/(Loss)	(216)	(145)
Comprehensive Income for the year	17,802	17,752
Attributable to :		
(a) Equity holders of the Company	17,793	17,744
(b) Non Controlling Interest	9	8
Transfer to General Reserve	6	6
Proposed Dividend	1,318	--
Tax on proposed Dividend	268	--
Interim Equity Dividend	--	1,318
Tax on Interim Equity Dividend	--	268
Balance in Retained Earnings	1,23,992	1,06,327

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

2. State of Company's Affairs and Future Outlook

The Financial Year 2016-17 was stable, lent with very little growth. During the year, the Company successfully handled turbulence in the business arising successively from -

- demonetisation effected on 8th November 2016
- then from preparation for the transition to GST in terms of installing the I.T. backbone and organising modifications to the business processes of the Company, and finally
- from preparing for the full transition to the BS IV standard of emission, for the full range of vehicles made by the Company.

Each of these transitions, and the required preparatory efforts by the Company, by our suppliers, dealers, etc. involved unusual effort. This resulted in a significant change in the rhythm of the business. It is a matter of satisfaction that the Company has successfully coped with all the situations.

The Company's business is in the automotive sector, the Company produce a variety of light commercial vehicles, and tractors, as also manufacture important high-tech components like engines and axles etc. for sale to the highly reputed companies, such as Mercedes-Benz and BMW. The Company's own vehicular products, as also the production of aggregates for its esteemed customers, remained stable and registered growth. During the current year, and in the near future, as a result of all the structural changes effected in the economy and in the operating processes of your Company - the growth prospects, - both in the Company's vehicle business and its components business, appear to be bright.

The vehicle plant at Pithampur, after significant re-engineering of various shops, effecting of process improvements etc. has now emerged as a fully integrated manufacturing facility with high degree of efficiency. The product quality has seen continued and significant improvement. This has had a marked effect on both, the domestic and export sales prospects. Further growth of the plants, and integration of upcoming new products in the production processes is now under implementation.

The customer touch points for service have systematically been increased over the last couple of years, and ambitious targets are fixed for further extension. The sales and service channel improvement activity, including the installation and satisfactory operation of the Force "Dealer Management System" (among the most advanced in the country), is enabling much greater proximity to customer, dealer and market. It has improved the ability of the Company to service the customer in the market more effectively.

Industrial Relations at all plants have, by and large been cordial and constructive. The training activities of the Company at all plants have been further strengthened. Strong emphasis is placed on the training of sales and service forces, in the light commercial vehicles and tractors teams.

The Company had organised structured training and initiation programmes - not only for own employees, but also for dealers and suppliers - in managing the transitions mentioned above, in terms of preparation for GST, as also preparation for next level of emission standards. The Information Services Team as also our finance and taxation teams organised these seminal activities successfully.

Having successfully completed the full transition to Euro IV engines, wherein the full range of Company's products, is now offered with Euro IV compliance, this is achieved while incorporating in the vehicles superior fuel efficiency capability, significantly improved drivability, and refinement in the noise vibration and harshness aspects of the vehicle. The programme for fielding BS VI vehicles and engines by 2020 is now strongly under way. Dedicated facilities and fully equipped high tech laboratories - for engine and vehicle development - for complying with the BS VI regulations are commissioned and operative. Dedicated teams of highly qualified engineers are specifically engaged in carrying out this development at Akurdi. The Company looks forward with confidence to achieving the transition in an organised and smooth manner, while recognising the enormous challenge and the extreme dependency of this effort on inputs from the sub-suppliers of fuel injection equipment, after-treatment components, and on technology support from specialist organisations.

The Company has initiated the development of electric vehicles. The first electric Traveller is undergoing detailed evaluation and trials. The Company has formulated a dedicated section for electric vehicle engineering, to cover all aspects such as "drive systems", "electronic vehicle and battery management systems", "battery engineering and battery chemistry", "installation engineering on vehicles and management of auxiliaries and peripherals", on a variety of vehicles. A number of technologies in this regard are evaluated, and are being pursued with a view to be ready for electro mobility in the near future. The focus of the Company in electro mobility, remains the same as the Company's current product profile i.e. "light commercial vehicles", particularly passenger vehicles, vans and minibuses for inner city transport.

A number of new product development projects are taken up and are being strongly pursued. The Research & Development Department is re-organised, with a highly effective matrix structure - for project leadership and programme management. Similarly, the Production Engineering infrastructure of the Company, comprising of the "manufacturing engineering department", and the "tool room" for the growth activities, are equally aligned to the new product aspirations of the Company.

Fresh production lines will be established for the new products under development, as also for the new engines and transmissions which will come into play, including electric drive vehicles.

3. Change in Nature of Business, if any

During the year, 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 11th May 2017.

5. Share Capital

The paid up equity share capital as on 31st March 2017 was ₹ 13,17,62,620. There was no public issue, rights issue, bonus issue or preferential issue etc. during the period under report. The Company has not issued any shares with differential voting rights or granted stock options or sweat equity, during the period under report.

6. Extract of Annual Return

The extract of Annual Return as on 31st March 2017, 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 2016-17, there were six meetings of the Board of Directors of the Company held on 29th April 2016, 30th July 2016, 28th September 2016, 27th October 2016, 3rd January 2017 and 21st January 2017.

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 report. 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 report as defined under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations for brevity).

During the Financial Year 2016-17, 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.

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 2017 and the date of Report.

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

Conservation of Energy

The Company has continued its efforts to organise incremental improvements in energy conservation across plant locations, plant equipment and technologies. The plant at Akurdi is fully revamped with new metallic roofing with inbuilt translucent sheets - for improved natural lighting, as also enhanced ventilation arrangements for improved comfort. To bring down power consumption, a number of steps have been initiated, at all plants, comprising of -

- translucent sheets in the roof,
- automated arrangement for switching off lights and machines when not in use,
- large scale switch-over to LED lamps throughout various plants, and estates of the Company.

This switch-over itself is expected to save initially approximately ₹ 2 crore annually. Efficient plant maintenance, and detailed focussed efforts, have enabled ensure significant reduction in compressed air loss due to leakages. The replacement of aged mechanical / hydraulic machinery with much higher percentage of latest CNC machinery has enabled save considerable power, and has boosted production efficiency.

The tool room infrastructure of the Company was recently significantly enhanced, thus enabling manufacture of dies and machinery in-house - for new products to be introduced. During the current year, further increase in this capacity is organised, thus capacity will stand increased more than 100 per cent over this 2-year period.

Technology Absorption

The Company completed projects for the development of high power density engines by significant re-engineering of the well-proven OM 616 basic platform. These engines are designed now for much higher peak firing pressures to enable the Company to reach Euro VI emission standards with high reliability, high power density, and with excellent compatibility - with the Company's light commercial vehicles product line. These engines are now 'purpose designed' for van application. Comprehensive engineering efforts in engine development, in transmission development and vehicle engineering are undertaken. The GURKHA family of vehicles has been re-engineered to offer outstanding ride handling, and driving performance, both on cross-country terrain as also on normal roads.

The drive train engineering capability of the Company, for the transmissions for light commercial vehicles and tractors, has significantly strengthened by the introduction of high-tech software - for predictive and performance analysis, which has enabled achieve marked improvement in product performance and reliability of the drive trains.

Special attention has also been placed to develop the capability in the Company's R & D department for enhancing "creature comforts" and "ergonomics" in the vehicles, in keeping with the evolution of the driver's expectations in the light commercial vehicles and tractor markets. The creation and stabilisation of this capability in the Company is very much in step with the development of next generation products now under way. The management band width, the skill set, the knowledge bank, and the infrastructure and equipment for these research and development programmes, are being expanded in a balanced manner.

The expenditure on the R & D for new products, including the expenditure on Projects and Tool Engineering, was 3.25 % 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.

(Amounts in Lakh)

Particulars	2016-17 (₹)	2015-16 (₹)
Capital Expenditure on R&D	5,855	2,694
Revenue Expenditure on R&D	5,494	4,961
Total R&D Expenditure	11,349	7,655
Total Income	3,57,951	3,52,355
% of total R&D Expenditure to Total Income	3.17	2.17
Revenue from Operations	3,49,457	3,45,211
% of total R&D Expenditure to Revenue from Operations	3.25	2.22

Foreign Exchange Earnings and Outgo

The foreign exchange earned by the Company during the year under review was ₹ 5,071 Lakh as against ₹ 4,994 Lakh during the previous year.

Total foreign exchange outflow during the year under review was ₹ 85,365 Lakh, as compared to ₹ 1,00,691 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.

14. 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.

15. Directors and Key Managerial Personal

Mr. Prashant V. Inamdar, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

Considering the provisions of Sections 160 and 161 of the Act, Jaya Hind Investments Private Limited has given notices for appointment / re-appointment of Mr. Yeshwant M. Deosthalee, Mr. Nitin Desai, Dr. Indira Parikh, Mr. Pratap Pawar, Mr. S. Padmanabhan and Mr. Arun Sheth as Independent Directors for a period of 5 years from the date of ensuing Annual General Meeting. The Board of Directors of the Company in its meeting held on 20th July 2017 appointed Mr. Yeshwant M. Deosthalee, as an Additional Director of the Company.

All the necessary information regarding Director(s) retiring by rotation, additional director or independent director to be appointed is a part of the Statement attached to the notice dated 20th July 2017.

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

16. 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.

17. 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.

18. Adequacy of Internal Financial Controls

M/s. Capri Assurance & Advisory Services, Chennai and M/s. Jugal S. Rath, 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.

19. 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	58	132
b)	remained unpaid or unclaimed as at the end of the year (31st March 2017)*	43	25
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

*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.

20. 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.

21. 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.

22. 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.

23. 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.

24. Corporate Governance

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

25. 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.

26. 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 report.

27. Details of Frauds Reported by Auditors

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

28. 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:

- in the preparation of the Annual Financial Statements for the year ended 31st March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- for the Financial Year ended 31st March 2017 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 2017;

- 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.

29. Statutory Auditor

You are requested to appoint Auditors and fix their remuneration. The Board recommends to the shareholders to approve the appointment of 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. They shall hold office from the conclusion of ensuing Annual General Meeting to the conclusion of 63rd Annual General Meeting of the members of the Company.

30. 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 2017-18. You are requested to ratify the remuneration to be paid to them.

31. 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 2016-17, 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 2016-17 is annexed to this report.

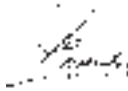
32. Industrial Relations

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

33. 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

Pune, 20th July 2017

Registered Office :

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

CIN: L34102PN1958PLC011172

Website: www.forcemotors.com

Phone: (Board) +91 20 2747 6381

E-mail: compliance-officer@forcemotors.com

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March 2017.

[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. 020 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. 020 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	57.37
2)	Engines	29	291	2910	29104	27.25

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 Mumbai-Pune Road, Akurdi, Pune - 411 035.	U67200PN1981PTC023979	Holding	56.86	2(46)
2)	Tempo Finance (West) Private Limited 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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual / HUF	364218	120896	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.	7436381	0	7436381	56.44	7559928	0	7559928	57.38	0.94
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
	Sub-total (A) (1):-	7800599	120896	7921495	60.12	8045042	0	8045042	61.06	0.94
(2)	Foreign									
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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% 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
	Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	0.00
	Total shareholding of Promoter(A) = (A)(1) + (A)(2)	7800599	120896	7921495	60.12	8045042	0	8045042	61.06	0.94
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds	75840	200	76040	0.58	324970	0	324970	2.47	1.89
b)	Banks / FI	910	2054	2964	0.02	900	2254	3154	0.02	0.00
c)	Central Govt	0	0	0	0	0	0	0	0.00	0.00
d)	State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
e)	Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
f)	Insurance Companies	20055	0	20055	0.15	20055	0	20055	0.15	0.00
g)	FIs	385511	300	385811	2.93	45689	300	45989	0.35	-2.58
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
i)	Others (Foreign Portfolio Investor)	193195	0	193195	1.47	714719	0	714719	5.42	3.95
	Sub-total (B) (1) :-	675511	2554	678065	5.15	1106333	2554	1108887	8.42	3.27
(2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	592594	11987	604581	4.59	396365	11987	408352	3.10	-1.49
ii)	Overseas	0	0	0	0	0	0	0	0.00	0.00
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	2900183	441894	3342077	25.36	2630811	417777	3048588	23.14	-2.22
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	617044	13000	630044	4.78	552393	13000	565393	4.29	-0.49
c)	Others									
	Trusts	4526	0	4526	0.03	9247	0	9247	0.07	0.04
	Hindu Undivided Family	184115	0	184115	1.4	147757	0	147757	1.12	-0.28
	Non Resident Indians (Non Repat)	38054	400	38454	0.29	21498	0	21498	0.16	-0.13
	Other Directors & Rel.	105406	0	105406	0.8	105406		105406	0.80	0.00
	Non Resident Indians (Repat)	59691	17175	76866	0.58	48122	17575	65697	0.50	-0.08
	Unclaimed Shares	0	0	0	0	2612	0	2612	0.02	0.02
	Clearing Member	96331	0	96331	0.73	82755	0	82755	0.63	-0.10
	Sub-total (B) (2) :-	4109821	466881	4576702	34.73	3579569	442764	4022333	30.53	-4.20
	Total Public Shareholding (B) = (B)(1) + (B)(2)	4785332	469435	5254767	39.88	4685902	445318	5131220	38.94	-0.94
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
	Grand Total (A + B + C)	12585931	590331	13176262	100	12730944	445318	13176262	100	0.00

(ii) Shareholding of Promoters :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	7368697	55.92	0	7492244	56.86	0	0.94
2)	Jaya Hind Industries Limited	10909	0.08	0	10909	0.08	0	0.00
	Total	7379606	56.00	0	7503153	56.94	0	0.94

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

Sl. No.		Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	JAYA HIND INVESTMENTS PRIVATE LIMITED At the beginning of the year Purchase of shares as per report dated 18.11.2016 Purchase of shares as per report dated 25.11.2016 Purchase of shares as per report dated 02.12.2016 At the end of the year (31.03.2017)	7368697 100000 5000 18547	55.92 0.76 0.04 0.14	7468697 7473697 7492244 7492244	56.68 56.72 56.86 56.86
2.	JAYA HIND INDUSTRIES LIMITED (No change) At the beginning of the year At the end of the year (31.03.2017)	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 (01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	National Westminster Bank PLC as trustee of the Jupiter India Fund At the beginning of the year - Purchase of shares as per report dated 21.10.2016 Purchase of shares as per report dated 27.01.2017 Purchase of shares as per report dated 31.03.2017 At the end of the year (or on the date of separation, if separated during the year)	327341 30222 9056 12225	2.48 0.23 0.07 0.09	357563 366619 378844 378844	2.71 2.78 2.88 2.88
2.	Vanaja Sundar Iyer At the beginning of the year - Purchase of shares as per report dated 08.04.2016 At the end of the year (or on the date of separation, if separated during the year)	199842 158	1.52 0.00	200000 200000	1.52 1.52
3.	Jupiter South Asia Investment Company Limited - South Asia Access Fund At the beginning of the year - Sale of shares as per report dated 20.01.2017 At the end of the year (or on the date of separation, if separated during the year)	138930 -15315	1.05 -0.12	123615 123615	0.94 0.94
4.	Venugopal Dhoot At the beginning of the year - Sale of shares as per report dated 02.09.2016 Sale of shares as per report dated 09.09.2016 Sale of shares as per report dated 30.09.2016 Sale of shares as per report dated 11.11.2016 At the end of the year (or on the date of separation, if separated during the year)	74990 -9600 -14862 -23338 -990	0.57 -0.07 -0.11 -0.18 -0.01	65390 50528 27190 26200 26200	0.50 0.38 0.21 0.20 0.20
5.	Indira Abhaykumar Firodia At the beginning of the year - At the end of the year (or on the date of separation, if separated during the year)	64396	0.49	64396	0.49
6.	Jamnabai N. Firodia At the beginning of the year - Due to Inter-se transmission At the end of the year (or on the date of separation, if separated during the year)	58825 - 58825	0.45 - 0.45	0 0	0.00 0.00

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	Canara Robeco Mutual Fund Account Canara Robeco Emerging Equities At the beginning of the year – Purchase of shares as per report dated 30.09.2016 Purchase of shares as per report dated 07.10.2016 Purchase of shares as per report dated 11.11.2016 Sale of shares as per report dated 25.11.2016 Sale of shares as per report dated 02.12.2016 Sale of shares as per report dated 09.12.2016 Purchase of shares as per report dated 20.01.2017 Purchase of shares as per report dated 17.03.2017 At the end of the year (or on the date of separation, if separated during the year)	52614 11913 30000 3000 - 26445 - 7559 - 13523 10200 1000	0.40 0.09 0.23 0.02 -0.20 -0.06 -0.10 0.08 0.01	64527 94527 97527 71082 63523 50000 60200 61200	0.49 0.72 0.74 0.54 0.48 0.38 0.46 0.46
8.	Prasanna Holdings Private Limited At the beginning of the year - At the end of the year (or on the date of separation, if separated during the year)	48579	0.37	48579	0.37
9.	Jamnabai Navalmal Firodia At the beginning of the year - Due to inter-se transmission At the end of the year (or on the date of separation, if separated during the year)	44468 - 44468	0.34 - 0.34	0 0	0.00 0.00
10.	Samir Shantilal Somaiya At the beginning of the year - At the end of the year (or on the date of separation, if separated during the year)	42666	0.32	42666	0.32

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

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Abhaykumar Firodia, Chairman At the beginning of the year Shares as per report dated 24.03.2017 (Inter-se transaction of transmission) At the end of the year	160755 103596	1.22 0.79	264351 264351	2.01 2.01
2.	Mr. Prasan Firodia, Managing Director At the beginning of the year Shares as per report dated 31.03.2017 (Inter-se transaction of transfer) At the end of the year	203463 17300	1.54 0.13	220763 220763	1.67 1.67
3.	Mr. Vinay Kothari At the beginning of the year At the end of the year	101	0	101	0.00

Note : (1) Other Directors and the Key Managerial Personnel do not hold any shares in the Company.
(2) There are changes in the shareholding of the Directors during the year due to Inter-se transactions of transmission and transfer.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits (in ₹)	Total Indebtedness (in ₹)
Indebtedness at the beginning of the Financial Year				
(i) Principal Amount	Nil	Nil	13,60,35,000	13,60,35,000
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	1,15,64,885	1,15,64,885
Total (i + ii + iii)	Nil	Nil	14,75,99,885	14,75,99,885
Change in Indebtedness during the Financial Year				
• Addition	Nil	Nil	1,32,20,000	1,32,20,000
• Reduction	Nil	Nil	11,13,50,000	11,13,50,000
Net Change	Nil	Nil	9,81,30,000	9,81,30,000
Indebtedness at the end of the Financial Year				
(i) Principal Amount	Nil	Nil	3,79,05,000	3,79,05,000
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	18,77,654	18,77,654
Total (i + ii + iii)	Nil	Nil	3,97,82,654	3,97,82,654

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 ₹)	
1. Gross Salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,20,00,000	94,42,350	2,14,42,350
(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	1,51,230	18,01,230
2. Stock Option		--	--	--
3. Sweat Equity		--	--	--
4. Commission				
• as % of profit		--	--	--
• others, specify...		--	--	--
5. Others, please specify		--	--	--
Total (A)		1,36,89,600	97,02,780	2,33,92,380
Ceiling as per the Act				23,77,86,924

B. Remuneration to other Directors :

Sl. No.	Names	Particulars of Remuneration (in ₹)			Total Amount (in ₹)
		Fee for attending Board and Committee Meetings	Commission	Others	
(1) Independent Directors					
i. Mr. Arun Sheth		4,00,000	--	--	4,00,000
ii. Mr. Nitin Desai		3,00,000	--	--	3,00,000
iii. Mr. Pratap Pawar		6,00,000	--	--	6,00,000
iv. Mr. S. Padmanabhan		6,50,000	--	--	6,50,000
v. Dr. Indira Parikh		4,50,000	--	--	4,50,000
vi. Mr. Arvind Mahajan		2,50,000	--	--	2,50,000
Total (1)		26,50,000	--	--	26,50,000
(2) Other Non-Executive Directors					
i. Mr. Sudhir Mehta		4,50,000	--	--	4,50,000
ii. Mr. Vinay Kothari		5,50,000	--	--	5,50,000
Total (2)		10,00,000	--	--	10,00,000
Total (B) = (1 + 2)		36,50,000	--	--	36,50,000
Total Managerial Remuneration					36,50,000
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*	Mrs. Aparna Lambore, Company Secretary*	Total
		(in ₹)	(in ₹)	(in ₹)	(in ₹)
1. Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,23,50,298	9,90,000	6,39,425	1,39,79,723
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	65,242	7,500	9,334	82,076
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	3,23,179	--	--	3,23,179
2. Stock Option		--	--	--	--
3. Sweat Equity		--	--	--	--
4. Commission					
•	as% of profit	--	--	--	--
•	others, specify...				
5. Others, please specify		--	--	--	--
	Total	1,27,38,719	9,97,500	6,48,759	1,43,84,978

* Mr. Kishore P. Shah was appointed as the Company Secretary of the Company, in place of Mrs. Aparna G. Lambore, Company Secretary of the Company, during the Financial Year 2016-17 and the above payment details pertain proportionately for that part of the Financial Year.

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)
A. COMPANY					
Penalty					
Punishment					
Compounding	621 A of the Companies Act, 1956 (under Section 441 of the Companies Act, 2013 due to change in law).	Section 297 (1) of the Companies Act, 1956. The matter relates to certain contracts with the then subsidiary / joint venture. In order to avoid litigation, the offer of compounding was made by the Company.	Compounding Fee of ₹ 1,50,000 directed to be paid by the Company.	National Company Law Tribunal (NCLT)	Not Applicable
B. DIRECTORS					
Penalty					
Punishment					
Compounding	621 A of the Companies Act, 1956 (under Section 441 of the Companies Act, 2013 due to change in law).	Section 297 (1) of the Companies Act, 1956. The matter relates to certain contracts with the then subsidiary / joint venture. In order to avoid litigation, the offer of compounding was made by the Company.	Compounding Fee of ₹ 1,00,000 directed to be paid by a Director.	NCLT	Not Applicable
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding	621 A A of the Companies Act, 1956 (under Section 441 of the Companies Act, 2013 due to change in law).	Section 297 (1) of the Companies Act, 1956. The matter relates to certain contracts with the then subsidiary / joint venture. In order to avoid litigation, the offer of compounding was made by the Company.	Compounding Fee of ₹ 50,000 directed to be paid by an Officer of the Company	NCLT	Not Applicable

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st March 2017**

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

To,
The Members,
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 2017 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 2017 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) 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.

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. Arvind Rajinder Nath Mahajan has been appointed as an Additional Director of the Company (for the position of Independent Director) as on 30th July 2016.

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.

Place : Pune

Date : 20th July 2017

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 : 20th July 2017

I. U. THAKUR

Practising Company Secretary

FCS - 2298 C.P.No. - 1402

ANNUAL REPORT ON CSR ACTIVITIES 2016-17

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.

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 : ₹ 14,547 Lakh.**4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) : ₹ 291 Lakh.****5. Details of CSR spent during the financial year :**

(a) Total amount spent for the Financial Year : ₹ 300 Lakh.

(b) Amount unspent, if any: Nil.

(c) 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 Programs 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.	₹ 253 Lakh	₹ 253 Lakh	₹ 479 Lakh	Directly*
2.	To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Health care and Livelihood enhancement.	"Promoting Health Care including Preventive Health Care". Schedule VII Sr. No. (i)	Pune, Maharashtra - 411 001.	₹ 16 Lakh	₹ 16 Lakh	₹ 16 Lakh	Ruby Hall Clinic
3.	To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Health care and Livelihood enhancement.	"Promoting Health Care including Preventive Health Care". Schedule VII Sr. No. (i)	Bhubaneswar, Orissa - 751 001.	₹ 6 Lakh	₹ 6 Lakh	₹ 6 Lakh	Utkal Bipanna Sahayata Samiti

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 Programs 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
4.	To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Health care and Livelihood enhancement.	"Livelihood enhancement projects". Schedule VII Sr. No. (ii)	Rajgir, Nalanda, Bihar - 803 116.	₹ 4 Lakh	₹ 4 Lakh	₹ 4 Lakh	Veerayatan
5.	To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Health care and Livelihood enhancement.	"Livelihood enhancement projects". Schedule VII Sr. No. (ii)	Baramati, Maharashtra - 413 115.	₹ 11 Lakh	₹ 11 Lakh	₹ 11 Lakh	Agricultural Development Trust
6.	To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Health care and Livelihood enhancement.	"Livelihood enhancement projects". Schedule VII Sr. No. (ii)	Dehradun, Uttarakhand - 248 001.	₹ 10 Lakh	₹ 10 Lakh	₹ 10 Lakh	Information Technology Institute for the Tribes of India

6. *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 ₹ 253 Lakh has been paid to the trust for the hospital.
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 first 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 2016 to 31st March 2017
- 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) : 3,49,457 Lakh
- Total profit after taxes (INR) : 17,992 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 2017. At present Business Responsibility ('the BR') initiatives of the Company are restricted to its own operations only, as the Subsidiary Company is a small corporate entity and not employing any employees.

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)	--
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 2016-17 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 2017, there were a total of 6,987 workmen on the Company's rolls. The Company has 87 women employees out of the above. In addition, there were 325 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 2016-17, 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 2017, 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.

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 automobile industry the world over is buffeted by fundamental forces of change, and these equally affect the Indian automobile industry, Indian manufacturers and our market.

Over the last half a century gradually, diesel emerged as the fuel of choice. In Europe and increasingly in the United States and Japan, technologies to provide high performance and extremely low emission engine solutions, with diesel as the fuel of choice were remarkable. Euro VI in Europe, and equivalent BS VI regulations in India offer solutions which are extremely attractive from the customers' point of view, as also from the environment point of view. However, the controversial case against one of the leading European vehicle manufacturers in America, has created a storm of protest against diesel fuel. The continued acceptance of diesel fuel for light commercial vehicles and for cars therefore is under pressure, whereas for heavy commercial vehicles at the moment diesel seems to be a stable bet.

If, in spite of promulgating the BS VI standard in India, for which your Company as also all Indian owned automobile companies are striving, a global anti-diesel opinion may build up. This will have very serious effects on the industry and your Company can be no exception. We strongly believe in the virtue of diesel and also understand that at BS IV, and certainly at BS VI level, the quality of the air exhausted from the engine will be superior to the quality of the air ingested. Nevertheless the environmentalists who influence public opinion, as also other less than well-informed opinion makers - hold a bias against diesel, which could be harmful.

In the last 5 to 7 years gradually, the full electric vehicle concept and solution has not only gained popularity, but has found increasing success in the market. Electro mobility is not a new concept. The first fully electric vehicle was demonstrated in an automobile fair in Germany more than a 100 years ago. In recent years, the developments in battery technology have now brought full electric solutions, with new light weight batteries, within striking distance. It is expected that over the next 10 years, there will be a significant transition to electro mobility.

Both the above issues are of seminal importance to your Company, and being seized of their importance, your Company is striving to find appropriate, robust, high-tech solutions in the shortest possible time.

Our BS VI programme is on track. We expect to field the full range of vehicles produced by your Company, which will comply with BS VI regulations in time. It is hoped that there will be consistency of deadline and no pre-empting, as happened with the BS IV deadline, in order to avoid unanticipated losses and dis-organisation both in production and sales.

Success of electro mobility is dependent on availability of batteries, with the cost per kilowatt hour at a level which can compete with fossil fuels. It is expected that by the year 2020 there will be a much stronger position and possibility, for full electric vehicles. The opinions expressed by the Government recently in favour of "full electric" vehicles in preference to "hybrid electric" is a step in the right direction for the majority of vehicles.

Your company has created a strong R & D team, and is investing in facilities and projects, to ensure that its full fleet of present and future vehicles that it will sell, will be compatible with electro mobility requirements.

The Government has recently introduced the new Motor Vehicles Act with many improvements, with interesting and relevant provisions for transportation for people for hire. For example, the concept of Rural Vans etc. The implementation of the same by State Governments, to facilitate mass travel by groups of people for - Yatra, for Pilgrimages, for Pleasure and for Business - will require fresh thinking on the part of State Governments, so as not to discriminate against vehicles with seating capacity between 9 to 13 seats. This particular seating capacity category attracts a penal surcharge taking the total tax under GST to 43 per cent, whereas vehicles below 9 seats or above 13 seats capacity have a maximum tax rate under GST of 28 per cent. It was hoped that the GST regime would eliminate this unexplained and illogical anomaly. However unfortunately this has not happened. For your Company this is an important issue as many of the Traveller and Trax vehicles produced by the Company have seating capacity higher than 9 and less than 13 seats. This slot is crucially important in the market, as it caters to school children, ambulances, yatra vehicles and business vehicles - transporting people in urban and rural areas to work. The high tax rate on these vehicles and the unfriendly approach of some of the State Governments in restricting licensing of such vehicles, leads to not just high cost of travel, but also to undesirable and at times even corrupt practices by both operators and regulators, etc. From every perspective, this needs urgent correction.

During the last year, with the introduction of the GST, not only has business environment got simplified in terms of a uniform tax rate and therefore uniform prices pan India, but has resulted in dramatic streamlining of our outward and inward value chains and logistics arrangements. The Company is now able to function by eliminating the large number of depots that it had to operate. Business cycles have improved, and costs are better controllable.

Introduction by the Government of regulations in enhancing the safety aspects of vehicles are most welcome. India is fast emerging as a very important location for "manufacturing" automobiles. The adaption of internationally acceptable standard for emission and safety will improve the business of the Indian industry further. It is however important to nurture the Indian industry not only to support manufacturing, but "Make in India" needs to be supported - in terms of "design, develop in India as well". For this, a long-term view is necessary - for re-assessing the policies of the Government towards the automobile industry. "Vehicles and aggregates" - researched and developed in India - as also for which the "tooling and plant is manufactured in India" deserve far closer and deeper support from the Government. Every country in the world which has a strong research and development facility in automobiles, has achieved enormous value addition capability for the economy, and the power of engineering from automotive field rubs off with extremely beneficial effects on defence production and infrastructure stability. Thus "Make in India" needs to be understood in the perspective of "Make it Happen in India from Concept to Design, to Engineering, to Production", in place of only emphasising production. It is hoped that the Government will, having made extraordinarily far-sighted and courageous structural reforms in the Indian economy, take the above into account, for future policies to energise the automobile industry.

II. PERFORMANCE OF THE COMPANY

The number of vehicles sold during the Financial Year under report was 32,929 compared to 33,354 vehicles sold in the Financial Year 2015-16. During the year under report, the Company achieved a top line of ₹ 3,494.57 crore. The sales turnover stood at ₹ 3,463.53 crore compared to the previous year's turnover of ₹ 3,423.92 crore.

The details of performance of your Company can be seen in terms of the operational and the financial aspects as mentioned in the Directors' Report. Generally one can state that the year under report saw 3 major impacts –

- first of demonetisation, then
- of the emission standard change, and finally
- of the introduction of the GST regime

which created transitory turbulences. The business of the Company was therefore temporarily affected. The outlook for the current year and the future is seen as bright. There would be significant improvement if regulatory issues arising from the GST rate on the Harmonised Tariff Code Item 8702 is simplified, as also if such vehicles are facilitated to operate freely on a pan India basis, there is enough pent up demand, and a crying need to do this.

III. 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.

IV. OPPORTUNITIES, THREATS AND RISK FACTORS

The speed of change in regard to electro mobility and the developing resistance to diesel fuel are twin technical challenges which threaten to bring about far-reaching changes in the automobile industry. These are seen as threats and also as opportunities.

V. FINANCIAL PERFORMANCE

As stated above, the Company sold 32,929 vehicles during the Financial Year 2016-17 compared to 33,354 vehicles in the previous Financial Year 2015-16. The Profit, before Finance Costs, Depreciation and Taxes, from operations for the year under report was ₹ 353.62 crore as compared to operating profit for the previous Financial Year 2015-16 amounting to ₹ 345.44 crore. The Net Profit of the Company after Finance Costs, Depreciation and

Taxes items was ₹ 179.92 crore for the Financial Year 2016-17. The Reserves and Surplus of the Company as on 31st March 2017 stood at ₹ 1652.23 crore.

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 strengthened the efforts on skill development and knowledge development for its employees in various functions within the Company, such as Sales and Marketing, Production, R&D, Engineering, etc. The well equipped training facilities at all of the Company's plants are being utilised intensively.

Your Company, because of its very highly vertically integrated manufacturing infrastructure, and the employment of a very wide variety of technologies - in Research, Development, Tool Engineering and Component / Vehicle Manufacturing - naturally is an excellent training ground for young engineers in the automotive industry. The vertical integration of the Company is exceptional in the automotive industry, and is a very important factor for the ability of your Company to function in specialised niches, with cost effectiveness and confidence.

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 2017, the Board comprised 11 Directors. 03 Directors were Executive Directors, while remaining 08 were Non-Executive Directors. Of the Non-Executive Directors, 06 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 2017) 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	07	06	--	--
Mr. Prasan Firodia @	07	00	--	--
Mr. Sudhir Mehta	12	01	--	--
Mr. Pratap Pawar @@	18	01	05	03
Mr. S. Padmanabhan	07	00	04	01
Mr. Nitin Desai	10	00	01	--
Dr. Indira Parikh	08	00	04	--
Mr. Arun Sheth	12	10	--	--
Mr. Arvind Mahajan	01	00	01	--
Mr. Vinay Kothari	10	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.

@ Mr. Prasan Firodia has resigned as a director of Sona Koyo Steering Systems Limited on 31st May 2017.

@@ Mr. Pratap Pawar has resigned as a director of Karha Developers & Miners Private Limited on 25th April 2017.

• Attendance

During the Financial Year 2016-17, six meetings of the Board were held on 29th April 2016, 30th July 2016, 28th September 2016, 27th October 2016, 3rd January 2017 and 21st January 2017. The attendance of Directors during the Financial Year 2016-17 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 28th September 2016
Mr. Abhaykumar Firodia	6	Yes
Mr. Prasan Firodia	5	Yes
Mr. Sudhir Mehta	6	Yes
Mr. Pratap Pawar	5	No
Mr. S. Padmanabhan	6	Yes
Mr. Nitin Desai	4	Yes
Dr. Indira Parikh	5	Yes
Mr. Arun Sheth	4	Yes
Mr. Arvind Mahajan*	3	Yes
Mr. Vinay Kothari	5	Yes
Mr. Prashant Inamdar	5	Yes

*Mr. Arvind Mahajan was appointed as an additional director w.e.f. 30th July 2016.

• 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, 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 21st January 2017 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.

• 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. 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 2016-17 are provided in MGT-9.

• Remuneration to Non-Executive Directors

The details of sitting fees paid to the Non-Executive Directors during the Financial Year 2016-17 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 ₹ 7,506 Lakh and ₹ 391 Lakh respectively.

3. Committees

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised 03 directors as on 31st March 2017:

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

Mr. Arvind Mahajan was appointed as a member of the Nomination and Remuneration Committee w.e.f. 30th July 2016. Mr. Pratap Pawar ceased to be a member w.e.f. 30th July 2016.

The Committee met twice during the Financial Year ended 31st March 2017. 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	
	30.07.2016	21.01.2017
Mr. S. Padmanabhan	P	P
Mr. Arvind Mahajan*	-	P
Mr. Vinay Kothari	P	P
Mr. Pratap Pawar#	P	-

*Appointed as a member w.e.f. 30th July 2016.

Ceased to be a member w.e.f. 30th July 2016.

Terms of reference of Nomination and Remuneration Committee includes -

- (i) 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.
- (ii) Formulation of criteria for evaluation of Independent Directors and the Board.
- (iii) Devising a policy on Board diversity.
- (iv) 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.

Audit Committee

The Audit Committee comprised 05 directors as on 31st March 2017:

- 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

Dr. Indira Parikh and Mr. Sudhir Mehta were appointed as members of the Audit Committee w.e.f. 30th July 2016. Mr. S. Padmanabhan ceased to be a member w.e.f. 30th July 2016.

The Committee met four times during the Financial Year ended 31st March 2017. The attendance details of the Audit Committee meetings are as follows :

Name of the Director	Date of Audit Committee meetings			
	29.04.2016	30.07.2016	27.10.2016	21.01.2017
Mr. Pratap Pawar	P	P	P	P
Mr. Arun Sheth	A	P	P	P
Dr. Indira Parikh*	--	--	P	P
Mr. Sudhir Mehta*	--	--	P	P
Mr. Vinay Kothari	P	P	P	P
Mr. S. Padmanabhan#	P	P	--	--

*Appointed as a member w.e.f. 30th July 2016.

Ceased to be a member w.e.f. 30th July 2016.

Mr. Vinay Kothari attended the last Annual General Meeting in place of Mr. Pratap Pawar, Chairman of the Committee, who could not attend the Annual General Meeting.

The terms of reference of the Audit Committee includes :

- (i) Oversight of Company's reporting processes and financial information, review of Financial Statements, both audited and unaudited.
- (ii) 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.

- (iii) Recommendation of appointment and remuneration of statutory and cost auditors, internal auditors, approval of appointment of Chief Financial Officer.
- (iv) Review and approval of related party transaction(s), decide the principles for grant of omnibus approval for related party transaction(s).
- (v) Oversee the vigil mechanism, evaluation of internal financial controls and risk management systems, and
- (vi) 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 30th July 2016, 27th October 2016 and 21st January 2017 respectively; and Audited Annual Accounts for the Financial Year 2016-17 in its meeting held on 11th May 2017. 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 03 directors as on 31st March 2017:

- Mr. Sudhir Mehta, Chairman, Non-Executive Director
- Mr. Vinay Kothari, Non-Executive Director
- Mr. Prasan Firodia, Managing Director

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 w.e.f. 30th July 2016, in place of Mrs. Aparna G. Lambore.

During the year under report, 16 shareholders' complaints were received and all these complaints were resolved to the satisfaction of the concerned members. As of 31st March 2017, no complaint was pending.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board comprised 03 directors as on 31st March 2017:

- 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 30th July 2016.

Risk Management Committee

The Risk Management Committee of the Board comprised of Mr. Prasan Firodia, Managing Director, Mr. Sudhir Mehta, Non-Executive Director, Mr. Prashant V. Inamdar, Executive Director (Operations), Mr. R. B. Bhandari, Officer on Special Duty, and Mr. Pradeep Dhadiwal, Sr.Vice President. Mr. Prasan Firodia was the Chairman of the Committee. The Risk Management Committee was dissolved w.e.f. 30th July 2016.

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
20th September 2014	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411035.	04	Alteration of Articles of Association, Appointment of Managing Directors
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

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 2016-17.

5. Means of Communication

The Unaudited Financial Results for the first, second and third quarters and Audited Results for the last quarter of the Financial Year 2016-17 were made available to BSE, where the shares of the Company are quoted, on the same day on which they were approved and taken on record by the Board. The Quarterly Unaudited Financial Results were subject to Limited Review by the Statutory Auditors of the Company. The appropriate reports for

each quarter were filed with the Stock Exchange on 30th July 2016, 27th October 2016 and 21st January 2017 respectively.

The quarterly and Annual Audited Financial Results are published in national English dailies such as Financial Express, Business Standard (1st, 2nd and 3rd quarters and Annual Audited Financial Results) and in The Economic Times (Annual Audited Financial Results) and in Marathi local dailies such as LokSatta (1st, 2nd and 3rd quarters and Annual Audited Financial Results) and Maharashtra Times (Annual Audited Financial Results) after the information was made available to the Stock Exchange in the prescribed format.

The working results of the Company are available on the Company's website www.forcemotors.com.

No presentation was made to any institutional investors or analyst during the Financial Year 2016-17.

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 www.forcemotors.com

• Dividend Distribution Policy

The Company's name has been included in Top 500 list of companies for market capitalization as on 31st March 2017 by the Stock Exchanges 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 www.forcemotors.com

• Whistle Blower Policy / Vigil Mechanism

The Company has a vigil mechanism, formulated a Whistle Blower Policy; and 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 www.forcemotors.com.

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 were 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 except in the Financial Year 2014-15, the Company has paid penalty of ₹ 17,977 (including service tax) to BSE Limited for delay in submission of Corporate Governance Report of one quarter.

- **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 : 13th September 2017

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 11th May 2017 has recommended a final dividend of ₹ 10 per equity share on 1,31,76,262 equity shares for the Financial Year ended 31st March 2017. The dividend, if declared by the members of the Company will be paid after 13th September 2017.

- **Date of Book Closure**

The register of members and share transfer books of the Company will remain closed from Thursday, 7th September 2017 to Wednesday, 13th September 2017, both days inclusive.

- **Listing on Stock Exchange**

Shares of the Company are listed on BSE Limited. Annual Listing fee for the Financial Year 2016-17 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 2016-17 is as under:

Month	Share Price		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2016	3519.00	2820.00	26100.54	24523.20
May 2016	3549.00	2840.00	26837.20	25057.93
June 2016	3078.00	2801.00	27105.41	25911.33
July 2016	3390.00	2980.00	28240.20	27034.14
August 2016	3449.00	2980.00	28532.25	27627.97
September 2016	3528.00	3020.00	29077.28	27716.78
October 2016	4839.00	3533.00	28477.65	27488.30
November 2016	4775.00	3462.00	28029.80	25717.93
December 2016	4099.00	3525.00	26803.76	25753.74
January 2017	4530.10	3685.00	27980.39	26447.06
February 2017	4478.00	4070.00	29065.31	27590.10
March 2017	4709.00	4221.55	29824.62	28716.21

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



- **Distribution of Shareholding**

Distribution of shareholding as on 31st March 2017 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	45,035	97.54	17,80,390	13.51
501 to 1000	593	1.28	4,39,013	3.33
1001 to 2000	273	0.59	3,91,059	2.97
2001 to 3000	92	0.20	2,28,940	1.74
3001 to 4000	52	0.11	1,87,402	1.42
4001 to 5000	31	0.07	1,44,120	1.09
5001 to 10000	50	0.11	3,57,450	2.71
10001 & above	44	0.10	96,47,888	73.22
Total	46,170	100.00	1,31,76,262	100.00

• 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 26 share transfers, 27 transmissions, 109 requests for dematerialization and 5 requests for re-materialization 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 2017, 96.62% of our shares were held in dematerialized form and 3.38% 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, Taluk 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 : (020) 27476381
e-mail : compliance-officer@forcemotors.com

or

Mr. Bhagvant Sawant

Link Intime India Private Limited

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

Phone : (020) 26161629 / 26160084 / 26163503

Telefax No. : (020) 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 period a of seven years from the date of transfer to Unpaid Dividend Account to the credit of the Investor Education and Protection Fund 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 Investor Education and Protection Fund 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	2009-10	25-Sep-2010	24-Oct-2017
2	2010-11	24-Sep-2011	23-Oct-2018
3	2011-12	22-Sep-2012	21-Oct-2019
4	2012-13	21-Sep-2013	20-Oct-2020
5	2013-14	20-Sep-2014	19-Oct-2021
6	2014-15	26-Sep-2015	25-Oct-2022
7	2015-16	12-Mar-2016	18-Apr-2023

F. 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 have been transferred to the 'Force Motors Limited-Unclaimed Securities Suspense Account'. As per the Listing Regulations, all corporate benefits in terms of securities accruing on these shares shall also be credited to this account.

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 : 2,401 Equity Shares of ₹ 10 each of 22 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: 2,612 Equity Shares of ₹ 10 each of 23 shareholders
- e) Voting rights on these shares shall remain frozen till the rightful owner of these shares present a claim for the same.

G. 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 2017.

Pune, 20 July 2017

Prasan Firodia
Managing Director
DIN : 00029664

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, for the year ended 31st March 2017, as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1st April 2016 to 31st March 2017.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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.

For **M/s. P. G. Bhagwat**
[FRN : 101118W]
Chartered Accountants

Pune, 20th July 2017.

S. S. Athavale
Partner
Membership No. 83374

INDEPENDENT AUDITORS' REPORT

To the Members of Force Motors Limited

Report on 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 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the 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.

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 state of affairs (financial position), Profit or Loss (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 in Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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. 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 there under.

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 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained 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, including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March 2017, and its profit (financial performance, including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 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, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Companies (Indian Accounting Standards) Rules, 2015 specified under Section 133 of the Act, read with the Rules of the Companies (Accounts) Rules, 2014.
 - (e) In our opinion there are no financial transactions or matters which have any adverse effect on the functioning of the Company.

- (f) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) 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;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 30 to the 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.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, by the Company, subject to Note 42 in Notes to Ind AS Financial Statements.
 - (iv) The Company had provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company (Refer Note 45)

For **M/s. P. G. Bhagwat**
 Firm's Registration Number : 101118W
 Chartered Accountants

Place : Pune
 Date : 11th May 2017

Sanjay Athavale
 Partner
 Membership Number 83374

ANNEXURE - A TO THE AUDITORS' REPORT

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As explained to us, considering the nature of the Fixed Assets, the same have been physically verified by the management at reasonable intervals during the year as per the verification plan adopted by the Company, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and the records produced to us for our verification, the discrepancies noticed during such physical verification were not material and the same have been properly dealt with in the books of account;
- (c) The title deeds of immovable properties are held in the name of the Company;
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed during such verification;
- (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, 2013.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made investments, or given any guarantee or security in respect of which the provisions of Sections 185 and 186 of the Companies Act, 2013 were required to be complied with.
- (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 provisions 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 Company is maintaining cost records as prescribed under Section 148 (1) of the Companies Act, 2013. However, we have not verified the same for completeness or accuracy.
- (vii) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there were no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;

- (b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or excise duty or value added tax which have not been deposited on account of any dispute except :

Name of the Statute	Amount (₹ Lakhs)	Forum
Customs Duty	1	Asst. Commissioner of Customs, Mumbai CESTAT, Mumbai
Sales Tax	406	Sr. Dy. Comm. of Sales Tax, Pune, Jt. Comm. of Sales Tax (Appeals) 1, Pune, Jt. Comm. of Profession Tax, Pune, Dy. Comm. (Appeals) III, Commercial Taxes, Jaipur, Dy. Comm. of Commercial Tax, Sitarampur, Dy. Comm., Commercial Tax, Ratlam, M.P. Commercial Tax, Appellate Board, Bhopal & Additional Comm. of Commercial Tax, Indore.
Excise Duty	2,619	Commissioner of Central Excise (Appeals), Pune 1 Commissionerate, Pune, CESTAT, Western regional Bench, Mumbai, CESTAT, New Delhi & Comm. (Appeals), Bhopal.
Total	3,026	

- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or by way

of term loan during the year.

- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year;
- (xi) Managerial remuneration for the year has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act;
- (xii) The Company is not a Nidhi Company;
- (xiii) Based upon the audit procedures performed and information and explanations given by the management, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) Based upon the audit procedures performed and information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him within the meaning of the provisions of Section 192 of Companies Act, 2013;
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **M/s. P. G. Bhagwat**
Firm's Registration Number : 101118W
Chartered Accountants

Place : Pune
Date : 11th May 2017

Sanjay Athavale
Partner
Membership Number 83374

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls 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 2017 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting.

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 Ind AS 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 Ind AS 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. P. G. Bhagwat
Firm's Registration Number : 101118W
Chartered Accountants

Place : Pune
Date : 11th May 2017

Sanjay Athavale
Partner
Membership Number 83374

Balance Sheet as at 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I ASSETS :				
1. Non-current Assets				
(a) Property, Plant and Equipment	3	85,633	75,404	61,649
(b) Capital Work-in-progress	3	12,011	13,160	17,455
(c) Investment Property	4	628	652	677
(d) Other Intangible Assets	5	4,881	3,183	1,331
(e) Intangible Assets under development	5	10,015	7,300	6,521
(f) Financial Assets				
(i) Investments	6	967	843	1,092
(ii) Loans and Advances	7	1,765	1,734	1,100
(g) Other Non-current Assets	9	4,560	6,156	8,990
Total Non-current Assets		1,20,460	1,08,432	98,815
2. Current Assets				
(a) Inventories	10	43,767	54,751	39,255
(b) Financial Assets				
(i) Trade Receivables	11	11,510	15,040	10,868
(ii) Cash and Cash equivalents	12	8,645	5,657	4,795
(iii) Bank Balance other than (ii) above	12	14,777	26,107	25,509
(iv) Loans and Advances	7	119	155	169
(v) Other Financial Assets	13	41,450	1,517	425
(c) Current Tax Assets (Net)	8	11,694	8,013	7,115
(d) Other Current Assets	9	17,343	10,434	11,186
Total Current Assets		1,49,305	1,21,674	99,322
Total Assets		2,69,765	2,30,106	1,98,137
II EQUITY AND LIABILITIES :				
1. Equity				
(a) Equity Share Capital	14	1,318	1,318	1,318
(b) Other Equity	15	1,65,223	1,47,446	1,32,096
Total Equity		1,66,541	1,48,764	1,33,414
2. Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	199	264	1,073
(ii) Other Financial Liabilities	17	396	396	396
(b) Provisions	18	2,519	2,227	1,905
(c) Deferred Tax Liabilities (Net)	8	9,749	6,769	2,642
(d) Other Non-current Liabilities	20	228	185	17
Total Non-current Liabilities		13,091	9,841	6,033
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	19,647	--	--
(ii) Trade Payables	19	48,535	41,725	39,283
(iii) Other Financial Liabilities	17	2,570	3,760	9,097
(b) Other Current Liabilities	20	16,535	23,706	7,612
(c) Provisions	18	2,846	2,310	2,698
Total Current Liabilities		90,133	71,501	58,690
Total Liabilities		1,03,224	81,342	64,723
Total Equity and Liabilities		2,69,765	2,30,106	1,98,137

See accompanying notes forming part of the financial statements

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As per our separate report of even date.

For M/s. P. G. Bhagwat

[FRN : 10118W]

Chartered Accountants

 Sanjay Kumar Bohra
Chief Financial Officer

 Prasan Firodia
Managing Director

S. S. Athavale

Partner

Membership No. 83374

 Kishore P. Shah
Company Secretary

 Sudhir Mehta
Director

Place : Pune

Date : 11th May 2017

Place : Pune

Date : 11th May 2017

Statement of Profit and Loss for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I INCOME :			
(a) Revenue from Operations	21	3,49,457	3,45,211
(b) Other Income	22	8,494	7,144
Total Income		3,57,951	3,52,355
II EXPENSES :			
(a) Cost of Materials consumed	23	2,13,056	2,23,764
(b) Change in Inventories of Finished Goods and Work-in-progress	24	7,179	(6,519)
(c) Excise Duty		42,558	42,745
(d) Employee benefits expense	25	35,008	30,431
(e) Finance costs	26	554	530
(f) Depreciation and Amortization expense	27	11,308	9,189
(g) Other expenses	28	32,192	31,544
		3,41,855	3,31,684
Less : Expenditure included in the above items capitalised		7,309	4,154
Total Expenses		3,34,546	3,27,530
III Profit before exceptional items and tax		23,405	24,825
IV Exceptional Items	46	95	--
V Profit Before Tax		23,500	24,825
VI Tax Expense :	8		
(a) Current Tax		2,348	2,879
(b) Deferred Tax		3,162	4,072
(c) Taxation in respect of earlier years		(2)	--
Total Tax Expense		5,508	6,951
VII Profit for the year		17,992	17,874
VIII Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss			
(i) Re-measurements of net defined benefit liability		(522)	159
(ii) Equity instrument through Other Comprehensive Income		124	(249)
		(398)	(90)
(b) Income tax relating to items that will not be reclassified to Profit or Loss			
Taxes on re-measurements of net defined benefit liability		181	(55)
Taxes on Equity instrument through Other Comprehensive Income		1	--
		182	(55)
Total Other Comprehensive Income		(216)	(145)
IX Total Comprehensive Income for the year (comprising Profit and Other Comprehensive Income for the year) (VII - VIII)		17,776	17,729
X Basic and Diluted Earnings per equity share	29	136.55	135.65
[Nominal value per share ₹ 10] ₹			

See accompanying notes forming part of the financial statements

1-49

As per our separate report of even date.

 For **M/s. P. G. Bhagwat**
 [FRN : 101118W]
 Chartered Accountants

Sanjay Kumar Bohra
 Chief Financial Officer

Prasan Firodia
 Managing Director

S. S. Athavale
 Partner
 Membership No. 83374

Kishore P. Shah
 Company Secretary

Sudhir Mehta
 Director

 Place : Pune
 Date : 11th May 2017

 Place : Pune
 Date : 11th May 2017

Statement of Changes in Equity for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Balance as at 1st April 2015	Changes in Equity Share Capital during the year	Balance as at 31st March 2016
1,318	--	1,318
Balance as at 1st April 2016	Changes in Equity Share Capital during the year	Balance as at 31st March 2017
1,318	--	1,318

B. Other Equity

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Retained earnings		
Balance at the beginning of the reporting period as at 1st April 2015	5,920	34,629	90,614	969	1,32,132
Prior year items	--	--	(36)	--	(36)
Balance as at 1st April 2015	5,920	34,629	90,578	969	1,32,096
Profit for the year	--	--	17,874	--	17,874
Other Comprehensive Income (net of tax)	--	--	104	(249)	(145)
Dividends (including dividend distribution tax)	--	--	(2,379)	--	(2,379)
Balance as at 31st March 2016	5,920	34,629	1,06,177	720	1,47,446
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

Statement of Cash Flows for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended 31st March 2017	For the year ended 31st March 2016	
(A) Cash flow from Operating Activities :			
Profit before tax	23,500	24,825	
Adjustments for :			
Depreciation and Amortization expense	11,308	9,189	
Net exchange differences	(198)	(135)	
Interest Income	(2,367)	(2,695)	
Dividend income on Equity Securities	(16)	(16)	
Loss / (Gain) on disposal of Property, Plant & Equipment	129	(13)	
Finance Costs	554	530	
Provision for bad, doubtful debts and debit balances	40	395	
Operating Profit before Working Capital adjustments	32,950	32,080	
Working Capital adjustments			
(Increase) / Decrease in :			
Trade Receivables	3,508	(4,548)	
Inventories	10,984	(15,496)	
Other Financial Assets	(28,598)	(2,308)	
Other Non-financial Assets	(6,905)	756	
Trade Payables	7,005	2,553	
Financial Liabilities	(57)	(37)	
Non-financial Liabilities	(7,127)	16,262	
Provisions	305	93	
Cash generated from Operations	12,065	29,355	
Income Tax paid (net)	(6,027)	(3,777)	
Net Cash flow from Operating Activities	6,038	25,578	
(B) Cash flow from Investing Activities :			
Payments for Property, Plant & Equipment and Intangible Assets	(23,528)	(23,781)	
Proceeds from sale of Property, Plant & Equipment and Intangible Assets	92	69	
Interest received	2,367	2,695	
Dividends received	16	16	
Net Cash flow from Investing Activities	(21,053)	(21,001)	
(C) Cash flow from Financing Activities :			
Repayment of borrowings	(981)	(768)	
Proceeds from borrowings	19,647	--	
Interest paid	(649)	(571)	
Dividends paid (including Dividend Distribution Tax)	--	(2,379)	
Net Cash flow from Financing Activities	18,017	(3,718)	
Net Increase / (Decrease) in Cash and Cash equivalents	3,002	859	
Cash and Cash equivalents at beginning of the financial year	5,654	4,795	
Cash and Cash equivalents at end of the financial year	8,656	5,654	
	31st March	31st March	1st April
	2017	2016	2015
Cash and cash equivalents as per Note 12	8,645	5,657	4,795
Effects of exchange rate fluctuations on Cash and Cash equivalents held	11	(3)	-*
	8,656	5,654	4,795

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

As per our separate report of even date.

 For **M/s. P. G. Bhagwat**
 [FRN : 101118W]
 Chartered Accountants

Sanjay Kumar Bohra
 Chief Financial Officer

Prasan Firodia
 Managing Director

S. S. Athavale
 Partner
 Membership No. 83374

Kishore P. Shah
 Company Secretary

Sudhir Mehta
 Director

 Place : Pune
 Date : 11th May 2017

 Place : Pune
 Date : 11th May 2017

Notes to Financial Statements for the year ended 31st March 2017
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 - 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.

2. SIGNIFICANT ACCOUNTING POLICIES
(a) Basis of preparation

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.

The financial statements up to year ended 31st March 2016 were prepared in accordance with the Accounting Standards notified under accounting principles generally accepted in India (Indian GAAP), including Accounting Standards notified under the section 133 of the Companies Act 2013, read together with the Companies (Accounts) Rules, 2006 (as amended) and other relevant portions of the Act.

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards. The transition has been carried out from Indian GAAP which is considered as the Previous GAAP, as defined in Ind AS 101. An explanation of how the transition to Ind AS has affected the reported Balance Sheet, Statement of Profit and Loss and Cash flows of the Company is provided in Note 47.

(b) Basis of measurement

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) 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.

(d) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold land is measured at historical cost.

(e) Investment Property

Investment property is measured at cost less accumulated depreciation.

(f) 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.

(g) Borrowing Costs

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

(h) 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.

(i) 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 recognised 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.

(j) 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

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.

(k) 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 the 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 of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognized immediately in balance sheet with corresponding debit or credit to Other Comprehensive Income. Re-measurements are not reclassified to profit or loss in subsequent period.

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.

(l) Incentives

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

(m) 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.

(n) 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.

(o) Significant accounting judgments, estimates and assumptions

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(f)(ii) above.

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

(p) 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.

Amendments to Ind AS 107 - Statement of Cash Flows

In March 2017, the Ministry of Corporate Affairs issued amendments to Ind AS 107 - Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financial activities. The amendment is effective from 1st April 2017.

Notes to Financial Statements for the year ended 31st March 2017

(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										
Deemed cost as at 1st April 2015	771	1,590	11,699	1,20,319	1,024	3,235	615	14,481	1,53,734	17,455
Additions	--	--	9,045	7,880	107	361	135	4,668	22,196	7,574
Disposals	--	--	--	62	3	174	43	--	282	11,869
Balance as at 31st March 2016	771	1,590	20,744	1,28,137	1,128	3,422	707	19,149	1,75,648	13,160
Balance as at 1st April 2016	771	1,590	20,744	1,28,137	1,128	3,422	707	19,149	1,75,648	13,160
Additions	93	--	4,358	15,126	202	537	138	--	20,454	16,182
Disposals	--	--	--	82	1	324	4	--	411	17,331
Balance as at 31st March 2017	864	1,590	25,102	1,43,181	1,329	3,635	841	19,149	1,95,691	12,011
Accumulated depreciation										
Balance as at 1st April 2015	--	19	5,029	81,975	652	1,676	443	2,291	92,085	
Depreciation for the year	--	19	757	6,441	66	288	70	745	8,386	
Disposals	--	--	--	62	1	122	42	--	227	
Balance as at 31st March 2016	--	38	5,786	88,354	717	1,842	471	3,036	1,00,244	
Balance as at 1st April 2016	--	38	5,786	88,354	717	1,842	471	3,036	1,00,244	
Depreciation for the year	--	16	919	7,724	71	321	90	863	10,004	
Disposals	--	--	--	35	1	150	4	--	190	
Balance as at 31st March 2017	--	54	6,705	96,043	787	2,013	557	3,899	1,10,058	
Carrying amounts (net)										
As at 31st March 2017	864	1,536	18,397	47,138	542	1,622	284	15,250	85,633	12,011
As at 31st March 2016	771	1,552	14,958	39,783	411	1,580	236	16,113	75,404	13,160
As at 1st April 2015	771	1,571	6,670	38,344	372	1,559	172	12,190	61,649	17,455

Notes :

- (1) Refer to Note 34 for Plant & Equipment given on Operating Lease.
- (2) Refer to Note 30 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- (3) Capital Work-in-Progress mainly comprises Building and Machinery constructed at plant location.

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

4. INVESTMENT PROPERTY

Particulars	Industrial Shed
Gross carrying amount	
Deemed cost as at 1st April 2015	794
Additions	--
Disposals	--
Balance as at 31st March 2016	794
Balance as at 1st April 2016	794
Additions	--
Disposals	--
Balance as at 31st March 2017	794
Accumulated depreciation	
Balance as at 1st April 2015	117
Depreciation for the year	25
Disposals	--
Balance as at 31st March 2016	142
Balance as at 1st April 2016	142
Depreciation for the year	24
Disposals	--
Balance as at 31st March 2017	166
Carrying amounts (net)	
As at 31st March 2017	628
As at 31st March 2016	652
As at 1st April 2015	677

Information regarding income and expenditure of Investment Property :

	As at 31st March 2017	As at 31st March 2016
Rental income derived from investment property	498	455
Direct operating expenses (including repairs and maintenance) generating rental income	1	1
Direct operating expenses (including repairs and maintenance) that did not generate rental income	--	--
Profit arising from investment property before depreciation and indirect expenses	497	454
Less : Depreciation	24	25
Profit from investment property	473	429

Leasing arrangements

The Group'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.

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Industrial Property	2,705	2,593	2,481

Reconciliation of fair value

Particulars	Industrial Property
Balance as at 1st April 2015	2,481
Change in fair value	112
Balance as at 31st March 2016	2,593
Change in fair value	112
Balance as at 31st March 2017	2,705

Notes to Financial Statements for the year ended 31st March 2017

(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
Gross carrying amount						
Deemed cost as at 1st April 2015	1,932	2,883	822	923	6,560	6,521
Additions	682	1,001	--	947	2,630	2,031
Disposals / transfers	--	--	--	--	--	1,252
Balance as at 31st March 2016	2,614	3,884	822	1,870	9,190	7,300
Balance as at 1st April 2016	2,614	3,884	822	1,870	9,190	7,300
Additions	472	541	--	1,965	2,978	4,369
Disposals / transfers	--	--	--	--	--	1,654
Balance as at 31st March 2017	3,086	4,425	822	3,835	12,168	10,015
Accumulated Amortization						
Balance as at 1st April 2015	1,292	2,192	822	923	5,229	
Amortization for the year	314	306	--	158	778	
Disposals	--	--	--	--	--	
Balance as at 31st March 2016	1,606	2,498	822	1,081	6,007	
Balance as at 1st April 2016	1,606	2,498	822	1,081	6,007	
Amortization for the year *	398	397	--	485	1,280	
Disposals	--	--	--	--	--	
Balance as at 31st March 2017	2,004	2,895	822	1,566	7,287	
Carrying amounts (Net)						
As at 31st March 2017	1,082	1,530	--	2,269	4,881	10,015
As at 31st March 2016	1,008	1,386	--	789	3,183	7,300
As at 1st April 2015	640	691	--	--	1,331	6,521

Note :

* Amortization Charges for one year

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

As per our separate report of even date.

For M/s. P. G. Bhagwat
[FRN : 101118W]
Chartered Accountants

Sanjay Kumar Bohra
Chief Financial Officer

Prasan Firodia
Managing Director

S. S. Athavale
Partner
Membership No. 83374

Kishore P. Shah
Company Secretary

Sudhir Mehta
Director

Place : Pune
Date : 11th May 2017

Place : Pune
Date : 11th May 2017

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

6. NON-CURRENT FINANCIAL ASSETS : INVESTMENTS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(A) Investments at Fair Value through Other Comprehensive Income (FVTOCI)			
(a) Unquoted Equity Shares (fully paid) *			
(i) 25,000 (31st March 2016 : 25,000, 1st April 2015: 25,000) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (North) Private Limited	--	3	3
(ii) 1 (31st March 2016 : 1, 1st April 2015: 1) Equity Share of ₹ 10, fully paid in MAN Trucks India Private Limited	-*	-*	-*
(iii) 50,000 (31st March 2016: 50,000, 1st April 2015: 50,000) Equity Shares of ₹ 10 each, fully paid in Pithampur Auto Cluster Limited	5	5	5
(iv) 5 (31st March 2016: 5, 1st April 2015: 5 Equity Shares of ₹ 50 each, fully paid in Mittal Tower Premises Co-Operative Society Limited	-*	-*	-*
(b) Quoted Equity Shares (fully paid) **			
3,15,625 (31st March 2016: 3,15,625 1st April 2015 : 3,15,625 Equity Shares of ₹ 2 each, fully paid in ICICI Bank Limited	874	747	996
Total FVTOCI Investments	879	755	1,004
(B) Investment in Subsidiary			
8,80,200 (31st March 2016: 8,80,200, 1st April 2015: 8,80,200) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (West) Private Limited ***	88	88	88
Total Investments	967	843	1,092
Aggregate book value of quoted investments	874	747	996
Aggregate market value of quoted investments	874	747	996
Aggregate value of unquoted investments	93	96	96
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 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

7. FINANCIAL ASSET : LOANS AND ADVANCES

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Security Deposits			
(i) Unsecured, Considered Good	1,612	1,777	1,144
(ii) Doubtful	--	--	--
	1,612	1,777	1,144
Less : Allowances for expected credit losses	--	--	--
	1,612	1,777	1,144
 Non-current Security Deposits	1,567	1,729	1,097
Current Security Deposits	45	48	47
 (b) Other Loans and Advances			
(i) Unsecured, Considered Good	272	112	125
(ii) Doubtful	10	10	10
	282	122	135
Less : Allowances for expected credit losses	10	10	10
	272	112	125
 Non-current Other Loans and Advances	198	5	3
Current Other Loans and Advances	74	107	122
 Total Loans and Advances	1,884	1,889	1,269
 Non-current Loans and Advances	1,765	1,734	1,100
Current Loans and Advances	119	155	169

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

8. CURRENT AND DEFERRED TAX

	As at 31st March 2017	As at 31st March 2016	
(A) Statement of Profit or Loss			
(a) Current Tax :			
(i) Current Income Tax charge	2,348	2,879	
(ii) Taxation in respect of earlier years	(2)	--	
(b) Deferred Tax :			
Relating to origination and reversal of temporary differences	3,162	4,072	
Income Tax expense reported in the Statement of Profit or Loss	5,508	6,951	
(c) Other Comprehensive Income (OCI)			
Deferred Tax related to items recognized in OCI during the year			
(i) Re-measurements on defined benefit plan	181	(55)	
(ii) Unquoted Equity Instruments	1	--	
Income Tax recognized in OCI	182	(55)	
(B) Balance Sheet	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Current Tax Assets			
(i) Advance Income Tax	802	(324)	1,232
(ii) Minimum Alternate Tax (MAT) credit entitlement	10,892	8,337	5,883
Total Current Tax Assets	11,694	8,013	7,115
(b) Deferred Tax	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(i) Deferred Tax Asset (DTA)	(2,305)	(1,406)	(4,297)
(ii) Deferred Tax Liability (DTL)	12,054	8,175	6,939
Deferred Tax Liabilities (Net)	9,749	6,769	2,642

Reconciliation of tax expense and the accounting profit for the year ended 31st March 2017 and 31st March 2016 :

	As at 31st March 2017	As at 31st March 2016
Accounting Profit Before Tax	23,500	24,825
(a) Tax as per Income Tax Act	8,133	8,592
(b) Tax Expense		
(i) Current Tax	2,348	2,879
(ii) Deferred Tax	3,162	4,072
(iii) Taxation in respect of earlier years	(2)	--
Total Tax expense	5,508	6,951
(c) Difference (a-b)	2,625	1,641
(d) Tax Reconciliation		
(i) Permanent Disallowances	(95)	(58)
(ii) Allowances and accelerated deductions	2,718	1,699
(iii) Taxation in respect of earlier years	2	--
Total	2,625	1,641

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred Tax
Deferred Tax relates to the following : DTL/ (DTA)

Property, Plant and Equipment
Provision for doubtful advances
Expenditure allowable under Income Tax Act on payment basis
Prepaid taxes claimed u/s 43B
Business losses
Unquoted Equity Instrument through Other Comprehensive Income
Prior year adjustment
Net Deferred Tax Assets / (Liabilities)

Balance Sheet

As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
12,054	8,175	6,939
(41)	(41)	(40)
(2,268)	(1,370)	(1,385)
5	5	5
--	--	(2,858)
(1)	--	--
--	--	(19)
9,749	6,769	2,642

Movement in temporary differences	1st April 2015	Recognized in profit or loss during 2015-16	Recognized in Other Comprehensive Income during 2015-16	31st March 2016	Recognized in profit or loss during 2016-17	Recognized in Other Comprehensive Income during 2016-17	31st March 2017
Property, Plant & Equipment	6,939	1,236	--	8,175	3,879	--	12,054
Provision for doubtful advances	(40)	(1)	--	(41)	--	--	(41)
Expenditure allowable under Income Tax Act on payment basis	(1,385)	70	(55)	(1,370)	(717)	(181)	(2,268)
Prepaid taxes claimed u/s 43B	5	--	--	5	--	--	5
Business losses	(2,858)	2,858	--	--	--	--	--
Unquoted Equity Instrument through Other Comprehensive Income	--	--	--	--	--	(1)	(1)
Prior year adjustment	(19)	19	--	--	--	--	--
	2,642	4,182	(55)	6,769	3,162	(182)	9,749

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

9. OTHER ASSETS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Capital Advances (Non-current)			
Unsecured, Considered Good	4,475	6,067	8,896
(b) Advances recoverable in cash or kind (Current) (includes Govt. Incentives, Taxes, etc.)			
(i) Unsecured, Considered Good	17,339	10,430	11,182
(ii) Doubtful	108	108	108
	17,447	10,538	11,290
Less : Provision for doubtful advances	108	108	108
	17,339	10,430	11,182
(c) Prepaid Lease rentals	89	93	98
Non-current prepaid Lease rentals	85	89	94
Current prepaid Lease rentals	4	4	4
Total Other Assets	21,903	16,590	20,176
Non-current Other Assets	4,560	6,156	8,990
Current Other Assets	17,343	10,434	11,186

10. INVENTORIES (CURRENT)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Raw Materials and Components*	25,068	27,849	21,620
(b) Finished Goods	10,699	18,053	10,748
(c) Excise Duty on Inventory of Finished Goods	1,364	2,787	1,503
(d) Work-in-progress	4,258	4,083	4,869
(e) Stores and spares	2,378	1,979	515
* [Includes Goods in transit : ₹ 5,653 Lakhs (31st March 2016 : ₹ 6,367 Lakhs, 1st April 2015 : ₹ 5,669 Lakhs)]			
Total Inventories	43,767	54,751	39,255

The write-down of inventories to net realisable value during the year amounted to ₹ 157 Lakhs (31st March 2016 : ₹ 132 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 March 2017	As at 31st March 2016	As at 1st April 2015
(a) From Related Parties	76	119	156
(b) From others			
(i) Unsecured, Considered Good	11,434	14,921	10,712
(ii) Doubtful	--	--	--
	11,434	14,921	10,712
Less : Provision for Doubtful Receivables	--	--	--
Total Trade Receivables	11,510	15,040	10,868

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS (CURRENT)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Cash and Cash equivalents			
(i) Balances with Banks - Current Account	991	269	2,788
(ii) Balances with Banks - Short term deposits with maturity less than three months	7,646	5,349	2,000
(iii) Cheques / Drafts on hand	6	33	--
(iv) Cash on hand	2	6	7
	8,645	5,657	4,795
(b) Other bank balances			
(i) Unpaid Dividend Accounts	52	107	34
(ii) Margin money deposit	215	340	665
(iii) Bank deposits with original maturity of three to twelve months	14,510	25,660	24,810
	14,777	26,107	25,509
Total Cash and Cash equivalents and Other Bank balances	23,422	31,764	30,304

13. OTHER FINANCIAL ASSETS (CURRENT)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Interest accrued on deposits with Banks	1,450	1,517	425
(b) Corporate Deposits	40,000	--	--
Total Other Financial Assets	41,450	1,517	425

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

14. EQUITY SHARE CAPITAL

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Authorised			
2,00,00,000 (31st March 2016: 2,00,00,000, 1st April 2015 : 2,00,00,000) Equity Shares of ₹10 each)	2,000	2,000	2,000
Issued			
1,32,13,802 (31st March 2016: 1,32,13,802, 1st April 2015 : 1,32,13,802) Equity Shares of ₹10 each)	1,321	1,321	1,321
Subscribed and Paid-up			
1,31,76,262 (31st March 2016 : 1,31,76,262, 1st April 2015 : 1,31,76,262 Equity Shares of ₹10 each fully paid up [of the above 2,00,918 (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 (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 2017 or 31st March 2016].	1,318	1,318	1,318
Add: Amount paid for forfeited Shares	-*	-*	-*
Total Equity Share Capital	1,318	1,318	1,318

Note : Offer on Rights basis for 17,932 (31st March 2016 :17,932, 1st April 2015 : 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 2017		As at 31st March 2016		As at 1st April 2015	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,31,76,262	1,318	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	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 2016 : 55.92%, 1st April 2015 : 55.92%) 74,92,244 (31st March 2016 : 73,68,697, 1st April 2015 : 73,68,697) shares in the Company.
- Jaya Hind Industries Limited, being associate company of Jaya Hind Investments Private Limited, holds 0.08% (31st March 2016 : 0.08%, 1st April 2015 : 0.08%) 10,909 (31st March 2016: 10,909, 1st April 2015: 10,909) shares in the Company.

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

Name of Shareholder	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares of ₹10 each fully paid	% of Holding	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%	73,68,697	55.92%	73,68,697	55.92%

-* Denotes amount less than ₹50,000/-

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

15. OTHER EQUITY

	As at 31st March 2017	As at 31st March 2016
(a) Securities Premium Reserve	5,920	5,920
(b) General Reserve	34,629	34,629
(c) Retained Earnings		
(i) Opening balance	1,06,177	90,614
(ii) Prior year items	--	(36)
(iii) Net profit for the year	17,992	17,874
(iv) Comprehensive income for the year	(341)	104
	1,23,828	1,08,556
Adjustments		
(i) Interim Equity dividend	--	(1,318)
(ii) Tax on interim equity Dividend	--	(268)
(iii) Final dividend for the year ended 31st March 2015	--	(659)
(iv) Tax on final dividend paid for the year ended 31st March 2015	--	(134)
	--	(2,379)
Closing Balance	1,23,828	1,06,177
(d) Equity instruments through Other Comprehensive Income		
Opening Balance	720	969
Adjustments		
FVTOCI Equity Investments - change in fair value	126	(249)
	126	(249)
Closing Balance	846	720
Total Other Equity	1,65,223	1,47,446

16. FINANCIAL LIABILITIES: BORROWINGS

	Maturity date	Interest rate	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Non-current Borrowings					
Unsecured Public Deposits	Upto 30th Sept. 2019	9 - 11%	354	1,351	2,079
Less: Current maturities of Non-current Borrowings disclosed under the head Other Current Financial Liabilities (Refer Note 17)			155	1,087	1,006
Total Non-current Borrowings			199	264	1,073
(Refer Note 38 for maturity pattern of Public Deposits accepted)					
(b) Current Borrowings					
Unsecured Commercial Paper	Upto 11th July 2017	6.75%	19,647	--	--
Total Current Borrowings			19,647	--	--

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. During the year ended 31st March 2017, the Company has not utilised any fund based limits.

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

17. OTHER FINANCIAL LIABILITIES

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Security Deposits (Non-current)	396	396	396
(b) Current maturities of Non-current Borrowings (Refer Note 16)			
(i) Deposits	155	1,087	1,006
(ii) Deposits matured but not claimed	25	9	50
(c) Interest on Fixed Deposits (Current)			
(i) Accrued but not due	19	116	151
(ii) Accrued and due on unclaimed deposits	2	-*	5
(d) Unclaimed Dividend (Current)	52	107	34
(e) Creditors for Capital Goods (Current)	2,001	2,122	7,422
(f) Other payables (Current)	316	319	429
Total Other Financial Liabilities	2,966	4,156	9,493
Non-current Other Financial Liabilities	396	396	396
Current Other Financial Liabilities	2,570	3,760	9,097

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

18. PROVISIONS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Provision for Employee benefits (Refer Note 36)	4,585	3,774	3,818
(i) Non-current provision for Employee benefits	2,376	2,020	1,863
(ii) Current provision for Employee benefits	2,209	1,754	1,955
(b) Provision for Product Warranties	780	763	785
(i) Non-current Provision for Product Warranties	143	207	42
(ii) Current Provision for Product Warranties	637	556	743
Total Provisions	5,365	4,537	4,603
Non-current Provisions	2,519	2,227	1,905
Current Provisions	2,846	2,310	2,698

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

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in Provision
Product Warranties

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Opening balance	763	785	292
(b) Additional provision made during the year	680	663	785
(c) Amount paid during the year	(663)	(323)	(292)
(d) Amount written back	--	(362)	--
Closing balance	780	763	785

19. TRADE PAYABLES

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Related Parties	1,021	1,492	1,144
(b) Others			
(i) Dues of Micro and Small Enterprises	52	41	40
(ii) Dues of creditors other than Micro and Small Enterprises	47,462	40,192	38,099
Total Trade Payables	48,535	41,725	39,283

20. OTHER LIABILITIES

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Advances and deposits against order (Current)	11,621	16,906	3,349
(b) Statutory dues (Current)	4,273	6,427	3,778
(c) Service Coupon Liability	869	558	502
(i) Non-current	228	185	17
(ii) Current	641	373	485
Total Other Liabilities	16,763	23,891	7,629

Non-current Other Liabilities	228	185	17
Current Other Liabilities	16,535	23,706	7,612

Movement in Service Coupon Liability

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Free Service Coupons			
(a) Opening balance	558	502	466
(b) Additional provisions made during the year	662	538	502
(c) Amount paid during the year	(351)	(338)	(466)
(d) Amount written back	--	(144)	--
Closing balance	869	558	502

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

21. REVENUE FROM OPERATIONS

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Sale of Products (including Excise Duty)	3,46,353	3,42,392
(b) Other Operating Revenue		
(i) Service charges	377	414
(ii) Others	2,727	2,405
Total Revenue from Operations	3,49,457	3,45,211

22. OTHER INCOME

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Interest income	2,656	2,943
(b) Dividend income from Equity Investments designated at FVTOCI	16	16
(c) Net gain on foreign currency translation and transaction (other than considered as Finance Cost)	1,741	--
(d) Industrial Promotion Incentive (Refer Note 43)	3,146	2,606
(e) Rental income	498	455
(f) Profit on sale of assets	6	40
(g) Others	431	1,084
Total Other Income	8,494	7,144

23. COST OF MATERIALS CONSUMED

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Steel and other metals	9,882	10,786
(b) Castings and Forgings	4,741	6,745
(c) Other Components	1,98,433	2,06,233
Total Cost of Materials Consumed	2,13,056	2,23,764

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

	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening Stock		
(a) Finished Goods	18,053	10,748
(b) Work-in- progress	4,083	4,869
	22,136	15,617
Closing Stock		
(a) Finished Goods	10,699	18,053
(b) Work-in- progress	4,258	4,083
	14,957	22,136
Total Changes in Inventories of Finished Goods and Work-in-progress	7,179	(6,519)

25. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Salaries, Wages and Bonus	31,632	27,313
(b) Contribution to Provident, Other Funds and Schemes	2,173	2,000
(c) Staff welfare expenses	1,203	1,118
Total Employee Benefits Expense	35,008	30,431

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

26. FINANCE COSTS

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Interest expense	429	393
(b) Other borrowing costs	46	39
(c) Net interest cost on net defined benefit obligations	79	98
Total Finance Costs	554	530

27. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Depreciation of Property, Plant and Equipment	10,004	8,386
(b) Amortization of Intangible Assets	1,280	778
(c) Depreciation on Investment Property	24	25
Total Depreciation and Amortization Expense	11,308	9,189

28. OTHER EXPENSES

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Consumption of Stores and Spares	7,159	7,449
(b) Fabrication and Processing Charges	823	965
(c) Power and Fuel	4,455	4,571
(d) Forwarding Charges	2,659	2,755
(e) Rent	305	278
(f) Rates and Taxes	611	1,280
(g) Insurance	612	619
(h) Repairs and Maintenance:		
(i) Plant and Machinery	1,893	1,518
(ii) Buildings	609	533
(iii) Others	231	195
(i) Publicity and Sales promotion	3,715	3,158
(j) Payments to Auditors (Refer details below)	25	28
(k) Loss on Exchange Fluctuation (Net)	--	188
(l) Donation	42	23
(m) Expenditure on Corporate Social Responsibility (Refer Note 44)	300	138
(n) Bad Debts	40	395
(o) Miscellaneous Expenses	8,713	7,451
Total Other Expenses	32,192	31,544

Details of payments to Auditors

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Audit Fees	20	20
(b) Tax Audit Fees	1	1
(c) For Other services		
(i) Certification work	3	6
(ii) Provident Fund Audit Fees	.*	.*
(d) Reimbursement of expenses	.*	1
Total payments to Auditors	25	28

.* Denotes amount less than ₹ 50,000/-

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

29. EARNINGS PER SHARE

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Profit attributable to Equity Shareholders	17,992	17,874
(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 : ₹	136.55	135.65

30. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Contingent Liabilities			
Claims against the Company not acknowledged as debts			
(i) Taxes and Duties	5,494	5,909	4,674
(ii) Others (Court cases pending)	3,739	3,718	3,294
(b) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,031	12,282	7,643
(c) 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 2017, 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 & 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 ₹ 1,675 Lakhs Credit (31st March 2016 : ₹ 307 Lakhs Debit, 1st April 2015 : ₹ 1,303 Lakhs Credit) and on Capital account is ₹ 65 Lakhs Credit (31st March 2016 : ₹ 118 Lakhs Credit, 1st April 2015 : ₹ 3 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:

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Capital Expenditure	5,855	2,694
(b) Revenue Expenditure	5,494	4,961

(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, amounting to ₹ 4,031 Lakhs (31st March 2016 : ₹ 2,215 Lakhs).

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.

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

34. LEASES
(A) 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.

Future minimum lease payments :

The future minimum lease payments are as follows :

Future minimum lease rentals	As at 31st March 2017	As at 31st March 2016
(a) Not later than one year	524	498
(b) Later than one year but not later than five years	1,322	1,846
(c) Later than five years	--	--

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

2,700 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.

(iii) 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
(A) Names of the related parties 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

(B) 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)

(i) Abhaykumar Firodia

Chairman

(ii) Prasan Firodia

Managing Director

(iii) Sudhir Mehta

Director

(iv) Pratap Pawar

Director

(v) S. Padmanabhan

Director

(vi) Nitin Desai

Director

(vii) Dr. Indira Parikh

Director

(viii) Arun Sheth

Director

(ix) Arvind Mahajan

Director

(x) Vinay Kothari

Director

(xi) Prashant V. Inamdar

Executive Director (Operations)

(xii) Sanjay Kumar Bohra

Chief Financial Officer

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Other Entities

(i) Jaya Hind Industries Ltd.	Associate of Holding Company
(ii) Jaya Hind Montupet Pvt. Ltd.	Associate of Holding Company
(iii) Pinnacle Industries Limited	Entity controlled by KMP of Company
(iv) Kider (India) Private Limited	Entity controlled by KMP of Company
(v) Bajaj Tempo Limited Provident Fund	Post employment benefit trust
(vi) Sakal Papers Private Limited	Entity controlled by KMP of Company

(C) Transactions with Related Parties

Name of Related Party	2016-17		2015-16	
	Amount of transaction during the year	Balance as at 31st March 2017 Receivables / (Payables)	Amount of transaction during the year	Balance as at 31st March 2016 Receivables / (Payables)
(a) Key Management Personnel				
Remuneration				
(i) Short term employee benefits	341		320	
(ii) Post employment benefits	32	(19)	57	(17)
(iii) Other long term benefits	43		43	
Others				
(i) Dividend paid	--	--	55	--
(ii) Sitting fees	37	--	29	--
(b) Jaya Hind Industries Ltd.				
(i) Purchase of Capital Goods	504		916	
(ii) Purchase of Raw Materials, Components & Others	7,002		7,654	
(iii) Sundry Sales	297	(649)	317	(1,245)
(iv) Service Charges recovered	55	4,549	50	4,030
(v) Processing Charges recovered	39		64	
(vi) Machinery given on loan	1,055		3	
(vii) Material given on loan	--		--	
(c) Jaya Hind Montupet Pvt. Ltd.				
(i) Purchase of Raw Materials, Components & Others	322	(26) 4	359	(50) 21
(ii) Service Charges recovered	15		161	
(d) Pinnacle Industries Limited				
(i) Purchase of Raw Materials, Components & Others	12,770		13,897	
(ii) Sundry sales	78	(452)	84	(436)
(iii) Service Charges expenses	17	1,064	--	1,071
(iv) Machinery given on loan	--		--	
(v) Material given on loan	--		--	
(e) Kider (India) Private Limited				
Purchase of Capital Goods	42	(3)	--	--
(f) Bajaj Tempo Limited Provident Fund				
Contribution to Provident Fund	534	47	469	40
(g) Sakal Papers Private Limited				
Publicity charges	21	--	30	5

36. EMPLOYEE BENEFITS
(A) Defined Contribution Plans :

Amount of ₹ 648 Lakhs (31st March 2016 : ₹ 618 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 2017

(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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Amount to be recognized in Balance Sheet				
Present value of defined benefit obligation	5,109	484	4,336	211
Less : Fair value of plan assets	3,437	1,105	3,064	945
Amount to be recognized as Liability or (Asset)	1,672	(621)	1,272	(734)
(ii) Amount to be reflected in Balance Sheet				
Liabilities	1,672	(621)	1,272	(734)
Assets	--	--	--	--
Net Liability / (Assets)	1,672	(621)	1,272	(734)

* 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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Employee Benefits Expenses				
Current service cost	324	62	326	30
(ii) Finance cost				
Net Interest (Income) / Expenses	78	(57)	97	(46)
(iii) Net periodic benefit cost recognized in the Statement of Profit and Loss -	402	5	423	(16)

* 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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Opening amount recognized in OCI outside Statement of Profit and Loss	--	--	--	--
(ii) Re-measurements for the year - obligation (Gain) / Loss	543	194	(137)	(5)
(iii) Re-measurements for the year - plan assets (Gain) / Loss	(21)	(86)	(22)	(123)
(iv) Total re-measurements cost / (credit) for the year recognized in OCI	522	108	(159)	(128)
(v) Less : Accumulated balances transferred to retained earnings	522	108	(159)	(128)
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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Present value of obligation as at the beginning of the year	4,336	210	4,231	172
(ii) Acquisition adjustment	1	--	2	--
(iii) Transfer in / (out)	--	--	--	--
(iv) Interest expenses	322	17	315	14
(v) Past service cost	--	--	--	--
(vi) Current service cost	324	63	326	30
(vii) Curtailment cost / (credit)	--	--	--	--
(viii) Settlement cost / (credit)	(2)	--	(36)	--
(ix) Benefits paid	(415)	--	(365)	--
(x) Re-measurements on obligation - (Gain) / Loss	543	194	(137)	(5)
Present value of obligation as at the end of the year	5,109	484	4,336	211

Notes to Financial Statements for the year ended 31st March 2017

(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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Fair value of the plan assets as at beginning of the year	3,064	945	2,736	762
(ii) Acquisition adjustment	1	--	2	--
(iii) Transfer in / (out)	--	--	--	--
(iv) Interest income	243	74	217	60
(v) Contributions	527	--	488	--
(vi) Mortality Charges and Taxes	(2)	--	--	--
(vii) Benefits paid	(415)	--	(365)	--
(viii) Amount paid on settlement	(2)	--	(36)	--
(ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	21	86	22	123
Fair value of plan assets as at the end of the year	3,437	1,105	3,064	945
Actual return on plan assets	264		239	

(f) Net interest (income) / expenses

	As at 31st March 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Interest (income) / expense - obligation	322	17	315	14
(ii) Interest (income) / expense - plan assets	(243)	(74)	(217)	(60)
Net interest (income) / expense for the year	79	(57)	98	(46)

(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 March 2017	As at 31st March 2016
(i) Central Government securities	21.14%	21.14%
(ii) State Government securities	41.04%	41.04%
(iii) Bonds and debentures, etc.	31.33%	31.33%
(iv) Fixed deposits	4.33%	4.33%
(v) Equity shares	2.08%	2.08%
(vi) Collateralized borrowing and lending obligation	0.08%	0.08%
Total	100%	100%

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 7.80% has been used for the valuation purpose.

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Gratuity		As at 31st March 2017	As at 31st March 2016
(i)	Discount rate	7.20%	7.80%
(ii)	Expected return on plan assets	7.80%	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 March 2017	As at 31st March 2016
(i)	Discount rate	7.20%	7.80%
(ii)	Interest rate	8.65%	8.80%
(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.

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 2017		As at 31st March 2016	
	Gratuity	Provident fund	Gratuity	Provident fund
(i) Discount rate				
Increase by 1%	4,799	--	4,050	--
Decrease by 1%	5,456	--	4,589	--
Increase by 0.5%	--	719	--	415
Decrease by 0.5%	--	265	--	67
(ii) Salary increase rate				
Increase by 1%	5,397	--	4,542	--
Decrease by 1%	4,845	--	4,087	--
(iii) Withdrawal rate				
Increase by 1%	5,066	--	4,276	--
Decrease by 1%	5,155	--	4,335	--
(iv) Expected future interest rate of Provident Fund				
Increase by 1%	--	--	--	--
Decrease by 1%	--	--	--	--
Increase by 0.5%	--	271	--	16
Decrease by 0.5%	--	697	--	405

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

37. FINANCIAL INSTRUMENTS - FAIR VALUES

(a) 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 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Financial Assets						
(i) Fair Value through Other Comprehensive Income (FVTOCI)						
Equity Investments	879	755	1,004	879	755	1,004
(ii) Amortized cost						
Trade receivables	11,510	15,040	10,868	11,510	15,040	10,868
Loans - Security Deposits	1,884	1,889	1,269	1,884	1,889	1,269
Other Financial assets	41,450	1,517	425	41,450	1,517	425
Cash and cash equivalents	8,645	5,657	4,795	8,645	5,657	4,795
Other Bank Balances	14,777	26,107	25,509	14,777	26,107	25,509
	79,145	50,965	43,870	79,145	50,965	43,870
Financial Liabilities						
(i) Amortized cost						
Non-current Borrowings	199	264	1,073	199	264	1,073
Current Borrowing	19,647	--	--	19,647	--	--
Trade Payable	48,535	41,725	39,283	48,535	41,725	39,283
Other Financial liabilities	2,966	4,156	9,493	2,966	4,156	9,493
	71,347	46,145	49,849	71,347	46,145	49,849

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 which represents Public Deposits and Commercial Paper are 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 2017	31st March 2016	1st April 2015	Valuation technique used	Inputs used
Financial Assets						
FVTOCI Investments - Quoted	Level 1	874	747	996		
FVTOCI Investments - Unquoted	Level 3	5	8	8	Discounted cash flow	Free cash flow, EBITDA, earnings growth rate, risk adjusted discount rate
Total		879	755	1,004		

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

	Level	31st March 2017	31st March 2016	1st April 2015	Valuation technique used	Inputs used
Financial Assets measured at amortized cost						
Loans - Security Deposits	Level 2	1,884	1,889	1,269	Discounted cash flow	Maturity, prevailing interest rate and future net cash flows
Other financial assets	Level 2	41,450	1,517	425	Discounted cash flow	Maturity, prevailing interest rate and future cash flows
Total		43,334	3,406	1,694		

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) Financial Liabilities measured at amortized cost

	Level	31st March 2017	31st March 2016	1st April 2015	Valuation technique used	Inputs used
Non-current Borrowings	Level 2	199	264	1,073	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	2,966	4,156	9,493	Discounted cash flow	Prevailing interest rate in market, future pay-outs
		22,812	4,420	10,566		

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 2017, 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 short term borrowings and 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.

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 have 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:

	Neither past due nor impaired	Less than 90 days	More than 90 days	Total
31st March 2017	4,703	5,187	1,620	11,510
31st March 2016	7,258	5,651	2,131	15,040
1st April 2015	6,580	2,925	1,363	10,868

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 2017

(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 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	2,966	79	2,473	414	2,966
Trade and other payable	48,535	--	48,535	--	48,535

As at 31st March 2016					
	Carrying amount	On Demand	Less than 6 months	More than 6 months	Total
Interest bearing borrowings	264	--	--	264	264
Other financial liabilities	4,156	116	2,923	1,117	4,156
Trade and other payable	41,725	--	41,725	--	41,725

As at 31st March 2015					
	Carrying amount	On Demand	Less than 6 months	More than 6 months	Total
Interest bearing borrowings	1,073	--	--	1,073	1,073
Other financial liabilities	9,493	89	9,008	396	9,493
Trade and other payable	39,283	--	39,283	--	39,283

(c) Market risk : Equity price risk

At the reporting date, the exposure to unquoted equity securities at fair value was ₹ 8 Lakhs.

At the reporting date, the exposure to quoted equity securities at fair value was ₹ 874 Lakhs. A decrease / increase of 15% on the bank Nifty market index could have an impact of approximately ₹115 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 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
USD	2,04,780	(12,55,291)	134	(838)
EUR	2,08,40,803	1,51,70,077	14,595	11,496
JPY	22,42,59,540	17,40,45,898	1,312	1,038

Currency	Sensitivity %	Impact on profit (strengthening)*		Impact on profit (weakening)*	
		As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
USD	8.30%	(11)	70	11	(70)
EUR	4.31%	(629)	(496)	629	496
JPY	2.37%	(31)	(25)	31	25
		(671)	(451)	671	451

(* 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 2017

(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 2017 and 31st March 2016.

Particulars	As at 31st March 2017	As at 31st March 2016
Total Share Holder's Equity as reported in Balance Sheet	1,66,541	1,48,764
Net Debit :		
Short term debt	19,647	--
Long term debt (including current portion of long term debt)	354	1,351
Gross Debt :	20,001	1,351
Less : Cash & Bank Balances	23,422	31,764
Net Debt :	(3,421)	(30,413)

41. DIVIDEND

The Board of Directors has recommended payment of Dividend of ₹ 10 per fully paid Equity Shares (31st March 2016 : ₹ Nil). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting. The Company to pay distribution tax of ₹ 268 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 2017, have been transferred to that fund, except a sum of ₹ 1 Lakh (31st March 2016 : ₹ 1 Lakh) being amount of 5 (31st March 2016 : 5) fixed deposits and interest thereon amounting to ₹ 25,051 (31st March 2016 : ₹ 25,051). 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 the eligibility and method of availing various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, being clarified, the Company recognized a sum of ₹ 3,146 Lakhs (31st March 2016: ₹ 2,606 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 ₹ 300 Lakhs (31st March 2016 : ₹ 138 Lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.28 (m)] to the Notes to Financial Statements.

(a) Gross amount required to be spent by the Company during the year : ₹ 291 Lakhs.

(b) Amount spent during the year on :

Sr. No.	Description	In Cash	Yet to be paid in Cash	Total
1	Project of establishing modern, sophisticated hospital	253	--	253
2	Donation of vehicles manufactured by the Company towards health care and livelihood enhancement	47	--	47
	Total	300	--	300

45. DETAILS OF SPECIFIED BANK NOTES

Following is the disclosure of "Specified Bank Notes" (SBN) as required by the Notification dated 30th March 2017, issued by the Ministry of Corporate Affairs.

Particulars	SBN's	Other denomination notes	Total
Closing Cash in hand as on 8th November 2016	5	1	6
Add: Permitted receipts	--	18	18
Less: Permitted payments	--	11	11
Less: Amount deposited in Banks	5	--	5
Closing Cash in hand as on 30th December 2016	--	8	8

46. EXCEPTIONAL ITEMS

In the month of September 2016, the Company recalled the welfare trust, created by the Company and accordingly the trustees of the said trust transferred immovable property situated at Mahabaleshwar, Taluka Wai, District Satara, admeasuring 9,408.97 Sq. mtrs. to the Company by Registered Revocation Deed. Accordingly sum of ₹ 95 Lakhs, being the amount contributed by the Company to the said trust, has been recognized as 'Exceptional Item' and said asset is capitalised.

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

47. FIRST-TIME ADOPTION OF IND AS

(A) Explanation of transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with the Indian Accounting Standards (Ind AS). For the year ended 31st March 2016, the Company had prepared its financial statements in accordance with the Companies (Accounting Standard) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' or 'Indian GAAP').

Exemptions and exceptions available

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:

(a) Optional exemptions

(i) Investments in Subsidiaries

The Company has elected to adopt carrying value under previous GAAP, for all of its investments in Subsidiaries as recognized in its Indian GAAP financials as deemed cost as at the transition date.

(ii) Business combination

The Company has elected to apply Ind AS 103, prospectively to business combinations occurring after its transition date i.e. 1st April 2015. Business combinations that occurred before 1st April 2015, has not been restated.

(iii) Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in Equity Shares.

(b) Mandatory exceptions

(i) Estimates

The estimates as at 1st April 2015 and as at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP, except where estimates were required by Ind AS and not required by Indian GAAP.

The estimates used by the Company to present these amounts in accordance with Ind AS, reflect conditions at 1st April 2015, the date of transition to Ind AS and as of 31st March 2016.

(ii) De-recognition of financial assets and liabilities

Ind AS 101, requires first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognized as a result of past transaction was obtained at the time of initially accounting of transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exists at the transition date to Ind AS.

Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes that accompany the tables. The reconciliations include-

- equity reconciliation as at 1st April 2015;
- equity reconciliation as at 31st March 2016; and
- profit reconciliation for the year ended 31st March 2016;

In the reconciliations mentioned above, certain reclassifications have been made from Indian GAAP financial information to align with the Ind AS presentation.

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(B) Reconciliation of IGAAP and Ind AS :
(a) Reconciliation of Equity

	As at 31st March 2016	As at 1st April 2015
Equity as per Indian GAAP	1,48,044	1,31,688
Adjustments to Equity under previous GAAP		
Fair valuation of Investment in Equity Shares	720	969
Proposed Dividend (including dividend distribution tax)		793
Prior year items		(36)
	720	1,726
Equity as per Ind AS	1,48,764	1,33,414

(b) Reconciliation of the Statement of Profit and Loss and Other Comprehensive Income

	For the year ended 31st March 2016
Net profit as per Indian GAAP	17,942
Adjustments to net profit	
Actuarial Gain / Loss on post-employment defined benefit plan (net of income taxes)	(104)
Others (net of taxes)	36
	(68)
Net Profit under Ind AS	17,874
Actuarial Gain / Loss on Post-employment Defined Benefit Plan (net of income taxes)	104
Fair Valuation of Investment in Equity Shares	(249)
	(145)
Total Comprehensive Income as per Ind AS	17,729

(c) Reclassification adjustments
(i) Statement of Profit and Loss

	Classification under Indian GAAP	Classification under Ind AS	For the year ended 31st March 2016
Net interest on net defined benefit obligations	Employee Benefits Expense	Finance cost	98
Amortisation of lease premium for land given on lease	Depreciation	Rental expenses	4
Excise duty	Revenue	Excise duty	42,514
Variable consideration - Incentive to dealers	Other expenses	Revenue	(3,226)
Free Service Coupon	Other expenses	Revenue	(56)

(ii) Balance Sheet

	Classification under Indian GAAP	Classification under Ind AS	As at 31st March 2016	As at 1st April 2015
Land given on Operating Lease	Property, Plant and Equipment	Investment Property	653	677
Land taken on lease at Pithampur	Property, Plant and Equipment	Prepaid lease rentals	93	98
Government Grant	Capital Reserve	Retained earnings	25	25
Free Service Coupon	Provisions	Deferred income	558	502

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(d) Notes to reconciliations

(i) Revenue from Operations - Excise Duty

Under Indian GAAP, excise duty is reduced from gross revenues to report revenues net of excise duty. Under Ind AS, revenue includes gross inflows of economic benefits received by a Company for its own account. Excise duty collected, which is a duty on manufacture and a primary obligation of the manufacturer is considered as revenue with the corresponding payments to the Government as expenditure. This adjustment does not have any impact on Statement of Profit and Loss.

(ii) Revenue from Operations - Cash Discounts and Customer Incentives

Under Indian GAAP, cash discounts and certain customer incentives are reported separately as an expenditure in Statement of Profit and Loss. Under Ind AS, revenue is measured at the fair value of consideration received or receivable taking into account the amount of any trade discounts, volume rebates, customer incentives and cash discounts allowed by the Company. This adjustment does not have any impact on Statement of Profit and Loss.

(iii) Revenue from Operations - Multiple elements arrangement

Under Indian GAAP, there is no specific guidance on multiple elements transactions. Under Ind AS, when a contract includes more than one element, it is necessary to account for the revenue attributable to each element separately. The elements in a contract are segregated when element has stand-alone value to the customer and the fair value of that element can be measured reliably. Accordingly, revenue from sale of products and services is recorded at different points of time as and when the obligation is fulfilled. This adjustment does not have any impact on Statement of Profit and Loss.

(iv) Employee Benefits Expense

Actuarial gains and losses and return on plan assets

Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognized immediately in Statement of Profit and Loss. Under Ind AS, re-measurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognized immediately in Other Comprehensive Income (OCI). Further, re-measurements recognized in OCI are never reclassified to Statement of Profit and Loss.

Under Indian GAAP, net finance cost / income on post-employment defined benefit plans is recognized in Statement of Profit and Loss under 'Employee Benefits Expense'.

Net interest income / expenses on net defined benefit obligation

Under Ind AS, net finance cost / income is recorded under 'finance cost / income'. This adjustment does not have any impact on Statement of Profit and Loss. Under Ind AS, lease of land is recognized as operating or finance lease as per definition and classification criteria stated in standard on leases. Accordingly, as on the date of transition, the leases of land have been classified as operating / finance lease as the case may be.

(v) Reclassification of leases of land

Under Indian GAAP, there is no specific guidance for contracts that involve leases of land. Under Ind AS, lease of land is recognized as operating or finance lease as per definition and classification criteria stated in standard on leases. Accordingly, as on the date of transition, the leases of land have been classified as operating / finance lease as the case may be.

(vi) Prior period adjustments

Under Indian GAAP, prior period items are included in determination of profit or loss of the period in which the item is discovered and are separately disclosed in the Statement of Profit and Loss. Under Ind AS, material prior period items are corrected retrospectively by restating the comparative amounts for prior year presented in which the error occurred or if the error occurred before the earlier year presented by restating the Opening Balance Sheet.

(vii) Investment in Equity Shares

Under Indian GAAP, long-term investment in Equity Shares are carried at cost, unless there is a decline, other than temporary, in the value.

Under Ind AS, investment in Equity Shares classified as 'Fair value through Other Comprehensive Income' (FVTOCI) are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognized in Other Comprehensive Income. Further, gains or losses recognized in Other Comprehensive Income are never reclassified from Equity to the Statement of Profit and Loss.

Notes to Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(viii) Proposed Dividend

Under Indian GAAP, dividend proposed after the date of the financial statements, but prior to the approval of financial statements, is considered as an adjusting event and a provision for dividend is recognized in the financial statements of the period to which the dividend relates. Under Ind AS, dividend declaration is considered as a non-adjusting event and provision for dividend is recognized only in the period when the dividend is approved by the Shareholders in the Annual General Meeting.

(ix) Government Grant

Under Indian GAAP, grant in the nature of Promoter's contribution is directly recognized in Equity. Under Ind AS, grant received is not allowed to be directly recognized in Equity. The liability relating to asset related grant received is amortized to the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. This is equity neutral adjustment as assets for which grants are received are fully depreciated on Ind AS transition date i.e. 1st April 2015.

(x) Investment Property

Under Indian GAAP, there is no comprehensive guidance for recognition and measurement of Investment Property. Under Ind AS, property (land or building or both) held for earnings lease rentals or for capital appreciation is treated as Investment Property. This adjustment for reclassification is equity neutral adjustment.

(xi) Deferred Taxes

Under Indian GAAP, deferred taxes are recognized using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the periods. Under Ind AS, deferred taxes are recognized using balance sheet approach (i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities) for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Also, deferred taxes are recognized on account of the above mentioned changes explained in notes (d) (i) to (x), wherever applicable.

48. The Company is operating in a Single Segment.

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

As per our separate report of even date.

For M/s. P. G. Bhagwat
[FRN : 101118W]
Chartered Accountants

Sanjay Kumar Bohra
Chief Financial Officer

Prasan Firodia
Managing Director

S. S. Athavale
Partner
Membership No. 83374

Kishore P. Shah
Company Secretary

Sudhir Mehta
Director

Place : Pune
Date : 11th May 2017

Place : Pune
Date : 11th May 2017

(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.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as per the Holding Company's reporting period
4.	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N. A.
5.	Share Capital	133
6.	Reserves & Surplus	327
7.	Total Assets	460
8.	Total Liabilities	460
9.	Investments	--
10.	Turnover (Total Revenue)	38
11.	Profit before taxation	37
12.	Provision for taxation	11
13.	Profit after taxation	26
14.	Proposed Dividend	--
15.	% 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

	Name of Associates / Joint Ventures	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.
	(i) Considered in Consolidation	N. A.
	(ii) 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. P. G. Bhagwat
[FRN : 101118W]
Chartered Accountants

Sanjay Kumar Bohra
Chief Financial Officer

Prasan Firodia
Managing Director

S. S. Athavale
Partner
Membership No. 83374

Kishore P. Shah
Company Secretary

Sudhir Mehta
Director

Place : Pune
Date : 11th May 2017

Place : Pune
Date : 11th May 2017

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 (herein 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 2017, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated 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 Statements

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 "**the Act**") that give a true and fair view of the consolidated state of affairs (financial position), consolidated financial performance, including Other Comprehensive Income, consolidated Cash Flows and consolidated Statement of Changes in Equity of the Group, in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Companies (Indian Accounting Standards) Rules, 2015 specified under Section 133 of the Act, read with the Rules of the Companies (Accounts) Rules, 2014. 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 responsible and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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. While conducting the 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 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, 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, including the Ind AS of the consolidated state of affairs (financial position) of the Group as at 31st March 2017, and its consolidated profit (financial performance including Other Comprehensive Income), its consolidated cash flows and the consolidated Statement of Changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 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.
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Companies (Indian Accounting Standards) Rules, 2015 specified under Section 133 of the Act, read with the Rules of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies are disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) In our opinion there are no financial transactions or matters which have any adverse effect on the functioning of the Group.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure ;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 31 to the consolidated Ind AS financial statements.
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (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, subject to Note 43 in Notes to Ind AS Financial Statements of the Holding Company.
 - (iv) The Group had provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Group (Refer Note 46)

For **M/s. P. G. Bhagwat**
Firm's Registration Number : 101118W
Chartered Accountants

Sanjay Athavale
Partner
Membership Number 83374

Place : Pune
Date : 11th May 2017

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company, as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Force Motor Limited (hereinafter referred to as "**the Holding Company**") and its subsidiary company, which is company incorporated in India, as of 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, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting.

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 Ind AS 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 Ind AS 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, the Holding Company and its subsidiary company which is incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. P. G. Bhagwat**
Firm's Registration Number : 101118W
Chartered Accountants

Place : Pune
Date : 11th May 2017

Sanjay Athavale
Partner
Membership Number 83374

Consolidated Balance Sheet as at 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I ASSETS				
(1) Non-current Assets				
(a) Property, Plant and Equipment	3	85,633	75,404	61,649
(b) Capital Work-in-progress	3	12,011	13,160	17,455
(c) Investment Property	4	628	652	677
(d) Goodwill		1	1	1
(e) Other Intangible Assets	5	4,881	3,183	1,331
(f) Intangible Assets under development	5	10,015	7,300	6,521
(g) Financial Assets				
(i) Investments	6	878	754	1,004
(ii) Loans and Advances	7	1,765	1,734	1,100
(h) Other Non-current Assets	9	4,560	6,156	8,990
Total Non-current Assets		1,20,372	1,08,344	98,728
(2) Current Assets				
(a) Inventories	10	43,767	54,751	39,255
(b) Financial Assets				
(i) Trade Receivables	11	11,510	15,040	10,868
(ii) Cash and Cash equivalents	12	8,646	5,657	4,796
(iii) Bank balance other than (ii) above	12	14,925	26,205	25,883
(iv) Loans and Advances	7	119	155	169
(v) Other Financial Assets	13	41,755	1,847	456
(c) Current Tax Assets (Net)	8	11,700	8,019	7,119
(d) Other Current Assets	9	17,343	10,434	11,186
Total Current Assets		1,49,765	1,22,108	99,732
Total Assets		2,70,137	2,30,452	1,98,460
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	14	1,318	1,318	1,318
(b) Other Equity	15	1,65,440	1,47,646	1,32,280
(c) Equity attributable to equity holders of the parent		1,66,758	1,48,964	1,33,598
(d) Non-controlling Interest	21	154	146	138
Total Equity		1,66,912	1,49,110	1,33,736
(2) LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	199	264	1,073
(ii) Other Financial Liabilities	17	396	396	396
(b) Provisions	18	2,519	2,227	1,905
(c) Deferred Tax Liabilities (Net)	8	9,749	6,769	2,642
(d) Other Non-current Liabilities	20	228	185	17
Total Non-current Liabilities		13,091	9,841	6,033
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	19,647	--	--
(ii) Trade Payables	19	48,535	41,724	39,283
(iii) Other Financial Liabilities	17	2,571	3,761	9,098
(b) Other Current Liabilities	20	16,535	23,706	7,612
(c) Provisions	18	2,846	2,310	2,698
Total Current Liabilities		90,134	71,501	58,691
Total Liabilities		1,03,225	81,342	64,724
Total Equity and Liabilities		2,70,137	2,30,452	1,98,460

See accompanying notes forming part of the consolidated financial statements

1-50

As per our separate report of even date.

For **M/s. P. G. Bhagwat**
[FRN : 101118W]
Chartered Accountants

Sanjay Kumar Bohra
Chief Financial Officer

Prasan Firodia
Managing Director

S. S. Athavale
Partner
Membership No. 83374

Kishore P. Shah
Company Secretary

Sudhir Mehta
Director

Place : Pune
Date : 11th May 2017

Place : Pune
Date : 11th May 2017

Consolidated Statement of Profit and Loss for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I INCOME			
(a) Revenue from Operations	22	3,49,495	3,45,245
(b) Other Income	23	8,494	7,144
Total Income		3,57,989	3,52,389
II EXPENSES			
(a) Cost of Materials consumed	24	2,13,056	2,23,764
(b) Change in Inventories of Finished Goods and Work-in-progress	25	7,179	(6,519)
(c) Excise Duty		42,558	42,745
(d) Employee benefits expense	26	35,008	30,431
(e) Finance costs	27	554	530
(f) Depreciation and Amortization expense	28	11,308	9,189
(g) Other expenses	29	32,193	31,545
		3,41,856	3,31,685
Less : Expenditure included in the above items capitalised		7,309	4,154
Total Expenses		3,34,547	3,27,531
III Profit before exceptional items and tax		23,442	24,858
IV Exceptional Items	47	95	--
V Profit Before Tax		23,537	24,858
VI Tax Expense	8		
(a) Current tax		2,359	2,889
(b) Deferred tax		3,162	4,072
(c) Taxation in respect of earlier years		(2)	-*
Total Tax Expense		5,519	6,961
VII Profit for the year		18,018	17,897
VIII Attributable to			
(a) Equity holders of parent		18,009	17,889
(b) Non-controlling interest	21	9	8
		18,018	17,897
IX Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss			
(i) Re-measurements of net defined benefit liability		(522)	159
(ii) Equity instrument through Other Comprehensive Income		124	(249)
		(398)	(90)
(b) Income tax relating to items that will not be reclassified to Profit or Loss			
Taxes on re-measurements of net defined benefit liability		181	(55)
Taxes on Equity instrument through Other Comprehensive Income		1	--
		182	(55)
Total Other Comprehensive Income		(216)	(145)
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year) (VIII-IX)		17,802	17,752
X Attributable to			
(a) Equity holders of parent		17,793	17,744
(b) Non-controlling interest	21	9	8
		17,802	17,752
XI Basic and Diluted Earnings Per Equity Share			
[Nominal value per share ₹ 10] ₹	30	136.74	135.83
See accompanying notes forming part of the consolidated financial statements	1-50		

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

As per our separate report of even date.

For **M/s. P. G. Bhagwat**
[FRN : 101118W]
Chartered Accountants

Sanjay Kumar Bohra
Chief Financial Officer

Prasan Firodia
Managing Director

S. S. Athavale
Partner
Membership No. 83374

Kishore P. Shah
Company Secretary

Sudhir Mehta
Director

Place : Pune
Date : 11th May 2017

Place : Pune
Date : 11th May 2017

Consolidated Statement of Changes in Equity for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Balance as at 1st April 2015	Changes in Equity Share Capital during the year	Balance as at 31st March 2016
1,318	--	1,318
Balance as at 1st April 2016	Changes in Equity Share Capital during the year	Balance as at 31st March 2017
1,318	--	1,318

B. Other Equity

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total	Non-Controlling interest
	Securities Premium Reserve	General Reserve	Retained earnings			
Balance at the beginning of the reporting period as at 1st April 2015	5,920	34,675	90,753	969	1,32,317	138
Prior year items	--	--	(36)	--	(36)	
Balance as at 1st April 2015	5,920	34,675	90,717	969	1,32,281	138
Profit for the year	--	--	17,889	--	17,889	8
Other Comprehensive Income (net of tax)	--	--	104	(249)	(145)	
Dividends (including dividend distribution tax)	--	--	(2,379)	--	(2,379)	
Transfer to General Reserve	--	4	(4)	--	--	
Balance as at 31st March 2016	5,920	34,679	1,06,327	720	1,47,646	146
Balance as at 1st April 2016	5,920	34,679	1,06,327	720	1,47,646	146
Profit for the year	--	--	18,009	--	18,009	8
Other Comprehensive Income (net of tax)	--	--	(341)	125	(216)	
Dividends (including dividend distribution tax)	--	--	--	--	--	
Transfer to General Reserve	--	4	(4)	--	--	
Balance as at 31st March 2017	5,920	34,683	1,23,991	845	1,65,439	154

Consolidated Statement of Cash Flows for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended 31st March 2017	For the year ended 31st March 2016	
(A) Cash flow from Operating Activities :			
Profit before tax	23,537	24,858	
Adjustments for :			
Depreciation and Amortization expense	11,308	9,189	
Net exchange differences	(198)	(134)	
Interest Income	(2,367)	(2,695)	
Dividend income on equity securities	(16)	(16)	
Loss / (Gain) on disposal of Property, Plant and Equipment	129	(14)	
Finance Costs	554	530	
Provision for bad, doubtful debts and debit balances	40	395	
Operating Profit before Working Capital adjustments	32,987	32,113	
Working Capital adjustments			
(Increase) / Decrease in :			
Trade Receivables	3,508	(4,548)	
Inventories	10,984	(15,496)	
Other Financial Assets	(28,625)	(2,331)	
Other Non-financial Assets	(6,905)	756	
Trade Payables	7,006	2,554	
Financial Liabilities	(56)	(42)	
Non-financial Liabilities	(7,127)	16,262	
Provisions	305	93	
Cash generated from Operations	12,077	29,361	
Income Tax paid (net)	(6,038)	(3,789)	
Net cash inflow from Operating Activities	6,039	25,572	
(B) Cash flow from Investing Activities			
Payments for Property, Plant and Equipment and Intangible Assets	(23,528)	(23,781)	
Proceeds from sale of Property, Plant and Equipment and Intangible Assets	92	69	
Interest received	2,367	2,695	
Dividends received	16	16	
Net Cash outflow from Investing Activities	(21,053)	(21,001)	
(C) Cash flow from Financing Activities			
Repayment of borrowings	(981)	(768)	
Proceeds from borrowings	19,647	--	
Interest paid	(649)	(566)	
Dividends paid (including dividend distribution tax)	--	(2,379)	
Net Cash outflow from Financing Activities	18,017	(3,713)	
Net increase / (decrease) in Cash and Cash equivalents	3,003	858	
Cash and Cash equivalents at beginning of the financial year	5,654	4,796	
Cash and Cash equivalents at end of the financial year	8,657	5,654	
	31 March 2017	31 March 2016	1 April 2015
Cash and Cash equivalents as per Note 12	8,646	5,657	4,796
Effects of exchange rate fluctuations on Cash & Cash equivalent held	11	(3)	-*
	8,657	5,654	4,796

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

As per our separate report of even date.

For **M/s. P. G. Bhagwat**
[FRN : 101118W]
Chartered Accountants

Sanjay Kumar Bohra
Chief Financial Officer

Prasan Firodia
Managing Director

S. S. Athavale
Partner
Membership No. 83374

Kishore P. Shah
Company Secretary

Sudhir Mehta
Director

Place : Pune
Date : 11th May 2017

Place : Pune
Date : 11th May 2017

Notes to Consolidated Financial Statements for the year ended 31st March 2017

1. GROUP INFORMATION

Holding Company :

Force Motors Limited, 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 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) Basis of preparation

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.

The financial statements up to year ended 31st March 2016 were prepared in accordance with the accounting standards notified under accounting principles generally accepted in India (Indian GAAP), including accounting standards notified under Section 133 of the Companies Act 2013, read together with the Companies (Accounts) Rules, 2006 (as amended) and other relevant portions of the Act.

These are the Group's first financial statements prepared in accordance with Ind AS. The Group has applied Ind AS 101, First-time Adoption of Indian Accounting Standards. The transition has been carried out from Indian GAAP which is considered as the Previous GAAP, as defined in Ind AS 101. An explanation of how the transition to Ind AS has affected the reported Balance Sheet, Statement of Profit and Loss and Cash flows of the Group is provided in Note 48.

(b) Basis of measurement

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) Inventories

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

(d) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold land is measured at historical cost.

(e) Investment Property

Investment property is measured at cost less accumulated depreciation.

(f) 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.

(g) Borrowing Costs

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

(h) 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.

(i) 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.

(j) 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

(k) 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.

(l) 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 the 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 of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognized immediately in balance sheet with corresponding debit or credit to Other Comprehensive Income. Re-measurements are not reclassified to profit or loss in subsequent period.

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.

(m) 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.

(n) Incentives

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

(o) 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.

(p) 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(q) Significant accounting judgments, estimates and assumptions

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 (f) (ii) above.

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

(r) 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.

Amendments to Ind AS 107 - Statement of Cash Flows

In March 2017, the Ministry of Corporate Affairs issued amendments to Ind AS 107 - Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financial activities. The amendment is effective from 1st April 2017.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(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										
Deemed cost as at 1st April 2015	771	1,590	11,699	1,20,319	1,024	3,235	615	14,481	1,53,734	17,455
Additions	--	--	9,045	7,880	107	361	135	4,668	22,196	7,574
Disposals	--	--	--	62	3	174	43	--	282	11,869
Balance as at 31st March 2016	771	1,590	20,744	1,28,137	1,128	3,422	707	19,149	1,75,648	13,160
Balance as at 1st April 2016	771	1,590	20,744	1,28,137	1,128	3,422	707	19,149	1,75,648	13,160
Additions	93	--	4,358	15,126	202	537	138	--	20,454	16,182
Disposals	--	--	--	82	1	324	4	--	411	17,331
Balance as at 31st March 2017	864	1,590	25,102	1,43,181	1,329	3,635	841	19,149	1,95,691	12,011
Accumulated depreciation										
Balance as at 1st April 2015	--	19	5,029	81,975	652	1,676	443	2,291	92,085	
Depreciation for the year	--	19	757	6,441	66	288	70	745	8,386	
Disposals	--	--	--	62	1	122	42	--	227	
Balance as at 31st March 2016	--	38	5,786	88,354	717	1,842	471	3,036	1,00,244	
Balance as at 1st April 2016	--	38	5,786	88,354	717	1,842	471	3,036	1,00,244	
Depreciation for the year	--	16	919	7,724	71	321	90	863	10,004	
Disposals	--	--	--	35	1	150	4	--	190	
Balance as at 31st March 2017	--	54	6,705	96,043	787	2,013	557	3,899	1,10,058	
Carrying amounts (net)										
As at 31st March 2017	864	1,536	18,397	47,138	542	1,622	284	15,250	85,633	12,011
As at 31st March 2016	771	1,552	14,958	39,783	411	1,580	236	16,113	75,404	13,160
As at 1st April 2015	771	1,571	6,670	38,344	372	1,559	172	12,190	61,649	17,455

Notes :

- (1) Refer to Note 35 for Plant & Equipment given on Operating Lease.
- (2) Refer to Note 31 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- (3) Capital Work-in-progress mainly comprises Building and Machinery constructed at plant location.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(4) INVESTMENT PROPERTY

Particulars	Industrial Shed
Gross carrying amount	
Deemed cost as at 1st April 2015	794
Additions	--
Disposals	--
Balance as at 31st March 2016	794
Balance as at 1st April 2016	794
Additions	--
Disposals	--
Balance as at 31st March 2017	794
Accumulated depreciation	
Balance as at 1st April 2015	117
Depreciation for the year	25
Disposals	--
Balance as at 31st March 2016	142
Balance as at 1st April 2016	142
Depreciation for the year	24
Disposals	--
Balance as at 31st March 2017	166
Carrying amounts (net)	
As at 31st March 2017	628
As at 31st March 2016	652
As at 1st April 2015	677

Information regarding income and expenditure of Investment Property :

	As at 31st March 2017	As at 31st March 2016
Rental income derived from investment property	498	455
Direct operating expenses (including repairs and maintenance) generating rental income	1	1
Direct operating expenses (including repairs and maintenance) that did not generate rental income	--	--
Profit arising from investment property before depreciation and indirect expenses	497	454
Less : Depreciation	24	25
Profit from investment property	473	429

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.

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Industrial Property	2,705	2,593	2,481

Reconciliation of fair value

Particulars	Industrial Property
Balance as at 1st April 2015	2,481
Change in fair value	112
Balance as at 31st March 2016	2,593
Change in fair value	112
Balance as at 31st March 2017	2,705

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(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
Gross carrying amount						
Deemed cost as at 1st April 2015	1,932	2,883	822	923	6,560	6,521
Additions	682	1,001	--	947	2,630	2,031
Disposals / transfers	--	--	--	--	--	1,252
Balance as at 31st March 2016	2,614	3,884	822	1,870	9,190	7,300
Balance as at 1st April 2016	2,614	3,884	822	1,870	9,190	7,300
Additions	472	541	--	1,965	2,978	4,369
Disposals / transfers	--	--	--	--	--	1,654
Balance as at 31st March 2017	3,086	4,425	822	3,835	12,168	10,015
Accumulated Amortization						
Balance as at 1st April 2015	1,292	2,192	822	923	5,229	
Amortization for the year *	314	306	--	158	778	
Disposals	--	--	--	--	--	
Balance at 31st March 2016	1,606	2,498	822	1,081	6,007	
Balance as at 1st April 2016	1,606	2,498	822	1,081	6,007	
Amortization for the year	398	397	--	485	1,280	
Disposals	--	--	--	--	--	
Balance as at 31st March 2017	2,004	2,895	822	1,566	7,287	
Carrying amounts (Net)						
As at 31st March 2017	1,082	1,530	--	2,269	4,881	10,015
As at 31st March 2016	1,008	1,386	--	789	3,183	7,300
As at 1st April 2015	640	691	--	--	1,331	6,521

Note :

* Amortization Charges for one year

Intangible Assets under development mainly comprises internally generated technical know how.

As per our separate report of even date.

For M/s. P. G. Bhagwat
 [FRN : 101118W]
 Chartered Accountants

Sanjay Kumar Bohra
 Chief Financial Officer

Prasan Firodia
 Managing Director

S. S. Athavale
 Partner
 Membership No. 83374

Kishore P. Shah
 Company Secretary

Sudhir Mehta
 Director

 Place : Pune
 Date : 11th May 2017

 Place : Pune
 Date : 11th May 2017

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

6. NON-CURRENT FINANCIAL ASSETS : INVESTMENTS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(A) Investments at fair value through Other Comprehensive Income (FVTOCI)			
(a) Unquoted Equity Shares (fully paid) *			
(i) 25,000 (31st March 2016 : 25,000, 1st April 2015 : 25,000) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (North) Private Limited	--	3	3
(ii) 1 (31st March 2016 : 1, 1st April 2015 : 1) Equity Share of ₹ 10, fully paid in MAN Trucks India Private Limited	-*	-*	-*
(iii) 50,000 (31st March 2016 : 50,000, 1st April 2015: 50,000) Equity Shares of ₹ 10 each, fully paid in Pithampur Auto Cluster Limited	5	5	5
(iv) 5 (31st March 2016 : 5, 1st April 2015 : 5 Equity Shares of ₹ 50 each, fully paid in Mittal Tower Premises Co-operative Society Limited	-*	-*	-*
(b) Quoted Equity Shares (fully paid) **			
3,15,625 (31st March 2016 : 3,15,625 1st April 2015 : 3,15,625 Equity Shares of ₹ 2 each, fully paid in ICICI Bank Limited	873	746	996
Total FVTOCI Investments	878	754	1,004
Total Investments	878	754	1,004
Aggregate book value of quoted investments	873	746	996
Aggregate market value of quoted investments	873	746	996
Aggregate value of unquoted investments	5	8	8
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 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

7. FINANCIAL ASSET : LOANS AND ADVANCES

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Security Deposits			
(i) Unsecured, Considered Good	1,612	1,777	1,144
(ii) Doubtful	--	--	--
	1,612	1,777	1,144
Less : Allowances for expected credit losses	--	--	--
	1,612	1,777	1,144
 Non-current Security Deposits	1,567	1,729	1,097
Current Security Deposits	45	48	47
(b) Other Loans and Advances			
(i) Unsecured, Considered Good	272	112	125
(ii) Doubtful	10	10	10
	282	122	135
Less : Allowances for expected credit losses	10	10	10
	272	112	125
 Non-current Other Loans and Advances	198	5	3
Current Other Loans and Advances	74	107	122
Total Loans and Advances	1,884	1,889	1,269
 Non-current Loans and Advances	1,765	1,734	1,100
Current Loans and Advances	119	155	169

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

8. CURRENT AND DEFERRED TAX

The major components of Income Tax are stated below:

(A) Statement of Profit or Loss
(a) Current Tax :

(i) Current income tax charge	2,359	2,889
(ii) Taxation in respect of earlier years	(2)	-*

(b) Deferred Tax:

Relating to origination and reversal of temporary differences	3,162	4,072
---	-------	-------

Income Tax expense reported in the Statement of Profit and Loss	5,519	6,961
--	--------------	--------------

(c) Other Comprehensive Income (OCI)

Deferred tax related to items recognized in OCI during the year

(i) Re-measurements on defined benefit plan	181	(55)
(ii) Unquoted Equity Instruments	1	--
Income Tax recognized in OCI	182	(55)

(B) Balance Sheet
(a) Current Tax Assets

(i) Advance Income Tax	808	(318)	1,236
(ii) Minimum Alternate Tax (MAT) credit entitlement	10,892	8,337	5,883
Total Current Tax Assets	11,700	8,019	7,119

(b) Deferred Tax

(i) Deferred Tax Asset (DTA)	(2,305)	(1,406)	(4,297)
(ii) Deferred Tax Liability (DTL)	12,054	8,175	6,939
Deferred Tax Liabilities (Net)	9,749	6,769	2,642

Reconciliation of tax expense and the accounting profit for 31st March 2017 and 31st March 2016 :

	As at 31st March 2017	As at 31st March 2016
Accounting Profit Before Tax	23,537	24,858
(a) Tax as per Income Tax Act	8,144	8,602
(b) Tax Expense		
(i) Current Tax	2,359	2,889
(ii) Deferred Tax	3,162	4,072
(iii) Taxation in respect of earlier years	(2)	-*
Total Tax Expense	5,519	6,961
(c) Difference (a-b)	2,625	1,641
(d) Tax Reconciliation		
(i) Permanent Disallowances	(95)	(58)
(ii) Allowances and accelerated deductions	2,718	1,699
(iii) Taxation in respect of earlier years	2	-*
Total	2,625	1,641

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

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred Tax**Deferred Tax relates to the following : DTL / (DTA)**

Property, Plant & Equipment
Provision for doubtful advances
Expenditure allowable under Income Tax Act on payment basis
Prepaid taxes claimed u/s 43B
Business losses
Unquoted Equity Instrument through Other Comprehensive Income
Prior year adjustment

Balance Sheet

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Property, Plant & Equipment	12,054	8,175	6,939
Provision for doubtful advances	(41)	(41)	(40)
Expenditure allowable under Income Tax Act on payment basis	(2,268)	(1,370)	(1,385)
Prepaid taxes claimed u/s 43B	5	5	5
Business losses	--	--	(2,858)
Unquoted Equity Instrument through Other Comprehensive Income	(1)	--	--
Prior year adjustment	--	--	(19)
Net Deferred Tax Assets / (Liabilities)	9,749	6,769	2,642

Movement in temporary differences	1st April 2015	Recognized in profit or loss during 2015-16	Recognized in Other Comprehensive Income during 2015-16	31st March 2016	Recognized in profit or loss during 2016-17	Recognized in Other Comprehensive Income during 2016-17	31st March 2017
Property, Plant and Equipment	6,939	1,236	--	8,175	3,879	--	12,054
Provision for doubtful advances	(40)	(1)	--	(41)	--	--	(41)
Expenditure allowable under Income Tax Act on payment basis	(1,385)	70	(55)	(1,370)	(717)	(181)	(2,268)
Prepaid taxes claimed u/s 43B	5	--	--	5	--	--	5
Business losses	(2,858)	2,858	--	--	--	--	--
Unquoted Equity Instrument through Other Comprehensive Income	--	--	--	--	--	(1)	(1)
Prior year adjustment	(19)	19	--	--	--	--	--
	2,642	4,182	(55)	6,769	3,162	(182)	9,749

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 ₹ 75 Lakhs (31st March 2016 : ₹ 69 Lakhs, 1st April 2015 : ₹ 63 Lakhs) has not been recognized.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

9. OTHER ASSETS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Capital Advances (Non-current)			
Unsecured, Considered Good	4,475	6,067	8,896
(b) Advances recoverable in cash or kind (Current) (includes Govt. Incentives, Taxes, etc.)			
(i) Unsecured, Considered Good	17,339	10,430	11,182
(ii) Doubtful	108	108	108
	17,447	10,538	11,290
Less : Provision for doubtful advances	108	108	108
	17,339	10,430	11,182
(c) Prepaid Lease rentals	89	93	98
Non-current prepaid Lease rentals	85	89	94
Current prepaid Lease rentals	4	4	4
Total Other Assets	21,903	16,590	20,176
Non-current Other Assets	4,560	6,156	8,990
Current Other Assets	17,343	10,434	11,186

10. INVENTORIES (CURRENT)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Raw Materials and Components*	25,068	27,849	21,620
(b) Finished Goods	10,699	18,053	10,748
(c) Excise Duty on Inventory of Finished Goods	1,364	2,787	1,503
(d) Work-in-progress	4,258	4,083	4,869
(e) Stores and spares	2,378	1,979	515
* Include Goods in transit : ₹ 5,653 Lakhs (31st March 2016 : ₹ 6,367 Lakhs : 1st April 2015 : ₹ 5,669 Lakhs)			
Total Inventories	43,767	54,751	39,255

The write-down of inventories to net realisable value during the year amounted to ₹ 157 Lakhs (31st March 2016 : ₹ 132 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 March 2017	As at 31st March 2016	As at 1st April 2015
(a) From Related Parties	76	119	156
(b) From others			
(i) Unsecured, Considered Good	11,434	14,921	10,712
(ii) Doubtful	--	--	--
	11,434	14,921	10,712
Less : Provision for Doubtful Receivables	--	--	--
Total Trade Receivables	11,510	15,040	10,868

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Cash and Cash equivalents			
(i) Balances with Banks - Current Account	991	269	2,789
(ii) Balances with Banks - Short term deposits with maturity less than three months	7,646	5,349	2,000
(iii) Cheques / Drafts on hand	6	33	--
(iv) Cash on hand	3	6	7
	8,646	5,657	4,796
(b) Other bank balances			
(i) Unpaid Dividend Accounts	52	107	34
(ii) Margin Money deposit	215	340	665
(iii) Bank deposits with original maturity of three to twelve months	14,658	25,758	25,184
	14,925	26,205	25,883
Total Cash and Cash equivalents and Other Bank balances	23,571	31,862	30,679

13. OTHER FINANCIAL ASSETS (CURRENT)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Interest accrued on deposits with Banks	1,455	1,522	431
(b) Corporate Deposits	40,300	325	25
Total Other Financial Assets	41,755	1,847	456

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

14. EQUITY SHARE CAPITAL

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Authorised			
2,00,00,000 (31st March 2016: 2,00,00,000, 1st April 2015 : 2,00,00,000) Equity Shares of ₹10 each)	2,000	2,000	2,000
Issued			
1,32,13,802 (31st March 2016: 1,32,13,802, 1st April 2015 : 1,32,13,802) Equity Shares of ₹10 each)	1,321	1,321	1,321
Subscribed and Paid-up			
1,31,76,262 (31st March 2016 : 1,31,76,262, 1st April 2015 : 1,31,76,262) Equity Shares of ₹10 each fully paid up	1,318	1,318	1,318
[of the above 2,00,918 (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 (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 2017 or 31st March 2016].			
Add: Amount paid for forfeited Shares	-*	-*	-*
Total Equity Share Capital	1,318	1,318	1,318

Note : Offer on Right basis for 17,932 (31st March 2016 : 17,932, 1st April 2015: 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 2017		As at 31st March 2016		As at 1st April 2015	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,31,76,262	1,318	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	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 2016 : 55.92%, 1st April 2015 : 55.92%) 74,92,244 (31st March 2016 : 73,68,697, 1st April 2015 : 73,68,697) shares in the Company.
- Jaya Hind Industries Limited, being associate company of Jaya Hind Investments Private Limited, holds 0.08% (31st March 2016 : 0.08%, 1st April 2015 : 0.08%) 10,909 (31st March 2016 : 10,909, 1st April 2015 : 10,909) shares in the Company.

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

Name of the Shareholder	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares of ₹10 each fully paid	% of Holding	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%	73,68,697	55.92%	73,68,697	55.92%

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

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

15. OTHER EQUITY

	As at 31st March 2017	As at 31st March 2016
(a) Securities Premium Reserve	5,920	5,920
(b) General Reserve		
(i) Opening balance	34,704	34,698
(ii) Add : Transferred from retained earnings	6	6
	34,710	34,704
(iii) Less : Transferred from non-controlling interest	27	25
Closing balance	34,683	34,679
(c) Retained Earnings		
(i) Opening balance	1,06,403	90,823
(ii) Prior period errors	--	(36)
(iii) Net profit for the year	18,018	17,897
(iv) Comprehensive income for the year	(341)	104
	1,24,080	1,08,788
Adjustments		
(i) Interim Equity Dividend	--	(1,318)
(ii) Tax on Interim Equity Dividend	--	(268)
(iii) Final Dividend for the year ended 31st March 2015	--	(659)
(iv) Tax on final dividend paid for the year ended 31st March 2015	--	(134)
(v) Transfer to General Reserve	(6)	(6)
	1,24,074	1,06,403
Less : Transferred to non-controlling interest	82	76
Closing Balance	1,23,992	1,06,327
(d) Equity instruments through Other Comprehensive Income		
Opening Balance	720	969
Adjustments		
FVTOCI equity investments - change in fair value	125	(249)
	125	(249)
Closing Balance	845	720
Total Other Equity	1,65,440	1,47,646

16. FINANCIAL LIABILITIES: BORROWINGS

	Maturity date	Interest rate	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Non-current Borrowings					
Unsecured Public Deposits	Upto 30th Sept. 2019	9 - 11%	354	1,351	2,079
Less : Current maturities of Non-current Borrowings disclosed under the head Other Current Financial Liabilities (Refer Note 17)			155	1,087	1,006
Total Non-current Borrowings			199	264	1,073
(Refer Note 39 for maturity pattern of Public Deposits accepted)					
(b) Current Borrowings					
Unsecured Commercial Paper	11th July 2017	6.75%	19,647	--	--
Total Current Borrowings			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. During the year ended 31st March 2017, the Group has not utilised any fund based limits.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

17. OTHER FINANCIAL LIABILITIES

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Security Deposits (Non-current)	396	396	396
(b) Current maturities of Non-current Borrowings (Refer Note 16)			
(i) Deposits	155	1,087	1,006
(ii) Deposits matured but not claimed	25	9	50
(c) Interest on Fixed Deposits (Current)			
(i) Accrued but not due	19	116	151
(ii) Accrued and due on unclaimed deposits	2	-*	5
(d) Unclaimed Dividend (Current)	52	107	34
(e) Creditors for Capital Goods (Current)	2,001	2,123	7,422
(f) Other payables (Current)	317	319	430
Total Other Financial Liabilities	2,967	4,157	9,494

Non-current Other Financial Liabilities

396 396 396

Current Other Financial Liabilities

2,571 3,761 9,098

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

18. PROVISIONS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Provision for Employee benefits (Refer Note 37)	4,585	3,774	3,818
(i) Non-current provision for employee benefits	2,376	2,020	1,863
(ii) Current provision for employee benefits	2,209	1,754	1,955
(b) Provision for Product Warranties	780	763	785
(i) Non-current Provision for Product Warranties	143	207	42
(ii) Current Provision for Product Warranties	637	556	743
Total Provisions	5,365	4,537	4,603

Non-current provisions

2,519 2,227 1,905

Current provisions

2,846 2,310 2,698

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

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in Provision**Product Warranties**

- (a) Opening balance
(b) Additional provision made during the year
(c) Amount paid during the year
(d) Amount written back

Closing balance

As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
763	785	292
680	663	785
(663)	(323)	(292)
--	(362)	--
780	763	785

19. TRADE PAYABLES

- (a) Related Parties
(b) Others
(i) Dues of Micro and Small Enterprises
(ii) Dues of creditors other than Micro and Small Enterprises

Total Trade Payables

As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
1,021	1,492	1,144
52	40	40
47,462	40,192	38,099
48,535	41,724	39,283

20. OTHER LIABILITIES

- (a) Advances and deposits against order (Current)
(b) Statutory dues (Current)
(c) Service Coupon Liability
(i) Non-current
(ii) Current

Total Other Liabilities

Non-current Other Liabilities

Current Other Liabilities

As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
11,621	16,906	3,349
4,273	6,427	3,778
869	558	502
228	185	17
641	373	485
16,763	23,891	7,629
228	185	17
16,535	23,706	7,612

Movement in Service Coupon Liability**Free Service Coupons**

- (a) Opening balance
(b) Additional provision made during the year
(c) Amount paid during the year
(d) Amount written back

Closing balance

As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
558	502	466
662	538	502
(351)	(338)	(466)
--	(144)	--
869	558	502

21. NON-CONTROLLING INTEREST (NCI)

Non-controlling Interest (%)

Current Assets

Current Liabilities

Net Assets

Net Assets attributable to NCI

Net Profit for the period of Tempo Finance (West) Pvt. Ltd.

Net Profit attributable to NCI

Total Comprehensive Income attributable to NCI

As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
33.57%	33.57%	33.57%
460	434	411
(1)	-*	-*
459	434	410
154	146	138
26	23	26
9	8	9
9	8	9

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

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

22. REVENUE FROM OPERATIONS

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Sale of Products (including Excise Duty)	3,46,353	3,42,392
(b) Interest income	38	34
(c) Other Operating Revenue		
(i) Service charges	377	414
(ii) Others	2,727	2,405
Total Revenue from Operations	3,49,495	3,45,245

23. OTHER INCOME

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Interest income	2,656	2,943
(b) Dividend income from Equity Investments designated at FVTOCI	16	16
(c) Net gain on foreign currency translation and transaction (other than considered as Finance Cost)	1,741	--
(d) Industrial Promotion Incentive (Refer Note 44)	3,146	2,606
(e) Rental income	498	455
(f) Profit on sale of assets	6	40
(g) Others	431	1,084
Total Other Income	8,494	7,144

24. COST OF MATERIALS CONSUMED

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Steel and other metals	9,882	10,786
(b) Castings and Forgings	4,741	6,745
(c) Other Components	1,98,433	2,06,233
Total Cost of Materials Consumed	2,13,056	2,23,764

25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening Stock		
(a) Finished Goods	18,053	10,748
(b) Work-in- progress	4,083	4,869
	22,136	15,617
Closing Stock		
(a) Finished Goods	10,699	18,053
(b) Work-in- progress	4,258	4,083
	14,957	22,136
Total Changes in Inventories of Finished Goods and Work-in-progress	7,179	(6,519)

26. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Salaries, Wages and Bonus	31,632	27,313
(b) Contribution to Provident, Other Funds and Schemes	2,173	2,000
(c) Staff Welfare expenses	1,203	1,118
Total Employee Benefits Expense	35,008	30,431

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

27. FINANCE COSTS

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Interest expense	429	393
(b) Other borrowing costs	46	39
(c) Net interest cost on net defined benefit obligations	79	98
Total Finance Costs	554	530

28. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Depreciation of Property, Plant and Equipment	10,004	8,386
(b) Amortization of Intangible Assets	1,280	778
(c) Depreciation on Investment Property	24	25
Total Depreciation and Amortization Expense	11,308	9,189

29. OTHER EXPENSES

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Consumption of Stores and Spares	7,159	7,449
(b) Fabrication and Processing Charges	823	965
(c) Power and Fuel	4,455	4,571
(d) Forwarding Charges	2,659	2,755
(e) Rent	305	278
(f) Rates and Taxes	611	1,280
(g) Insurance	612	619
(h) Repairs and Maintenance:		
(i) Plant and Machinery	1,893	1,518
(ii) Buildings	609	533
(iii) Others	231	195
(i) Publicity and Sales promotion	3,715	3,158
(j) Payments to Auditors (Refer details below)	25	28
(k) Loss on Exchange Fluctuation (Net)	--	188
(l) Donation	42	23
(m) Expenditure on Corporate Social Responsibility (Refer Note 45)	300	138
(n) Bad Debts	40	395
(o) Miscellaneous Expenses	8,714	7,452
Total Other Expenses	32,193	31,545

Details of payments to Auditors

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Audit Fees	20	20
(b) Tax Audit Fees	1	1
(c) For Other services		
(i) Certification work	3	6
(ii) Provident Fund Audit Fees	.*	.*
(d) Reimbursement of expenses	.*	1
Total payments to Auditors	25	28

.* Denotes amount less than ₹ 50,000/-

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

30. EARNINGS PER SHARE

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Profit attributable to Equity Shareholders	18,018	17,897
(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 : ₹	136.74	135.83

31. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a) Contingent Liabilities			
Claims against the Group not acknowledged as debts			
(i) Taxes and Duties	5,505	5,920	4,682
(ii) Others (Court cases pending)	3,739	3,718	3,294
(b) Commitments			
Estimated amount of contracts remaining to be executed on Capital account and not provided for	9,031	12,282	7,643
(c) 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 2017, 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 ₹ 1,675 Lakhs Credit (31st March 2016 : ₹ 307 Lakhs Debit, 1st April 2015 : ₹ 1,303 Lakhs Credit) and on Capital account is ₹ 65 Lakhs Credit (31st March 2016 : ₹ 118 Lakhs Credit, 1st April 2015 : ₹ 3 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:

	For the year ended 31st March 2017	For the year ended 31st March 2016
(a) Capital Expenditure	5,855	2,694
(b) Revenue Expenditure	5,494	4,961

(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, amounting to ₹ 4,031 Lakhs (31st March 2016 : ₹ 2,215 Lakhs).

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.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

35. LEASES

(A) 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.

Future minimum lease payments :

The future minimum lease payments are as follows :

Future minimum lease rentals

	As at 31st March 2017	As at 31st March 2016
(a) Not later than one year	524	498
(b) Later than one year but not later than five years	1,322	1,846
(c) Later than five years	--	--

(ii) Freehold land :

Out of the freehold land at Akurdi, Pune;

2,700 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.

(iii) 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

(A) 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

(B) List of other related parties with whom there are transactions in the current year :

Name of the Related Party

(a) Key Management Personnel (KMP)

- (i) Abhaykumar Firodia
- (ii) Prasan Firodia
- (iii) Sudhir Mehta
- (iv) Pratap Pawar
- (v) S. Padmanabhan
- (vi) Nitin Desai
- (vii) Dr. Indira Parikh
- (viii) Arun Sheth
- (ix) Arvind Mahajan
- (x) Vinay Kothari
- (xi) Prashant V. Inamdar
- (xii) Sanjay Kumar Bohra

Nature of relationship

- Chairman
- Managing Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Executive Director (Operations)
- Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Other Entities

(i) Jaya Hind Industries Ltd.	Associate of Holding Company
(ii) Jaya Hind Montupet Pvt. Ltd.	Associate of Holding Company
(iii) Sakal Papers Private Limited	Entity controlled by KMP of Company
(iv) Pinnacle Industries Limited	Entity controlled by KMP of Company
(v) Kider (India) Private Limited	Entity controlled by KMP of Company
(vi) Bajaj Tempo Limited Provident Fund	Post employment benefit trust

(C) Transactions with Related Parties

Name of Related Party	2016-17		2015-16	
	Amount of transaction during the year	Balance as at 31st March 2017 Receivables / (Payables)	Amount of transaction during the year	Balance as at 31st March 2016 Receivables / (Payables)
(a) Key Management Personnel				
Remuneration				
(i) Short term employee benefits	341		320	
(ii) Post employment benefits	32	(19)	57	(17)
(iii) Other long term benefits	43		43	
Others				
(i) Dividend paid	--	--	55	--
(ii) Sitting fees	37	--	29	--
(b) Jaya Hind Industries Ltd.				
(i) Purchase of Capital Goods	504		916	
(i) Purchase of Raw Materials, Components & Others	7,002		7,654	
(iii) Sundry Sales	297	(649)	317	(1,245)
(iv) Service Charges recovered	55	4,549	50	4,030
(v) Processing Charges recovered	39		64	
(vi) Machinery given on loan	1,055		3	
(vii) Material given on loan	--		--	
(c) Jaya Hind Montupet Pvt. Ltd.				
(i) Purchase of Raw Materials, Components & Others	322	(26)	359	(50)
		4		21
(ii) Service Charges recovered	15		161	
(d) Pinnacle Industries Limited				
(i) Purchase of Raw Materials, Components & Others	12,770		13,897	
(ii) Sundry sales	78	(452)	84	(436)
(iii) Service Charges expenses	17	1,066	—*	1,071
(iv) Interest received	28		--	
(v) Machinery given on loan	--		--	
(vi) Material given on loan	--		--	
(e) Kider (India) Private Limited				
Purchase of Capital Goods	42	(3)	--	--
(f) Bajaj Tempo Limited Provident Fund				
Contribution to Provident Fund	534	47	469	40
(g) Sakal Papers Private Limited				
Publicity charges	21	--	30	5

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

37. EMPLOYEE BENEFITS
(A) Defined contribution plans:

Amount of ₹ 648 Lakhs (31st March 2016 : ₹ 618 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 2017

(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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Amount to be recognized in Balance Sheet				
Present value of defined benefit obligation	5,109	484	4,336	211
Less: Fair value of plan assets	3,437	1,105	3,064	945
Amount to be recognized as Liability or (Asset)	1,672	(621)	1,272	(734)
(ii) Amount to be reflected in Balance Sheet				
Liabilities	1,672	(621)	1,272	(734)
Assets	--	--	--	--
Net Liability / (Assets)	1,672	(621)	1,272	(734)

* 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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
Employee benefit expenses				
Current service cost	324	62	326	30
Finance cost				
Net Interest (Income) / Expenses	78	(57)	97	(46)
Net periodic benefit cost recognized in the Statement of Profit and Loss -	402	5	423	(16)

* 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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Opening amount recognised in OCI outside Statement of Profit and Loss	--	--	--	--
(ii) Re-measurements for the year - obligation (Gain) / Loss	544	194	(137)	(5)
(iii) Re-measurements for the year - plan assets (Gain)/Loss	(21)	(86)	(22)	(123)
(iv) Total re-measurements cost / (credit) for the year recognised in OCI	523	108	(159)	(128)
(v) Less: Accumulated balances transferred to Retained Earnings	523	108	(159)	(128)
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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Present value of obligation as at the beginning of the year	4,336	210	4,231	172
(ii) Acquisition adjustment	1	--	2	--
(iii) Transfer in/ (out)	--	--	--	--
(iv) Interest expenses	322	17	315	14
(v) Past service cost	--	--	--	--
(vi) Current service cost	324	63	326	30
(vii) Curtailment cost / (credit)	--	--	--	--
(viii) Settlement cost/ (credit)	(2)	--	(36)	--
(ix) Benefits paid	(415)	--	(365)	--
(x) Re-measurements on obligation - (Gain) / Loss	543	194	(137)	(5)
Present value of obligation as at the end of the year	5,109	484	4,336	211

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(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 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Fair value of the plan assets as at beginning of the year	3,064	945	2,736	762
(ii) Acquisition adjustment	1	--	2	--
(iii) Transfer in/(out)	--	--	--	--
(iv) Interest income	243	74	217	60
(v) Contributions	527	--	488	--
(vi) Mortality Charges and Taxes	(2)	--	--	--
(vii) Benefits paid	(415)	--	(365)	--
(viii) Amount paid on settlement	(2)	--	(36)	--
(ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	21	86	22	123
Fair value of plan assets as at the end of the year	3,437	1,105	3,064	945
Actual return on plan assets	264		239	

(f) Net interest (Income) / Expenses

	As at 31st March 2017		As at 31st March 2016	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Interest (income) / expense – obligation	322	17	315	14
(ii) Interest (income) / expense – plan assets	(243)	(74)	(217)	(60)
Net interest (income) / expense for the year	79	(57)	98	(46)

(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 March 2017	As at 31st March 2016
(i) Central Government securities	21.14%	21.14%
(ii) State Government securities	41.04%	41.04%
(iii) Bonds and debentures, etc.	31.33%	31.33%
(iv) Fixed Deposits	4.33%	4.33%
(v) Equity shares	2.08%	2.08%
(vi) Collateralized borrowing and lending obligation	0.08%	0.08%
Total	100%	100%

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 7.80% has been used for the valuation purpose.

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

	As at 31st March 2017	As at 31st March 2016
Gratuity		
(i) Discount rate	7.20%	7.80%
(ii) Expected return on plan assets	7.80%	7.80%
(iii) Salary growth rate *	10%	10%
(iv) Attrition rate - for Bargainable Staff	10%	10%
(v) Attrition rate - others	2%	2%
Provident Fund		
(i) Discount rate	7.20%	7.80%
(ii) Interest rate	8.65%	8.80%
(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 2017

(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 2017		As at 31st March 2016	
	Gratuity	Provident fund	Gratuity	Provident fund
(i) Discount rate				
Increase by 1%	4,799	--	4,050	--
Decrease by 1%	5,456	--	4,589	--
Increase by 0.5%	--	719	--	415
Decrease by 0.5%	--	265	--	67
(ii) Salary increase rate				
Increase by 1%	5,397	--	4,542	--
Decrease by 1%	4,845	--	4,087	--
(iii) Withdrawal rate				
Increase by 1%	5,066	--	4,276	--
Decrease by 1%	5,155	--	4,335	--
(iv) Expected future interest rate of Provident Fund				
Increase by 1%	--	--	--	--
Decrease by 1%	--	--	--	--
Increase by 0.5%	--	271	--	16
Decrease by 0.5%	--	697	--	405

38. FINANCIAL INSTRUMENTS - FAIR VALUES

(a) Accounting classifications and fair values

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

	Carrying value			Fair Value		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Financial Assets						
(a) Fair value through Other Comprehensive Income (FVTOCI)						
Equity Investments	878	754	1,004	878	754	1,004
(b) Amortized cost						
Trade Receivables	11,510	15,040	10,868	11,510	15,040	10,868
Loans - Security Deposits	1,884	1,889	1,269	1,884	1,889	1,269
Other Financial Assets	41,755	1,847	456	41,755	1,847	456
Cash and cash equivalents	8,646	5,657	4,796	8,646	5,657	4,796
Other Bank Balances	14,925	26,205	25,883	14,925	26,205	25,883
	79,598	51,392	44,276	79,598	51,392	44,276
Financial Liabilities						
(a) Amortized cost						
Non-current Borrowings	199	264	1,073	199	264	1,073
Current Borrowing	19,647	--	--	19,647	--	--
Trade Payable	48,535	41,724	39,283	48,535	41,724	39,283
Other Financial Liabilities	2,967	4,157	9,494	2,967	4,157	9,494
	71,348	46,145	49,850	71,348	46,145	49,850

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(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 which represents Public Deposits and Commercial Paper are 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 2017	31st March 2016	1st April 2015	Valuation technique used	Inputs used
Financial Assets						
FVTOCI Investments - Quoted	Level 1	873	746	996		
FVTOCI Investments - Unquoted	Level 3	5	8	8	Discounted cash flow	Free cash flow, EBITDA, earnings growth rate, risk adjusted discount rate
Total		878	754	1,004		

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

	Level	31st March 2017	31st March 2016	1st April 2015	Valuation technique used	Inputs used
Financial Assets measured at amortized cost						
Loans - Security Deposits	Level 2	1,884	1,889	1,269	Discounted cash flow	Maturity, prevailing interest rate and future net cash flows
Other Financial Assets	Level 2	41,755	1,847	456	Discounted cash flow	Maturity, prevailing interest rate and future cash flows
Total		43,639	3,736	1,725		

(c) Financial Liabilities measured at amortized cost

	Level	31st March 2017	31st March 2016	1st April 2015	Valuation technique used	Inputs used
Non-current Borrowings	Level 2	199	264	1,073	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	2,967	4,157	9,494	Discounted cash flow	Prevailing interest rate in market, future pay-outs
		22,813	4,421	10,567		

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 2017, 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 2017

(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 short term borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company'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 summarised 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 have 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:

	Neither past due nor impaired	Past due but not impaired		Total
		Less than 90 days	More than 90 days	
31st March 2017	4,703	5,187	1,620	11,510
31st March 2016	7,258	5,651	2,131	15,040
1st April 2015	6,580	2,925	1,363	10,868

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 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	2,967	79	2,473	415	2,967
Trade and other payable	48,535	--	48,535	--	48,535

As at 31st March 2016					
	Carrying amount	On Demand	Less than 6 months	More than 6 months	Total
Interest bearing borrowings	264	--	--	264	264
Other financial liabilities	4,157	116	2,924	1,117	4,157
Trade and other payable	41,724	--	41,724	--	41,724

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 31st March 2015					
	Carrying amount	On Demand	Less than 6 months	More than 6 months	Total
Interest bearing borrowings	1,073	--	--	1,073	1,073
Other financial liabilities	9,494	89	9,009	396	9,494
Trade and other payable	39,283	--	39,283	--	39,283

(c) Market risk : Equity price risk

At the reporting date, the exposure to unquoted equity securities at fair value was ₹ 8 Lakhs.

At the reporting date, the exposure to quoted equity securities at fair value was ₹ 874 Lakhs. A decrease/ increase of 15% on the bank Nifty market index could have an impact of approximately ₹115 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 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
USD	2,04,780	(12,55,291)	134	(838)
EUR	2,08,40,803	1,51,70,077	14,595	11,496
JPY	22,42,59,540	17,40,45,898	1,312	1,038

Currency	Sensitivity %	Impact on profit (strengthening)*		Impact on profit (weakening)*	
		As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
USD	8.30%	(11)	70	11	(70)
EUR	4.31%	(629)	(496)	629	496
JPY	2.37%	(31)	(25)	31	25
		(671)	(451)	671	451

(* 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 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 2017 and 31st March 2016.

	As at 31st March 2017	As at 31st March 2016
Total Share Holder's Equity as reported in Balance Sheet	1,66,912	1,49,110
Net Debit :		
Short term debt	19,647	--
Long term debt (including current portion of long term debt)	354	1,351
Gross Debt :	20,001	1,351
Less : Cash & Bank Balances	23,571	31,862
Net Debt :	(3,570)	(30,511)

42. DIVIDEND

The Board of Directors' have recommended payment of Dividend of ₹ 10/- per fully paid Equity Shares (31st March 2016 : Nil). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting. Group to pay distribution tax of ₹ 268 Lakhs on proposed dividend. This dividend and tax on that is not recognized in the books of accounts at the end of the reporting period.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(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 2017, have been transferred to that fund, except a sum of ₹ 1 Lakh (31st March 2016 : ₹ 1 Lakh) being amount of 5 (31st March 2016 : 5) fixed deposits and interest thereon amounting to ₹ 25,051 (31st March 2016 : ₹ 25,051). 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 the eligibility and method of availing, various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, being clarified, the group recognized a sum of ₹ 3,146 Lakhs (Year ended 31st March 2016: ₹ 2,606 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 ₹ 300 Lakhs (Year ended 31st March 2016 : ₹ 138 Lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.29 (m)] to the Notes to Account.

(a) Gross amount required to be spent by the Group during the year : ₹ 291 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	253	--	253
ii	Donation of vehicles manufactured by the Group towards health care and livelihood enhancement	47	--	47
	Total	300	--	300

46. DETAILS OF SPECIFIED BANK NOTES

Following is the disclosure of "Specified Bank Notes" (SBN) as required by the Notification dated 30th March 2017, issued by the Ministry of Corporate Affairs.

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	5	1	6
Add: Permitted receipts	--	18	18
Less: Permitted payments	--	11	11
Less: Amount deposited in Banks	5	--	5
Closing cash in hand as on 30th December 2016	--	8	8

47. EXCEPTIONAL ITEMS

In the month of September 2016, the Group recalled the welfare trust, created by the Group and accordingly the trustees of the said trust transferred immovable property situated at Mahabaleshwar, Taluka Wai, District Satara, admeasuring 9,408.97 Sq. mtrs. to the Group by Registered Revocation Deed. Accordingly sum of ₹ 95 Lakhs, being the amount contributed by the Group to the said trust, has been recognized as 'exceptional item' and said asset is capiatlised.

48. FIRST-TIME ADOPTION OF IND AS

(A) Explanation of transition to Ind AS

As stated in Note 2, these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS). For the year ended 31st March 2016, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standard) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' or 'Indian GAAP').

The accounting policies set out in Note 2 have been applied in preparing these consolidated financial statements for the year ended 31st March 2017 including the comparative consolidated financial statements for the year ended 31st March 2016 and the opening Ind AS Balance Sheet as at the date of transition i. e. 1st April 2015.

Exemptions and exceptions availed

In preparing these consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions:

(a) Optional exemptions

(i) Investments in subsidiaries

The Group has elected to adopt carrying value under previous GAAP, for all of its investment in subsidiaries as recognized in its Indian GAAP financials as deemed cost as at the transition date.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Business combination

The Group has elected to apply Ind AS 103, prospectively to business combinations occurring after its transition date i.e. 1st April 2015. Business combinations that occurred before 1st April 2015, has not been restated.

(iii) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in Equity Shares.

(b) Mandatory exceptions
(i) Estimates

The estimates as at 1st April 2015 and as at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP, except where estimates were required by Ind AS and not required by Indian GAAP.

The estimates used by the group to present these amounts in accordance with Ind AS, reflect conditions at 1st April 2015, the date of transition to Ind AS and as at 31st March 2016.

(ii) De-recognition of financial assets and liabilities

Ind AS 101, requires first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognized as a result of past transaction was obtained at the time of initially accounting of transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets, on the basis of the facts and circumstances that exist at the transition date to Ind AS.

Explanation of transition to Ind AS

An explanation of how the transition from Indian GAAP to Ind AS has affected the Group's financial position, financial performance and cash flow is set out in the following tables and notes. The reconciliations include -

- equity reconciliation as at 1st April 2015;
- equity reconciliation as at 31st March 2016; and
- profit reconciliation for the year ended 31st March 2016;

In the reconciliations mentioned above, following reclassifications have been made from Indian GAAP financial information to align with the Ind AS presentation.

(B) Reconciliation of IGAAP and Ind AS:
(a) Reconciliation of Equity

	As at 31st March 2016	As at 1st April 2015
Equity as per Indian GAAP	1,48,244	1,31,873
Non-controlling interest	146	138
Adjustments to equity under previous GAAP		
Fair valuation of Investment in Equity Shares	720	969
Proposed dividend (Including dividend distribution tax)	--	793
Prior year items	--	(36)
	720	1,726
Equity as per Ind AS	1,49,110	1,33,737

(b) Reconciliation of the Statement of Profit and Loss and Other Comprehensive Income

	For the year ended 31st March 2016
Net Profit as per Indian GAAP	17,965
Adjustments to net profit	
Actuarial Gain / Loss on Post-employment Defined Benefit Plan (net of income taxes)	(104)
Others (net of taxes)	36
	(68)
Net Profit under Ind AS	17,897
Actuarial Gain / Loss on Post-employment Defined Benefit Plan (net of income taxes)	104
Fair Valuation of Investment in Equity Shares	(249)
	(145)
Total Comprehensive Income as per Ind AS	17,752

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) Reclassification adjustments

(i) Statement of Profit and Loss

	Classification under Indian GAAP	Classification under Ind AS	For the year ended 31st March 2016
Net interest on net defined benefit obligations	Employee benefit expenses	Finance cost	98
Amortisation of lease premium for land given on lease	Depreciation	Rental expenses	4
Excise duty	Revenue	Excise duty	42,514
Variable consideration - Incentive to dealers	Other expenses	Revenue	(3,226)
Free Service Coupon	Other expenses	Revenue	(56)

(ii) Balance sheet

	Classification under Indian GAAP	Classification under Ind AS	31st March 2016	1st April 2015
Land given on Operating Lease	Property, plant and equipment	Investment property	653	677
Land taken on lease at Pithampur	Property, plant and equipment	Prepaid lease rentals	93	98
Government Grant	Capital reserve	Retained earnings	25	25
Free service coupon	Provisions	Deferred income	558	502

(d) Notes to reconciliations

(i) Revenue from Operations - Excise Duty

Under Indian GAAP, excise duty is reduced from gross revenues to report revenues net of excise duty. Under Ind AS, revenue includes gross inflows of economic benefits received by a company for its own account. Excise duty collected, which is a duty on manufacture and a primary obligation of the manufacturer is considered as revenue with the corresponding payments to Government as expenditure. This adjustment does not have any impact on Statement of Profit and Loss.

(ii) Revenue from Operations - Cash Discounts and Customer Incentives

Under Indian GAAP, cash discounts and certain customer incentives are reported separately as an expenditure in Statement of Profit and Loss. Under Ind AS, revenue is measured at the fair value of consideration received or receivable taking into account the amount of any trade discounts, volume rebates, customer incentives and cash discounts allowed by the Group. This adjustment does not have any impact on Statement of Profit and Loss.

(iii) Revenue from Operations - Multiple elements arrangement

Under Indian GAAP, there is no specific guidance on multiple elements transactions. Under Ind AS, when a contract includes more than one element, it is necessary to account for the revenue attributable to each element separately. The elements in a contract are segregated when element has stand-alone value to the customer and the fair value of that element can be measured reliably. Accordingly, revenue from sale of products and services is recorded at different points of time as and when the obligation is fulfilled. This adjustment does not have any impact on Statement of Profit and Loss.

(iv) Employee Benefit Expense

Actuarial gains and losses and return on plan assets

Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognized immediately in Statement of Profit and Loss. Under Ind AS, Re-measurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognized immediately in Other Comprehensive Income (OCI). Further, re-measurements recognized in OCI are never reclassified to Statement of Profit and Loss.

Under Indian GAAP, net finance cost / income on post-employment defined benefit plans is recognized in Statement of Profit and Loss under 'Employee Benefit Expense'.

Net interest income / expenses on net defined benefit obligation

Under Ind AS, net finance cost / income is recorded under 'finance cost / income'. This adjustment does not have any impact on Statement of Profit and Loss. Under Ind AS, lease of land is recognized as operating or finance lease as per definition and classification criteria stated in standard on leases. Accordingly, as on the date of transition, the leases of land have been classified as operating / finance lease as the case may be.

(v) Reclassification of leases of land

Under Indian GAAP, there is no specific guidance for contracts that involve leases of land. Under Ind AS, lease of land is recognised as operating or finance lease as per definition and classification criteria stated in standard on leases. Accordingly, as on the date of transition, the leases of land have been classified as operating / finance lease as the case may be.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

(vi) Prior year adjustments

Under Indian GAAP, prior period items are included in determination of profit or loss of the period in which the item is discovered and are separately disclosed in the Statement of Profit and Loss. Under Ind AS, material prior period items are corrected retrospectively by restating the comparative amounts for prior year presented in which the error occurred or if the error occurred before the earlier year presented by restating the Opening Balance Sheet.

(vii) Investment in Equity Shares

Under Indian GAAP, long-term investment in equity shares are carried at cost, unless there is a decline, other than temporary, in the value.

Under Ind AS, investment in Equity Shares classified as 'Fair value through Other Comprehensive Income' (FVTOCI) are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognized in Other Comprehensive Income. Further, gains or losses recognized in Other Comprehensive Income are never reclassified from equity to the Statement of Profit and Loss.

(viii) Proposed Dividend

Under Indian GAAP, dividend proposed after the date of the financial statements but prior to the approval of financial statements is considered as an adjusting event, and a provision for dividend is recognized in the consolidated financial statements of the period to which the dividend relates. Under Ind AS, dividend declaration is considered as a non-adjusting event and provision for dividend is recognized only in the period when the dividend is approved by the shareholders in Annual General Meeting.

(ix) Government Grant

Under Indian GAAP, grant in the nature of Promoter's contribution is directly recognized in Equity. Under Ind AS, grant received is not allowed to be directly recognised in equity. The liability relating to asset related grant received is amortised to the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. This is equity neutral adjustment as assets for which grants are received are fully depreciated on Ind AS transition date i.e. 1st April 2015.

(x) Investment Property

Under Indian GAAP, there is no comprehensive guidance for recognition and measurement of Investment Property. Under Ind AS, property (land or building or both) held for earnings lease rentals or for capital appreciation is treated as investment property. This adjustment for reclassification is equity neutral adjustment.

(xi) Deferred Taxes

Under Indian GAAP, deferred taxes are recognised using income statement approach (i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period). Under Ind AS, deferred taxes are recognised using balance sheet approach (i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities) for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Also, deferred taxes are recognized on account of the above mentioned changes explained in notes (d) (i) to (x), wherever applicable.

49. The Group is operating in a Single Segment.

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

As per our separate report of even date.

For **M/s. P. G. Bhagwat**
 [FRN : 101118W]
 Chartered Accountants

Sanjay Kumar Bohra
 Chief Financial Officer

Prasan Firodia
 Managing Director

S. S. Athavale
 Partner
 Membership No. 83374

Kishore P. Shah
 Company Secretary

Sudhir Mehta
 Director

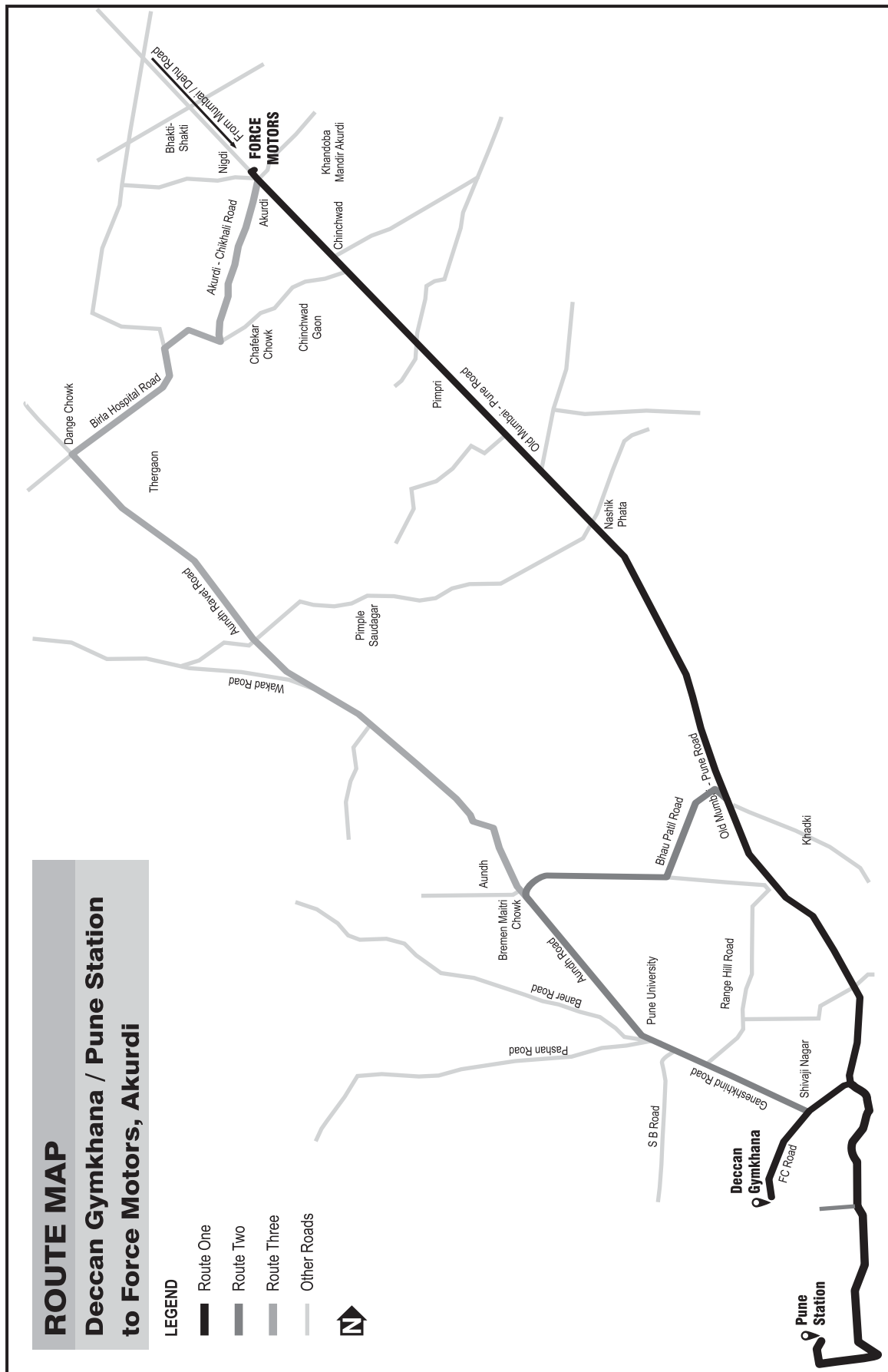
Place : Pune
 Date : 11th May 2017

Place : Pune
 Date : 11th May 2017

(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	1,66,541	99.86	17,992
Indian Subsidiary :				
Tempo Finance (West) Pvt. Ltd.	0.22	371	0.14	26
Non-controlling Interest (Indian Minority)	0.09	154	0.05	9



NOTES

NOTES

FORCE MOTORS LIMITED

CIN L34102PN1958PLC011172

Regd. Office : Mumbai-Pune Road, Akurdi, Pune - 411 035, INDIA.

Tel. : +91 20 27476381 E-mail: compliance-officer@forcemotors.com

Website : www.forcemotors.com



ATTENDANCE SLIP

Sr No:

Registered Folio No./ DP ID & Client ID	
Name and address of the Member(s)	
Joint Holder 1 Joint Holder 2 (If any)	
No. of Shares	

I /We certify that I/we am/are member(s)/ proxy for the member(s) of the Company.

I/We record my/our presence at the '58th Annual General Meeting' of the Company to be held on Wednesday, 13th September 2017 at 11.30 a.m. at Mumbai-Pune Road, Akurdi, Pune – 411 035.

.....
Name of Member/Proxy/Authorised Representative

.....
Signature of Member / Proxy / Authorised Representative

Note : Please fill in the name and sign this attendance slip and deposit the same with the Company Officials at the venue of the Meeting. Only shareholders/proxies are allowed to attend the meeting.

ELECTRONIC VOTING PARTICULARS

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

Notes:

1. Please follow steps for remote e-voting procedure as given in the Notice of AGM by logging on to- <https://www.evoting.nsdl.com/>
2. Instructions for e-voting procedure are available in the Notice of the Annual General Meeting and are also placed on the website of the Company.

FORCE MOTORS LIMITED

CIN: L34102PN1958PLC011172

Registered Office :

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

Tel: +91 20 27476381

E-mail: compliance-officer@forcemotors.com

Website : www.forcemotors.com

**FORCE**

58th Annual Report 2016-17

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 58th Annual General Meeting of the Company, to be held on Wednesday, the 13th day of September 2017 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:

Sl.	Resolutions
Ordinary Business	
1	Adoption of the audited financial statements and the consolidated audited financial statements of the Company, for the Financial Year ended 31st March 2017, together with the Board's and Auditors' Report thereon
2	Declaration of Dividend
3	Appointment of Director in place of Mr. Prashant V. Inamdar, who retires by rotation and being eligible offers himself for reappointment
4	Appointment of M/s Kirtane & Pandit LLP, Chartered Accountants, as Statutory Auditors and to fix their remuneration
5	Appointment of Mr. Yeshwant M. Deosthalee as an Independent Director
Special Business	
6	Re-appointment of Mr. Pratap Pawar as an Independent Director
7	Re-appointment of Mr. S. Padmanabhan as an Independent Director
8	Re-appointment of Mr. Nitin Desai as an Independent Director
9	Re-appointment of Dr. Indira Parikh as an Independent Director
10	Re-appointment of Mr. Arun Sheth as an Independent Director
11	Contribution to bona fide charitable and other funds
12	Appointment of Cost Accountants with remuneration
13	Consent to the Board to invite and accept deposits

Signed this day of2017

Affix
Revenue
Stamp

Signature of shareholder_____
Signature of Proxy holder(s)

Note : 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.



(LtoR) Mrs. Nirmala Sitharaman-Minister of State with Independent Charge for Commerce and Industry, Mr. Piyush Goyal-Minister of State with Independent Charge for Power, Coal and Renewable Energy, Mrs. Zarin Daruwala - CEO, Standard Chartered Bank India, Dr. Abhay Firodia - Chairman, Force Motors Ltd, Mr. Rajiv Memani - Chairman, India Region and Emerging Markets Committee Ernst and Young

New Models



TRAX Kargo King



Traveller T2 3350WB - Smart Citi Bus



FORCE MOTORS LIMITED

CIN L34102PN1958PLC011172

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

www.forcemotors.com

Toll Free No. : 1800 2335 000