



FM:SEC:F-42(15)

24th August, 2019

The Secretary,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Scrip Code: 500033

Sub.: Annual Report for the Financial Year 2018-19

Dear Sir / Madam,

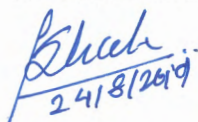
Pursuant to Regulation 30 & 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; please find following enclosed, which are being sent to the Members of the Company:

1. Notice of the 60th Annual General Meeting;
2. Annual Report for the Financial Year ended 31st March, 2019; and
3. Attendance Slip and Proxy Form.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **Force Motors Limited**


24/8/2019

Kishore P. Shah

 Company Secretary & Compliance Officer

Encl.: A/a.

FORCE MOTORS LIMITED

CIN : L34102PN1958PLC011172

Regd. Office : Mumbai-Pune Road, Akurdi, PUNE - 411 035, INDIA. Tel. : (+91) 20 27476381
Visit us at : www.forcemotors.com



60th ANNUAL REPORT

2018-2019

FORCE MOTORS LIMITED

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

TRAVELLER
MONOBUS

India's First 33 Seater Monocoque Bus



INDIA'S FIRST ALL-ROUNDER
ORCHARD TRACTOR



ABHIMAN

THE NEW-GENERATION TRACTOR FOR
THE NEW-GENERATION FARMER



SANMAN

Sanman-5000
Sanman-6000

**Payload or Deck Area,
Truly Best In Its Class.**

SHAKTIMAN
200 / 400



**BOARD OF DIRECTORS**

Abhaykumar Firodia, Chairman
Prasan Firodia, Managing Director
Sudhir Mehta
Pratap Pawar
S. Padmanabhan
Nitin Desai
Dr. Indira Parikh
Arun Sheth
Arvind Mahajan
Anant Talaulicar
Lt. Gen. (Retd.) (Dr.) D. B. Shekatkar
Prashant V. Inamdar, Executive Director (Operations)

CHIEF FINANCIAL OFFICER

Sanjay Kumar Bohra

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

Kishore P. Shah

AUDITORS**Statutory Auditor**

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

Secretarial Auditor

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

Internal Auditors

M/s. Capri Assurance and Advisory Services
Chennai.

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

COST ACCOUNTANTS

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

REGISTERED OFFICE

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

WORKS

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

**Contents**

Notice of Annual General Meeting	04
Board's Report with Annexure	13
Management Discussion and Analysis	28
Report on Corporate Governance	30
Auditors' Certificate on Corporate Governance	41
Standalone Financial Statements	48
Consolidated Financial Statements	86
Force Motors Route Map	120

NOTICE

Notice is hereby given that the 60th Annual General Meeting of the Members of Force Motors Limited will be held on **Thursday, the 19th day of September 2019 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 standalone and consolidated financial statements of the Company, for the Financial Year ended 31st March 2019, together with the Board's Report and Auditors' Report thereon.
2. To declare dividend for the Financial Year ended 31st March 2019.
3. To appoint a Director in place of Mr. Sudhir Mehta (DIN: 00056867), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Contribution to bona fide charitable and other funds

To consider and if thought fit, to pass, 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 2019-20."

5. Appointment of Cost Accountants with remuneration

To consider and if thought fit, to pass, 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 2020, be paid remuneration of ₹ 2,40,000/- (Rupees two lakh forty thousand only) plus travelling and out of pocket expenses with taxes, if any."

6. To ratify the related party transactions in pursuance to the Trademark License Agreement with Force MTU Power Systems Private Limited, subsidiary of the Company

To consider and if thought fit, to pass, the following resolution as an **ordinary resolution**:

"RESOLVED THAT in pursuance of Section 188 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Trade Mark License Agreement entered for granting license to Force MTU Power Systems Private Limited, a subsidiary of the Company, to use the Word Mark - 'FORCE' (Registration No. 3519645) and Device Mark - 'FML Logo' (Registration No. 1411075), at a consideration of ₹ 1,000/- (Rupees one thousand only) per annum, be and is hereby approved and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Officer of the Company as may be authorized by the Board of Directors, from time to time, be and is hereby authorized to take all necessary steps in respect of this contract including agree to any variation or novation of this contract from time to time as may be deemed fit by the Board of Directors."

7. Re-appointment of Mr. Abhaykumar Firodia as a Managing Director of the Company, to be designated as 'Chairman'

To consider and if thought fit, to pass, the following resolution as a **special resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act,

2013 and the Rules made there under, if any, the Articles of Association of the Company, and as per the recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded for the re-appointment of Mr. Abhaykumar Firodia (DIN: 00025179) as a Managing Director of the Company, to be designated as the Chairman, whose current tenure is liable to expire on 19th September 2019, for a period of five years w.e.f. 20th September 2019, on the terms and conditions, as set out in this resolution, and he shall not be liable to retire by rotation:

- (a) Mr. Abhaykumar Firodia shall be designated as the Chairman.
- (b) Mr. Abhaykumar Firodia shall exercise such powers of management of the affairs of the Company as may be delegated by the Board of Directors of the Company to him, from time to time.
- (c) Mr. Abhaykumar Firodia, as Chairman, shall not draw any remuneration, except provision of car by the Company for the Company's business or for personal use and free telephone facility at residence with a mobile phone facility.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate substantial powers of management to Mr. Abhaykumar Firodia, Chairman of the Company, to be exercised by him, and the Board of Directors of the Company may grant Power of Attorney in his favour for vesting the specific powers of management in him.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

B. Re-appointment of Mr. Prasan Firodia as a Managing Director of the Company

To consider and if thought fit, to pass, the following resolution as a **special resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V; and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, and the Articles of Association of the Company, and as per the recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded for the re-appointment of Mr. Prasan Firodia, (DIN : 00029664) as a Managing Director of the Company, whose current tenure will expire on 5th November 2019, for a period of 5 years with effect from 6th November 2019, on the terms and conditions including remuneration as set out in this resolution, and he shall not be liable to retire by rotation :

REMUNERATION :

- (a) Salary of ₹ 10,00,000/- (Rupees ten lakh only) per month. Annual merit-based increments as may be decided by the Board on recommendation of the Nomination and Remuneration Committee, without any further reference to the members of the Company in general meeting, during his tenure.
- (b) Commission of such an amount as may be approved by the Nomination and Remuneration Committee and the Board of Directors of the Company for each financial year, provided that the total remuneration shall not exceed 5% of the net profits of the Company, as computed as per the provisions of Section 198 of the Companies Act, 2013, as reduced by salary, perquisites and cost of benefits incurred by the Company for the Managing Director.



(c) Perquisites :

- (i) Provision of car for use on Company's business and for personal purposes.
- (ii) Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- (iii) Personal Accident and Medical Insurance Policies for an amount, the annual premium for which shall not exceed ₹ 75,000/- (Rupees seventy five thousand only).
- (iv) Reimbursement of medical expenses incurred for self and family.
- (v) Free telephone facility at the residence and a mobile phone facility.
- (vi) Fees of two clubs, provided that admission or life Membership fees shall not be paid by the Company.
Provided that the valuation of above perquisites/benefits shall be done as per the provisions of the Income-tax Act, 1961 or Rules made there under as prevalent or as amended/ modified/ substituted from time to time.
- (vii) Contribution to Provident Fund and Superannuation Fund to the extent not taxable under the Income-tax Act, 1961, as prevalent or as amended/ modified/ substituted from time to time.
- (viii) Gratuity at the rate of half a month's salary for each completed year of service, as per the rules of the Company.
- (ix) Encashment of leave, at the end of the tenure, as per the rules of the Company.

Provided that the remuneration aforesaid, including all perquisites, benefits and amenities shall be allowed as a minimum remuneration in any year in the event of absence or inadequacy of profits for that year excluding cost of perquisites/benefits mentioned at Sr. No. (c) (vii) to (ix) above.

RESOLVED FURTHER THAT the approval of the payment of minimum remuneration is granted for a period of 3 years w.e.f. 6th November 2019.

RESOLVED FURTHER THAT a specific approval be and is hereby accorded for payment of above mentioned remuneration to Mr. Prasan Firodia, Managing Director, who is also a promoter of the Company, even if such remuneration exceed ₹ 5,00,00,000/- (Rupees five crore only) or 2.5% of the net profits of the Company (whichever is higher) or the aggregate annual remuneration to all Executive Directors who are promoters or members of the promoter group, exceeds 5 % of the net profits of the Company in any year during his tenure.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013 or by the Securities and Exchange Board of India to Regulation 17 (6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the above mentioned terms of appointment of Mr. Prasan Firodia (DIN : 00029664) be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate substantial powers of management to Mr. Prasan Firodia (DIN : 00029664), Managing

Director of the Company, to be exercised by him, and the Board of Directors of the Company may grant Power of Attorney in his favour for vesting the specific powers of management in him.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. Re-appointment of Mr. Prashant V. Inamdar as Executive Director of the Company

To consider and if thought fit, to pass, the following resolution as a **special resolution** :

"RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, and as per the recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded to re-appointment of Mr. Prashant V. Inamdar (DIN: 07071502) as the Whole-time Director to be designated as Executive Director (Operations) of the Company, whose existing term expires on 15th January 2020, for a period of 5 years with effect from 16th January 2020, on the terms and conditions including remuneration as set out in this resolution:

REMUNERATION :

- (a) Salary including allowances of ₹ 10,68,089/- (Rupees ten lakh sixty eight thousand eighty nine only) per month. Annual merit-based increments as may be decided by the Board on recommendation of the Nomination and Remuneration Committee, without any further reference to the members of the Company in general meeting, during his tenure.

(b) Perquisites :

- (i) Provision of car for use on Company's business and for personal purposes.
- (ii) Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- (iii) Personal Accident and Medical Insurance Policies for self and family for an amount, the annual premium for which shall not exceed ₹ 60,000/- (Rupees sixty thousand only).
- (iv) Reimbursement of medical expenses incurred for self and family as per the scheme of the Company.
- (v) Free telephone facility at residence and a mobile phone facility.
- (vi) Benefit of furniture, perquisites as per the scheme of the Company.

Provided that the valuation of above perquisites/benefits shall be done as per the provisions of the Income-tax Act, 1961 or Rules made there under as prevalent or as amended / modified / substituted from time to time.

- (vii) Contribution to Provident Fund and Superannuation Fund as per the scheme prevalent or as amended / modified / substituted from time to time.
- (viii) Gratuity at the rate of half a month's salary for each completed year of service, as per the rules of the Company.
- (ix) Encashment of leave, at the end of the tenure, as per the rules of the Company.

(c) Performance Pay :

Performance pay shall be paid if Mr. Prashant V. Inamdar achieves the agreed quantitative and qualitative Key Performance Indicators (KPIs). In any given year, the actual variable performance pay to be paid could vary from 0 to 25 % of the salary and allowances excluding Performance Pay, based on his performance as evaluated against KPIs.

Provided that the remuneration aforesaid, including all perquisites, benefits and amenities shall be allowed as a minimum remuneration in any year in the event of absence or inadequacy of profits for that year, excluding cost of perquisites/benefits mentioned at Sr. No. (b)(vii) to (ix) above.

RESOLVED FURTHER THAT the approval of the payment of minimum remuneration is granted for a period of 3 years from 16th January 2020.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the above mentioned terms of appointment of Mr. Prashant V. Inamdar (DIN : 07071502) be suitably amended to give effect to such modifications, relaxation or variation, without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. Re-appointment of Mr. Arvind Mahajan, as an independent director of the Company for a term of five consecutive years with effect from 28th September 2019.

To consider and if thought fit, to pass, the following resolution as a **special resolution** :

"RESOLVED THAT pursuant to the provisions of the Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the 'Act') and the Rules made thereunder read with Schedule IV to the Act and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Arvind Mahajan (DIN: 07553144), who was appointed as independent director of the Company for a term of three years up to 27th September, 2019 and is eligible to be appointed as independent director and considering the report of his performance evaluation made during the year 2018-19, be and is hereby re-appointed as an Independent Director on the Board of the Company for a second term comprising of five consecutive years effective from 28th September 2019.

RESOLVED FURTHER THAT the proposed terms and conditions of re-appointment of Independent Director, as indicated in the Statement dated 26th July 2019, annexed 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 re-appointment to Mr. Arvind Mahajan, in respect of his re-appointment as an

Independent Director and to take all necessary steps as may be required in this respect."

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 RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

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

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

- 2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3) The Statement, setting out the material facts, pursuant to Section 102 of the Companies Act, 2013 concerning the Special Business mentioned in the Notice, is annexed hereto.
- 4) Brief details of the directors, who are seeking re-appointment, are annexed hereto as per requirements of Regulation 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 Saturday, 14th September 2019 to Thursday, 19th September 2019, 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 from time to time and for the time being in force and Regulation 44 of the 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 60th 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 the 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 Monday, 16th September 2019 (9:00 a.m. IST) and ends on Wednesday, 18th September 2019 (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 Friday, 13th September 2019, 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 :
 Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
 Step 2 : Cast your vote electronically on NSDL e-Voting system.
 Details on Step 1 is mentioned below:
 How to Log-into NSDL e-Voting website?
 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
 Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
 4. Your User ID details are given below :

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

5. Your password details are given below :
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - (a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
 Details on Step 2 is given below:
 How to cast your vote electronically on NSDL e-Voting system?
 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of company for which you wish to cast your vote.
 4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjay_athavale@pgbhagwatca.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
 - i. 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 13th September 2019.
 - ii. 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. 13th September 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company / RTA.
 - iii. 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.
 - iv. 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.
 - v. 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).
 - vi. 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.
 - vii. 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.
 - viii. 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 dividends declared for the Financial Years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 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) As a step for paperless communication with the members of the Company, the 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 through the enclosed 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) As per the SEBI (LODR) Regulations 2015 and pursuant to SEBI Circular dated 20th April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment of dividend to the members. Accordingly, dividend, if declared, will be paid through electronic mode, where the bank account details of the members required for this purpose are available.

For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish the details well in advance to update particulars of their bank account to the Company's RTA; Link Intime India Pvt. Ltd. along with a photocopy of a cancelled cheque of the bank account, self-attested copy of Permanent Account Number (PAN) card. Members holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and make sure that such changes are recorded by them correctly well in advance. The request for updating of particulars of bank account should be signed as per the specimen signature registered with the RTA/depository participants, as the case may be.

- 13) 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.
- 14) The Annual Report 2018-19 of the Company, circulated to the members of the Company, is available on the Company's website at www.forcemotors.com and also on the website of BSE Limited at www.bseindia.com.
- 15) 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 60th Annual General Meeting i.e., 19th September 2019.

- 16) 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. Arvind Mahajan	07553144
8	Dr. Indira Parkh	00143801
9	Mr. Arun Sheth	00086891
10	Mr. Anant Talaulicar	00031051
11	Lt. Gen. (Retd.) D.B. Shekatkar	02676828
12	Mr. Prashant V. Inamdar	07071502

- 17) 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
Company Secretary &
Compliance Officer

Pune, 26th July 2019.

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

ANNEXURE TO THE NOTICE

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

Item No. 3

Mr. Sudhir Mehta (DIN: 00056867)

Mr. Sudhir Mehta (DIN 00056867), aged 50 years, holds a Bachelor's Degree from DePauw University of U.S.A., and Master's Degree in Business Management from the University of Chicago. He has extensive experience as an Investment Banker and as an Entrepreneur. He is presently the Managing Director of Pinnacle Industries Limited and is also on the Boards of Mahratta Chamber of Commerce, Industries and Agriculture and MCCIA Electronic Cluster Foundation.

He is also a Director / Partner in the following companies / LLP: Caveo Pinnacle India Pvt. Ltd., Rivulis Irrigation India Private Limited, Kider (India) Private Limited, Indaux India Private Limited, VDL Pinnacle Engineering India Private Limited, Arcatron Mobility Private Limited, Stone Angel Technologies LLP, Isravat Consulting Limited, Epitome Components Pvt. Ltd., Israel, Pinnacle Social and Charitable Foundation, Association of Certified Valuators and Analysts, Pune City Connect Development Foundation and AIC-Pinnacle Entrepreneurship Forum.

He is not related to any director except Mr. Abhaykumar Firodia, Chairman of the Company. He does not hold any shares in the Company.

He is a Chairman of the Stakeholders' Relationship Committee, a member of Audit Committee and Corporate Social Responsibility Committee of the Board.

Mr. Mehta is not disqualified from being appointed as director in terms of Section 164 of the Act and being eligible, offers himself for reappointment.

None of the Directors / Key Managerial Personnel of the Company or their relatives, except Mr. Sudhir Mehta and Mr. Abhaykumar Firodia, are concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding if any, in the Company.

The Board recommends this resolution as set out in Item No. 3 for the approval by the members of the Company.

Item No. 4

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 5% of the Company's average net 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 2019-20.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the resolution as set out in Item No. 4 for the approval of the members of the Company.

Item No. 5

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 2020 on a remuneration of ₹ 2,40,000/- (Rupees two lakh forty thousand only) plus travelling and out of pocket expenses and taxes, if any.

Considering the applicable provisions of the Act and Rules made thereunder, approval of the members of the Company is being sought by

this ordinary resolution as a matter of caution, though the said Cost Accountants are not appointed to audit the Cost Records of the Company.

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

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in this resolution, except to the extent of their respective shareholding if any, in the Company.

The Board recommends the resolution as set out in Item No. 5 for the approval of the members of the Company.

Item No. 6

Ratification of related party transaction in pursuance to the Trade Mark License Agreement with Force MTU Power Systems Pvt. Ltd., a subsidiary of the Company

As been discussed and approved by the Board, Force MTU Power Systems Private Limited (the 'FMTU') was incorporated on 7th August, 2018, as a joint venture between the Company and Rolls Royce Power Systems AG (RR), through its subsidiary company namely MTU Friedrichshafen GmbH for engaging in the business of development, manufacture and marketing of engines, engines for power generation, complete power generators and engines for various applications like Rail.

The Board has approved execution of Trade Mark License Agreement granting license at a consideration of ₹ 1,000/- (Rupees one thousand only) per annum, to the 'FMTU', subsidiary of the Company. Considering the provisions of Sections 2(76) and 188 of the Act, the 'FMTU' is a related party of the Company and considering the minimum consideration being charged to the FMTU for using Company's Marks, the matter is put before the members for their ratification. Accordingly, a resolution in item No. 6 is proposed in the notice calling 60th Annual General Meeting for ratification of aforementioned agreement.

The following disclosure(s) for providing of services to the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time and for the time being in force :

Sr.no.	Particulars	Remarks
a.	Name of Related Party	Force MTU Power Systems Private Limited
b.	Name of the Directors and Key Managerial Personnel who is related, if any	1. Mr. Abhaykumar Firodia, Chairman 2. Mr. Prasan Firodia, Managing Director 3. Mr. Prashant V. Inamdar, Executive Director (Operations)
c.	Nature of relationship	Force MTU Power Systems Private Limited is a subsidiary of the Company, in which the Company holds 51% of total paid-up share capital.
d.	Nature, Material terms, monetary value and particulars of the contract or arrangements	As per the Joint Venture Agreement dated 20th March 2018, executed by and between the Company and MTU Friedrichshafen GmbH (MTU), provided for grant of necessary licenses, permitting use of Joint Venture Partners' names and brands, to the Company. The Company has granted license to Force MTU Power Systems Pvt. Ltd. to use word 'Force' in its name. The License was granted for a consideration of ₹ 1,000/- (Rupees one thousand only) per annum.
e.	Any other information relevant or important for the members to take a decision on the proposed resolution.	The agreement was executed on 10th May 2019, on such terms and conditions as were approved by the Board.



Members are requested to ratify the Trademark License Agreement as executed between the Company and the 'FMTU' on 10th May 2019.

Mr. Abhaykumar Firodia, Chairman, Mr. Prasan Firodia, Managing Director and Mr. Prashant V. Inamdar, Executive Director (Operations), of the Company; are nominated as the directors on the board of directors of the 'FMTU'. Due to this directorship, they may be deemed to be interested in the matter.

Further, considering the provisions of Section 188 of the Act and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no related party of the Company shall vote to approve this resolution.

None of the Directors / Key Managerial Personnel of the Company or their relatives except Mr. Abhaykumar Firodia, Mr. Prasan Firodia and Mr. Prashant V. Inamdar is concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding if any, in the Company.

The Board recommends this resolution as set out in Item no. 6 for the approval of the members of the Company.

Item No. 7

Mr. Abhaykumar Firodia (DIN: 00025179)

Mr. Abhaykumar Firodia (DIN : 00025179), was appointed as a Managing Director and designated as 'Chairman' of the Company w.e.f. 20th September 2014 till 19th September 2019. The Board in its meeting held on 26th July 2019 has, subject to the approval of Members of the Company, re-appointed Mr. Abhaykumar Firodia, as a Managing Director designated as 'Chairman', for a period of 5 (five) years from 20th September 2019.

It is proposed to seek the Members' approval for the re-appointment of Mr. Abhaykumar Firodia, as a Managing Director designated as 'Chairman', in terms of the applicable provisions of the Act.

Brief Resume: Mr. Abhaykumar Firodia, (DIN: 00025179), aged 74 years, is associated with the Company as a Director since 1975.

Considering the various projects being undertaken by the Company and the market situation requiring band width at the highest level of the management, the Board requested Mr. Abhaykumar Firodia to assist the Company in the management of the Company. In order to ensure the compliance of the provisions of the Companies Act, 2013 and the Rules made there under, a proposal to re-appoint Mr. Abhaykumar Firodia as Managing Director and enabling the Board to delegate substantial powers of the management to him. Mr. Abhaykumar Firodia holds 2,64,351 equity shares of ₹ 10/- (Rupees ten only) each of the Company.

Mr. Abhaykumar Firodia has indicated that he would not draw any remuneration, including sitting fees. The Company has agreed to make arrangement of cars, telephone / mobile for Mr. Abhaykumar Firodia. Mr. Abhaykumar Firodia is Managing Director of Jaya Hind Industries Limited and is drawing remuneration from that company.

Mr. Abhaykumar Firodia is Director in the following companies :

Jaya Hind Industries Limited, Jaya Hind Montupet Private Limited, Force MTU Power Systems Private Limited, Mahratta Chamber of Commerce, Industries & Agriculture, The Indo German Chamber of Commerce and RAN Chemicals Private Limited.

He is a member of the Stakeholders' Relationship Committee of the Board.

Considering the vast experience and expertise of Mr. Abhaykumar Firodia in the automobile industry, in the opinion of the Board, re-appointment of Mr. Abhaykumar Firodia, to be designated as Chairman would be in the best interests of the Company.

Subject to the provisions of Article 158 of the Articles of Association of the Company, during his tenure as Managing Director, to be designated as Chairman of the Company, Mr. Abhaykumar Firodia will not be liable to retire by rotation.

None of the Directors / Key Managerial Personnel of the Company or their relatives, except Mr. Abhaykumar Firodia, Mr. Prasan Firodia, being son of

Mr. Abhaykumar Firodia and Mr. Sudhir Mehta, being son-in-law of Mr. Abhaykumar Firodia, are concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends this special resolution as set out in Item no. 7 for the approval of the members of the Company.

Item No. 8

Mr. Prasan Firodia (DIN: 00029664)

Mr. Prasan Firodia (DIN: 00029664) is appointed as a Managing Director, for a period of 5 (five) years w.e.f. 6th November 2019, by the Board at the remuneration recommended by the Nomination and Remuneration Committee of the Board.

It is proposed to seek the Members' approval for the re-appointment of and for payment of remuneration to Mr. Prasan Firodia as Managing Director, in terms of the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars of the terms of re-appointment of and remuneration payable to Mr. Prasan Firodia are as stated in the said resolution.

Brief resume: Mr. Prasan Firodia, aged 40 years, holds a Bachelor's Degree in Business Administration, was appointed as a Director of the Company on 17th December 2003 and as the Managing Director of the Company with effect from 6th November 2009. He was re-appointed as Managing Director of the Company from 6th November 2014 for a period of 5 years. He is also the Managing Director of Jaya Hind Industries Limited. He shall not draw any remuneration as the Managing Director from Jaya Hind Industries Limited. Mr. Prasan Firodia holds 2,20,763 equity shares of ₹ 10/- each of the Company constituting 1.68% of the paid up share capital of the Company.

No formal contracts, except the resolution passed by the Board of Directors and in the General Meeting, are expected to be executed with the Managing Director. As any other Director, Managing Director shall be entitled to resign from the services by submitting resignation and no other fee or any compensation is payable to him by the Company for termination of this arrangement.

Mr. Prasan Firodia's job profile is to manage the business of the Company. He will have substantial powers of management. The Board of Directors would grant an exhaustive Power of Attorney in favour of Mr. Prasan Firodia, in order to vest powers to manage and have substantial powers of management of the affairs of the Company.

As per the provisions of Article 158 of the Articles of Association of the Company, during his tenure as Managing Director of the Company, Mr. Prasan Firodia will not be liable to retire by rotation.

Mr. Prasan Firodia is Director in the following companies :

Jaya Hind Industries Limited, Jaya Hind Montupet Private Limited, Force MTU Power Systems Private Limited and Sona BLW Precision Forgings Limited.

He is a member of the Stakeholders' Relationship Committee of the Board.

The Company has not made any default in respect of repayment of any debt, including but not limited to, public deposits, debentures, interest thereon or dues to banks or financial institutions.

The Company is not having any investment from any collaborator in its equity share capital.

The proposed remuneration is as indicated in the Resolution. Considering the other companies operating in the automobile industry and similar area, the managerial remuneration is normally accounted for 0.01% to 1% of the turnover.

Considering his age, experience, qualification and performance, the Board of Directors and Nomination and Remuneration Committee of the Board of Directors is of the opinion that Mr. Prasan Firodia, being a Director representing the Promoters of the Company, is suitable for the post.

The amount of commission to be paid to the Managing Director shall be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company, year to year, based on the performance of the Company, profitability of the Company, performance of the Managing Director and other factors as may be considered appropriate by the Nomination and Remuneration Committee of the Board.

The Company has not announced or offered any employees' stock option scheme and the remuneration to be paid to Mr. Prasan Firodia includes the elements in the Resolution only.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Prasan Firodia under Section 190 of the Act.

None of the Directors / Key Managerial Personnel of the Company or their relatives, except Mr. Prasan Firodia and Mr. Abhaykumar Firodia, being father of Mr. Prasan Firodia, are concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends this special resolution as set out in Item no. 8 for the approval of the members of the Company.

Item No. 9

Mr. Prashant V. Inamdar (DIN: 07071502)

Mr. Prashant V. Inamdar (DIN : 07071502) whose existing term is about to expire on 15th January 2020, is re-appointed as the Executive Director (Operations) by the Board, for a period of 5 years w.e.f. 16th January 2020, at the remuneration recommended by the Nomination and Remuneration Committee of the Board.

It is proposed to seek the Members' approval for the re-appointment and payment of remuneration to Mr. Prashant V. Inamdar to be designated as the Executive Director (Operations), in terms of the applicable provisions of the Act.

Particulars of the terms of appointment and remuneration payable to Mr. Prashant V. Inamdar are as stated in the resolution above.

Brief resume: Mr. Prashant V. Inamdar, aged 54 years, diploma holder in Mechanical Engineering, is a Director of the Company from 16th January 2015. Mr. Prashant V. 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 plants in Chennai and Chakan (Pune). At present, Mr. Inamdar is Executive Director (Operations) of the Company and responsible for Operations of all the Plants of Force Motors Limited.

No formal contracts, except the resolution passed by the Board of Directors and in the General Meeting, are expected to be executed with the Executive Director (Operations). As any other Director, Executive Director (Operations) shall be entitled to resign from the services by submitting resignation and no other fee or any compensation is payable to him by the Company for termination of this arrangement.

Mr. Prashant V. Inamdar's job profile is to manage the operations of all the Plants of Force Motors Limited. He will report to the Chairman and the Managing Director of the Company and will have powers of management as delegated by the Chairman and / or the Managing Director from time to time.

Mr. Prashant V. Inamdar is a director on the Board of Force MTU Power Systems Private Limited. Mr. Inamdar holds no shares in the Company.

The Company has not announced or offered any employees' stock option scheme and the remuneration to be paid to Mr. Prashant V. Inamdar includes the elements in the resolution only.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Prashant V. Inamdar under Section 190 of the Act.

None of the Directors / Key Managerial Personnel of the Company or their relatives, except Mr. Prashant V. Inamdar, is concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends this special resolution as set out in Item no. 9 for the approval of the members of the Company.

Item No. 10

Mr. Arvind Mahajan (DIN : 07553144)

The term of Mr. Arvind Mahajan as an Independent Director, was approved by the members of the Company in their 57th Annual General Meeting held on 28th September 2016, for a period of three years, i.e. upto 27th September 2019.

The Board in its meeting held on 26th July 2019 re-appointed Mr. Arvind Mahajan as an Independent Director of the Company, for a term of five years w.e.f. 28th September 2019 on the recommendation of the Nomination and Remuneration Committee.

The declaration of independence as per Section 149 and Regulation 16 of the SEBI (LODR) Regulations, 2015 and declaration w.r.t. non-disqualification under Section 164(2) of the Companies Act, 2013, is received from Mr. Arvind Mahajan.

Considering his immense experience of 38 years in the areas of management consulting and expertise in finance, accounting, formulating business strategies and risk management, the Board recommends the re-appointment of Mr. Mahajan as an Independent Director on the Board of the Company.

Brief Resume: Mr. Arvind Mahajan (DIN: 07553144), aged 60 years, is a Graduate [B.Com. (Hons.)] from Shriram College of Commerce, Delhi University and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad, having over all experience of 35 years in the areas of management consulting and industry and expertise in finance and accounting.

Mr. Mahajan is director in HDFC ERGO General Insurance Company Limited and Bank of Baroda Capital Markets Limited.

Mr. Mahajan is not related to any of the Directors / Key Managerial Personnel of the Company and does not hold any shares in the Company.

In the opinion of the Board, Mr. Mahajan fulfills the conditions specified in the Act, and the SEBI (LODR) Regulations, 2015 and is eligible to be re-appointed as independent director.

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. 15 of the Notes to the Notice.

None of the Directors / Key Managerial Personnel of the Company or their relatives, except Mr. Arvind Mahajan, is concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends this special resolution as set out in Item no. 10 for the approval of the members of the Company.

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

Kishore P. Shah
Company Secretary &
Compliance Officer

Pune, 26th July 2019.

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 60th Annual Report, together with the audited standalone and consolidated financial statements for the Financial Year ended on 31st March 2019.

1. Financial Results

(₹ in Lakh)
Standalone

Particulars	2018-19	2017-18
Revenue from Operations (Gross)*	3,65,210	3,52,342
Other Income	8,162	6,872
Gross Profit (Profit before Depreciation & Taxes)	34,473	32,949
Depreciation	15,092	12,926
Profit before Taxes (Net)	19,381	20,023
Provision for Taxation (Net)	4,663	5,328
Profit After Tax	14,718	14,695
Other Comprehensive Income/(Loss)	478	229
Comprehensive Income for the year	15,196	14,924
Proposed Dividend	1,318	1,318
Tax on proposed Dividend	271	271
Balance in Retained Earnings	1,50,277	1,37,074

Consolidated

Particulars	2018-19	2017-18
Revenue from Operations (Gross)*	3,65,245	3,52,377
Other Income	8,162	6,872
Gross Profit (Profit before Depreciation & Taxes)	34,507	32,984
Depreciation	15,092	12,926
Share of Profit / (Loss) of JV	(401)	--
Profit before Taxes (Net)	19,014	20,058
Provision for Taxation (Net)	4,672	5,337
Profit After Tax	14,342	14,721
Other Comprehensive Income/(Loss)	477	229
Comprehensive Income for the year	14,819	14,950
Attributable to :		
(a) Equity holders of the Company	14,810	14,941
(b) Non Controlling Interest	9	9
Transfer to General Reserve	4	4
Proposed Dividend	1,318	1,318
Tax on proposed dividend	271	271
Balance in Retained Earnings	1,50,050	1,37,251

* Post applicability of Goods and Services Tax (GST) with effect from 1st July 2017, revenue from operations is required to be disclosed net of GST, the revenue from operations for the year ended 31st March 2019 is not comparable with the previous year.

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

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

2. State of Company's Affairs and Future Outlook

The year under discussion mostly saw a stable business environment, although towards the end of the financial year 2018-19, a slow-down in the business environment became evident.

The Company continues to be burdened with asymmetric GST on its most popular vehicles, on account of a classification imbroglio where vehicles between 10 and 13 seats capacity, continue to receive step-motherly treatment.

The manufacturing operations of the Company have continued to improve, and this is reflected in the quality of the products produced, as also in improved cost efficiencies.

The product mix of the Company, between Own Vehicles produced, like the Traveller and Trax Families, and the supply of crucial Driveline Aggregates to international manufacturers like Mercedes Benz and BMW in India, continues to retain even proportion. Both businesses have seen good stability, and reasonable profitability, through the last financial year.

During the year under review, the Company completed the development activity of the T3 platform which is, as far as is known the only light weight monocoque panel van in the world catering to 33 to 41 seats capacity segment. This is a major achievement. Patents are also applied for. The market segment of this passenger carrying capacity bus is larger than the passenger segment for the smaller buses that the Company has been making. Therefore there is an optimistic view of the prospects for this novel high-tech, high quality bus.

The BS-VI projects of the Company, for taking its Traveller, Trax and 'Shaktiman' Families of vehicles to conform to the BS-VI emission standards has progressed well. Results of the performance, emission and fuel economy of these vehicles, which are under extensive testing are very encouraging. It is expected that, with effect from 1st of January 2020, the Company shall be producing only BS-VI vehicles.

The Company has, in the last year, introduced the BS-IV version of the 'Shaktiman 200' vehicle which is a 1.75 ton payload product, to cater to the last mile delivery segment. The Company hopes to offer a full range of new products in this segment, and the development work is continuing.

The Company completed the development activity on two new tractor platforms viz. the 'Sanman' series - comprising of 'Sanman 5000' and 'Sanman 6000' tractors, as also the 'Abhiman' series - which has 4X4 configuration. During the current year, both these products are introduced in the market. Initial reports are satisfactory.

An important event during the year under review was the "Acquisition by the Company", of the land, building, plant, tooling, equipment, machineries, drawings, designs etc, from MAN Truck & Bus India Pvt. Ltd. - as available in the plant at Pithampur.

Members will recall that your company had developed, with own efforts, using own design and engineering resources, and tooling manufacture capability - a complete range of Heavy Trucks. For this select technology was purchased mainly from MAN and ZF Germany.

On realisation of the project - design, development, indigenization and production of the product range - at the inauguration of the production facility, a joint venture agreement was entered into - at MAN's suggestion - to enable achieve major export of trucks from India. During the development effort, discussions had occurred with MAN, where they suggested to make European standard vehicles even if more expensive than required by Indian market, for them to be able to export.

The expected export, even after full development, could not be achieved by the collaboration partner. Thereby the high cost and specs of the products (meant for export at their requirement, and not for the low cost, low spec domestic market requirements), the domestic market acceptance was low, and the operations of the joint venture Man Force Trucks Pvt. Ltd. - were severely affected.

At MAN's desire the full control in the equal joint venture company, was sold to MAN in March 2012.

Having operated the business as MTBIPL for approximately 6 years, the owners decided to quit the operations of this manufacturing plant in India.

We purchased this in October 2018 as stated above.

The plant was built on a large portion of land, mainly within our Pithampur estate. The re-acquisition of this asset is both logical and satisfactory.

In engineering and manufacturing terms, your Company has thus re-acquired the infrastructure and technology, to be able to manufacture a complete range of heavy vehicles. The company as of now has not decided to enter into the production and sales of heavy commercial vehicles, though theoretically the capability fully exists. The re-acquired land and building is being utilized for the company's normal activities and growth plans.

3. Change in Nature of Business, if any

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

4. Dividend

The Board recommended a dividend of ₹ 10/- per share for the year under review in its meeting held on 27th May 2019.

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

5. Share Capital

The paid up equity share capital as on 31st March 2019 was ₹ 13.18 Crore. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year under review. The Company has not issued any shares with differential voting rights or granted stock options or sweat equity, during the year under review.

6. Annual Return

The Annual Return as on 31st March 2019, pursuant to the provisions of Section 92 of the Act and Rules framed there under, is available on the website of the Company at <https://www.forcemotors.com/investors#shareholders-information>. The extract of Annual Return as on 31st March 2019 in the prescribed Form MGT-9, is annexed to this report.

7. Number of Meetings of the Board of Directors

During the Financial Year 2018-19, there were six meetings of the Board of Directors of the Company held on 29th May 2018, 26th July 2018, 23rd August 2018, 25th October 2018, 13th February 2019 and 12th March 2019, detailed information is provided in the Corporate Governance Report.

8. Particulars of Loans, Guarantees or Investments

The Company has not given any loans, guarantees under Section 186 of the Act during the year under review. During the year, the Company has made an investment of ₹ 13,36,20,000/- in tranches, in Force MTU Power Systems Private Limited, a subsidiary of the Company. Particulars of investments made by the Company upto the previous financial year are provided in the Financial Statement attached to this Report.

9. Particulars of Contracts or Arrangements with Related Party

During the Financial Year 2018-19, pursuant to Section 177 of the Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI (LODR) Regulations, 2015), all related party transactions (RPTs) were placed before the Audit Committee for its requisite approval.

All related party transactions entered during the year were on arm's length basis. There were no material related party contract(s) or arrangement(s) or transaction(s) during the year under review as defined under Regulation 23 of the SEBI (LODR) Regulations, 2015.

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 2019 and the date of Report.

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

The Company has continued its efforts to organise incremental improvements in energy conservation across plant locations, plant equipment and technologies. To bring down power consumption, a number of steps have been initiated, at all plants, comprising of -

- Solar power is being used for various functions across the plants of the Company, resulting in the increased use of clean energy vis-à-vis other sources of energy,
- At Chennai plant, new cooling techniques are adopted in cold test machines which saves 13,950 units of power annually,
- Compressors are replaced with new energy efficient compressors,
- Translucent sheets in the roof, improves natural lighting and reduces electric lighting load.
- 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,
- Rain water is being conserved and used for gardening in the company's factories saving lots of water and
- Aerators have been fitted in the washing areas which substantially curtailed water wastage.

Technology Absorption

The Company continues to emphasise on development of new product platforms, to replace its current platforms, in order to cater to future technology and market segments. Working closely with various international and Indian technology consultants and companies, each product platform of the Company has been upgraded, and either is already fully developed or under final stages of development so as to meet:



- the new emission standards, as will be applicable to vehicles and tractors
- emerging market trends in terms of performance, fuel economy, fit finish comfort convenience, and the evolving expectations of the customer
- to move seamlessly towards adaption of alternate fuels, and electric energy, for propulsion.

Besides the new NVH lab built last year which is since put to use, a new well equipped lab for electric vehicles development - encompassing all aspects of battery, battery management, electric motors, drive arrangements, electronic controls such as VCU, peripherals, etc. is fast evolving. Besides technical collaborations with renowned Technology Houses, the Company has also stepped up its investment in manpower, by putting together a comprehensive and a competent and qualified team of young engineers.

The expenditure on the R & D for new products, including the expenditure on Projects and Tool Engineering, was 5.60 % 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.

(₹ in Lakh)

Particulars	2018-19	2017-18
Capital Expenditure on R&D	14,069	15,792
Revenue Expenditure on R&D	6,372	4,176
Total R&D Expenditure	20,441	19,968
Total Income	3,73,372	3,59,214
% of total R&D Expenditure to Total Income	5.47%	5.56%
Revenue from Operations	3,65,210	3,52,342
% of total R&D Expenditure to Revenue from Operations	5.60%	5.67%

Foreign Exchange Earnings and Outgo

The foreign exchange earned by the Company during the year under review was ₹ 21.51 Crore as against ₹ 36.80 Crore during the previous year.

Total foreign exchange outflow during the year under review was ₹ 1,288.50 Crore as compared to ₹ 1,171.18 Crore during the previous year.

13. Subsidiaries

Tempo Finance (West) Private Limited is a subsidiary of the Company. The Board of Directors of the Company have reviewed the affairs of the Subsidiary Company.

Force MTU Power Systems Private Limited (the 'FMTU') was incorporated on 7th August, 2018, as a joint venture between the Company and Rolls Royce Power Systems AG (RR), through its subsidiary company, namely MTU Friedrichshafen GmbH for engaging in the business of development, manufacture and marketing of engines, engines for power generation, complete power generators and engines for various applications like Rail. By virtue of Company's majority shareholding, the 'FMTU' is now a subsidiary of the Company.

As per Section 129 of the Act, the Company has prepared the Consolidated Financial Statements of the Company and its subsidiaries, which forms part of the Annual Report. A statement containing the salient features of the Financial Statement of subsidiaries in the prescribed format AOC-1, forms part of the Audited Financial Statement of the Company.

A copy of the Audited Financial Statements of the subsidiary companies will be made available to the members of the Company, seeking such information. The Audited Financial Statements of subsidiary companies 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 the policy for 'Determining Material Subsidiaries & its Governance Framework' 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. Changes in the Directors and Key Managerial Personnel

Mr. Vinay Kothari (DIN : 00337134), Director of the Company, resigned from the Board of the Company w.e.f. 10th December 2018. Mr. Yeshwant M. Deosthalee, an Independent Director (DIN:00001698), resigned w.e.f. 26th July, 2019 due to his health issues. The Board places on record its sincere appreciation for the services rendered by them during their association with the Company.

The Board in its meeting held on 13th February 2019, appointed Mr. Anant Talaulicar (DIN : 00031051) and Lt. Gen. (Dr.) D. B. Shekatkar (DIN : 02676828) as additional directors of the Company. The members of the Company through postal ballot also approved their appointment as independent directors for a period of three years.

Members of the Company accorded their approval by passing special resolution through postal ballot on 29th March 2019, for continuing the directorships of Mr. Nitin Desai, Mr. Pratap Pawar, Dr. Indira Parikh and Mr. S.Padmanabhan, post-attainment of the age of 75 years, pursuant to the provisions of Listing Regulations read with the SEBI (LODR) (Amendment) Regulations, 2018.

Mr. Sudhir Mehta (DIN : 00056867), Director of the Company, retires by rotation and being eligible, offers himself for reappointment. All the necessary information pertaining to Mr. Sudhir Mehta, Director retiring by rotation is a part of the Statement attached to the notice dated 26th July 2019.

The existing terms of Mr. Abhaykumar Firodia, Chairman, Mr. Prasan Firodia, Managing Director, Mr. Prashant V. Inamdar, Executive Director and Mr. Arvind Mahajan, Independent Director shall expire on 19th September 2019, 5th November 2019, 15th January 2020 and 27th September, 2019 respectively. In view of the same, resolutions as set out in item nos. 7, 8, 9 and 10 respectively in the Notice of the Annual General Meeting, are proposed for approval of members.

There was no change in the Key Managerial Personnel during the year under review.

16. Declaration of Independent Directors

The Independent Directors have submitted their declarations to the Board that they fulfill all the criteria of independence as stipulated in Section 149(6) of the Act and in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Board after assessing veracity of the same, has taken the same on record.

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 of the Company's operations in future, during 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. Rathi, Chartered Accountants, Pune are the Internal Auditors of the Company. The internal financial controls are adequate with reference to the financial status, size and operations of the Company.

19. Fixed Deposits

The Company currently has no Fixed Deposit Scheme in place.

The details of earlier deposits are furnished hereunder :

Sr. No.	Particulars	Nos.	₹ In Lakh
a)	accepted or renewed during the year	0	0
b)	remained unpaid or unclaimed as at the end of the year (31st March 2019)*	11	2.95
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 repaid 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, and Mr. Sudhir Mehta. Of the above, Mr. Pratap Pawar, Mr. Arun Sheth and Dr. Indira Parikh are the independent directors. For more details of the Committee, please refer heading Audit Committee of the Report on Corporate Governance.

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 Board in its meeting held on 13th February 2019, has revised the Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive

attributes, independence of Directors pursuant to the SEBI (LODR) (Amendment) Regulations, 2018. The Policy 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, that of its committees and the individual 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 matters, including the Auditors' Certificate on Corporate Governance, is annexed to this Report.

25. Business Responsibility Report

As per the criteria mentioned under Regulation 34(2) of the SEBI (LODR) Regulations, 2015, the Company is not required to present Business Responsibility Report for the Financial Year 2018-19, as a part of this annual report.

26. Details of Directors and Employees' Remuneration

Details as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended; are annexed to this report.

Details as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended; which form part of this report, will be made available to any shareholder on request, as per provisions of Rule 5(3).

27. 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, if any, received regarding sexual harassment. All employees, as defined under the said Act, are covered under this policy. Awareness programs were carried out against sexual harassment. There were no complaints received during the year under review.

28. Details of Frauds Reported by Auditors

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

29. 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 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- for the Financial Year ended 31st March 2019, 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 2019;
- 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.

30. Secretarial Standards of the ICSI

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

31. Statutory Auditor

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

32. 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 2019-20.

33. 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 2018-19, 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 2018-19 is annexed to this report.

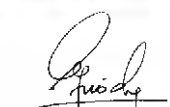
34. Industrial Relations

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

35. Appreciation

The Directors express their gratitude to the Dealers, Suppliers and Banks for their support, and express their warm appreciation for 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, 26th July, 2019

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

Annexure to the Board's Report

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of each director to the median remuneration of the Employees of the company for the financial year 2018-19 & increase in the remuneration in the financial year 2018-19 :

Sr. No.	Name	Ratio of Remuneration to each Director/ to median remuneration of employees	% Increase in the financial year
(A) Whole-time director / Managerial Personnel			
I.	Mr. Prasan Firodia, Managing Director	98.31	0.20
II.	Mr. Prashant V. Inamdar, Executive Director	28.02	5.09
(B) Non-Executive Directors			
I.	Mr. Sudhir Mehta	0.88	(95.69)
II.	Mr. Arvind Mahajan	0.59	(9.09)
III.	Mr. Arun Sheth	0.88	(18.18)
IV.	Mr. Pratap Pawar	0.78	60.00
V.	Mr. S. Padmanabhan	0.98	11.11
VI.	Mr. Nitin Desai	0.69	40.00
VII.	Dr. Indira J. Parikh	0.98	(9.09)
VIII.	Mr. Y. M. Deosthalee	0.20	(50.00)
IX.	Mr. Anant J. Talaulicar*	-	-
X.	Lt.Gen. (Retd.) (Dr.) D.B. Shekatkar*	-	-
XI.	Vinay Kothari**	0.59	(40.00)
(C) Key Managerial Personnel			
I.	Mr. Sanjay Kumar Bohra, Chief Financial Officer	36.39	27.32
II.	Mr. Kishore P. Shah, Company Secretary	3.33	4.82

* Appointed as a director of the Company w.e.f. 13th February 2019.

** Ceased to be a director of the Company w.e.f. 10th December 2018.

Mr. Abhaykumar Firodia, Chairman of the Company, is not drawing any remuneration from the Company.

2. The percentage increase in the median remuneration is -2% for the Financial Year 2018-19.
3. There were 4,761 permanent employees (excluding trainees and contractual employees) on the rolls of the Company as on 31st March 2019.
4. The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year 2018-19 was 10% whereas percentage increase in the managerial remuneration was 6% for the same financial year.
5. It is affirmed that the remuneration paid is as per the Remuneration policy of the Company.

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March 2019.

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service				% to Total turnover of the Company
		Division	Group	Class	Sub Class	
1)	Light Commercial Vehicles & Utility Vehicles	29	291	2910	29102	48.31
2)	Engines	29	291	2910	29104	36.05

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 Industries Limited Mumbai-Pune Road, Akurdi, Pune - 411 035.	U74999PN1947PLC005480	Holding	57.38	2(46)
2)	Tempo Finance (West) Private Limited Mumbai-Pune Road, Akurdi, Pune - 411 035.	U65910PN1991PTC062179	Subsidiary	66.43	2(87)
3)	Force MTU Power Systems Private Limited Mumbai-Pune Road, Akurdi, Pune - 411 035.*	U29309PN2018PTC178041	Subsidiary	51.00	2(87)

* Force MTU Power Systems Private Limited has been incorporated on 7th August, 2018 in which the Company is holding 51% stake, in equity share capital.

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 (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual / HUF	485114	0	485114	3.68	590419	0	590419	4.48	0.80
b)	Central Govt.	0	0	0	0.00	0	0	0	0	0.00
c)	State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d)	Bodies Corp.	7559928	0	7559928	57.38	7559928	0	7559928	57.38	0.00
e)	Banks / FI	0	0	0	0.00	0	0	0	0	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0	0.00
	Sub-total (A) (1):	8045042	0	8045042	61.06	8150347	0	8150347	61.86	0.80
(2) Foreign										
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d)	Banks / FI	0	0	0	0.00	0	0	0	0	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0	0.00
	Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0	0.00
	Total shareholding of Promoter (A) = (A)(1) + (A)(2)	8045042	0	8045042	61.06	8150347	0	8150347	61.86	0.80



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	395909	0	395909	3.00	382078	0	382078	2.90	-0.10
b) Banks / FI	40392	1100	41492	0.31	42350	1100	43450	0.33	0.01
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	20055	0	20055	0.15	20055	0	20055	0.15	0.00
g) FIs / FPI	713022	0	713022	5.41	560243	0	560243	4.25	-1.16
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1):	1169378	1100	1170478	8.88	1004726	1100	1005826	7.63	-1.25
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	269456	10841	280297	2.13	240581	10841	251422	1.90	-0.23
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2614069	352086	2966155	22.51	2861869	318558	3180427	24.13	1.62
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	240676	0	240676	1.83	167580	0	167580	1.27	-0.56
c) Others									
IEPF	41829	0	41829	0.32	44373	0	44373	0.34	0.02
Trusts	3347	0	3347	0.03	2647	0	2647	0.02	-0.01
Hindu Undivided Family	145321	0	145321	1.10	207562	0	207562	1.58	0.47
Non Resident Indians (Non Repat.)	28935	0	28935	0.22	32727	0	32727	0.25	0.03
Other Directors & Relatives	105406	0	105406	0.80	0	0	0	0.00	-0.80
Non Resident Indians (Repat.)	60541	16700	77241	0.59	68333	16700	85033	0.65	0.06
Unclaimed Shares	461	0	461	0.00	461	0	461	0.00	0.00
Clearing Member	71074	0	71074	0.54	44562	0	44562	0.34	-0.20
NBFCs registered with RBI	0	0	0	0.00	3295	0	3295	0.03	0.03
Sub-total (B)(2):-	3581115	379627	3960742	30.06	3673990	348099	4020089	30.51	0.45
Total Public Shareholding (B)=(B)(1) + (B)(2)	4750493	380727	5131220	38.94	4678716	347199	5025915	38.14	-0.80
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	12795535	380727	13176262	100	12829063	347199	13176262	100	0.00

Note:

- In the above Shareholding Pattern, Promoter includes the 'Promoter Group', consisting of relatives of 'Promoters' (earlier in the Directors and Relatives - Public Category), as per the amended definition of 'Promoters' in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 101 shares of Mr. Vinay Kothari, has been excluded from 'Other Directors & Relatives' at the end of the Financial Year, as he ceased to be a director w.e.f. 10th December 2018.

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1)	Jaya Hind Investments Private Limited *	7492244	56.86	0.00	0	0.00	0.00	-56.86
2)	Jaya Hind Industries Limited *	10909	0.08	0.00	7559928	57.38	0	57.29
3)	Abhaykumar Navalmal Firodia	264351	2.01	0	264351	2.01	0	0.00
4)	Prasan Firodia	220763	1.68	0	220763	1.68	0	0.00
	Total	7988267	60.63	0	8045042	61.06	0	0.43

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

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year (01.04.2018)		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 At the end of the year (31.03.2019)	7492244	56.86	0	0.00
2.	JAYA HIND INDUSTRIES LIMITED * At the beginning of the year At the end of the year (31.03.2019)	10909	0.08	7559928	57.38
3.	Abhaykumar Navalmal Firodia At the beginning of the year At the end of the year (31.03.2019)	264351	2.01	264351	2.01
4.	Prasan Firodia At the beginning of the year At the end of the year (31.03.2019)	220763	1.68	220763	1.68

* Change of shareholding is pursuant to the Scheme of Amalgamation of Jaya Hind Investments Pvt. Ltd., Prasanna Holdings Pvt. Ltd., Ahmednagar Engineering Pvt. Ltd. and Dhanna Engineering Pvt. Ltd., with Jaya Hind Industries Ltd. as approved by the Hon'ble NCLT, Mumbai Bench vide its Order dated 24th October 2018. Hence, now 75,59,928 shares of Jaya Hind Industries Ltd. includes its own 10,909 shares and shares of erstwhile Jaya Hind Investments Pvt. Ltd. (74,92,244) + Prasanna Holdings Pvt. Ltd. (48,579) + Ahmednagar Engineering Pvt. Ltd. (8,196).

(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 (01.04.2018)		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 06.04.2018 Sale of shares as per report dated 21.09.2018 Sale of shares as per report dated 29.09.2018 Purchase of shares as per report dated 16.11.2018 At the end of the year	411340 4692 -1662 -20560 6869	3.12 0.04 -0.01 -0.16 0.05	416032 414370 393810 400679 400679	3.16 3.14 2.99 3.04 3.04
2.	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund At the beginning of the year - Purchase of shares as per report dated 08.06.2018 Purchase of shares as per report dated 15.06.2018 Purchase of shares as per report dated 22.06.2018 Purchase of shares as per report dated 06.07.2018 Purchase of shares as per report dated 13.07.2018 Purchase of shares as per report dated 20.07.2018 Purchase of shares as per report dated 27.07.2018 At the end of the year	323624 14233 6444 15526 1593 13154 2752 4750	2.46 0.11 0.05 0.12 0.01 0.10 0.02 0.04	337857 344301 359827 361420 374574 377326 382076 382076	2.56 2.61 2.73 2.74 2.84 2.86 2.90 2.90
3.	Jupiter South Asia Investment Company Limited - South Asia Access Fund At the beginning of the year - Sale of shares as per report dated 06.04.2018 Sale of shares as per report dated 16.11.2018 Sale of shares as per report dated 15.02.2019 Sale of shares as per report dated 15.03.2019 At the end of the year	106788 -3945 -3493 -5450 -2356	0.81 -0.03 -0.03 -0.04 -0.02	102843 99350 93900 91544 91544	0.78 0.75 0.71 0.69 0.69
4.	Sushma Dhoot At the beginning of the year - At the end of the year	47800	0.36	47800	0.36
5.	Sundaram India Midcap Fund At the beginning of the year - At the end of the year	47000	0.36	47000	0.36



Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs At the beginning of the year - Purchase of shares as per report dated 23.11.2018 At the end of the year	41829 2544	0.32 0.02	44373 44373	0.34 0.34
7.	Union Bank of India At the beginning of the year - Purchase of shares as per report dated 13.04.2018 At the end of the year	39369 2081	0.30 0.02	41450 41450	0.31 0.31
8.	Samir Shantilal Somaiya At the beginning of the year - Sale of shares as per report dated 06.04.2018 Sale of shares as per report dated 13.04.2018 At the end of the year	33558 -5820 -6072	0.25 -0.04 -0.05	27738 21666 21666	0.21 0.16 0.16
9.	Ruchira Agarwal At the beginning of the year - At the end of the year	21433	0.16	21433	0.16
10.	The Oriental Insurance Company Limited At the beginning of the year - At the end of the year	20055	0.15	20055	0.15

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2018)		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 At the end of the year	264351	2.01	264351	2.01
2.	Mr. Prasan Firodia, Managing Director At the beginning of the year At the end of the year	220763	1.68	220763	1.68
3.	Mr. Vinay Kothari, Director * At the beginning of the year At the end of the year	101	0	101	0

* Mr. Vinay Kothari has ceased to be a director w.e.f. 10th December, 2018.

Note : Other than the above, none of the Directors and the Key Managerial Personnel hold any shares in the Company.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans (In ₹)	Deposits (in ₹)	Total Indebtedness (In ₹)
Indebtedness at the beginning of the Financial Year				
(i) Principal Amount *	Nil	Nil	Nil	Nil
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	25,051	25,051
(iv) Interest accrued and due	Nil	Nil	Nil	Nil
Total (i + ii + iii + iv)	Nil	Nil	25,051	25,051
Change in Indebtedness during the Financial Year				
• Addition	287,56,01,999	Nil	Nil	287,56,01,999
• Reduction	Nil	Nil	Nil	Nil
Net Change	287,56,01,999	Nil	Nil	287,56,01,999
Indebtedness at the end of the Financial Year				
(i) Principal Amount *	285,87,36,725	Nil	Nil	285,87,36,725
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	25,051	25,051
(iv) Interest accrued and due	1,68,65,274	Nil	Nil	1,68,65,274
Total (i + ii + iii + iv)	287,56,01,999	Nil	25,051	287,56,27,050

* Excludes deposits matured but not claimed : ₹ 2,95,000/-.

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (in ₹)
		Mr. Prasan Firodia (In ₹)	Mr. Prashant V. Inamdar (In ₹)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,00,000	1,28,17,069	2,48,17,069
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	1,09,200	1,48,800
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	16,50,000	2,29,530	18,79,530
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	• as% of profit	3,30,00,000	Nil	3,30,00,000
	• others, specify...			
5.	Others, please specify - Employee's contribution to PF & other funds	34,22,691	11,28,044	45,50,735
	Total (A)	5,01,12,291	1,42,83,843	6,43,96,134
	Ceiling as per the Act			20,02,44,758

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	4,50,000	-	-	4,50,000
	ii. Mr. Nitin Desai	3,50,000	-	-	3,50,000
	iii. Mr. Pratap Pawar	4,00,000	-	-	4,00,000
	iv. Mr. S. Padmanabhan	5,00,000	-	-	5,00,000
	v. Dr. Indira Parikh	5,00,000	-	-	5,00,000
	vi. Mr. Arvind Mahajan	3,00,000	-	-	3,00,000
	vii. Mr. Yeshwant Deosthalee	1,00,000	-	-	1,00,000
	Total (1)	26,00,000	-	-	26,00,000
(2)	Other Non-Executive Directors				
	i. Mr. Sudhir Mehta	4,50,000	-	-	4,50,000
	ii. Mr. Vinay Kothari	3,00,000	-	-	3,00,000
	Total (2)	7,50,000	-	-	7,50,000
	Total (B) = (1 + 2)	33,50,000	-	-	33,50,000
	Total Managerial Remuneration				33,50,000
	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	Total
		(in ₹)	(in ₹)	(in ₹)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,72,44,866	15,40,025	1,87,84,891
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	25,642	15,000	40,642
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	3,65,479	Nil	3,65,479
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	• as % of profit	Nil	Nil	Nil
	• others, specify...	Nil	Nil	Nil
5.	Others - Employee contribution to PF and other funds	9,15,653	1,42,369	10,58,022
	Total	1,85,51,640	16,97,394	2,02,49,034

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			NIL		
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2019

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

To,
The Members,
FORCE MOTORS LIMITED
Pune

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

Based on my verification of the Force Motors Limited books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2019 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 2019 according to the provisions of:

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

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

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

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



I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Anant Jaivant Talaulicar & Mr. Dattatray Balajirao Shekatkar have been appointed as Independent Directors for a period of 3 years w.e.f 13th February 2019 and further Company took the approval of members by passing a Ordinary and Special Resolution (for the respective appointment) through Postal Ballot.

The Company took the approval of the Members by passing special resolution through postal ballot for continuation of Directorships of Mr. Pratap Pawar, Mr. S. Padmanabhan, Mr. Nitin Desai, & Dr. Indira Parikh as Non-Executive Independent Directors of the Company post attainment of age of 75 years, pursuant to the regulations of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Amendment, Regulation 2018.

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 except there was gap of more than 120 days between Two Audit Committee Meetings due to non-availability of directors which was reported to the Stock Exchange in the Corporate Governance Report.

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

I further report that during the audit period the Company entered into contractual arrangement in respect of acquisition of immovable properties, movable properties and other assets of intangible nature situated at Pithampur from MAN Trucks India Private Limited.

I further report that the Scheme of Amalgamation and Arrangement between Jaya Hind Industries Limited and Jaya Hind Investments Private Limited, Ahmednagar Engineering Private Limited, Prasanna Holdings Private Limited and Dhanna Engineering Private Limited which were and are part of Promoter Group, has been implemented including, transfer of shares of Force Motors Limited from the name of above referred four companies as the Transferor Companies to the name of Jaya Hind Industries Limited (existing Promoter) as Transferee Company.

Place : Pune

Date : 27th May 2019

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 : 27th May 2019

I. U. THAKUR

Practising Company Secretary

FCS - 2298 C.P.No. - 1402

ANNUAL REPORT ON CSR ACTIVITIES 2018-19
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, multi-speciality 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 : ₹ 22,799 Lakh.
4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) : ₹ 456 Lakh.
5. Details of CSR spent during the financial year :

- Total amount spent for the Financial Year : ₹ 460 Lakh.
- Amount unspent, if any: Nil.
- Manner in which the amount spent during the Financial Year is detailed below :

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) local area or other (2) Specify the State and District where project or Program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
1.	Project of establishing modern, sophisticated hospital	"Promoting Health Care including Preventive Health Care" Schedule VII Sr. No. (I)	Akurdi, Pune, Maharashtra - 411 035.	₹ 460 Lakh	₹ 460 Lakh	₹ 1,320 Lakh	Directly*
2.	To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Health care	"Promoting Health Care including Preventive Health Care". Schedule VII Sr. No. (I)	Pune, Maharashtra - 411 001.	Nil	Nil	₹ 16 Lakh	Ruby Hall Clinic
			Bhubaneshwar, Orissa - 751 001.	Nil	Nil	₹ 6 Lakh	Utkal Bipanna Sahayata Samiti
			Jaipur, Rajasthan - 302 004.	Nil	Nil	₹ 12 Lakh	Bhagwan Mahaveer Viklang Sahayata Samiti, Sawai Man Singh Hospital



Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) local area or other (2) Specify the State and District where project or Program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
3.	To provide Ambulance, Tractor, Traveller or other vehicle product of the Company to selected organisations towards Livelihood enhancement.	"Livelihood enhancement projects". Schedule VII Sr. No. (ii)	Rajgir, Nalanda, Bihar - 803 116.	Nil	Nil	₹ 4 Lakh	Veerayatan
			Baramati, Maharashtra - 413 115.	Nil	Nil	₹ 11 Lakh	Agricultural Development Trust
			Dehradun, Uttarakhand - 248 001.	Nil	Nil	₹ 27 Lakh	Information Technology Institute for the Tribes of India
			Total	₹ 460 Lakh	₹ 460 Lakh	₹ 1,396 Lakh	

- * The Company had decided to continue to assist Navalmal Firodia Memorial Hospital Trust for creation of a modern multi-speciality hospital involving substantial outgo. During the year under review, a sum of ₹ 460 Lakh has been paid to the trust for the hospital.
6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report.
- Not applicable
7. The Committee reviewed the implementation of CSR Policy and the spend, as explained in the earlier part and confirmed the implementation and monitoring has been as per CSR Policy adopted by the Company. It was decided to examine broadening of the activity to include other deserving causes, if possible.

S. Padmanabhan
Chairman, CSR Committee
DIN : 00001207

Prasan Firodia
Managing Director
DIN : 00029664

Pune, 26th July 2019

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Automobile Industry has reached a very high levels of maturity in all segments - whether heavy commercial vehicles or light commercial vehicles, buses, cars, 2 and 3-wheelers. Yet it is obvious that it is among the highest taxed automobile sectors in the world. The cost of acquisition of vehicles for customers and capex for vehicle manufacturers is impacted by the very high cost of interest on account of the prevailing very high interest rates, by both Banks and NBFCs. Both these factors have an impact of limiting the market and of harming global competitiveness.

During the last quarter of the last financial year and in the first quarter of the current financial year, the Indian automobile industry, in all the segments, has shown significant and steady decline, in volumes and in profitability.

The unfortunate regulation, where vehicles between 10 and 13 seats capacity, are perversely taxed, with the total incidence of 43 per cent GST (28 per cent GST + 15 per cent Cess) is not only harming your Company's business interests, but actually has a very adverse socio-economic impact, as School Buses, and Tour and Travel Vehicles, which fall in this category, are illogically penalised. This is detrimental to social causes, and harmful to the economy. There is no logical basis for this differentiation as vehicles below 10 seats capacity and also those above 13 seats capacity, are taxed at substantially lower rates. Your Company has repeatedly brought this anomaly to the attention of the authorities.

The Company has succeeded in seeding vehicles in the intracity (inner city) - last mile passenger transport requirements - in select cities. This market is expected to develop well in many major metros, particularly the ones with strong emerging infrastructure of local railways, metros and large bus transportation systems. These cities will benefit from the addition of minibuses for last mile connectivity. The specially developed, rugged, light weight, monocoque smart city bus family, has been well appreciated.

The electric vehicles development activities of the Company have steadily progressed during the year under review. All the Traveller platforms i.e. T1, T2 and T3 ranges - spanning seating capacities from 9 seats to 41 seats, as also other platforms of the Company - dealing with passenger and goods transport, will be electrified over the next two years.

The market for electric vehicles is still nascent, and is in experimental stage - from the point of view of the consumer, the manufacturer of vehicles, as also the regulators. While the Government has taken bold and futuristic decisions to support electric vehicles, and a comprehensive policy package is announced in this regard, the reality is that electric vehicles will succeed based on their 'Business Model' for the user. If we cannot offer "total cost of ownership" which is more attractive than the vehicles run on fossil fuel, the production and sale of electric vehicles will not be smooth. The emergence of this aspect is yet not clear.

For your Company, the market for inner-city passenger transportation vehicles, with electric propulsion, appears to be the correct segment to aim at. Accordingly efforts are being made. However, it is expected that the size of this market will increase only gradually but steadily, over the next decade. The cost competitiveness of electric vehicles is likely to improve due to improvement in battery technology.

The twin impact of a very major slow-down, most severe in the last decade, and the emerging heavy investment requirement and compliance burdens arising from the new emission and safety regulations, though most desirable, obviously are bound to impact the cost of acquisition of all categories of vehicles in India. The question is whether this will further adversely impact the market situation.

Neither can the country go back on the improvements in the emission and safety requirements, nor can the very high taxation and therefore high acquisition cost can be sustained by the Industry into the next decade. A sea change in the approach by the Government, in optimising and reducing its claims of a share of the value addition by the Automobile Industry, is inevitable.

The Government of India has introduced comprehensive new legislation, to update the Motor Vehicles Act and Rules. However a perennial road block is the divergence between various states, in their approach to regulations, taxation and costs of permits, etc. for different categories of vehicles, particularly commercial passenger vehicles - like taxi cabs, maxi cabs, buses, minibuses, etc. Unless the Government has the political will, to override vested interests in different States of India, and in different Bureaucratic Departments connected with the transportation activity, a full rationalisation of the transportation scenario is unlikely. The GST regime has resulted in a most beneficial impact, of streamlining business activity in India, fundamentally because it is a universally applicable system which is centralised, and is uniform throughout the country - for taxation rates and procedures. Similar uniformity in road tax rates and permit values has to come if the current situation of hassles, malpractices for the transport of passengers for hire is to improve.

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

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

II. PERFORMANCE OF THE COMPANY

Operational Performance

The number of vehicles sold during the Financial Year under report was 27,603 compared to 31,022 vehicles sold in the Financial Year 2017-18. During the year under report, the Company achieved a top line of ₹ 3,652.10 Crore. The sales turnover stood at ₹ 3,620.01 Crore compared to the previous year's turnover of ₹ 3,493.19 Crore.



Financial Performance

As stated above, the Company sold 27,603 vehicles during the Financial Year 2018-19 compared to 31,022 vehicles in the previous Financial Year 2017-18. The Profit, before Finance Costs, Depreciation and Taxes, from operations for the year under report was ₹ 360.06 Crore as compared to operating profit for the previous Financial Year 2017-18 amounting to ₹ 336.16 Crore. The Net Profit of the Company after Finance Costs, Depreciation and Taxes items was ₹ 147.18 Crore for the Financial Year 2018-19. The Reserves and Surplus of the Company as on 31st March 2019 stood at ₹ 1,921.69 Crore.

Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the following are the key financial ratios along with the explanation where changes are more than 25%, as compared to previous financial year.

Sr.no.	Name of Director	2018-19	2017-18
1	Debtors Turnover	21	19
2	Inventory Turnover	49	49
3	Interest Coverage Ratio	25.69	72.50
4	Current Ratio	1.66	1.64
5	Debt Equity Ratio	0.11	0.00
6	Operating Profit Margin	9.95%	9.91%
7	Net Profit Margin	4.07%	4.33%
8	Return on net worth	7.88%	8.48%

Debt Equity and interest coverage ratio has been impacted due to increase in borrowings from Banks during the year. Even so, the Ratio's are at comfortable levels. Change in return on net worth is due to lower profit margin.

III. OUTLOOK

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

IV. SUBSIDIARY

- The Company is a subsidiary of Jaya Hind Industries Limited, which holds 57.38% in the Company.
- The Company is a Holding Company of Tempo Finance (West) Private Limited, and holds 66.43 % in the subsidiary company.
- The Company has entered into a joint venture with MTU Friedrichshafen GmbH, a company of the Rolls Royce Group. During the year under review, a Joint Venture Company with the name **Force MTU Power Systems Private Limited**, (FMTU) was incorporated on 7th August 2018. The

Company holds 51% stake in FMTU which has thus become a subsidiary of the Company.

V. OPPORTUNITIES, THREATS AND RISK FACTORS

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

VI. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

VII. HUMAN RESOURCE DEVELOPMENT

The Company has continued its programme for training and skill development in its plants, for employees at various levels, who are provided training both in hard and soft skills. A large number of executives in the Sales & Marketing arm of the Company and in our dealer network spread all over India, are also provided continuous upgradation training in selling skills, product familiarisation, customer service aspects - in a well structured and extensive programme. The Company had 7,198 employees as on 31st March 2019.

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 2019, the Board comprised 13 Directors. 03 Directors are Executive Directors, while remaining 10 Directors are Non-Executive Directors. Of the Non- Executive Directors, 09 Directors are 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 2019) 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#		Details of directorships held in other listed entities	
	Director	Chairman	Member	Chairman	Name of the entity	Category of directorship
Mr. Abhaykumar Firodia	04	02	--	--	--	--
Mr. Prasan Firodia	03	01	--	--	--	--
Mr. Sudhir Mehta	14	01	--	--	--	--
Mr. Pratap Pawar	15	01	06	04	- Finolex Cables Limited - Bharat Forge Limited - Kirloskar Oil Engines Limited	Independent Director
Mr. S. Padmanabhan	05	00	03	01	- Premier Limited ** - Sanghvi Movers Limited - Sudarshan Chemical Industries Limited	Independent Director
Mr. Nitin Desai	10	00	01	01	- Cadila Healthcare Limited	Independent Director
Mr. Yeshwant Deosthalee @	01	00	00	00	--	--
Dr. Indira Parikh	06	00	02	00	- Deepak Nitrite Limited - Johnson Controls-Hitachi Air Conditioning India Limited	Independent Director
Mr. Arun Sheth	13	11	00	00	--	--
Mr. Arvind Mahajan	02	00	02	00	--	--
Mr. Anant Talaulicar	05	00	02	02	- Birlasoft Limited - The Hi-Tech Gears Limited - KPIT Technologies Ltd.	Independent Director Non-Executive, Non-Independent Director Independent Director
Lt. Gen. (Retd.) (Dr.) D.B. Shekatkar	00	00	--	--	--	--
Mr. Prashant V. Inamdar	01	00	00	00	--	--

* includes directorship in private companies and bodies corporate. ** Ceased to be a Director of the Company w.e.f. 1st April 2019.

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

@ Ceased to be a Director of the Company w.e.f. 26th July 2019, because of his health issue.



60th Annual Report 2018-19

• Attendance

During the Financial Year 2018-19, six meetings of the Board were held on 29th May 2018, 26th July 2018, 23rd August 2018, 25th October 2018, 13th February 2019 and 12th March 2019. The attendance of Directors during the Financial Year 2018-19 for Board Meetings and the Annual General Meeting are as under:

Name of the Director	Number of Board Meetings attended	Whether present at the last Annual General Meeting held on 11th September 2018
Mr. Abhaykumar Firodia	5	Yes
Mr. Prasan Firodia	6	Yes
Mr. Sudhir Mehta	5	Yes
Mr. Pratap Pawar	5	Yes
Mr. S. Padmanabhan	6	Yes
Mr. Nitin Desai	5	Yes
Mr. Yeshwant Deosthalee	2	Yes
Dr. Indira Parikh	4	Yes
Mr. Arun Sheth	4	No
Mr. Arvind Mahajan	4	Yes
Mr. Vinay Kothari*	3	Yes
Mr. Anant Talaulicar#	0	--
Lt. Gen. (Retd.) (Dr.) D.B. Shekatkar#	0	--
Mr. Prashant Inamdar	3	Yes

* Ceased to be a director w.e.f. 10th December 2018.

Appointed as a director of the company w.e.f. 13th February 2019.

• Inter-se Relation of Directors

Mr. Abhaykumar Firodia and Mr. Prasan Firodia are related to each other. Mr. Sudhir Mehta 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 SEBI (LODR) Regulations, 2015 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 the assessments of the strategic and technological issues enabling a discussion on the strategy, projects, and tactics employed in the management of the Company's affairs. In the Board Meetings, the presentations were also made by the Senior Management Officials and Internal Auditors of the Company, covering different functions and areas of the business of the Company. The Directors made all disclosures as per the requirements of

the Act from time to time, to the Board of Directors regarding their financial interest in the transactions with the Company.

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

• Independent Directors' Meeting

In our opinion, the Independent Directors of the Company fulfil the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management. The Independent Directors held their separate Meeting on 13th February 2019 as mandated by the provisions of the Act and the SEBI (LODR) Regulations, 2015. The details of the familiarization programme for the Independent Directors of the Company can be accessed at the web link : https://www.forcemotors.com/themes/frontend/docs/share-holder-info/other/Familiarisation_Programme_for_Directors_FY_2018-19.pdf

• Performance Evaluation

Pursuant to the provisions of the Act and the SEBI (LODR) Regulations, 2015, 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 and its committees, 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 2018-19 are provided in the Form MGT-9.

• Remuneration to Non-Executive Directors

The details of sitting fees paid to the Non-Executive Directors during the Financial Year 2018-19 are provided in the Form MGT-9.

• Pecuniary Transactions with Non-Executive Directors

There are no other financial transactions with the Non-Executive Directors, apart from the transactions disclosed in the Form MGT-9.

• Stock Options to Directors

The Company does not have stock options.

• 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

• **Skills/expertise/competencies of the Board of Directors**

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors have identified core skills/expertise/competencies required of the Board of Directors of the Company which are vital in the context of the business of the Company.

Considering the nature and size of the Company and the complex business environment in which it is operating, the Board has identified the following key skills / expertise / competencies :

Sr. No.	Key Skills
1.	Leadership
2.	Research & Development
3.	Management & Strategy
4.	Operations & Engineering
5.	Supply Chain Management
6.	Sales and Marketing
7.	Finance, Banking & Investment
8.	Audit and Risk Management
9.	Legal and Corporate Governance
10.	CSR, Sustainability & Philanthropy
11.	Information Technology
12.	Human Resources and Industrial Relations

• **Transactions with Promoter Group Company**

Pursuant to the SEBI (LODR) (Amendment) Regulations, 2018 the Company is required to disclose in its annual report the transactions it has entered with any person / entity belonging to the promoter / promoter group which hold(s) 10% or more shareholding in the Company.

The transactions entered into by the Company with aforementioned parties are covered under Note No. 35 to the Financial Statement.

3. Committees

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised 03 directors as on 31st March 2019 :

- Mr. S. Padmanabhan, Chairman of the Committee, Independent Director
- Mr. Arvind Mahajan, Member, Independent Director
- Dr. Indira Parikh, Member, Independent Director

The Committee met twice during the Financial Year ended 31st March 2019. 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	
	29.05.2018	13.02.2019
Mr. S. Padmanabhan	P	P
Mr. Arvind Mahajan	A	P
Mr. Vinay Kothari*	P	-
Dr. Indira Parikh#	-	P

* Ceased to be a member w.e.f. 10th December 2018.

Member w.e.f. 11th December 2018.

Terms of reference of Nomination and Remuneration Committee includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

On the recommendation of Nomination and Remuneration Committee, the Board has adopted the policy on appointment of Directors / Independent Directors and Key Managerial Personnel and remuneration payable to them. Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which is effective from 1st April, 2019, the Board has amended the said policy. As mandated, the said policy is posted on the website of the Company www.forcemotors.com.

Audit Committee

The Audit Committee comprised 04 directors as on 31st March 2019 :

- Mr. Pratap Pawar, Chairman of the Committee, Independent Director
- Mr. Arun Sheth, Member, Independent Director
- Dr. Indira Parikh, Member, Independent Director
- Mr. Sudhir Mehta, Member, Non-Executive Director

The Committee met four times during the Financial Year ended 31st March 2019. The attendance details of the Audit Committee meetings are as follows :

Name of the Director	Date of Audit Committee meetings			
	29.05.2018	26.07.2018	25.10.2018	13.02.2019
Mr. Pratap Pawar	P	P	P	A
Mr. Arun Sheth	P	P	P	P
Dr. Indira Parikh	P	P	P	P
Mr. Sudhir Mehta	P	P	P	A
Mr. Vinay Kothari*	P	P	A	-

* Ceased to be a member w.e.f. 10th December 2018.

The terms of reference of the Audit Committee includes:

- Oversight of Company's reporting processes and financial information, review of Financial Statements, both audited and unaudited.
- Review of accounting policies and practices, review of compliance with accounting standards, discussion with statutory auditors before the audit commences and post audit, review of auditors' independence and performance.



- (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.
- (vi) Review of utilization of loans / advances / investments made by the Company its subsidiaries.
- (vii) Other areas indicated in the SEBI (LODR) Regulations, 2015 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 26th July 2018, 25th October 2018 and 13th February 2019 respectively; and Audited Annual Accounts for the Financial Year 2018-19 in its meeting held on 27th May 2019. 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 comprised 04 directors as on 31st March 2019:

- Mr. Sudhir Mehta, Chairman of the Committee, Non-Executive Director
- Mr. Abhaykumar Firodia, Member, Chairman
- Mr. Prasan Firodia, Member, Managing Director
- Mr. Nitin Desai, Member, Independent Director
- Mr. Kishore P. Shah, Company Secretary & Compliance Officer, acts as Compliance Officer of the Committee.

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 other matters.

During the year under report, 20 shareholders' complaints were received and all these complaints were resolved to the satisfaction of the

concerned members. As of 31st March 2019, no complaint was pending.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprised 03 Members as on 31st March 2019:

- Mr. S. Padmanabhan, Chairman of the Committee, Independent Director
- Mr. Nitin Desai, Member, Independent Director
- Mr. Sudhir Mehta, Member, Non- Executive Director

The Committee recommends Corporate Social Responsibility ('CSR') activities to the Board. The Committee approves the CSR activities to undertake 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 26th July 2018.

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
28th September 2016	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411035.	00	Nil
13th September 2017	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411035.	05	Re-appointment of Independent Directors for a period of 5 years
11th September 2018	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411035.	00	Nil

During the year under report, shareholders of the Company passed 5 Special Resolutions and an Ordinary Resolution on 29th March 2019, through postal ballot as per the provisions of Section 110 of the Act, read with the Companies (Management and Administration) Rules, 2014, for approving continuation of directorships of Mr. Nitin Desai, Dr. Indira Parikh, Mr. S. Padmanabhan, Mr. Pratap Pawar, the independent directors, post-attainment the age of 75 years and appointment of Lt. Gen. (Retd.) Dr. D.B. Shekatkar, and of Mr. Anant Talaulicar as Independent Directors of the Company for a term of 3 years. Mr. Sanjay Athavale, Chartered Accountant, Pune, had acted as scrutinizer, to ensure the conduct of postal ballot and e-voting process in a fair and transparent manner.

The details of the Postal Ballot are Annexed to this report.

5. Means of Communication

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

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

Relevant period	Board's Approval on	Intimation to BSE on	Newspaper publication
1st Quarter	26th July 2018	26th July 2018	Financial Express (All editions); Loksatta (Mumbai & Pune edition) & Business Standard (PAN India)
2nd Quarter	25th October 2018	25th October 2018	
3rd Quarter	13th February 2019	13th February 2019	
4th Quarter & Annual Audited Financial Results	27th May 2019	27th May 2019	Financial Express (All editions); Loksatta (Mumbai & Pune edition) & Business Standard (PAN India)

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

No presentation was made to any institutional investor or analyst during the Financial Year 2018-19.

6. Few Policies as mandated under SEBI (LODR) Regulations, 2015

• Archival Policy

Pursuant to Regulations 30(8) of SEBI (LODR) Regulations, 2015, every listed company shall disclose on its website all such events or information which have been disclosed to the stock exchange(s) under Regulation 30. Such disclosures shall be posted on the website of the company for a minimum period of five years and thereafter as per the archival policy of the Company. Accordingly, 'Archival Policy' as approved by the Board of Directors of the Company can be accessed from the Company's website at [https://www.forcemotors.com / themes/frontend/docs/share-holder-info/other/archival-policy.pdf](https://www.forcemotors.com/themes/frontend/docs/share-holder-info/other/archival-policy.pdf)

• Dividend Distribution Policy

The 'Dividend Distribution Policy' as approved by the Board of Directors of the Company can be accessed from the Company's website at <https://www.forcemotors.com/themes/frontend/docs/share-holder-info/other/Dividend-Distribution-Policy.pdf>

• Whistle Blower Policy / Vigil Mechanism

The Board has revised its Whistle Blower Policy / Vigil Mechanism in its meeting held on 13th February 2019 pursuant to the amendments in the SEBI (Prohibition of Insider Trading) Regulations, 2015. Now the revised policy also, addresses complaints w.r.t. leakage of unpublished price sensitive information in relation to the Company and prescribe the manner in which such cases shall be investigated. 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 <https://www.forcemotors.com/themes/frontend/docs/share-holder-info/other/Whistle-blower%20Policy.pdf>

• Policy on materiality of Related Party Transactions

The Board has formulated a policy on materiality of the Related Party Transactions pursuant to the SEBI (LODR) Regulations, 2015. The policy has been revised during the year under review pursuant to the amendments in the SEBI (LODR)

Regulations, 2015, to fix threshold limits for determining materiality of related party transactions entered by the Company during the Financial Year. The limits will be reviewed by the Board of Directors once in 3 (three) years. Web link for the policy is <https://www.forcemotors.com/themes/frontend/docs/share-holder-info/other/Policy-on-Materiality-of-Related-Party-Transactions.pdf>

• Policy for determining Material Subsidiaries & its Governance Framework

The Board has formulated a policy for determining 'material' subsidiaries pursuant to the SEBI (LODR) Regulations, 2015. The policy has been revised pursuant to the amendments in the SEBI (LODR) Regulations, 2015, to give effect to the change in the criteria for treating a subsidiary as a 'material subsidiary'. Web link for the policy on Material Subsidiaries is <https://www.forcemotors.com/themes/frontend/docs/share-holder-info/other/Policy-for-determining-Material-Subsidiaries-&-its-Governance-Framework.pdf>

• Code of practices & procedures for fair disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by Designated Persons

The Company has a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (the 'Code for UPSI') and also a 'Code of Internal Procedures And Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' (the 'Code of Conduct') in pursuance to the Regulation 8 and Regulation 9, respectively of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Pursuant to the notification SEBI/LAD-NRO/GN/2018/59 issued by SEBI on 31st December 2018, the above mentioned Codes have been revised w.e.f. 1st April 2019, to allow the communication of Unpublished Price Sensitive Information (UPSI) by an insider only for furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

The revised Code now defines 'Designated Persons' to whom the Code applies, changes w.r.t. reporting of insider trading to the Board & Audit Committee, Trading window closure, establishing procedures for protecting UPSI, permissions to be obtained for trading by Designated Persons.

The above Codes can be accessed at <https://www.forcemotors.com/themes/frontend/docs/share-holder-info/other/Code-of-conduct-as-per-Insider-Trading-Regulations.pdf>

7. Other Disclosures

• Materially significant related party transactions

There were no materially significant related party contract(s) or arrangement(s) or transaction(s) during the year under review as defined under Regulation 23 of the SEBI (LODR) Regulations, 2015.

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

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

During the year under review, there was a delay of 4 days in holding one Audit Committee Meeting which was not in line with the requirements of Regulation 18(2)(a) of the SEBI (LODR) Regulations, 2015.


Utilization of funds raised

The Company has not raised funds by issuing securities, during the year under review.

Commodity Price Risk and Commodity Hedging Activities

A well controlled review process is in place for the purpose. The overall exposure is not material.

Credit ratings

During the year under report, the Company obtained the following credit ratings for its bank loan facilities, which was enhanced from ₹ 420 crore to ₹ 720 crore :

Credit rating agency	Type of facilities rated	Rating assigned (Previous rating)
CRISIL	Long Term	CRISIL AA / Stable (Reaffirmed)
	Short Term	CRISIL A1+ (Reaffirmed)

Total fees paid to the Auditors

Please refer the details of payments made by the Company to its Auditors during the period under review, in Note No. 27 to the Financial Statements under a separate heading.

No subsidiary of the Company made any payment to the Auditors of the Company, during the period under review.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Please refer the disclosure under this head in the Board's Report.

8. Compliance of Corporate Governance and SEBI (LODR) Regulations, 2015.

The Company has complied with the requirements w.r.t. Corporate Governance Report as specified in the Schedule V of the SEBI (LODR) Regulations, 2015. 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 SEBI (LODR) Regulations, 2015.

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 under SEBI (LODR) Regulations, 2015.

Modified opinion(s) in Audit Report

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

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 : 19th September 2019

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 27th May 2019 has recommended a final dividend of ₹ 10 per equity share on 1,31,76,262 equity shares for the Financial Year ended 31st March 2019. The dividend, if declared by the members of the Company will be paid on and after 19th September 2019.

Date of Book Closure

The register of members and share transfer books of the Company will remain closed from Saturday, 14th September 2019 to Thursday, 19th September 2019, both days inclusive.

Listing on Stock Exchange

Shares of the Company are listed on BSE Limited. Annual Listing fee for the Financial Year 2018-19 has been paid to BSE Limited.

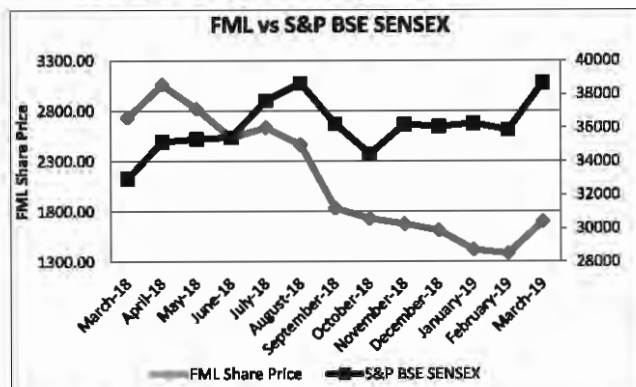
Stock Code

The Stock Code allotted by BSE Limited is 500033.

Market Price Data

Market price data during the Financial Year 2018-19 is as under:

Month	Share Price		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2018	3238.00	2752.00	35213.3	32972.56
May 2018	3121.10	2701.00	35993.53	34302.89
June 2018	2850.00	2481.60	35877.41	34784.68
July 2018	2734.90	2335.10	37644.59	35106.57
August 2018	2699.60	2440.00	38989.65	37128.99
September 2018	2499.00	1805.00	38934.35	35985.63
October 2018	1894.80	1650.00	36616.64	33291.58
November 2018	1980.00	1660.10	36389.22	34303.38
December 2018	1710.00	1580.00	36554.99	34426.29
January 2019	1642.00	1300.00	36701.03	35375.51
February 2019	1497.65	1300.00	37172.18	35287.16
March 2019	1863.00	1393.30	38748.54	35926.94

FML Share Price vs BSE Sensex Comparison

Distribution of Shareholding

Distribution of shareholding as on 31st March 2019 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	65,112	98.44	23,23,407	17.63
501 to 1000	566	0.86	4,14,813	3.14
1001 to 2000	251	0.38	3,61,336	2.75
2001 to 3000	75	0.11	1,87,011	1.42
3001 to 4000	40	0.06	1,44,903	1.10
4001 to 5000	23	0.04	1,06,876	0.81
5001 to 10000	48	0.07	3,35,999	2.55
10001 & above	28	0.04	93,01,917	70.60
Total	66,143	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 - 411 001, 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 Agent and are processed by the Registrar and Share Transfer Agent on regular basis. With effect from 1st April 2019, requests for transfer of shares are approved only in dematerialised form and the same 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 35 share transfers, 24 transmissions, 151 requests for dematerialisation and 1 request for rematerialisation 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 2019, 97.36% of the Company's shares were held in dematerialised form and 2.64% 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, Maharashtra.

Plant locations

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

- Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra
- 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, Maharashtra
- Mahindra World City, Panchayat Anjur, Taluka Chengalpattu, District Kancheepuram - 603 004, Tamilnadu.

The address for correspondence is -

Mr. Kishore P. Shah

Company Secretary & Compliance Officer

Force Motors Limited

Mumbai - Pune Road, Akurdi,

Pune - 411 035, Maharashtra

Phone : (020) 27476381

e-mail : compliance-officer@forcemotors.com

or

Mr. Sandip Pawar

Link Intime India Private Limited

Block no. 202, Akshay Complex,

Ganesh Temple, Off Dhole Patil Road,

Pune - 411 001, Maharashtra

Phone : (020) 26161629 / 26160084

Telefax No. : (020) 26163503

e-mail : pune@linkintime.co.in

D. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE AND DECLARATION ON CODE OF CONDUCT

The certificate obtained from the Statutory Auditors of the Company regarding compliance of conditions on Corporate Governance, as per the provisions of the SEBI (LODR) Regulations, 2015 is annexed 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 SEBI (LODR) Regulations, 2015.

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 of seven consecutive years from the date of transfer to Unpaid Dividend Account, to be credited to the Investor Education and Protection Fund ('IEPF') established by the Central Government.



Members are hereby informed that the seven years period for payment of the dividend pertaining to the financial years as given below will expire on respective dates and thereafter the amount standing to the credit in the said account will be transferred to the IEPF. 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	2011-12	22-Sep-2012	21-Oct-2019
2	2012-13	21-Sep-2013	20-Oct-2020
3	2013-14	20-Sep-2014	19-Oct-2021
4	2014-15	26-Sep-2015	25-Oct-2022
5	2015-16	12-Mar-2016	18-Apr-2023
6	2016-17	13-Sep-2017	12-Oct-2024
7	2017-18	11-Sep-2018	10-Oct-2025

F. TRANSFER OF SHARES TO IEPF

During the year, the Company has transferred 2,544 shares on 20th November 2018 to the IEPF. The shares were transferred on account of dividends unclaimed for seven consecutive years.

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

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

G. UNCLAIMED SHARE CERTIFICATES AND SUSPENSE ACCOUNT

Share certificates in respect of 2,612 shares earlier issued as right shares or bonus shares were returned undelivered. The Company had intimated this fact to the concerned members from time to time including reminders issued as per the requirement. These

unclaimed shares were transferred to the 'Force Motors Limited - Unclaimed Securities Suspense Account'.

Of the above mentioned shares, 2,151 shares were transferred to IEPF, in accordance with Section 124(6) of the Act and rules made thereunder. List of the members whose shares are held in 'Force Motors Limited - Unclaimed Securities Suspense Account', is hosted on the website of the Company.

As per the SEBI (LODR) Regulations, 2015, all corporate benefits in terms of securities accruing on these shares shall be credited to the 'Force Motors Limited-Unclaimed Securities Suspense Account' (for 461 shares) and to the demat account of IEPF (for 2,151 shares).

The details of the above shares are as given below:

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

H. MD and CFO Certification

The Managing Director and the Chief Financial Officer give an annual certification on financial reporting and internal controls to the Board in terms of SEBI (LODR) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations, 2015.

I. 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 2019.

Pune, 16th April 2019

Prasan Firodia
Managing Director
DIN : 00029664

J. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Force Motors Limited having CIN: L34102PN1958PLC011172 and having registered office at Mumbai-Pune Road, Akurdi, Pune - 411 035 (hereinafter referred to as 'the Company'), produced before me, by the Company & its officers for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal of MCA viz. www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the following Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Abhaykumar Navalmal Firodia	00025179	01.07.2002
2.	Mr. Prasan Abhaykumar Firodia	00029664	30.09.2006
3.	Mr. Sudhir Mehta	00056867	30.09.2006
4.	Mr. Padmanabhan Subramanian	00001207	30.09.2006
5.	Mr. Pratap Govind Pawar	00018985	30.09.2006
6.	Mr. Arun Prabhudas Sheth	00086891	25.09.2010
7.	Mr. Nitin Rajoribhai Desai	00140239	11.08.2014
8.	Dr. Indira Jitendra Parikh	00143801	11.08.2014
9.	Mr. Prashant Vijay Inamdar	07071502	16.01.2015
10.	Mr. Arvind Rajlindernath Mahajan	07553144	30.07.2016
11.	Mr. Yeshwant Moreshwar Deosthalee	00001698	20.07.2017
12.	Mr. Anant Jaivant Talaulicar	00031051	13.02.2019
13.	Mr. Dattatray Balajirao Shekatkar	02676828	13.02.2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 21st May, 2019

Signature:
Name: Ishwar U Thakur
Membership No.: 2298
CP No.: 1402


ANNEXURE TO CORPORATE GOVERNANCE REPORT
Details of Postal Ballot

The Company has obtained the approval of its members through Postal Ballot (including voting through electronic means) in accordance with the procedure prescribed in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the of the Companies (Management and Administration) Rules, 2014, as amended from time to time and applicable provisions of SEBI (LODR) Regulations, 2015, on the resolutions as set out in the Postal Ballot Notice :

Mr. Sanjay Athavle, Practicing Chartered Accountant was appointed as the Scrutinizer by the Board to conduct the said Postal Ballot process in fair and transparent manner.

The results of voting, conducted through the Postal Ballot (including voting through electronic means) for passing of Ordinary / Special Resolutions, were announced by the Chairman and Managing Director of the Company on 29th March, 2019 as reproduced herein below :

Resolution no. 01 : Continuation of Directorship of Mr. Nitin R. Desai (DIN: 00140239) as Non-Executive Independent Director, post attainment of age of 75 years (Special Resolution).

Category	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of votes - In against	% of Votes in favour on voters polled	% of votes against on votes polled
Promoter and promoter Group	8150347	8109438	99.50	8109438	0	100.00	0.00
Public - institution	1015115	891301	87.80	876655	14646	98.36	1.64
Public - Non Institution	4010800	41218	1.03	35004	6214	84.92	15.08
TOTAL	13176262	9041957	68.62	9021097	20860	99.77	0.23

The above special resolution was passed with requisite majority.

Resolution no. 02 : Continuation of Directorship of Dr. Indira J. Parikh (DIN: 00143801) as Non-Executive Independent Director, post attainment of age of 75 years (Special Resolution).

Category	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of votes - In against	% of Votes in favour on voters polled	% of votes against on votes polled
Promoter and promoter Group	8150347	8109438	99.50	8109438	0	100.00	0.00
Public - institution	1015115	891301	87.80	887268	4033	99.55	0.45
Public - Non Institution	4010800	41190	1.03	34869	6321	84.65	15.35
TOTAL	13176262	9041929	68.62	9031575	10354	99.89	0.11

The above special resolution was passed with requisite majority.

Resolution no. 03 : Continuation of Directorship of Mr. S. Padmanabhan (DIN: 00001207) as Non-Executive Independent Director, post attainment of age of 75 years (Special Resolution).

Category	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of votes - In against	% of Votes in favour on voters polled	% of votes against on votes polled
Promoter and promoter Group	8150347	8109438	99.50	8109438	0	100.00	0.00
Public - institution	1015115	396722	39.08	396722	0	100.00	0.00
Public - Non Institution	4010800	41161	1.03	35003	6158	85.04	14.96
TOTAL	13176262	8547321	64.87	8541163	6158	99.93	0.07

The above special resolution was passed with requisite majority.

Resolution no. 04 : Continuation of Directorship of Mr. Pratap G. Pawar (DIN: 00018985) as Non-Executive Independent Director, post attainment of age of 75 years (Special Resolution).

Category	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of votes - In against	% of Votes in favour on voters polled	% of votes against on votes polled
Promoter and promoter Group	8150347	8109438	99.50	8109438	0	100.00	0.00
Public - Institution	1015115	396722	39.08	382076	14646	96.31	3.69
Public - Non Institution	4010800	41188	1.03	33338	7850	80.94	19.06
TOTAL	13176262	8547348	64.87	8524852	22496	99.74	0.26

The above special resolution was passed with requisite majority.

Resolution no. 05 : Appointment of Lt. General (Dr.) D.B. Shekatkar (DIN: 02676828) as Non-Executive Independent Director, post attainment of age of 75 years (Special Resolution).

Category	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of votes - In against	% of Votes in favour on voters polled	% of votes against on votes polled
Promoter and promoter Group	8150347	8109438	99.50	8109438	0	100.00	0.00
Public - Institution	1015115	891301	87.80	891301	0	100.00	0.00
Public - Non Institution	4010800	40536	1.01	35092	5444	86.57	13.43
TOTAL	13176262	9041275	68.62	9035831	5444	99.94	0.06

The above special resolution was passed with requisite majority.

Resolution no. 06 : Appointment of Mr. Anant J. Talaulicar (DIN: 00031051) as Non-Executive Independent Director (Ordinary Resolution).

Category	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - In favour	No. of votes - In against	% of Votes in favour on voters polled	% of votes against on votes polled
Promoter and promoter Group	8150347	8109438	99.50	8109438	0	100.00	0.00
Public - Institution	1015115	891301	87.80	891301	0	100.00	0.00
Public - Non Institution	4010800	41249	1.03	39445	1804	95.63	4.37
TOTAL	13176262	9041988	68.62	9040184	1804	99.98	0.02

The above ordinary resolution was passed with requisite majority.



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Force Motors Limited

We have examined the compliance of conditions of corporate governance by Force Motors Limited ('the Company') for the year ended 31st March, 2019 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

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

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

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical Financial Information and other Assurance and Related Service Engagements.

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

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

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

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

Pune, 12th July 2019.

Suhas Deshpande
Partner
Membership No. 031787
UDIN No. 19031787AAAAH6374

INDEPENDENT AUDITORS' REPORT

To the Members of Force Motors Limited

Report on the audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Force Motors Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy of Revenue Recognition Revenue being an important element of Statement of Profit and Loss and considering the new Accounting Standards, and its impact on profits of the Company; it is considered a Key Audit matter.	We analysed the Company's accounting policies & procedures for revenue recognition, including the criteria for the same. Our audit approach consisted evaluation of control environment and substantive testing as follows : - Reviewed the contract terms in respect of transfer of significant risks and rewards of ownership to customers and performance obligations for revenue recognition. - Substantive tests on random sampling basis for all the major sale transactions and verification of all document flow involved in the samples selected. - Reviewed of payment terms with dealers, identification of significant financing components and terms of discounts. - Reviewed accounting for after-sales services in terms of warranty schemes and service coupon systems. - Reviewed of compliance done with respect to Indirect Taxes Compliances. - Performed analytical procedures for ensuring overall accuracy.
2	Accuracy of Cost of Goods Sold We identified Cost of Goods Sold area as a key audit matter because it is the most significant cost to the Company, which comprises of the cost of materials and other direct costs of production and the same has significant impact on the profitability of the Company.	We assess the Company's process to verify the Cost of Goods Sold (COGS) incurred during the year. Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows : - Overall evaluation and testing of controls related to corresponding business processes, viz. 'Procurement to Payment (P2P)', Production Process, Material Requirement Planning (MRP), Inventory Policy and Stores Procedures. - Review of overall operations and production process of materials into finished products. - Review the standard operating procedures for COGS to ensure the correctness and completeness of COGS.



Sr. No.	Key Audit Matter	Auditor's Response
		- Physical verification of inventory items on random sampling basis with reference to book inventory for accuracy and controls including review of internal period-end inventory procedures and reconciliations. - Reviewing completeness and overall accuracy of system generated material consumption and reconciling with General Ledger, including manual accounting entries relating to material consumption. - Review of inventory valuation, material consumption in accordance with applicable Indian Accounting Standards. - Review of Reconciliations of Inventory General Ledger and Materials Management Module of SAP System. - Evaluate the procedures for identifying slow moving items and their accounting estimates made by Management.
3	Accuracy and Completeness of Capital Expenditure Capital Expenditure (CAPEX) has been considered as a key audit matter in view of the complexity, peculiarities of business and being one of the important elements of costs.	We assessed the Company's process to verify the Capital Expenditure incurred during the year including significant acquisitions of manufacturing facility. Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows : - Review of CAPEX business process, flow of documents/information and their controls effectiveness. - Substantive tests on random sampling basis for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the Company's policy and accounting standards. - Scrutiny of relevant general ledger accounts to assess if the expenditure has been correctly accounted for. - Physical verification of test basis, review of physical verification carried out by the Management with respect to book records, review of Internal audit reports findings relating to Capex, if any, and implementation of the suggestions of the same. - We have assessed the competency, objectivity and capabilities of management experts and for a sample of valuations, we evaluated the adequacy and appropriateness of their work. - Review of compliance done with respect to Companies Act, Income Tax Act, Customs Duty and GST Act, particularly for accounting of additions, deletions, depreciation and of carrying amounts thereof.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.

Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information are expected to be made available to us after the date of this auditor's report, hence our opinion is based on Standalone Financials Statement only.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Business Responsibility Report, if required, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are

reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30(a) to the standalone 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. - Refer Note 42 to standalone financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place : Pune
Date : 27th May 2019

Suhas Deshpande
Partner
Membership No. : 031787

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Force Motors Limited of even date)

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

We have audited the internal financial controls over financial reporting of Force Motors Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the

Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Force Motors Limited of even date)

- (i) In respect of the Company's property, plant and equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) As explained to us, considering the nature of the Fixed Asset, the same have been physically verified by the management at reasonable intervals during the year as per verification plan adopted by the Company, which, in our opinion, is reasonable having regards to size of the Company and the nature of its assets. According to 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 same have been properly dealt with in the books of account;
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals and the discrepancies noticed during such physical verification were not material. The discrepancies noticed on physical verification of inventory as compared to the book records have been properly dealt with the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No. 105215W/W100057

Place : Pune
Date : 27th May 2019

Suhas Deshpande
Partner
Membership No. 031787

- (iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made. Further the Company has not granted any loans, given any guarantee or security in connection with a loan to any other body corporate or person.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives of the Reserve Bank of India and the provision of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under, wherever applicable. As informed to us, no order has been passed against the Company, by the Company Law Board, the National Company Law Tribunal, RBI, or any court or any tribunal.
- (vi) The Central Government has specified maintenance of cost records under Sub-section (1) of Section 148 of the Act and we are of the opinion that prima-facie such records are made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.



60th Annual Report 2018-19

- (b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Sr No.	Name of the Statute	Nature of the Dues	Amount* (Rs in Lakhs)	Period(s) to which the amount relates (Various year covering the period)	Forum where such dispute is pending
1	Central Excise Act, 1944	Excise Duty	222.87	1987-1991, 1990-1991, 1998-2000, 2008-2015	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
			0.23	1995-1996	Appellate Authority upto Commissioner's level
2	Sales Tax Laws	Sales Tax	269.65	1995-1998, 2003-2012, 2015-2016	Appellate Authority upto Commissioner's level
			38.04	2003-2004, 2006-2008,	Commercial Tax Appellate Board
3	Custom Act, 1962	Custom Duty	16.83	2004-2005, 2012-2013	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the term loan taken by the Company has been applied for the purpose for which they were raised. The Company had not

raised money by way of further public offer (including debt instruments) during the year.

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

For Kirtana & Pandit LLP
Chartered Accountants
Firm Registration No. 105215W/W100057

Place : Pune
Date : 27th May 2019

Suhas Deshpande
Partner
Membership No. 031787

Balance Sheet as at 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
I ASSETS			
1. Non-current Assets			
(a) Property, Plant and Equipment	3	1,08,052	86,877
(b) Capital Work-in-progress	3	13,265	17,351
(c) Investment Property	4	578	603
(d) Other Intangible Assets	5	12,953	7,366
(e) Intangible Assets under development	5	23,915	19,566
(f) Financial Assets			
(i) Investments	6	2,819	1,060
(ii) Loans and Advances	7	1,516	1,671
(g) Other Non-current Assets	9	11,868	5,229
Total Non-current Assets		1,74,966	1,39,723
2. Current Assets			
(a) Inventories	10	50,356	47,710
(b) Financial Assets			
(i) Trade Receivables	11	16,652	24,191
(ii) Cash and Cash equivalents	12	227	3,961
(iii) Bank Balance other than (ii) above	12	93	132
(iv) Loans and Advances	7	197	244
(v) Other Financial Assets	13	31,700	20,131
(c) Current Tax Assets (Net)	8	303	--
(d) Other Current Assets	9	9,096	15,811
Total Current Assets		1,08,624	1,12,180
Total Assets		2,83,590	2,51,903
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	14	1,318	1,318
(b) Other Equity	15	1,92,169	1,78,561
Total Equity		1,93,487	1,79,879
2. Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	20,563	--
(ii) Other Financial Liabilities	17	--	396
(b) Provisions	18	3,083	2,698
(c) Deferred Tax Liabilities (Net)	8	989	443
(d) Other Non-current Liabilities	20	157	189
Total Non-current Liabilities		24,792	3,726
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	5,087	--
(ii) Trade Payables	19		
- Total outstanding dues of Micro and Small enterprises		71	78
- Total outstanding dues other than Micro and Small enterprises		39,459	56,409
(iii) Other Financial Liabilities	17	5,260	3,078
(b) Other Current Liabilities	20	13,247	6,019
(c) Current Tax Liabilities (Net)	8	--	238
(d) Provisions	18	2,187	2,476
Total Current Liabilities		65,311	68,298
Total Liabilities		90,103	72,024
Total Equity and Liabilities		2,83,590	2,51,903

See accompanying notes forming part of the Financial Statements

1-47

As per our separate report of even date.

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

 Sanjay Kumar Bohra
Chief Financial Officer

 Suhas Deshpande
Partner
Membership No. 031787

 Kishore P. Shah
Company Secretary

 Place : Pune
Date : 27th May 2019

On behalf of the Board of Directors

 Prasan Firodia
Managing Director

 Prashant V. Inamdar
Executive Director

 Place : Pune
Date : 27th May 2019

**60th Annual Report 2018-19****Statement of Profit and Loss for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I INCOME			
(a) Revenue from Operations	21	3,65,210	3,52,342
(b) Other Income	22	8,162	6,872
Total Income		3,73,372	3,59,214
II EXPENSES			
(a) Cost of Materials consumed		2,81,471	2,60,924
(b) Change in Inventories of Finished Goods and Work-in-progress	23	(3,425)	(5,132)
(c) Excise Duty		--	10,082
(d) Employee benefits expense	24	41,813	38,655
(e) Finance costs	25	1,533	667
(f) Depreciation and Amortization expense	26	15,092	12,926
(g) Other expenses	27	30,894	31,213
(h) Expenditure included in the above items capitalized		(13,387)	(10,144)
Total Expenses		3,53,991	3,39,191
III Profit before exceptional items and tax		19,381	20,023
IV Exceptional Items		--	--
V Profit Before Tax		19,381	20,023
VI Tax Expense	8		
(a) Current Tax		4,199	4,362
(b) Deferred Tax		488	1,514
(c) Taxation in respect of earlier years		(24)	(548)
Total Tax Expense		4,663	5,328
VII Profit for the year		14,718	14,695
VIII Other Comprehensive Income :			
(a) Items that will not be reclassified to Profit or Loss			
(i) Re-measurements of net defined benefit liability		112	210
(ii) Equity instrument through Other Comprehensive Income		424	92
		536	302
(b) Income tax relating to items that will not be reclassified to Profit or Loss			
(i) Taxes on re-measurements of net defined benefit liability		(39)	(73)
(ii) Taxes on Equity instrument through Other Comprehensive Income		(19)	--
		(58)	(73)
Total Other Comprehensive Income		478	229
IX Total Comprehensive Income for the year (comprising Profit and Other Comprehensive Income for the year) (VII + VIII)		15,196	14,924
X Basic and Diluted Earnings per equity share [Nominal value per share ₹ 10] ₹	28	111.70	111.53

See accompanying notes forming part of the Financial Statements

1-47

As per our separate report of even date.

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

Suhas Deshpande
Partner
Membership No. 031787

Place : Pune
Date : 27th May 2019

Sanjay Kumar Bohra
Chief Financial Officer

Kishore P. Shah
Company Secretary

On behalf of the Board of Directors

Prasan Firodia
Managing Director

Prashant V. Inamdar
Executive Director

Place : Pune
Date : 27th May 2019

Statement of Changes in Equity for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Balance as at 1st April 2017	Changes in Equity Share Capital during the year	Balance as at 31st March 2018
1,318	--	1,318
Balance as at 1st April 2018	Changes in Equity Share Capital during the year	Balance as at 31st March 2019
1,318	--	1,318

B. Other Equity

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained earnings		
Balance as at 1st April 2017	5,920	34,629	1,23,828	846	1,65,223
Profit for the year	--	--	14,695	--	14,695
Other Comprehensive Income (Net of tax)	--	--	137	92	229
Dividends (including dividend distribution tax)	--	--	(1,586)	--	(1,586)
Balance as at 31st March 2018	5,920	34,629	1,37,074	938	1,78,561
Balance as at 1st April 2018	5,920	34,629	1,37,074	938	1,78,561
Profit for the year	--	--	14,718	--	14,718
Other Comprehensive Income (Net of tax)	--	--	73	405	478
Dividends (including dividend distribution tax)	--	--	(1,588)	--	(1,588)
Balance as at 31st March 2019	5,920	34,629	1,50,277	1,343	1,92,169

As per our separate report of even date.

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

Suhas Deshpande
 Partner
 Membership No. 031787

 Place : Pune
 Date : 27th May 2019

Sanjay Kumar Bohra
 Chief Financial Officer

Kishore P. Shah
 Company Secretary

On behalf of the Board of Directors

Prasan Firodia
 Managing Director

Prashant V. Inamdar
 Executive Director

 Place : Pune
 Date : 27th May 2019


Statement of Cash Flows for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A. Cash flow from Operating Activities		
Profit before tax	19,381	20,023
Adjustments for		
Depreciation and Amortization expense	15,092	12,926
Net exchange differences (unrealised)	(284)	216
Interest Income	(2,061)	(2,433)
Dividend income on Equity Securities	(5)	(8)
Loss / (Gain) on disposal of Property, Plant and Equipment	177	(114)
Finance Costs	1,533	667
Inventory write down	203	511
Provision for bad, doubtful debts and debit balances	--	71
Operating Profit before Working Capital adjustments	34,036	31,859
Working Capital adjustments		
(Increase) / Decrease in		
Trade Receivables	7,530	(12,750)
Inventories	(2,848)	(4,454)
Other Financial Assets	242	14,613
Other Non-financial Assets	6,719	1,536
Trade Payables	(16,661)	7,820
Financial Liabilities	(502)	15
Non-financial Liabilities	7,196	(10,236)
Provisions	207	19
Cash generated from Operations	35,919	28,422
Income Tax paid (Net)	(4,716)	(2,774)
Net Cash flow from / (used in) Operating Activities	31,203	25,648
B. Cash flow from Investing Activities		
Payments for Property, Plant and Equipment and Intangible Assets	(49,811)	(32,414)
Proceeds from sale of Property, Plant and Equipment and Intangible Assets	93	595
Deposits with Financial Institution	(11,000)	20,000
Interest received	1,491	3,752
Investments in Joint Venture	(1,336)	--
Dividends received	5	8
Net Cash flow from / (used in) Investing Activities	(60,558)	(8,059)
C. Cash flow from Financing Activities		
Proceeds from / (Repayment of) borrowings	28,578	(20,014)
Interest paid	(1,364)	(688)
Dividends paid (including Dividend distribution Tax)	(1,588)	(1,586)
Net Cash flow from / (used in) Financing Activities	25,626	(22,288)
Net Increase / (Decrease) in Cash and Cash equivalents	(3,729)	(4,699)
Cash and Cash equivalents at beginning of the financial year	3,957	8,656
Cash and Cash equivalents at end of the financial year	228	3,957
Cash and Cash equivalents as per Note 12	227	3,961
Effects of exchange rate fluctuations on Cash and Cash equivalents held	1	(4)
	228	3,957

As per our separate report of even date.

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

 Suhas Deshpande
Partner
Membership No. 031787

 Place : Pune
Date : 27th May 2019

 Sanjay Kumar Bohra
Chief Financial Officer

 Kishore P. Shah
Company Secretary

On behalf of the Board of Directors

 Prasan Firodia
Managing Director

 Prashant V. Inamdar
Executive Director

 Place : Pune
Date : 27th May 2019

Notes to Financial Statements for the year ended 31st March 2019
1. THE CORPORATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES
(a) Statement of Compliance

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

(b) Basis of Preparation

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

(c) Revenue Recognition
(i) Sales

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of Value Added Taxes, Goods and Services Tax (GST), Returns, Discounts, Rebates and Incentives. The Company recognizes revenue, when it has transferred to the buyer the significant risks and rewards associated with the ownership of goods, no significant performance obligation is pending and the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

(ii) Other Incomes

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

(d) Inventories

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

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

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

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

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

(e) Property, Plant and Equipment

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

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

(f) Intangible Assets

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

Intangible Assets internally generated

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

(g) Investment Property

Investment property is measured at cost less accumulated depreciation.

(h) Impairment of assets

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

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

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


Notes to Financial Statements for the year ended 31st March 2019

- (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.
- (i) **Borrowing Costs**
Cost of borrowings incurred for acquisition, construction or production of qualifying asset is capitalized.
- (k) **Research and Development Expenses**
Revenue expenditure on Research and Development is charged off as an expense in the year in which incurred and capital expenditure is grouped with Assets under appropriate heads and depreciation is provided as per rates applicable.
- (l) **Leases**
- (i) **Where the Company is the Lessee**
- Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.
 - Finance leases are capitalized at the inception of the lease at fair value of the leased property.
- (ii) **Where the Company is the Lessor**
Lease rentals are recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.
- (m) **Earnings per Share**
Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period.
- (n) **Foreign currency transactions**
Transactions and balances
- Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.
 - Monetary items of Assets and Liabilities booked in foreign currency are translated in to rupee at the exchange rate prevailing at the Balance Sheet date
 - Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognized in the Statement of Profit and Loss.
 - Exchange difference arising on translation of foreign currency liabilities for acquisition of Property, Plant and Equipments are adjusted to the Statement of Profit and Loss
 - The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance.
- (o) **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.
- (p) **Employee Benefits**
Defined benefit plans
- The accruing liability of Gratuity is covered by Employees Group Gratuity Scheme of Life Insurance Corporation of India (LIC) and the premium is accounted for in the year of accrual. The additional liability, if any, due to deficit in the Plan assets managed by LIC as compared to the present value of accrued liability on the basis of actuarial valuation, is recognized and provided for.
 - Provident fund contributions are made to Company's Provident Fund Trust. The contributions are accounted for as defined benefit plans and are recognized as employee benefits expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Company.
 - Current service cost and net interest on defined benefit obligation are directly recognized in the Statement of Profit and Loss.
 - Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.
- Defined contribution plans**
- The Company's superannuation scheme is a defined contribution plan. The contributions are recognized as employee benefit expenses when they are due.
 - Benefits in respect of compensated absence payable after 12 months are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.
 - Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority and recognized as expense as and when due.
- (q) **Taxation**
Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to Financial Statements for the year ended 31st March 2019

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

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

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

(r) Provisions and Contingent Liabilities
(i) Provision

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, It is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

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

(ii) Contingent liability

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

(s) Incentives

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

(t) 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.

(u) 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.

(v) Use of estimates and judgements

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

- (i) Estimation of defined benefit obligation - refer Note 36.
- (ii) Estimation of provision for warranty claims - refer Note 18.
- (iii) Estimated useful life of property, plant and equipments - refer Note 2(i)(i) above.
- (iv) Estimated useful life of intangible assets- refer Note 2(i)(ii) above.
- (v) Estimation of provision for Tax expenses - refer 2(q) above.

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

(w) Recent accounting pronouncements

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

Revision to Ind AS 116 - Leases - have been issued but are not yet effective. The Company is evaluating the impact of these pronouncements on the financial statements.

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Aircrafts	Total	Capital Work-in-Progress
	Freehold	Leasehold								
Gross carrying amount										
Balance as at 1st April 2018	868	1,590	27,944	1,48,460	1,570	3,935	966	17,990	2,03,323	17,351
Additions	--	882	3,152	28,909	377	673	154	--	34,147	3,108
Disposals / Adjustments	--	--	--	29	3	602	5	--	639	7,194
Balance as at 31st March 2019	868	2,472	31,096	1,77,340	1,944	4,006	1,115	17,990	2,36,831	13,265
Accumulated depreciation										
Balance as at 1st April 2018	--	70	7,655	1,01,220	871	2,159	644	3,827	1,16,446	
Depreciation for the year	--	21	1,082	10,174	115	350	111	849	12,702	
Disposals / Adjustments	--	--	--	29	2	333	5	--	369	
Balance as at 31st March 2019	--	91	8,737	1,11,365	984	2,176	750	4,676	1,28,779	
Carrying amounts (Net)										
As at 31st March 2019	868	2,381	22,359	65,975	960	1,830	365	13,314	1,08,052	13,265
As at 31st March 2018	868	1,520	20,289	47,240	699	1,776	322	14,163	86,877	17,351

Notes :

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

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

4. INVESTMENT PROPERTY

Particulars	Industrial Shed
Gross carrying amount	
Balance as at 1st April 2018	794
Additions	--
Disposals / Adjustments	--
Balance as at 31st March 2019	794
Accumulated depreciation	
Balance as at 1st April 2018	191
Depreciation for the year	25
Disposals / Adjustments	--
Balance as at 31st March 2019	216
Carrying amounts (Net)	
As at 31st March 2019	578
As at 31st March 2018	603

Information regarding income and expenditure of Investment Property :

Particulars	As at 31st March 2019	As at 31st March 2018
Rental income derived from investment property	524	524
Compensation on foreclosure of Lease Deed	741	--
Direct operating expenses (including repairs and maintenance) generating rental income	--*	--*
Direct operating expenses (including repairs and maintenance) that did not generate rental income	--	--
Income arising from investment property before depreciation and indirect expenses	1,265	524
Less : Depreciation	25	25
Income from investment property	1,240	499

Leasing arrangements

The Company's investment property consists of industrial property situated at Chakan. Refer Note 34 (i).

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 and consequently classified as a Level - 2 valuation.

Particulars	As at 31st March 2019	As at 31st March 2018
Industrial Property	2,817	2,735

Reconciliation of fair value

Particulars	Industrial Property
Balance as at 1st April 2018	2,735
Change in fair value	82
Balance as at 31st March 2019	2,817

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


Notes to Financial Statements for the year ended 31st March 2019

(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						
Balance as at 1st April 2018	4,519	4,625	822	6,155	16,121	19,566
Additions	267	699	--	6,986	7,952	8,870
Disposals / Adjustments	--	--	--	--	--	4,521
Balance as at 31st March 2019	4,786	5,324	822	13,141	24,073	23,915
Accumulated amortization						
Balance as at 1st April 2018	2,466	3,295	822	2,172	8,755	
Amortization for the year	640	539	--	1,186	2,365	
Disposals / Adjustments	--	--	--	--	--	
Balance as at 31st March 2019	3,106	3,834	822	3,358	11,120	
Carrying amounts (Net)						
As at 31st March 2019	1,680	1,490	--	9,783	12,953	23,915
As at 31st March 2018	2,053	1,330	--	3,983	7,366	19,566

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

6. FINANCIAL ASSETS : INVESTMENTS (NON-CURRENT)

	As at 31st March 2019	As at 31st March 2018
A. Investments at Fair Value through Other Comprehensive Income (FVTOCI)		
(a) Unquoted Equity Shares (fully paid)		
(i) 1 (31st March 2018 : 1) Equity Share of ₹ 10/-, fully paid in MAN Trucks India Pvt. Ltd. (now known as MAN Truck & Bus India Pvt. Ltd.)	--*	--*
(ii) 50,000 (31st March 2018 : 50,000) Equity Share of ₹ 10/-, fully paid in Pithampur Auto Cluster Limited	5	5
(iii) 5 (31st March 2018 : 5) Equity Shares of ₹ 50/- each, fully paid in Mittal Tower Premises Co-operative Society Limited	--*	--*
(b) Quoted Equity Shares (fully paid)		
3,47,187 (31st March 2018 : 3,47,187) Equity Shares of ₹ 2/- each, fully paid in ICICI Bank Limited	1,390	967
Total FVTOCI Investments	1,395	972
B. Investment at Cost		
Unquoted Equity Shares (fully paid)		
(a) In Subsidiary		
8,80,200 (31st March 2018 : 8,80,200) Equity Shares of ₹ 10/- each, fully paid in Tempo Finance (West) Private Limited	88	88
(b) In Joint Venture		
1,33,62,000 (31st March 2018 : Nil) Equity Shares of ₹ 10/- each, fully paid in Force MTU Power Systems Private Limited	1,336	--
	1,424	88
Total Investments	2,819	1,060
Aggregate book value of quoted investments	1,390	967
Aggregate market value of quoted investments	1,390	967
Aggregate value of unquoted investments	1,429	93
Aggregate amount of impairment in the value of investments	--	--

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

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

Investments in subsidiary and joint venture 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 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

7. FINANCIAL ASSETS : LOANS AND ADVANCES

	As at 31st March 2019	As at 31st March 2018
Non-current		
(a) Security Deposits		
(i) Considered Good - Unsecured	1,513	1,667
(ii) Which have significant increase in Credit Risk (Doubtful)	--	--
(b) Other Loans and Advances		
(i) Considered Good - Unsecured	3	4
(ii) Which have significant increase in Credit Risk (Doubtful)	--	9
	<u>3</u>	<u>13</u>
Less : Allowances for expected credit losses	--	9
	<u>3</u>	<u>4</u>
Total Non-current Loans and Advances	<u>1,516</u>	<u>1,671</u>
Current		
(a) Security Deposits		
Considered Good - Unsecured	45	50
(b) Other Loans and Advances		
(i) Consider Good - Unsecured	152	194
(ii) Credit impaired (Doubtful)	--	--
Total Current Loans and Advances	<u>197</u>	<u>244</u>
Total Loans and Advances	<u>1,713</u>	<u>1,915</u>


Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

8. CURRENT AND DEFERRED TAX

	As at 31st March 2019	As at 31st March 2018
A. Statement of Profit or Loss		
(a) Current Tax		
(i) Current Income Tax charge	4,199	4,362
(ii) Taxation in respect of earlier years	(24)	(548)
(b) Deferred Tax		
Relating to origination and reversal of temporary differences	488	1,514
Income Tax expense reported in the Statement of Profit or Loss	4,663	5,328
(c) Other Comprehensive Income (OCI)		
Deferred Tax related to items recognized in OCI during the year		
(i) Re-measurements on defined benefit plan	(39)	(73)
(ii) Quoted Equity Instruments	(19)	--
Income Tax recognized in OCI	(58)	(73)
B. Balance Sheet	As at 31st March 2019	As at 31st March 2018
(a) Current Tax Assets		
Advance Income Tax	303	--
Total Current Tax Assets (Net)	303	--
(b) Current Tax Liabilities		
Provision for Income Tax	--	238
Total Current Tax Liabilities (Net)	--	238
(c) Deferred Tax		
(i) Deferred Tax Assets (DTA)	19,908	16,072
(ii) Deferred Tax Liabilities (DTL)	(20,897)	(16,515)
Net Deferred Tax Assets / (Liabilities)	(989)	(443)

Reconciliation of tax expense and the accounting profit for the year ended 31st March 2019 and 31st March 2018 :

	As at 31st March 2019	As at 31st March 2018
Accounting Profit Before Tax	19,381	20,023
(a) Tax as per Income Tax Act	6,772	6,930
(b) Tax Expense		
(i) Current Tax	4,199	4,362
(ii) Deferred Tax	488	1,514
(iii) Taxation in respect of earlier years	(24)	(548)
Total Tax Expense	4,663	5,328
(c) Difference (a) - (b)	2,109	1,602
(d) Tax Reconciliation		
(i) Permanent Dis-allowances	(167)	(120)
(ii) Allowances and accelerated deductions	2,267	1,337
(iii) Change due to tax rate difference	--	138
(iv) MAT credit	(15)	(301)
(v) Taxation in respect of earlier years	24	548
Total	2,109	1,602

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred Tax Assets and Liabilities are as follows :

Deferred Tax Assets / (Liabilities) in relation to :

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

	Balance Sheet	
	As at 31st March 2019	As at 31st March 2018
(a) Property, Plant and Equipment	(20,873)	(16,509)
(b) Provision for doubtful advances	52	97
(c) Dis-allowance u/s 43B of the Income Tax Act	2,109	2,002
(d) Prepaid taxes claimed u/s 43B	(6)	(6)
(e) MAT credit entitlement	17,746	13,971
(f) Quoted Equity Instrument through Other Comprehensive Income	(19)	--
(g) Unquoted Equity Instrument through Other Comprehensive Income	2	2
Net Deferred Tax Assets / (Liabilities)	(989)	(443)

Significant components of net Deferred Tax Assets and Liabilities for the year ended 31st March 2019 are as follows :

Movement in temporary differences	As at 1st April 2018	Recognized in profit or loss during 2018-19	Recognized in Other Comprehensive Income during 2018-19	As at 31st March 2019
Property, Plant and Equipment	(16,509)	(4,364)	--	(20,873)
Provision for doubtful advances	97	(45)	--	52
Dis-allowance u/s 43B of the Income Tax Act	2,002	146	(39)	2,109
Prepaid taxes claimed u/s 43B	(6)	--	--	(6)
MAT credit entitlement	13,971	3,775	--	17,746
Quoted Equity Instrument through Other Comprehensive Income	--	--	(19)	(19)
Unquoted Equity Instrument through Other Comprehensive Income	2	--	--	2
	(443)	(488)	(58)	(989)

**Notes to Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

9. OTHER ASSETS

	As at 31st March 2019	As at 31st March 2018
Non-current		
(a) Capital Advances		
Considered Good - Unsecured	11,791	5,148
(b) Prepaid Lease rentals	77	81
Total Non-current Other Assets	11,868	5,229
Current		
(a) Advances recoverable in cash or kind (includes Govt. Incentives, Taxes, etc.)		
(i) Considered Good - Unsecured	9,092	15,807
(ii) Doubtful	108	227
	9,200	16,034
Less : Provision for doubtful advances	108	227
	9,092	15,807
(b) Prepaid Lease rentals	4	4
Total Current Other Assets	9,096	15,811
Total Other Assets	20,964	21,040

10. INVENTORIES (CURRENT)

	As at 31st March 2019	As at 31st March 2018
(a) Raw Materials and Components*	23,948	24,891
(b) Finished Goods	17,008	15,757
(c) Work-in-progress	6,506	4,332
(d) Stores and spares	2,894	2,730
* [Includes Goods in transit : ₹ 3,902 Lakhs (31st March 2018 : ₹ 7,562 Lakhs)]		
Total Inventories	50,356	47,710

The write-down of inventories to net realisable value during the year amounted to ₹ 203 Lakhs (31st March 2018 : ₹ 511 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 2019	As at 31st March 2018
(i) Considered Good - Unsecured	16,652	24,191
(ii) Which have significant increase in Credit Risk (Doubtful)	40	42
	16,692	24,233
Less : Provision for Doubtful Receivables	40	42
Total Trade Receivables	16,652	24,191

Trade Receivables are not credit impaired.

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS (CURRENT)

	As at 31st March 2019	As at 31st March 2018
(a) Cash and Cash equivalents		
(i) Balances with Banks	191	3,597
(ii) Short term deposits with Banks - maturity less than three months	--	354
(iii) Cheques / Drafts on hand	33	6
(iv) Cash on hand	3	4
	227	3,961
(b) Other Bank balances		
(i) Unpaid Dividend Accounts	55	55
(ii) Margin money and Security deposit	38	77
	93	132
Total Cash and Cash equivalents	320	4,093

13. OTHER FINANCIAL ASSETS (CURRENT)

	As at 31st March 2019	As at 31st March 2018
(a) Interest accrued on deposits with Banks	700	131
(b) Corporate Deposits	31,000	20,000
Total Other Financial Assets	31,700	20,131


Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

14. EQUITY SHARE CAPITAL

	As at 31st March 2019	As at 31st March 2018
Authorised		
2,00,00,000 (31st March 2018: 2,00,00,000) Equity Shares of ₹10/- each	2,000	2,000
Issued		
1,32,13,802 (31st March 2018 : 1,32,13,802) Equity Shares of ₹10/- each	1,321	1,321
Subscribed and Paid-up		
1,31,76,262 (31st March 2018 : 1,31,76,262) Equity Shares of ₹10/- each fully paid up	1,318	1,318
[of the above 2,00,918 (31st March 2018 : 2,00,918) Equity Shares are allotted as fully paid shares pursuant to a contract without payment being received in cash and 57,29,934 (31st March 2018 : 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 2019 or 31st March 2018].		
Add: Amount paid for forfeited Shares	--*	--*
Total Equity Share Capital	1,318	1,318

Note : Offer on Rights basis for 17,932 (31st March 2018 :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 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,31,76,262	1,318	1,31,76,262	1,318
Issued/ Reduction during the year	--	--	--	--
Shares outstanding at the end of the year	1,31,76,262	1,318	1,31,76,262	1,318

(b) Terms / rights attached to Equity Shares

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

(c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
(d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

The Company became a subsidiary of Jaya Hind Industries Limited, w.e.f. 1st January 2018 (being appointed date) consequent to the Order dated 24th October 2018 of the Mumbai Bench of National Company Law Tribunal approving the scheme of amalgamation. Jaya Hind Industries Limited holds 57.38 % (75,59,928) shares in the Company.

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

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares of ₹10/- each fully paid	% of Holding	No. of Shares of ₹ 10/- each fully paid	% of Holding
Jaya Hind Industries Limited	75,59,928	57.38%	10,909	0.08%
Jaya Hind Investments Private Limited	--	--	74,92,244	56.86%

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

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

15. OTHER EQUITY

	As at 31st March 2019	As at 31st March 2018
I. Reserves and Surplus		
(a) Securities Premium	5,920	5,920
(b) General Reserve	34,629	34,629
(c) Retained Earnings		
(i) Opening balance	1,37,074	1,23,828
(ii) Net profit for the year	14,718	14,695
(iii) Comprehensive income for the year	73	137
	1,51,865	1,38,660
Adjustments		
(i) Equity Dividend	1,318	1,318
(ii) Tax on Equity Dividend	270	268
	1,588	1,586
Closing Balance	1,50,277	1,37,074
II. Equity instruments through Other Comprehensive Income		
Opening Balance	938	846
Adjustments		
FVTOCI Equity Investments - change in fair value	405	92
Closing Balance	1,343	938
Total Other Equity	1,92,169	1,78,561

- **Securities Premium** : The amount received in excess of face value of the equity shares is recognized in Securities Premium Account.
- **General Reserve** : General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilised by the Company in accordance with the Companies Act, 2013.
- **Retained Earnings** : Retained earnings are the profits that the Company has earned till date.

16. FINANCIAL LIABILITIES: BORROWINGS

	As at 31st March 2019	As at 31st March 2018
Non-current		
Term Loan from Banks (Secured)	23,500	--
Less : Current maturities of Non-current Borrowings disclosed under the head Current Other Financial Liabilities (Refer Note 17)	2,937	--
Total Non-current Borrowings	20,563	--
(Refer Note 38 for maturity pattern of Borrowings)		
Current		
Working Capital Loan from Banks (Secured)	5,087	--
Total Current Borrowings	5,087	--
Total Borrowings	25,650	--

- **Term Loan** is secured by hypothecation, by way of Exclusive Charge on specified Plant and Machinery, being movable properties, secured as a continuing security for the repayment of Term Loan together with interest.
- The term loan is repayable in 16 equal quarterly installments and the repayment schedule to be commenced in November 2019, after a moratorium of 12 months.
- **Working Capital Loans** 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. The Fund Based Limits are payable on demand to the Banks.

**Notes to Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

17. OTHER FINANCIAL LIABILITIES

	As at 31st March 2019	As at 31st March 2018
Non-current		
Security Deposits	--	396
Total Non-current Other Financial Liabilities	--	396
Current		
(a) Current maturities of Non-current Borrowings (Refer Note 16)		
(i) Term Loan from Banks (Secured)	2,937	--
(ii) Deposits matured but not claimed	3	13
(b) Interest on Borrowings		
(i) Accrued and due on Term Loan	169	--
(ii) Accrued but not due	--*	--*
(c) Unclaimed Dividend	55	55
(d) Creditors for Capital Goods	1,456	2,263
(e) Security Deposits	242	347
(f) Other payables	398	400
Total Current Other Financial Liabilities	5,260	3,078
Total Other Financial Liabilities	5,260	3,474

18. PROVISIONS

	As at 31st March 2019	As at 31st March 2018
Non-current		
(a) Provision for Employee benefits (Refer Note 36)	3,014	2,616
(b) Provision for Product Warranties	69	82
Total Non-current Provisions	3,083	2,698
Current		
(a) Provision for Employee benefits (Refer Note 36)	1,813	1,970
(b) Provision for Product Warranties	374	506
Total Current Provisions	2,187	2,476
Total Provisions	5,270	5,174

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

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

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in Product Warranties
Product Warranties

	As at 31st March 2019	As at 31st March 2018
(a) Opening balance	588	780
(b) Additional provision made during the year	345	409
(c) Amount paid during the year	(257)	(250)
(d) Amount written back	(233)	(351)
Closing balance	443	588

19. TRADE PAYABLES

	As at 31st March 2019	As at 31st March 2018
(a) Total outstanding dues of Micro and Small enterprises	71	78
(b) Total outstanding dues other than Micro and Small enterprises	39,459	56,409
Total Trade Payables	39,530	56,487

20. OTHER LIABILITIES
Non-current

Service Coupon Liability	157	189
Total Non-current Other Liabilities	157	189

Current

(a) Advances and deposits against order	7,066	3,329
(b) Statutory dues	5,756	2,197
(c) Service Coupon Liability	425	493
Total Current Other Liabilities	13,247	6,019
Total Other Liabilities	13,404	6,208

Movement in Service Coupon Liability
Free Service Coupons

	As at 31st March 2019	As at 31st March 2018
(a) Opening balance	682	869
(b) Additional provisions made during the year	482	539
(c) Amount paid during the year	(500)	(463)
(d) Amount written back	(82)	(263)
Closing balance	582	682


Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

21. REVENUE FROM OPERATIONS

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Sale of Products	3,62,001	3,49,319
(b) Other Operating Revenue		
(i) Service charges	539	474
(ii) Others	2,670	2,549
Total Revenue from Operations	3,65,210	3,52,342

Post the applicability of Goods and Services Tax (GST), with effect from 1st July 2017, Revenue from operations are required to be disclosed net of GST. Sales before this date are disclosed as gross of excise duty. Accordingly, the revenue from operations for the year ended 31st March 2019 is not comparable with the previous year.

22. OTHER INCOME

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Interest income	2,675	3,053
(b) Dividend Income from Equity Investments designated at FVTOCI	5	8
(c) Gain on Exchange fluctuation	1,132	--
(d) Industrial Promotion Incentive (Refer Note 43)	2,077	1,830
(e) Rental income	524	524
(f) Profit on sale of assets	12	245
(g) Others	1,737	1,212
Total Other Income	8,162	6,872

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

	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Stock		
(a) Finished Goods	15,757	10,699
(b) Work-in- progress	4,332	4,258
	20,089	14,957
Closing Stock		
(a) Finished Goods	17,008	15,757
(b) Work-in- progress	6,506	4,332
	23,514	20,089
Total Changes In Inventories of Finished Goods and Work-in-progress	(3,425)	(5,132)

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Salaries, Wages and Bonus	38,035	35,002
(b) Contribution to Provident, Other Funds and Schemes	2,578	2,381
(c) Staff welfare expenses	1,200	1,272
Total Employee Benefits Expense	41,813	38,655

25. FINANCE COSTS

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Interest expense	1,402	526
(b) Other borrowing costs	50	46
(c) Net interest cost on net defined benefit obligations	81	95
Total Finance Costs	1,533	667

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

26. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Depreciation of Property, Plant and Equipment	12,702	11,433
(b) Amortization of Intangible Assets	2,365	1,468
(c) Depreciation on Investment Property	25	25
Total Depreciation and Amortization Expense	15,092	12,926

27. OTHER EXPENSES

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Consumption of Stores and Spares	7,805	7,635
(b) Fabrication and Processing Charges	770	947
(c) Power and Fuel	4,886	4,823
(d) Forwarding Charges	3,273	2,995
(e) Rent	189	158
(f) Rates and Taxes	170	401
(g) Insurance	552	570
(h) Repairs and Maintenance:		
(i) Plant and Machinery	2,137	2,115
(ii) Buildings	388	572
(iii) Others	185	176
(i) Publicity and Sales promotion	1,837	1,897
(j) Payments to Auditors (Refer details below)	33	26
(k) Commission to Non-executive Director	--	100
(l) Loss on Exchange Fluctuation (Net)	--	818
(m) Donation	423	16
[Includes donation under Section 182 of the Companies Act, 2013 : ₹ 420 Lakhs (31st March 2018 : ₹ Nil)]		
(n) Expenditure on Corporate Social Responsibility (Refer Note 44)	460	410
(o) Bad Debts / Provision for doubtful Advances & Receivables	--	71
(p) Miscellaneous Expenses	7,786	7,483
Total Other Expenses	30,894	31,213

Details of payments to Auditors

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Audit Fees	22	20
(b) Tax Audit Fees	1	1
(c) Limited review and Certification work	8	4
(d) Reimbursement of expenses	2	1
Total payments to Auditors	33	26

28. EARNINGS PER SHARE

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Profit attributable to Equity Shareholders	14,718	14,695
(b) Weighted average number of Equity Shares used as Denominator	1,31,76,262	1,31,76,262
(c) Basic and Diluted Earnings Per Share of nominal value of ₹ 10 each : ₹	111.70	111.53

29. EXPENDITURE CAPITALIZED

Amount capitalized represents expenditure allocated out of employee cost and other expenses, incurred in connection with capital items and various product development projects undertaken by the Company for the introduction of new products as well as development of engine and existing product variants.


Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

30. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March 2019	As at 31st March 2018
(a) Contingent Liabilities		
Claims against the Company not acknowledged as debts		
(i) Taxes and Duties	2,765	3,292
(ii) Others (Court cases pending)	3,772	3,581
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	23,206	12,276
(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.		
(d) On 28th February 2019, the Supreme Court has passed a judgment on inclusion of certain allowances in basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. Due to ambiguity and the divergent views on the application of the said judgment, the Company has not made any provision. The Company will take necessary steps, on receiving further clarity, on the subject.		

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

As on 31st March 2019, the Company has not received any intimation, except in few cases, as to the status as Micro, Small or Medium Enterprises from suppliers of the Company along with a copy of the Memorandum, filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). There is no liability towards interest on delayed payments under "The Micro, Small and Medium Enterprises Development Act, 2006" during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. 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 ₹ 1,111 Lakhs Credit (31st March 2018 : ₹ 838 Lakhs Debit) and on Capital account is ₹ 21 Lakhs Credit (31st March 2018 : ₹ 20 Lakhs Credit).

33. EXPENDITURE ON RESEARCH AND DEVELOPMENT

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

	As at 31st March 2019	As at 31st March 2018
(a) Capital Expenditure	14,069	15,792
(b) Revenue Expenditure	6,372	4,176

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

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

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

34. LEASES
Operating Leases
As a Lessor
(i) Industrial Shed at Chakan

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

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

The Lessor and the Lessee have decided mutually to foreclose the Lease Deed and accordingly the Lessee has vacated the leased premises peacefully in March 2019 on the terms and conditions specified in the Memorandum for Foreclosure of Lease Agreement.

The compensation on foreclosure of lease deed and the lease income have been recognized in the Statement of Profit and Loss.

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

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

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

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

As a Lessee
Leasehold land

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

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

<u>Name of the Related Party</u>	<u>Nature of relationship</u>
(a) Jaya Hind Industries Limited*	Holding Company
(b) Tempo Finance (West) Private Limited	Subsidiary Company
(c) Force MTU Power Systems Private Limited**	Joint Venture Company

II. List of other related parties with whom there are transactions in the current year

<u>Name of the Related Party</u>	<u>Nature of relationship</u>
A. Key Management Personnel (KMP)	
(a) Abhaykumar Firodia	Chairman
(b) Prasan Firodia	Managing Director
(c) Sudhir Mehta	Director
(d) Pratap Pawar	Director
(e) S. Padmanabhan	Director
(f) Nitin Desai	Director
(g) Dr. Indira Parikh	Director
(h) Arun Sheth	Director
(i) Arvind Mahajan	Director
(j) Vinay Kothari	Director
(k) Yeshwant Deosthalee	Director
(l) Lt. Gen. (Retd.) Dr. D. B. Shekatkar	Director
(m) Anant J. Talaulicar	Director
(n) Prashant V. Inamdar	Executive Director (Operations)
(o) Sanjay Kumar Bohra	Chief Financial Officer
B. Other Entities	
(a) Jaya Hind Montupet Private Limited	Entity controlled by KMP of Company
(b) Pinnacle Industries Limited	Entity controlled by KMP of Company
(c) Kider (India) Private Limited	Entity controlled by KMP of Company
(d) Bajaj Tempo Limited Provident Fund	Post employment benefit Trust
(e) Sakal Media Private Limited	Entity controlled by KMP of Company
(f) Amar Prerana Trust	Entity controlled by KMP of Company
(g) Navalmal Firodia Memorial Hospital Trust	Entity controlled by KMP of Company
(h) Antardisha	Entity controlled by KMP of Company


Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

III. Transactions with Related Parties

Name of Related Party	2018-19		2017-18	
	Amount of transaction during the year	Balance as at 31st March 2019 Receivables / (Payables)	Amount of transaction during the year	Balance as at 31st March 2018 Receivables / (Payables)
A. Holding Company				
Jaya Hind Industries Limited *				
(a) Purchase of Capital Goods	144		--	
(b) Purchase of Raw Materials, Components & Others	7,760		8,216	
(c) Sundry Sales	516	(191)	344	(545)
(d) Service Charges recovered	95	307	64	4,668
(e) Processing Charges recovered	44		62	
(f) Dividend paid	1		1	
B. Key Management Personnel				
(a) Remuneration				
(i) Short term employee benefits (including Commission)	753		701	
(ii) Post employment benefits	34	(363)	35	(348)
(iii) Other long term benefits	42		46	
(b) Others				
(i) Dividend paid	49	--	49	--
(ii) Sitting fees	34	--	36	--
(iii) Commission	--	--	100	(100)
C. Other Entities				
(a) Force MTU Power Systems Private Limited **				
(i) Expenses recovered	956	33	--	--
(ii) Contribution to Equity	1,336	--	--	--
(b) Jaya Hind Investments Private Limited ***				
Dividend paid	749	--	749	--
(c) Jaya Hind Montupet Private Limited				
(i) Purchase of Raw Material, Components & Others	83		346	
(ii) Service Charges recovered	34	(6)	21	(65)
(iii) Processing Charges recovered	2	29	--*	11
(iv) Sundry sales	2		--	
(d) Pinnacle Industries Limited				
(i) Purchase of Capital Goods	418		115	
(ii) Purchase of Raw Materials, Components & Others	14,698	(405)	15,096	(611)
(iii) Sundry Sales	69	64	86	965
(e) Kider (India) Private Limited				
Purchase of Capital Goods	4	(2)	4	--
(f) Bajaj Tempo Limited Provident Fund				
Contribution to Provident Fund	683	(58)	604	(53)
(g) Sakal Media Private Limited				
Publicity Charges	20	--	20	--
(h) Amar Prerana Trust				
(i) Training Facility Utilisation	32	--	296	(7)
(ii) Sundry Sales	1	--	--	--
(i) Navalmal Firodia Memorial Hospital Trust				
Contribution towards Corporate Social Responsibility	460	--	381	--
(j) Antardisha				
Professional Fees	26	--	--	--

* With effect from 1st January 2018 (being appointed date) consequent the Order dated 24th October 2018 of the Mumbai Bench of National Company Law Tribunal approving the scheme of amalgamation.

** With effect from 7th August 2018.

*** Ceased to be a Holding Company on 1st January 2018

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

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

36. EMPLOYEE BENEFITS
A. Defined Contribution Plans

An amount of ₹ 667 Lakhs (31st March 2018 : ₹ 660 Lakhs) is recognized as an expense and included in "Employee Benefits Expense" in the Statement of Profit and Loss.

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

	As at 31st March 2019		As at 31st March 2018	
	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	5,971	379	5,318	147
Less : Fair value of plan assets	4,823	1,291	3,949	1,133
Amount to be recognized as Liability or (Asset)	<u>1,148</u>	<u>(912)</u>	<u>1,369</u>	<u>(986)</u>
(ii) Amount to be reflected in Balance Sheet				
Liabilities	1,148	(912)	1,369	(986)
Assets	--	--	--	--
Net Liability / (Assets)	<u>1,148</u>	<u>(912)</u>	<u>1,369</u>	<u>(986)</u>

* 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 2019		As at 31st March 2018	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Employee Benefits Expense				
Current service cost	458	19	411	62
(ii) Acquisition (Gain) / Loss	27	--	--	--
(iii) Finance cost				
Net Interest (Income) / Expenses	81	(77)	95	(44)
Net periodic benefit cost recognized in the Statement of Profit and Loss -	566	(58)	506	18

* 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 2019		As at 31st March 2018	
	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	(71)	201	(191)	(434)
(iii) Re-measurements for the year - plan assets (Gain) / Loss	(40)	(69)	(19)	51
(iv) Total re-measurements cost / (credit) for the year recognized in OCI	(111)	132	(210)	(383)
(v) Less : Accumulated balances transferred to retained earnings	(111)	132	(210)	(383)
Closing balances [re-measurements (Gain)/Loss recognized in OCI]	--	--	--	--

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


Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

- (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 2019		As at 31st March 2018	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Present value of obligation as at the beginning of the year	5,318	147	5,109	484
(ii) Acquisition adjustment	291	--	--	--
(iii) Transfer in / (out)	--	--	2	--
(iv) Interest expenses	402	12	354	35
(v) Past service cost	--	--	--	--
(vi) Current service cost	458	19	411	62
(vii) Curtailment cost / (credit)	--	--	--	--
(viii) Settlement cost / (credit)	--	--	--	--
(ix) Benefits paid	(427)	--	(367)	--
(x) Re-measurements on obligation - (Gain) / Loss	(71)	201	(191)	(434)
Present value of obligation as at the end of the year	5,971	379	5,318	147

- (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 2019		As at 31st March 2018	
	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	3,949	1,133	3,437	1,105
(ii) Acquisition adjustment	264	--	--	--
(iii) Transfer in / (out)	--	--	2	--
(iv) Interest income	321	89	259	79
(v) Contributions	682	--	603	--
(vi) Mortality Charges and Taxes	(7)	--	(4)	--
(vii) Benefits paid	(426)	--	(367)	--
(viii) Amount paid on settlement	--	--	--	--
(ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	40	69	19	(51)
Fair value of plan assets as at the end of the year	4,823	1,291	3,949	1,133
Actual return on plan assets	362		278	

- (f) Net interest (Income) / Expenses

	As at 31st March 2019		As at 31st March 2018	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Interest (income) / expense - obligation	402	12	354	35
(ii) Interest (income) / expense - plan assets	(321)	(89)	(259)	(79)
Net interest (income) / expense for the year	81	(77)	95	(44)

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 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	As at 31st March 2019	As at 31st March 2018
(i) Discount rate	7.60%	7.80%
(ii) Expected return on plan assets	7.80%	7.20%
(iii) Salary growth rate *	10%	10%
(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.

Provident Fund

	As at 31st March 2019	As at 31st March 2018
(i) Discount rate	7.60%	7.80%
(ii) Interest rate	8.65%	8.55%
(iii) Yield spread	0.50%	0.50%
(iv) Attrition rate - for Bargainable Staff	10%	10%
(v) Attrition rate - others	2%	2%

Sensitivity analysis

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

(h) Change in assumption

	As at 31st March 2019		As at 31st March 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
(i) Discount rate				
Increase by 1%	5,614	--	5,006	--
Decrease by 1%	6,371	--	5,666	--
Increase by 0.5%	--	114	--	--
Decrease by 0.5%	--	657	--	382
(ii) Salary increase rate				
Increase by 1%	6,303	--	5,607	--
Decrease by 1%	5,668	--	5,053	--
(iii) Withdrawal rate				
Increase by 1%	5,929	--	5,284	--
Decrease by 1%	6,018	--	5,354	--
(iv) Expected future interest rate of Provident Fund				
Increase by 1%	--	--	--	--
Decrease by 1%	--	--	--	--
Increase by 0.5%	--	644	--	374
Decrease by 0.5%	--	114	--	--


Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

37. FINANCIAL INSTRUMENTS - FAIR VALUES
Accounting classifications and fair values

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

	Carrying Value		Fair Value	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Financial Assets				
(a) Fair Value through Other Comprehensive Income (FVTOCI)				
Equity Investments	1,395	972	1,395	972
(b) Amortized cost				
Trade Receivables	16,652	24,191	16,652	24,191
Loans - Security Deposits	1,713	1,915	1,713	1,915
Other Financial Assets	31,700	20,131	31,700	20,131
Cash and Cash equivalents	227	3,961	227	3,961
Other Bank Balances	93	132	93	132
Total	51,780	51,302	51,780	51,302
Financial Liabilities				
Amortized cost				
Non-current Borrowings	20,563	--	20,563	--
Current Borrowing	5,087	--	5,087	--
Trade Payable	39,530	56,487	39,530	56,487
Other Financial Liabilities	5,260	3,474	5,260	3,474
Total	70,440	59,961	70,440	59,961

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.

Investment in subsidiary and joint venture are accounted at cost in accordance with Ind AS 27 Separate financial statements, accordingly investment in subsidiary is not fair valued.

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

Borrowings represents Working Capital Loan and Term Loan from Banks 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 2019	31st March 2018
Financial Assets			
FVTOCI Investments - Quoted	Level 1	1,390	967
FVTOCI Investments - Unquoted	Level 3	5	5
Total		1,395	972

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

	Level	31st March 2019	31st March 2018
Financial Assets measured at amortized cost			
Loans - Security Deposits	Level 2	1,713	1,915
Other Financial Assets	Level 2	31,700	20,131
Total		33,413	22,046

Notes to Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) Financial Liabilities measured at amortized cost

	Level	31st March 2019	31st March 2018
Non-current Borrowings	Level 2	20,563	--
Current Borrowings	Level 2	5,087	--
Other Financial Liabilities	Level 2	5,260	3,474
Total		30,910	3,474

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 2019, 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 RISK MANAGEMENT
Financial Risk Management Policy and Objectives

The Company's principal financial liabilities comprise of Borrowings, 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 and Deposits, which are derived directly from its operations.

The Company is exposed to Market risk, Credit risk and Liquidity risk.

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

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, Trade Receivables, Financial Assets measured at amortized cost	Aging analysis Credit ratings [Refer Note 38 (a)]	Diversification of Bank Deposits, Credit Limits and Letters of Credit, Sales on cash basis
Liquidity risk	Borrowings and Other Financial Liabilities	Cash flow forecasts [Refer Note 38 (b)]	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognized Financial Assets and Liabilities not denominated in Indian Rupee	Cash flow forecasting Sensitivity analysis (Refer Note 39)	Company's net forex exposure is covered by natural hedge
Market risk - interest rate	Loans and advances on Cash Credit Account and Term Loan from Bank	Cash flow forecasting & Sensitivity analysis	Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements
	As the borrowings were at fixed rate of interest, the Company is not exposed to interest rate risk.		
Market risk - equity prices	Investments in Equity Securities	Sensitivity analysis [Refer Note 38 (c)]	Portfolio diversification
Commodity risk	Procurement of steel and other metals	Budgeted consumption & its impact on finished product	A well controlled review process is in place for analyzing the price trend and market intelligence and accordingly the procurement strategy is adopted. The overall exposure is not material.

(a) Credit Risk

The table summarises aging of Trade Receivable:

	Not due	Less than 6 Months	More than 6 Months	Total
As at 31st March 2019				
Gross Carrying Amount	12,502	3,771	419	16,692
Allowance for doubtful debts	--	--	(40)	(40)
Net	12,502	3,771	379	16,652
As at 31st March 2018				
Gross Carrying Amount	20,024	3,422	787	24,233
Allowance for doubtful debts	--	--	(42)	(42)
Net	20,024	3,422	745	24,191

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 2019

(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 2019					
	Carrying amount	On Demand	Less than 6 months	More than 6 months	Total
Interest bearing borrowings	28,587	5,087	--	23,500	28,587
Other Financial Liabilities	2,323	227	1,854	242	2,323
Trade and Other Payable	39,530	--	39,530	--	39,530

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

(c) Market Risk : Equity Price Risk

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

At the reporting date, the exposure to quoted equity securities at fair value was ₹ 1,390 Lakhs. A decrease / increase of 15% on the Bank Nifty market index could have an impact of approximately ₹ 122 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 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
USD	(2,19,718)	6,46,382	(151)	423
EUR	1,04,59,191	2,21,76,249	8,229	17,938
JPY	25,53,480	10,25,13,190	16	635
GBP	--	11,983	--	11

Currency	Sensitivity %	Impact on profit (strengthening)*		Impact on profit (weakening)*	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
USD	5%	8	(21)	(8)	21
EUR	5%	(411)	(897)	411	897
JPY	5%	(1)	(32)	1	32
GBP	5%	--	(1)	--	1
		(404)	(951)	404	951

(* Strengthening / weakening of 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 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 2019

(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 2019 and 31st March 2018.

Particulars	As at 31st March 2019	As at 31st March 2018
Total Shareholder's Equity as reported in Balance Sheet	1,93,487	1,79,879
Net Debt :		
Short-term debt	5,087	--
Long-term debt (including current portion of long term debt)	23,500	--
Gross Debt :	28,587	--
Less : Cash and Bank Balances	320	4,093
Net Debt / (Net Cash and Bank balances)	28,267	(4,093)

41. DIVIDEND

The Board of Directors has recommended payment of Dividend of ₹10/- per fully paid Equity Shares (31st March 2018 : ₹10/-). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting. The Company to pay distribution tax of ₹ 271 Lakhs on proposed dividend. This dividend and tax on that is not recognized in the books of account at the end of the reporting period.

42. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

All amounts which became due, for transfer to the credit of Investor Education and Protection Fund, as of 31st March 2019, have been transferred to that fund, except a sum of ₹ 0.60 Lakh (31st March 2018 : ₹ 0.60 Lakh) being amount of 5 (31st March 2018 : 5) fixed deposits and interest thereon amounting to ₹ 0.25 Lakh (31st March 2018 : ₹ 0.25 Lakh). In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

43. During the year under report, on the basis of the eligibility and method of availing various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, the Company has recognized a sum of ₹ 2,077 Lakhs (31st March 2018 : ₹ 1,830 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 ₹ 460 Lakhs (31st March 2018 : ₹ 410 Lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.27 (n)] to the Notes to Financial Statements.

(a) Gross amount required to be spent by the Company during the year : ₹ 456 Lakhs.

(b) Amount spent during the year on:

Description	In Cash	Yet to be paid in Cash	Total
Project of establishing modern, sophisticated hospital	460	--	460
Total	460	--	460

45. During the year under report, the Company acquired certain assets from MAN Trucks India Pvt. Ltd. (now known as MAN Truck & Bus India Pvt. Ltd.), being movable properties, immovable properties, intangible assets and other miscellaneous assets situated at Pithampur, District Dhar, Madhya Pradesh. All contractual arrangements entered into for these acquisitions fully implemented during the year.

46. The Company is operating in a Single Segment.

47. Previous year's figures have been re-grouped, re-arranged and re-classified wherever necessary.

As per our separate report of even date.

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

Suhas Deshpande
Partner
Membership No. 031787

Place : Pune
Date : 27th May 2019

Sanjay Kumar Bohra
Chief Financial Officer

Kishore P. Shah
Company Secretary

On behalf of the Board of Directors

Prasan Firodia
Managing Director

Prashant V. Inamdar
Executive Director

Place : Pune
Date : 27th May 2019



(All amounts in ₹ Lakhs, unless otherwise stated)

Form AOC - 1

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

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

Part "A" : SUBSIDIARIES

1.	Sr. No.	1
2.	Name of the subsidiary	Tempo Finance (West) Private Limited
3.	The date since when subsidiary was acquired	14th August 2012
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as per the Holding Company's reporting period
5.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N. A.
6.	Share Capital	133
7.	Reserves & Surplus	378
8.	Total Assets	512
9.	Total Liabilities	512
10.	Investments	--
11.	Turnover (Total Revenue)	35
12.	Profit Before Taxation	35
13.	Provision for taxation	9
14.	Profit After Taxation	26
15.	Proposed Dividend	--
16.	% of shareholding	66.43%

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Part "B" : Associates and Joint Ventures

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

	Name of Joint Venture	Force MTU Power Systems Private Limited
1.	Latest Audited Balance Sheet Date	31st March 2019
2.	Shares of Joint Venture held by the Company on the year end	
	(a) No.	1,33,62,000 Equity Shares of ₹ 10/- each
	(b) Amount of Investment in Joint Venture	1,336
	(c) Extend of Holding %	51 %
3.	Description of how there is significant influence	There is a significant influence by virtue of joint control
4.	Reason why the Joint Venture is not consolidated	N. A.
5.	Networth attributable to Shareholding as per latest Audited Balance Sheet	919
6.	Profit / (Loss) for the year	(786)
	(a) Considered in Consolidation	(401)
	(b) Not considered in Consolidation	N. A.

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

As per our separate report of even date.

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

Suhas Deshpande
Partner
Membership No. 031787

Place : Pune
Date : 27th May 2019

Sanjay Kumar Bohra
Chief Financial Officer

Kishore P. Shah
Company Secretary

On behalf of the Board of Directors

Prasan Firodia
Managing Director

Prashant V. Inamdar
Executive Director

Place : Pune
Date : 27th May 2019



INDEPENDENT AUDITOR'S REPORT

To the Members of Force Motors Limited

Report on the audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Force Motors Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and a jointly controlled entity, which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, the consolidated profit and total comprehensive income, changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy of Revenue Recognition Revenue being an important element of Statement of Profit and Loss and considering the new Accounting Standards, and its impact on profits of the Company; it is considered a Key Audit matter.	We analysed the Company's accounting policies & procedures for revenue recognition, including the criteria for the same. Our audit approach consisted evaluation of control environment and substantive testing as follows : - Reviewed the contract terms in respect of transfer of significant risks and rewards of ownership to customers and performance obligations for revenue recognition. - Substantive tests on random sampling basis for all the major sale transactions and verification of all document flow involved in the samples selected. - Reviewed of payment terms with dealers, identification of significant financing components and terms of discounts. - Reviewed accounting for after-sales services in terms of warranty schemes and service coupon systems. - Reviewed of compliance done with respect to Indirect Tax Compliances. - Performed analytical procedures for ensuring overall accuracy.
2	Accuracy of Cost of Goods Sold We identified Cost of Goods Sold area as a key audit matter because it is the most significant cost to the Company, which comprises of the cost of materials and other direct costs of production and the same has significant impact on the profitability of the Company.	We assess the Company's process to verify the Cost of Goods Sold (COGS) incurred during the year. Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows : - Overall evaluation and testing of controls related to corresponding business processes, viz. 'Procurement to Payment (P2P)', Production Process, Material Requirement Planning (MRP), Inventory Policy and Stores Procedures. - Review of overall operations and production process of materials into finished products.

Sr. No.	Key Audit Matter	Auditor's Response
		- Review the standard operating procedures for COGS to ensure the correctness and completeness of COGS. - Physical verification of inventory items on random sampling basis with reference to book inventory for accuracy and controls including review of internal period-end inventory procedures and reconciliations. - Reviewing completeness and overall accuracy of system generated material consumption and reconciling with General Ledger, including manual accounting entries relating to material consumption. - Review of inventory valuation, material consumption in accordance with applicable Indian Accounting Standards. - Review of Reconciliations of Inventory General Ledger and Materials Management Module of SAP System. Evaluate the procedures for identifying slow moving items and their accounting estimates made by Management.
3	Accuracy and Completeness of Capital Expenditure Capital Expenditure (CAPEX) has been considered as a key audit matter in view of the complexity, peculiarities of business and being one of the important elements of costs.	We assessed the Company's process to verify the Capital Expenditure incurred during the year including significant acquisitions of manufacturing facility. Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as follows: - Review of CAPEX business process, flow of documents/information and their controls effectiveness. - Substantive tests on random sampling basis for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the company's policy and accounting standards. - Scrutiny of relevant general ledger accounts to assess if the expenditure has been correctly accounted for. - Physical verification of test basis, review of physical verification carried out by the Management with respect to book records, review of internal audit reports findings relating to Capex, if any, and implementation of the suggestions of the same. - We have assessed the competency, objectivity and capabilities of Management experts and for a sample of valuations, we evaluated the adequacy and appropriateness of their work. - Review of compliance done with respect to Companies Act, Income Tax Act, Customs Duty, and GST Act, particularly for accounting of additions, deletions, depreciation and of carrying amounts thereof.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.

Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Business Responsibility Reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Business Responsibility Report, If we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and joint venture 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the ability of the Group and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and a joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements and other financial information, in respect of a subsidiary, whose financial statements include total assets (net) of ₹ 510 Lakhs as at March 31, 2019, and total revenue of ₹ 35 Lakhs and net cash flows amounting to ₹ 25 lakhs for the year ended on that date respectively, as considered in the consolidated financial results. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 402 lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion, in so far as it relates to the affairs of such subsidiary and joint Venture is based solely on the report of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statement and the other financial information of subsidiary company and joint venture incorporated in India, referred in the Other Matters paragraph above, we report, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint venture company incorporated in India, none of the directors of the Group and joint venture companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on auditors' reports of the Holding company, subsidiary company and joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding Company and subsidiary company incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note 31(a) to the consolidated financial statements
 - (ii) The Group did not have any material long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and joint venture incorporated in India. - Refer Note 43 to consolidated financial statements.

For Kirlane & Pandit LLP
Chartered Accountants
Firm's Registration Number : 105215W/W100057

Place : Pune
Date : 27th May 2019

Suhas Deshpande
Partner
Membership Number 031787

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

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Force Motors Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Force Motors Limited (hereinafter referred to as "Company") and its subsidiary company and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company, its subsidiary company and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the Internal control over financial reporting criteria established by the Holding 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. 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.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a

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

Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, Holding Company, its subsidiary company and a joint venture, which are companies 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as subsidiary company and joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint venture companies incorporated in India.

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

Place : Pune
Date : 27th May 2019

Suhas Deshpande
Partner
Membership No. 031787

Consolidated Balance Sheet as at 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
I ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	3	1,08,052	86,877
(b) Capital Work-in-progress	3	13,265	17,351
(c) Investment Property	4	578	603
(d) Goodwill		1	1
(e) Other Intangible Assets	5	12,953	7,366
(f) Intangible Assets under development	5	23,915	19,566
(g) Financial Assets			
(i) Investments	6	2,314	972
(ii) Loans and Advances	7	1,516	1,671
(h) Other Non-current Assets	9	11,868	5,229
Total Non-current Assets		1,74,462	1,39,636
(2) Current Assets			
(a) Inventories	10	50,356	47,710
(b) Financial Assets			
(i) Trade Receivables	11	16,652	24,191
(ii) Cash and Cash equivalents	12	428	3,962
(iii) Bank balance other than (ii) above	12	93	307
(iv) Loans and Advances	7	197	244
(v) Other Financial Assets	13	32,006	20,436
(c) Current Tax Assets (Net)	8	308	--
(d) Other Current Assets	9	9,096	15,811
Total Current Assets		1,09,136	1,12,661
Total Assets		2,83,598	2,52,297
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	1,318	1,318
(b) Other Equity	15	1,92,003	1,78,795
(c) Equity attributable to owners of the Company		1,93,321	1,80,113
(d) Non-controlling Interest	21	172	163
Total Equity		1,93,493	1,80,276
(2) Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	20,563	--
(ii) Other Financial Liabilities	17	--	396
(b) Provisions	18	3,083	2,698
(c) Deferred Tax Liabilities (Net)	8	989	443
(d) Other Non-current Liabilities	20	157	189
Total Non-current Liabilities		24,792	3,726
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	5,087	--
(ii) Trade Payables	19		
- Total outstanding dues of Micro and Small enterprises		71	78
- Total outstanding dues other than Micro and Small enterprises		39,459	56,409
(iii) Other Financial Liabilities	17	5,262	3,080
(b) Other Current Liabilities	20	13,247	6,019
(c) Current Tax Liabilities (Net)	8	--	233
(d) Provisions	18	2,187	2,476
Total Current Liabilities		65,313	68,295
Total Liabilities		90,105	72,021
Total Equity and Liabilities		2,83,598	2,52,297

 See accompanying notes forming part of the Consolidated Financial Statements
 As per our separate report of even date.

1-50

On behalf of the Board of Directors

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

 Sanjay Kumar Bohra
 Chief Financial Officer

 Prasan Firodia
 Managing Director

 Suhas Deshpande
 Partner
 Membership No. 031787

 Kishore P. Shah
 Company Secretary

 Prashant V. Inamdar
 Executive Director

 Place : Pune
 Date : 27th May 2019

 Place : Pune
 Date : 27th May 2019

**FORCE****60th Annual Report 2018-19** (Consolidated)**Consolidated Statement of Profit and Loss for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I INCOME			
(a) Revenue from Operations	22	3,65,245	3,52,377
(b) Other Income	23	8,162	6,872
Total Income		3,73,407	3,59,249
II EXPENSES			
(a) Cost of Materials consumed		2,81,471	2,60,924
(b) Change in Inventories of Finished Goods and Work-in-progress	24	(3,425)	(5,132)
(c) Excise Duty		--	10,082
(d) Employee benefits expense	25	41,813	38,655
(e) Finance costs	26	1,533	667
(f) Depreciation and Amortization expense	27	15,092	12,926
(g) Other expenses	28	30,895	31,213
(h) Expenditure included in the above items capitalized		(13,387)	(10,144)
Total Expenses		3,53,992	3,39,191
III Profit before share of Profit / (Loss) of Joint Venture and exceptional items		19,415	20,058
IV Share of Profit / (Loss) of Joint Venture		(401)	--
V Profit before exceptional items and tax		19,014	20,058
VI Exceptional Items		--	--
VII Profit Before Tax		19,014	20,058
VIII Tax Expense	8		
(a) Current tax		4,208	4,371
(b) Deferred tax		488	1,514
(c) Taxation in respect of earlier years		(24)	(548)
Total Tax Expense		4,672	5,337
IX Profit for the year		14,342	14,721
X Attributable to			
(a) Owners of the Company		14,333	14,712
(b) Non-controlling interest	21	9	9
		14,342	14,721
XI Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss			
(i) Re-measurements of net defined benefit liability		112	210
(ii) Equity instrument through Other Comprehensive Income		424	92
(iii) Share of Other Comprehensive Income of Joint Venture		(2)	--
		534	302
(b) Income tax relating to items that will not be reclassified to Profit or Loss			
(i) Taxes on re-measurements of net defined benefit liability		(39)	(73)
(ii) Taxes on Equity instrument through Other Comprehensive Income		(19)	--
(iii) Share in taxes on Other Comprehensive Income of Joint Venture		1	--
		(57)	(73)
Total Other Comprehensive Income		477	229
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year) (IX + XI)		14,819	14,950
XII Attributable to			
(a) Owners of the Company		14,810	14,941
(b) Non-controlling interest	21	9	9
		14,819	14,950
XIII Basic and Diluted Earnings Per Equity Share [Nominal value per share ₹ 10] ₹	29	108.85	111.72
See accompanying notes forming part of the Consolidated Financial Statements	1-50		

As per our separate report of even date.

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

Suhas Deshpande
Partner
Membership No. 031787

Place : Pune
Date : 27th May 2019

Sanjay Kumar Bohra
Chief Financial Officer

Kishore P. Shah
Company Secretary

On behalf of the Board of Directors

Prasan Firodia
Managing Director

Prashant V. Inamdar
Executive Director

Place : Pune
Date : 27th May 2019

Consolidated Statement of Changes in Equity for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Balance as at 1st April 2017	Changes in Equity Share Capital during the year	Balance as at 31st March 2018
1,318	--	1,318
Balance as at 1st April 2018	Changes in Equity Share Capital during the year	Balance as at 31st March 2019
1,318	--	1,318

B. Other Equity

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total	Non-controlling Interest
	Securities Premium	General Reserve	Retained earnings			
Balance as at 1st April 2017	5,920	34,683	1,23,992	845	1,65,440	154
Profit for the year	--	--	14,712	--	14,712	9
Other Comprehensive Income (Net of tax)	--	--	137	92	229	--
Dividends (including dividend distribution tax)	--	--	(1,586)	--	(1,586)	--
Transfer to General Reserve	--	4	(4)	--	--	--
Balance as at 31st March 2018	5,920	34,687	1,37,251	937	1,78,795	163
Balance as at 1st April 2018	5,920	34,687	1,37,251	937	1,78,795	163
Profit for the year	--	--	14,333	--	14,333	9
Other Comprehensive Income (Net of tax)	--	--	73	405	478	--
Dividends (including dividend distribution tax)	--	--	(1,588)	--	(1,588)	--
Share in Cost of issue of shares of Joint Venture	--	--	(15)	--	(15)	--
Transfer to General Reserve	--	4	(4)	--	--	--
Balance as at 31st March 2019	5,920	34,691	1,50,050	1,342	1,92,003	172

As per our separate report of even date.

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

Suhas Deshpande
 Partner
 Membership No. 031787

 Place : Pune
 Date : 27th May 2019

Sanjay Kumar Bohra
 Chief Financial Officer

Kishore P. Shah
 Company Secretary

On behalf of the Board of Directors

Prasan Firodia
 Managing Director

Prashant V. Inamdar
 Executive Director

 Place : Pune
 Date : 27th May 2019

**Consolidated Statement of Cash Flows for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
A. Cash flow from Operating Activities		
Profit before tax	19,014	20,058
Adjustments for		
Depreciation and Amortization expense	15,092	12,926
Net exchange differences (unrealised)	(284)	216
Interest Income	(2,061)	(2,433)
Dividend income on Equity Securities	(5)	(8)
Loss / (Gain) on disposal of Property, Plant and Equipment	177	(114)
Finance Costs	1,533	667
Inventory write down	203	511
Share of (Profit) / Loss in Joint Venture	401	—
Provision for bad, doubtful debts and debit balances	--	71
Operating Profit before Working Capital adjustments	34,070	31,894
Working Capital adjustments		
(Increase) / Decrease in		
Trade Receivables	7,530	(12,750)
Inventories	(2,848)	(4,454)
Other Financial Assets	417	14,587
Other Non-financial Assets	6,719	1,536
Trade Payables	(16,661)	7,820
Financial Liabilities	(502)	15
Non-financial Liabilities	7,196	(10,236)
Provisions	207	19
Cash generated from Operations	36,128	28,431
Income Tax paid (net)	(4,725)	(2,783)
Net cash flow from / (used in) Operating Activities	31,403	25,648
B. Cash flow from Investing Activities		
Payments for Property, Plant and Equipment and Intangible Assets	(49,811)	(32,414)
Proceeds from sale of Property, Plant and Equipment and Intangible Assets	93	595
Deposits with Financial Institution	(11,000)	20,000
Interest received	1,491	3,752
Investments in Joint Venture	(1,336)	--
Dividends received	5	8
Net Cash flow from / (used in) Investing Activities	(60,558)	(8,059)
C. Cash flow from Financing Activities		
Proceeds from / (Repayment of) borrowings	28,578	(20,014)
Interest paid	(1,364)	(688)
Dividends paid (including Dividend distribution Tax)	(1,588)	(1,586)
Net Cash flow from / (used in) Financing Activities	25,626	(22,288)
Net increase / (decrease) in Cash and Cash equivalents	(3,529)	(4,699)
Cash and Cash equivalents at beginning of the financial year	3,958	8,657
Cash and Cash equivalents at end of the financial year	429	3,958
Cash and Cash equivalents as per Note 12	428	3,962
Effects of exchange rate fluctuations on Cash and Cash equivalent held	1	(4)
	429	3,958

As per our separate report of even date.

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

Suhas Deshpande
Partner
Membership No. 031787

Place : Pune
Date : 27th May 2019

Sanjay Kumar Bohra
Chief Financial Officer

Kishore P. Shah
Company Secretary

On behalf of the Board of Directors

Prasan Firodia
Managing Director

Prashant V. Inamdar
Executive Director

Place : Pune
Date : 27th May 2019

Notes to Consolidated Financial Statements for the year ended 31st March 2019

1. GROUP INFORMATION

Holding Company

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

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

Joint Venture Company

Force MTU Power Systems Private Limited (FMTU), is a Private Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. It is a joint venture between Force Motors Limited and MTU Friedrichshafen GmbH. The Company is in the business of manufacturing Engines & Generator sets.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

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

(b) Basis of Preparation

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

(c) Basis of Consolidation :

The consolidated financial statements incorporate the financial statements of the Company, its subsidiary and Joint Venture, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The consolidated financial statements include results of the subsidiary company, consolidated in accordance with Ind AS 110 (Consolidated Financial Statements) and Ind AS 28 (Investment in Associates and Joint Ventures).

Joint Venture :

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting.

(d) Revenue Recognition

(i) Sales

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of Value Added Taxes, Goods and Service Taxes (GST), Returns, Discounts, Rebates and Incentives. The Group recognizes revenue, when it has transferred to the buyer the significant risks and rewards associated with the ownership of goods no significant performance obligation is pending and the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

(ii) Other Incomes

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

(e) Inventories

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

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

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

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

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

(f) Property, Plant and Equipment

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

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

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

(g) Intangible Assets

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

Intangible Assets internally generated

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

(h) Investment Property

Investment property is measured at cost less accumulated depreciation.

(i) Impairment of Assets

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

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

- The Depreciation on Property, Plant and Equipment is provided on straight-line method and 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.

(k) Borrowing Costs

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

(l) Research and Development Expenses

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

(m) 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.

(n) Earnings per Share

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

(o) 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.
- (v) The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance.

(p) 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.

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

- (i) 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.
- (ii) Provident fund contributions are made to Group's Provident Fund Trust. The contributions are accounted for as defined benefit plans and are recognized as employee benefits expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Group.
- (iii) Current service cost and net interest on defined benefit obligation are directly recognized in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended 31st March 2019

- (iv) Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Defined contribution plans

- (i) The Group's superannuation scheme is a defined contribution plan. The contributions are recognized as employee benefit expenses when they are due.
- (ii) 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.
- (iii) Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority and recognized as expense as and when due.

(r) 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.

(s) Taxation

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

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

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

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

(t) Provisions and Contingent Liabilities
(i) Provision

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

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

(ii) Contingent Liability

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

(u) Incentives

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

(v) 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.

(w) Fair value measurement

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

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

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

(x) Use of estimates & judgements

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

- (i) Estimation of defined benefit obligation – refer Note 37.
- (ii) Estimation of provision for warranty claims – refer Note 18.
- (iii) Estimated useful life of property, plant and equipments - refer Note 2(j) (i) above.
- (iv) Estimated useful life of intangible assets- refer Note 2(j) (ii) above.
- (v) Estimation of provision for Tax expenses - refer 2(s) above.

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

(y) Recent accounting pronouncements

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

Revision to Ind AS 116 - Leases - have been issued but are not yet effective. The Group is evaluating the impact of these pronouncements on the financial statements.

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Aircrafts	Total	Capital Work-in-Progress
	Freehold	Leasehold								
Gross carrying amount										
Balance as at 1st April 2018	868	1,590	27,944	1,48,460	1,570	3,935	966	17,990	2,03,323	17,351
Additions	--	882	3,152	28,909	377	673	154	--	34,147	3,108
Disposals / Adjustments	--	--	--	29	3	602	5	--	639	7,194
Balance as at 31st March 2019	868	2,472	31,096	1,77,340	1,944	4,006	1,115	17,990	2,36,831	13,265
Accumulated depreciation										
Balance as at 1st April 2018	--	70	7,655	1,01,220	871	2,159	644	3,827	1,16,446	
Depreciation for the year	--	21	1,082	10,174	115	350	111	849	12,702	
Disposals / Adjustments	--	--	--	29	2	333	5	--	369	
Balance as at 31st March 2019	--	91	8,737	1,11,365	984	2,176	750	4,676	1,28,779	
Carrying amounts (Net)										
As at 31st March 2019	868	2,381	22,359	65,975	960	1,830	365	13,314	1,08,052	13,265
As at 31st March 2018	868	1,520	20,289	47,240	699	1,776	322	14,163	86,877	17,351

Notes :

- (a) Refer to Note 35 for Lease.
 (b) Refer to Note 31 (b) for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
 (c) Capital Work-in-progress mainly comprises Plant & Equipment.

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

4. INVESTMENT PROPERTY

Particulars	Industrial Shed
Gross carrying amount	
Balance as at 1st April 2018	794
Additions	--
Disposals / Adjustments	--
Balance as at 31st March 2019	794
Accumulated depreciation	
Balance as at 1st April 2018	191
Depreciation for the year	25
Disposals / Adjustments	--
Balance as at 31st March 2019	216
Carrying amounts (Net)	
As at 31st March 2019	578
As at 31st March 2018	603

Information regarding income and expenditure of Investment Property :

Particulars	As at 31st March 2019	As at 31st March 2018
Rental income derived from investment property	524	524
Compensation on foreclosure of Lease Deed	741	--
Direct operating expenses (including repairs and maintenance) generating rental income	--*	--*
Direct operating expenses (including repairs and maintenance) that did not generate rental income	--	--
Income arising from investment property before depreciation and indirect expenses	1,265	524
Less : Depreciation	25	25
Profit from investment property	1,240	499

Leasing arrangements

The Group's investment property consists of industrial property situated at Chakan, Pune. Refer Note 35 (i).

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 and consequently classified as a Level - 2 valuation.

Particulars	As at 31st March 2019	As at 31st March 2018
Industrial Property	2,817	2,735

Reconciliation of fair value

Particulars	Industrial Property
Balance as at 1st April 2018	2,735
Change in fair value	82
Balance as at 31st March 2019	2,817

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(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						
Balance as at 1st April 2018	4,519	4,625	822	6,155	16,121	19,566
Additions	267	699	--	6,986	7,952	8,870
Disposals / Adjustments	--	--	--	--	--	4,521
Balance as at 31st March 2019	4,786	5,324	822	13,141	24,073	23,915
Accumulated Amortization						
Balance as at 1st April 2018	2,466	3,295	822	2,172	8,755	
Amortization for the year	640	539	--	1,186	2,365	
Disposals / Adjustments	--	--	--	--	--	
Balance as at 31st March 2019	3,106	3,834	822	3,358	11,120	
Carrying amounts (Net)						
As at 31st March 2019	1,680	1,490	--	9,783	12,953	23,915
As at 31st March 2018	2,053	1,330	--	3,983	7,366	19,566

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

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

6. FINANCIAL ASSETS : INVESTMENTS (NON-CURRENT)

	As at 31st March 2019	As at 31st March 2018
A. Investments at fair value through Other Comprehensive Income (FVTOCI)		
(a) Unquoted Equity Shares (fully paid)		
(i) 1 (31st March 2018 : 1) Equity Share of ₹ 10/-, fully paid in MAN Trucks India Pvt. Ltd. (now known as MAN Truck & Bus India Pvt. Ltd.)	--*	--*
(ii) 50,000 (31st March 2018 : 50,000) Equity Shares of ₹ 10/- each, fully paid in Pithampur Auto Cluster Limited	5	5
(iii) 5 (31st March 2018 : 5) Equity Shares of ₹ 50/- each, fully paid in Mittal Tower Premises Co-operative Society Limited	--*	--*
(b) Quoted Equity Shares (fully paid)		
3,47,187 (31st March 2018 : 3,47,187) Equity Shares of ₹ 2/- each, fully paid in ICICI Bank Limited	1,390	967
Total FVTOCI Investments	1,395	972
B. Investment at Cost		
Unquoted Equity Shares (fully paid)		
In Joint Venture		
1,33,62,000 (31st March 2018 : Nil) Equity Shares of ₹ 10/- each, fully paid in Force MTU Power Systems Private Limited (Refer Note 48)	919	--
Total Investments	2,314	972
Aggregate book value of quoted investments	1,390	967
Aggregate market value of quoted investments	1,390	967
Aggregate value of unquoted investments	924	5
Aggregate amount of impairment in the value of investments	--	--

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

For determination of fair values of quoted equity investments, the investments classified as FVTOCI. Refer Note 38.

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

7. FINANCIAL ASSETS : LOANS AND ADVANCES

	As at 31st March 2019	As at 31st March 2018
Non-current		
(a) Security Deposits		
(i) Considered Good - Unsecured	1,513	1,667
(ii) Which have significant increase in Credit Risk (Doubtful)	--	--
(b) Other Loans and Advances		
(i) Considered Good - Unsecured	3	4
(ii) Which have significant increase in Credit Risk (Doubtful)	--	9
	<u>3</u>	<u>13</u>
Less : Allowances for expected credit losses	--	9
	<u>3</u>	<u>4</u>
Total Non-current Loans and Advances	<u>1,516</u>	<u>1,671</u>
Current		
(a) Security Deposits		
Considered Good - Unsecured	45	50
(b) Other Loans and Advances		
(i) Considered Good - Unsecured	152	194
(ii) Credit impaired (Doubtful)	--	--
	<u>197</u>	<u>244</u>
Total Current Loans and Advances	<u>197</u>	<u>244</u>
Total Loans and Advances	<u>1,713</u>	<u>1,915</u>

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

8. CURRENT AND DEFERRED TAX

	As at 31st March 2019	As at 31st March 2018
A. Statement of Profit or Loss		
(a) Current Tax		
(i) Current Income Tax charge	4,208	4,371
(ii) Taxation in respect of earlier years	(24)	(548)
(b) Deferred Tax		
Relating to origination and reversal of temporary differences	488	1,514
Income Tax expense reported in the Statement of Profit and Loss	4,672	5,337
(c) Other Comprehensive Income (OCI)		
Deferred tax related to items recognized in OCI during the year		
(i) Re-measurements on defined benefit plan	(39)	(73)
(ii) Quoted Equity Instruments	(19)	--
(iii) Share in taxes on Other Comprehensive Income of Joint Venture	1	--
Income Tax recognized in OCI	(57)	(73)
	As at 31st March 2019	As at 31st March 2018
B. Balance Sheet		
(a) Current Tax Assets		
Advance Income Tax	308	--
Total Current Tax Assets (Net)	308	--
(b) Current Tax Liabilities		
Provision for Income Tax	--	233
Total Current Tax Liabilities (Net)	--	233
(c) Deferred Tax		
(i) Deferred Tax Assets (DTA)	19,908	16,072
(ii) Deferred Tax Liabilities (DTL)	(20,897)	(16,515)
Net Deferred Tax Assets / (Liabilities)	(989)	(443)

Reconciliation of tax expense and the accounting profit for the year ended 31st March 2019 and 31st March 2018 :

	As at 31st March 2019	As at 31st March 2018
Accounting Profit Before Tax	19,014	20,058
(a) Tax as per Income Tax Act	6,782	6,939
(b) Tax Expense		
(i) Current Tax	4,208	4,371
(ii) Deferred Tax	488	1,514
(iii) Taxation in respect of earlier years	(24)	(548)
Total Tax Expense	4,672	5,337
(c) Difference (a-b)	2,110	1,602
(d) Tax Reconciliation		
(i) Permanent Dis-allowances	(166)	(120)
(ii) Allowances and accelerated deductions	2,267	1,337
(iii) Change due to tax rate difference	--	138
(iv) MAT credit	(15)	(301)
(v) Taxation in respect of earlier years	24	548
Total	2,110	1,602

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred Tax Assets and Liabilities are as follows :

	Balance Sheet	
	As at 31st March 2019	As at 31st March 2018
Deferred Tax Assets / (Liabilities) in relation to		
Deferred Tax relates to the following : DTL / (DTA)		
(a) Property, Plant and Equipment	(20,873)	(16,509)
(b) Provision for doubtful advances	52	97
(c) Dis-allowance u/s 43B of the Income Tax Act	2,109	2,002
(d) Prepaid taxes claimed u/s 43B	(6)	(6)
(e) MAT credit entitlement	17,746	13,971
(f) Quoted Equity Instrument through Other Comprehensive Income	(19)	--
(g) Unquoted Equity Instrument through Other Comprehensive Income	2	2
Net Deferred Tax Assets / (Liabilities)	(989)	(443)

Significant components of net Deferred Tax Assets and Liabilities for the year ended 31st March 2019 are as follows :

Movement in temporary differences	As at 1st April 2018	Recognized in Profit or Loss during 2018-19	Recognized in Other Comprehensive Income during 2018-19	As at 31st March 2019
Property, Plant and Equipment	(16,509)	(4,364)	--	(20,873)
Provision for doubtful advances	97	(45)	--	52
Dis-allowance u/s 43B of the Income Tax Act	2,002	146	(39)	2,109
Prepaid taxes claimed u/s 43B	(6)	--	--	(6)
MAT credit entitlement	13,971	3,775	--	17,746
Quoted Equity Instrument through Other Comprehensive Income	--	--	(19)	(19)
Unquoted Equity Instrument through Other Comprehensive Income	2	--	--	2
	(443)	(488)	(58)	(989)

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 ₹ 87 Lakhs (31st March 2018 : ₹ 82 Lakhs) has not been recognized.

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

9. OTHER ASSETS

	As at 31st March 2019	As at 31st March 2018
Non-current		
(a) Capital Advances		
Considered Good - Unsecured	11,791	5,148
(b) Prepaid Lease rentals	77	81
Total Non-current Other Assets	11,868	5,229
Current		
(a) Advances recoverable in cash or kind (includes Govt. Incentives, Taxes, etc.)		
(i) Considered Good - Unsecured	9,092	15,807
(ii) Doubtful	108	227
	9,200	16,034
Less : Provision for doubtful advances	108	227
	9,092	15,807
 (b) Prepaid Lease rentals	 4	 4
Total Current Other Assets	9,096	15,811
 Total Other Assets	 20,964	 21,040

10. INVENTORIES (CURRENT)

	As at 31st March 2019	As at 31st March 2018
(a) Raw Materials and Components*	23,948	24,891
(b) Finished Goods	17,008	15,757
(c) Work-in-progress	6,506	4,332
(d) Stores and spares	2,894	2,730
* [Include Goods in transit : ₹ 3,902 Lakhs (31st March 2018 : ₹ 7,562 Lakhs)]		
 Total Inventories	 50,356	 47,710

The write-down of inventories to net realisable value during the year amounted to ₹ 203 Lakhs (31st March 2018 : ₹ 511 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 2019	As at 31st March 2018
(a) Considered Good - Unsecured	16,652	24,191
(b) Which have significant increase in Credit Risk (Doubtful)	40	42
	16,692	24,233
Less : Provision for Doubtful Receivables	40	42
 Total Trade Receivables	 16,652	 24,191

Trade Receivables are not credit impaired.

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS (CURRENT)

	As at 31st March 2019	As at 31st March 2018
(a) Cash and Cash equivalents		
(i) Balances with Banks	192	3,598
(ii) Short term deposits with Banks - maturity less than three months	200	354
(iii) Cheques / Drafts on hand	33	6
(iv) Cash on hand	3	4
	428	3,962
(b) Other Bank balances		
(i) Unpaid Dividend Accounts	55	55
(ii) Margin Money and Security deposit	38	77
(iii) Bank deposits with original maturity of three to twelve months	--	175
	93	307
Total Cash and Cash equivalents	521	4,269

13. OTHER FINANCIAL ASSETS (CURRENT)

	As at 31st March 2019	As at 31st March 2018
(a) Interest accrued on deposits with Banks	706	136
(b) Corporate Deposits	31,300	20,300
Total Other Financial Assets	32,006	20,436

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

14. EQUITY SHARE CAPITAL

	As at 31st March 2019	As at 31st March 2018
Authorised		
2,00,00,000 (31st March 2018 : 2,00,00,000) Equity Shares of ₹10/- each	2,000	2,000
Issued		
1,32,13,802 (31st March 2018 : 1,32,13,802) Equity Shares of ₹10/- each	1,321	1,321
Subscribed and Paid-up		
1,31,76,262 (31st March 2018 : 1,31,76,262) Equity Shares of ₹10/- each fully paid up	1,318	1,318
[Of the above 2,00,918 (31st March 2018 : 2,00,918) Equity Shares are allotted as fully paid shares pursuant to a contract without payment being received in cash and 57,29,934 (31st March 2018 : 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 2019 or 31st March 2018].		
Add: Amount paid for forfeited Shares	--*	--*
Total Equity Share Capital	1,318	1,318

Note : Offer on Right basis for 17,932 (31st March 2018 : 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 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,31,76,262	1,318	1,31,76,262	1,318
Issued / Reduction during the year	--	--	--	--
Shares outstanding at the end of the year	1,31,76,262	1,318	1,31,76,262	1,318

(b) Terms / rights attached to Equity Shares

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

(c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
(d) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

The Company became a subsidiary of Jaya Hind Industries Limited, w.e.f. 1st January 2018 (being appointed date) consequent to the Order dated 24th October 2018 of the Mumbai Bench of National Company Law Tribunal approving the scheme of amalgamation. Jaya Hind Industries Limited holds 57.38 % (75,59,928) shares in the Company.

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

Name of the Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares of ₹10/- each fully paid	% of Holding	No. of Shares of ₹ 10/- each fully paid	% of Holding
Jaya Hind Industries Limited	75,59,928	57.38%	10,909	0.08%
Jaya Hind Investments Private Limited	--	--	74,92,244	56.86%

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


Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

15. OTHER EQUITY

	As at 31st March 2019	As at 31st March 2018
I. Reserves and Surplus		
(a) Securities Premium	5,920	5,920
(b) General Reserve		
(i) Opening balance	34,687	34,683
(ii) Add : Transferred from retained earnings	6	6
	34,693	34,689
(iii) Less : Transferred to non-controlling interest	2	2
Closing balance	34,691	34,687
(c) Retained Earnings		
(i) Opening balance	1,37,251	1,23,991
(ii) Net profit for the year	14,342	14,721
(iii) Comprehensive income for the year	72	137
	1,51,665	1,38,849
Adjustments		
(i) Equity Dividend	1,318	1,318
(ii) Tax on Equity Dividend	270	268
(iii) Transfer to General Reserve	6	6
(iv) Share in Cost of issue of shares of Joint Venture	15	--
	1,50,056	1,37,257
Less : Transferred to non-controlling interest	6	6
Closing Balance	1,50,050	1,37,251
II. Equity Instruments through Other Comprehensive Income		
Opening Balance	937	845
Adjustments		
FVTOCI Equity Investments - change in fair value	405	92
Closing Balance	1,342	937
Total Other Equity	1,92,003	1,78,795

- **Securities Premium** : The amount received in excess of face value of the equity shares is recognized in Securities Premium Account.
- **General Reserve** : General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilised by the Group in accordance with the Companies Act, 2013.
- **Retained Earnings** : Retained earnings are the profits that the Group has earned till date.

16. FINANCIAL LIABILITIES: BORROWINGS

	As at 31st March 2019	As at 31st March 2018
Non-current		
Term Loan from Banks (Secured)	23,500	--
Less : Current maturities of Non-current Borrowings disclosed under the head Current Other Financial Liabilities (Refer Note 17)	2,937	--
Total Non-current Borrowings	20,563	--
(Refer Note 39 for maturity pattern of Borrowings)		
Current		
Working Capital Loan from Banks (Secured)	5,087	--
Total Current Borrowings	5,087	--
Total Borrowings	25,650	--

- **Term Loan** is secured by hypothecation, by way of Exclusive Charge on specified Plant and Machinery, being movable properties, secured as a continuing security for the repayment of Term Loan together with interest.
- The term loan is repayable in 16 equal quarterly installments and the repayments Schedule to be commenced in November 2019, after a moratorium of 12 months.
- **Working Capital Loans** 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. The Fund Based Limits are payable on demand to the Banks.

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

17. OTHER FINANCIAL LIABILITIES

	As at 31st March 2019	As at 31st March 2018
Non-current		
Security Deposits	--	396
Total Non-current Other Financial Liabilities	--	396
Current		
(a) Current maturities of Non-current Borrowings (Refer Note 16)		
(i) Term Loan from Banks (Secured)	2,937	--
(ii) Deposits matured but not claimed	3	13
(b) Interest on Fixed Deposits		
(i) Accrued and due on Term Loan	169	--
(ii) Accrued but not due	--*	--*
(c) Unclaimed Dividend	55	55
(d) Creditors for Capital Goods	1,456	2,263
(e) Security Deposits	242	347
(f) Other payables	400	402
Total Current Other Financial Liabilities	5,262	3,080
Total Other Financial Liabilities	5,262	3,476

18. PROVISIONS

	As at 31st March 2019	As at 31st March 2018
Non-Current		
(a) Provision for Employee benefits (Refer Note 37)	3,014	2,616
(b) Provision for Product Warranties	69	82
Total Non-current Provisions	3,083	2,698
Current		
(a) Provision for Employee benefits (Refer Note 37)	1,813	1,970
(b) Provision for Product Warranties	374	506
Total Current Provisions	2,187	2,476
Total Provisions	5,270	5,174

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

Movement in Product Warranties	As at 31st March 2019	As at 31st March 2018
Product Warranties		
(a) Opening Balance	588	780
(b) Additional Provision made during the year	345	409
(c) Amount paid during the year	(257)	(250)
(d) Amount written back	(233)	(351)
Closing Balance	443	588

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

19. TRADE PAYABLES

	As at 31st March 2019	As at 31st March 2018
(a) Total outstanding dues of Micro and Small enterprises	71	78
(b) Total outstanding dues of other than Micro and Small Enterprises	39,459	56,409
Total Trade Payables	39,530	56,487

20. OTHER LIABILITIES

	As at 31st March 2019	As at 31st March 2018
Non-current		
Service Coupon Liability	157	189
Total Non-current Other Liabilities	157	189
Current		
(a) Advance and deposits against order	7,066	3,329
(b) Statutory dues	5,756	2,197
(c) Service Coupon Liability	425	493
Total Current Other Liabilities	13,247	6,019
Total Other Liabilities	13,404	6,208

Movement in Service Coupon Liability

	As at 31st March 2019	As at 31st March 2018
Free Service Coupons		
(a) Opening balance	682	869
(b) Additional provision made during the year	482	539
(c) Amount paid during the year	(500)	(463)
(d) Amount written back	(82)	(263)
Closing balance	582	682

21. NON-CONTROLLING INTEREST (NCI)

	As at 31st March 2019	As at 31st March 2018
Tempo Finance (West) Private Limited		
Non-controlling Interest (%)	33.57%	33.57%
Current Assets	512	486
Current Liabilities	(1)	(1)
Net Assets	511	485
Net Assets attributable to NCI	172	163
Net Profit for the period of Tempo Finance (West) Private Limited	26	26
Net Profit attributable to NCI	9	9

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

22. REVENUE FROM OPERATIONS

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Sale of Products	3,62,001	3,49,319
(b) Interest income	35	35
(c) Other Operating Revenue		
(i) Service charges	539	474
(ii) Others	2,670	2,549
Total Revenue from Operations	3,65,245	3,52,377

Post the applicability of Goods and Services Tax (GST), with effect from 1st July 2017, Revenue from operations are required to be disclosed net of GST. Sales before this date are disclosed as gross of excise duty. Accordingly, the revenue from operations for the year ended 31st March 2019 is not comparable with the previous year.

23. OTHER INCOME

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Interest income	2,675	3,053
(b) Dividend income from Equity Investments designated at FVTOCI	5	8
(c) Gain on Exchange fluctuation	1,132	--
(d) Industrial Promotion Incentive (Refer Note 44)	2,077	1,830
(e) Rental income	524	524
(f) Profit on sale of assets	12	245
(g) Others	1,737	1,212
Total Other Income	8,162	6,872

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

	For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Stock		
(a) Finished Goods	15,757	10,699
(b) Work-in- progress	4,332	4,258
	20,089	14,957
Closing Stock		
(a) Finished Goods	17,008	15,757
(b) Work-in- progress	6,506	4,332
	23,514	20,089
Total Changes in Inventories of Finished Goods and Work-in-progress	(3,425)	(5,132)

25. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Salaries, Wages and Bonus	38,035	35,002
(b) Contribution to Provident, Other Funds and Schemes	2,578	2,381
(c) Staff Welfare expenses	1,200	1,272
Total Employee Benefits Expense	41,813	38,655

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

26. FINANCE COSTS

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Interest expense	1,402	526
(b) Other borrowing costs	50	46
(c) Net interest cost on net defined benefit obligations	81	95
Total Finance Costs	1,533	667

27. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Depreciation of Property, Plant and Equipment	12,702	11,433
(b) Amortization of Intangible Assets	2,365	1,468
(c) Depreciation on Investment Property	25	25
Total Depreciation and Amortization Expense	15,092	12,926

28. OTHER EXPENSES

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Consumption of Stores and Spares	7,805	7,635
(b) Fabrication and Processing Charges	770	947
(c) Power and Fuel	4,886	4,823
(d) Forwarding Charges	3,273	2,995
(e) Rent	189	158
(f) Rates and Taxes	170	401
(g) Insurance	552	570
(h) Repairs and Maintenance:		
(i) Plant and Machinery	2,137	2,115
(ii) Buildings	388	572
(iii) Others	185	176
(i) Publicity and Sales promotion	1,837	1,897
(j) Payments to Auditors (Refer details below)	33	26
(k) Commission to Non-executive Directors	--	100
(l) Loss on Exchange Fluctuation (Net)	--	818
(m) Donation	423	16
[Includes donation under Section 182 of the Companies Act, 2013 : ₹ 420 Lakhs (31st March 2018 : ₹ Nil)]		
(n) Expenditure on Corporate Social Responsibility (Refer Note 45)	460	410
(o) Bad Debts / Provision for doubtful advances & Receivables	--	71
(p) Miscellaneous Expenses	7,787	7,483
Total Other Expenses	30,895	31,213

Details of payments to Auditors

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Audit Fees	22	20
(b) Tax Audit Fees	1	1
(c) Limited review and Certification work	8	4
(d) Reimbursement of expenses	2	1
Total payments to Auditors	33	26

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

29. EARNINGS PER SHARE

	For the year ended 31st March 2019	For the year ended 31st March 2018
(a) Profit attributable to Equity Shareholders	14,342	14,721
(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 : ₹	108.85	111.72

30. EXPENDITURE CAPITALIZED

Amount capitalized represents expenditure allocated out of employee cost and other expenses, incurred in connection with capital items and various product development projects undertaken by the Group for the introduction of new products as well as development of engine and existing product variants.

31. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March 2019	As at 31st March 2018
(a) Contingent Liabilities		
Claims against the Group not acknowledged as debts		
(i) Taxes and Duties	2,765	3,300
(ii) Others (Court cases pending)	3,772	3,581
(b) Commitments		
Estimated amount of contracts remaining to be executed on Capital account and not provided for	23,206	12,276
(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.		
(d) On 28th February 2019, the Supreme Court of India has passed a judgment on inclusion of certain allowances in basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. Due to ambiguity and the divergent views on the application of the said judgment, the Group has not made any provision. The Group will take necessary steps, on receiving further clarity, on the subject.		

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

As on 31st March 2019, 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). There is no liability towards interest on delayed payments under "The Micro, Small and Medium Enterprises Development Act, 2006" during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. 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 ₹ 1,111 Lakhs Credit (31st March 2018 : ₹ 838 Lakhs Debit) and on Capital account is ₹ 21 Lakhs Credit (31st March 2018 : ₹ 20 Lakhs Credit).

34. EXPENDITURE ON RESEARCH AND DEVELOPMENT

The Group's expenditure on its Research and Development activity during the year under report was as follows :

	As at 31st March 2019	As at 31st March 2018
(a) Capital Expenditure	14,069	15,792
(b) Revenue Expenditure	6,372	4,176

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

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

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


Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

35. LEASES
Operating Leases
As a Lessor
(i) Industrial Shed at Chakan

The Group had 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.

The Lessor and the Lessee have decided mutually to foreclose the Lease Deed and accordingly the Lessee has vacated the leased premises peacefully in March 2019 on the terms and conditions specified in the Memorandum for Foreclosure of Lease Agreement.

The compensation on foreclosure of lease deed and the lease income have been recognized in the Statement of Profit and Loss.

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

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

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

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

As a Lessee
Leasehold land

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

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

(a) Jaya Hind Industries Limited *

(b) Tempo Finance (West) Private Limited

(c) Force MTU Power Systems Private Limited **

Nature of relationship

Holding Company

Subsidiary Company

Joint Venture Company

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

(a) Abhaykumar Firodia

Chairman

(b) Prasan Firodia

Managing Director

(c) Sudhir Mehta

Director

(d) Pratap Pawar

Director

(e) S. Padmanabhan

Director

(f) Nitin Desai

Director

(g) Dr. Indira Parikh

Director

(h) Arun Sheth

Director

(i) Arvind Mahajan

Director

(j) Vinay Kothari

Director

(k) Yeshwant Deosthalee

Director

(l) Lt. Gen. (Retd.) Dr. D. B. Shekatkar

Director

(m) Anant J. Talaulicar

Director

(n) Prashant V. Inamdar

Executive Director (Operations)

(o) Sanjay Kumar Bohra

Chief Financial Officer

B. Other Entities

(a) Jaya Hind Montupet Private Limited

Entity controlled by KMP of Company

(b) Pinnacle Industries Limited

Entity controlled by KMP of Company

(c) Kider (India) Private Limited

Entity controlled by KMP of Company

(d) Bajaj Tempo Limited Provident Fund

Post employment benefit Trust

(e) Sakal Media Private Limited

Entity controlled by KMP of Company

(f) Amar Prerana Trust

Entity controlled by KMP of Company

(g) Navalmal Firodia Memorial Hospital Trust

Entity controlled by KMP of Company

(h) Antardisha

Entity controlled by KMP of Company

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

III. Transactions with Related Parties

Name of Related Party	2018-19		2017-18	
	Amount of transaction during the year	Balance as at 31st March 2019 Receivables / (Payables)	Amount of transaction during the year	Balance as at 31st March 2018 Receivables / (Payables)
A. Holding Company				
Jaya Hind Industries Limited *				
(a) Purchase of Capital Goods	144		--	
(b) Purchase of Raw Materials, Components & Others	7,760		8,216	
(c) Sundry Sales	516	(191)	344	(545)
(d) Service Charges recovered	95	307	64	4,668
(e) Processing Charges recovered	44		62	
(f) Dividend paid	1		1	
B. Key Management Personnel				
(a) Remuneration				
(i) Short-term employee benefits (including Commission)	753	(363)	701	(348)
(ii) Post employment benefits	34		35	
(iii) Other long-term benefits	42		46	
(b) Others				
(i) Dividend paid	49	--	49	--
(ii) Sitting fees	34	--	36	--
(iii) Commission	--	--	100	(100)
C. Other Entities				
(a) Force MTU Power Systems Private Limited **				
(i) Expenses recovered	956	33	--	--
(ii) Contribution to Equity	1,336	--	--	--
(b) Jaya Hind Investments Private Limited ***				
Dividend paid	749	--	749	--
(c) Jaya Hind Montupet Private Limited				
(i) Purchase of Raw Materials, Components & Others	83		346	--
(ii) Service Charges recovered	34	(6)	21	(65)
(iii) Processing Charges recovered	2	29	--*	11
(iv) Sundry sales	2		--	
(d) Pinnacle Industries Limited				
(i) Purchase of Capital Goods	418		115	
(ii) Purchase of Raw Materials, Components & Others	14,698	(405)	15,096	(611)
(iii) Sundry Sales	69	64	86	965
(iv) Interest received	23		25	
(e) Kider (India) Private Limited				
Purchase of Capital Goods	4	(2)	4	--
(f) Bajaj Tempo Limited Provident Fund				
Contribution to Provident Fund	683	(58)	604	(53)
(g) Sakal Media Private Limited				
Publicity charges	20	--	20	--
(h) Amar Prerana Trust				
(i) Training Facility Utilisation	32	--	296	(7)
(ii) Sundry sales	1	--	--	--
(i) Navalmal Firodia Memorial Hospital Trust				
Contribution towards Corporate Social Responsibility	460	--	381	--
(j) Antardisha				
Professional Fees	26	--	--	--

* With effect from 1st January 2018 (being appointed date) consequent to the Order dated 24th October 2018 of the Mumbai Bench of National Company Law Tribunal approving the scheme of amalgamation.

** With effect from 7th August 2018.

*** Ceased to be a Holding Company on 1st January 2018

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

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

An amount of ₹ 667 Lakhs (31st March 2018 : ₹ 660 Lakhs) is recognized as an expense and included in "Employees Benefits Expense" in the Statement of Profit and Loss.

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

	As at 31st March 2019		As at 31st March 2018	
	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	5,971	379	5,318	147
Less: Fair value of plan assets	4,823	1,291	3,949	1,133
Amount to be recognized as Liability or (Asset)	1,148	(912)	1,369	(986)
(ii) Amount to be reflected in Balance Sheet				
Liabilities	1,148	(912)	1,369	(986)
Assets	--	--	--	--
Net Liability / (Assets)	1,148	(912)	1,369	(986)

* 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 2019		As at 31st March 2018	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Employee Benefit Expense				
Current service cost	458	19	411	62
(ii) Acquisition (Gain) / Loss	27	--	--	--
(iii) Finance cost				
Net Interest (Income) / Expenses	81	(77)	95	(44)
Net periodic benefit cost recognized in the Statement of Profit and Loss	566	(58)	506	18

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

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	As at 31st March 2019		As at 31st March 2018	
	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	(71)	201	(191)	(434)
(iii) Re-measurements for the year - plan assets (Gain)/Loss	(40)	(69)	(19)	51
(iv) Total re-measurements cost / (credit) for the year recognized in OCI	(111)	132	(210)	(383)
(v) Less : Accumulated balances transferred to Retained Earnings	(111)	132	(210)	(383)
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 2019		As at 31st March 2018	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Present value of obligation as at the beginning of the year	5,318	147	5,109	484
(ii) Acquisition adjustment	291	--	--	--
(iii) Transfer in/(out)	--	--	2	--
(iv) Interest expenses	402	12	354	35
(v) Past service cost	--	--	--	--
(vi) Current service cost	458	19	411	62
(vii) Curtailment cost/(credit)	--	--	--	--
(viii) Settlement cost/(credit)	--	--	--	--
(ix) Benefits paid	(427)	--	(367)	--
(x) Re-measurements on obligation - (Gain) / Loss	(71)	201	(191)	(434)
Present value of obligation as at the end of the year	5,971	379	5,318	147

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(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 2019		As at 31st March 2018	
	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	3,949	1,133	3,437	1,105
(ii) Acquisition adjustment	264	--	--	--
(iii) Transfer in/(out)	--	--	2	--
(iv) Interest income	321	89	259	79
(v) Contributions	682	--	603	--
(vi) Mortality charges and taxes	(7)	--	(4)	--
(vii) Benefits paid	(426)	--	(367)	--
(viii) Amount paid on settlement	--	--	--	--
(ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	40	69	19	(51)
Fair value of plan assets as at the end of the year	4,823	1,291	3,949	1,133
Actual return on plan assets	362		278	

(f) Net interest (Income) / Expenses

	As at 31st March 2019		As at 31st March 2018	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Interest (income) / expense – obligation	402	12	354	35
(ii) Interest (income) / expense – plan assets	(321)	(89)	(259)	(79)
Net interest (income) / expense for the year	81	(77)	95	(44)

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.

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

Gratuity	As at 31st March 2019	As at 31st March 2018
(i) Discount rate	7.60%	7.80%
(ii) Expected return on plan assets	7.80%	7.20%
(iii) Salary growth rate *	10%	10%
(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.

Provident Fund	As at 31st March 2019	As at 31st March 2018
(i) Discount rate	7.60%	7.80%
(ii) Interest rate	8.65%	8.55%
(iii) Yield spread	0.50%	0.50%
(iv) Attrition rate - for Bargainable Staff	10%	10%
(v) Attrition rate - others	2%	2%

Sensitivity analysis

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

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(h) Change in assumption

	As at 31st March 2019		As at 31st March 2018	
	Gratuity	Provident fund	Gratuity	Provident fund
(i) Discount rate				
Increase by 1%	5,614	--	5,006	--
Decrease by 1%	6,371	--	5,666	--
Increase by 0.5%	--	114	--	--
Decrease by 0.5%	--	657	--	382
(ii) Salary Increase rate				
Increase by 1%	6,303	--	5,607	--
Decrease by 1%	5,668	--	5,053	--
(iii) Withdrawal rate				
Increase by 1%	5,929	--	5,284	--
Decrease by 1%	6,018	--	5,354	--
(iv) Expected future interest rate of Provident Fund				
Increase by 1%	--	--	--	--
Decrease by 1%	--	--	--	--
Increase by 0.5%	--	644	--	374
Decrease by 0.5%	--	114	--	--

38. FINANCIAL INSTRUMENTS - FAIR VALUES
Accounting classifications and fair values

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

	Carrying value		Fair Value	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Financial Assets				
(a) Fair value through Other Comprehensive Income (FVTOCI)				
Equity Investments	1,395	972	1,395	972
(b) Amortized cost				
Trade Receivables	16,652	24,191	16,652	24,191
Loans- Security Deposits	1,713	1,915	1,713	1,915
Other Financial Assets	32,006	20,436	32,006	20,436
Cash and Cash equivalents	428	3,962	428	3,962
Other Bank Balances	93	307	93	307
Total	52,287	51,783	52,287	51,783
Financial Liabilities				
Amortized cost				
Non-current Borrowings	20,563	--	20,563	--
Current Borrowing	5,087	--	5,087	--
Trade Payable	39,530	56,487	39,530	56,487
Other Financial Liabilities	5,262	3,476	5,262	3,476
Total	70,442	59,963	70,442	59,963

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(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 represents Working Capital Loan and Term Loan from Banks 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 2019	31st March 2018
Financial Assets			
FVTOCI Investments - Quoted	Level 1	1,390	967
FVTOCI Investments - Unquoted	Level 3	5	5
Total		1,395	972

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

	Level	31st March 2019	31st March 2018
Financial Assets measured at amortized cost			
Loans - Security Deposits	Level 2	1,713	1,915
Other Financial Assets	Level 2	32,006	20,436
Total		33,719	22,351

(c) Financial Liabilities measured at amortized cost

	Level	31st March 2019	31st March 2018
Non-current Borrowings	Level 2	20,563	--
Current Borrowings	Level 2	5,087	--
Other Financial Liabilities	Level 2	5,262	3,476
Total		30,912	3,476

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 2019, 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 2019

(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 Borrowings, Trade and Other Payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Trade and Other Receivables, Cash and Cash equivalents and Deposits, 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 risks summarized below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, Trade Receivables, Financial Assets measured at amortized cost	Aging analysis Credit ratings [Refer Note 39 (a)]	Diversification of Bank Deposits, Credit Limits and Letters of Credit, Sales on cash basis
Liquidity risk	Borrowings and Other Financial Liabilities	Cash flow forecasts [Refer Note 39 (b)]	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognized Financial Assets and Liabilities not denominated in Indian Rupee	Cash flow forecasting Sensitivity analysis (Refer Note 40)	Group's net forex exposure is covered by natural hedge
Market risk - interest rate	Loans and advances on Cash Credit Account and Term Loan from Bank	Cash flow forecasting & Sensitivity analysis	Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements
	As the borrowings were at fixed rate of interest the Group is not exposed to interest rate risk.		
Market risk - equity prices	Investments in Equity Securities	Sensitivity analysis [Refer Note 39 (c)]	Portfolio diversification
Commodity risk	Procurement of steel and other metals	Budgeted consumption & its impact on finished product	A well controlled review process is in place for analyzing the price trend and market intelligence and accordingly the procurement strategy is adopted. The overall exposure is not material.

(a) Credit Risk

The table summarises aging of Trade Receivable :

	Not due	Less than 6 months	More than 6 months	Total
As at 31st March 2019				
Gross Carrying Amount	12,502	3,771	419	16,692
Allowance for doubtful debts	--	--	(40)	(40)
Net	12,502	3,771	379	16,652
As at 31st March 2018				
Gross Carrying Amount	20,024	3,422	787	24,233
Allowance for doubtful debts	--	--	(42)	(42)
Net	20,024	3,422	745	24,191

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 2019					
	Carrying amount	On Demand	Less than 6 months	More than 6 months	Total
Interest bearing borrowings	28,587	5,087	--	23,500	28,587
Other Financial Liabilities	2,325	58	2,025	242	2,325
Trade and Other Payable	39,530	--	39,530	--	39,530


Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 31st March 2018					
	Carrying amount	On Demand	Less than 6 months	More than 6 months	Total
Interest bearing borrowings	--	--	--	--	--
Other Financial Liabilities	3,476	68	2,665	743	3,476
Trade and Other Payable	56,487	--	56,487	--	56,487

(c) Market Risk : Equity Price Risk

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

At the reporting date, the exposure to quoted equity securities at fair value was ₹ 1,390 Lakhs. A decrease / increase of 15% on the Bank Nifty market index could have an impact of approximately ₹ 122 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 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
USD	(2,19,718)	6,46,382	(151)	423
EUR	1,04,59,191	2,21,76,249	8,229	17,938
JPY	25,53,480	10,25,13,190	16	635
GBP	--	11,983	--	11

Currency	Sensitivity %	Impact on profit (strengthening)*		Impact on profit (weakening)*	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
USD	5%	8	(21)	(8)	21
EUR	5%	(411)	(897)	411	897
JPY	5%	(1)	(32)	1	32
GBP	5%	--	(1)	--	1
		(404)	(951)	404	951

(* Strengthening / weakening of currency)

41. CAPITAL MANAGEMENT

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

The Group's policy is to meet the financial covenants attached to the interest-bearing borrowings by maintaining a strong capital base. The Group's aim 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 2019 and 31st March 2018.

Particulars	As at 31st March 2019	As at 31st March 2018
Total Shareholder's Equity as reported in Balance Sheet	1,93,493	1,80,276
Net Debt :		
Short term debt	5,087	--
Long term debt (including current portion of long term debt)	23,500	--
Gross Debt :	28,587	--
Less : Cash & Bank Balances	521	4,269
Net Debt / (Net Cash and Bank balance)	28,066	(4,269)

Notes to Consolidated Financial Statements for the year ended 31st March 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

42. DIVIDEND

The Board of Directors has recommended payment of dividend of ₹10/- per fully paid equity shares (31st March 2018 : ₹10/-). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting. The Group to pay distribution tax of ₹ 271 Lakhs on proposed dividend. This dividend and tax on that is not recognized in the books of account at the end of the reporting period.

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 2019, have been transferred to that fund, except a sum of ₹ 0.60 Lakh (31st March 2018 : ₹ 0.60 Lakh) being amount of 5 Nos. (31st March 2018 : 5 Nos.) fixed deposits and interest thereon amounting to ₹ 0.25 Lakh (31st March 2018 : ₹ 0.25 Lakh). In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

44. During the year under report, on the basis of the eligibility and method of availing, various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, the Group has recognized a sum of ₹ 2,077 Lakhs (31st March 2018 : ₹ 1,830 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 ₹ 460 Lakhs (31st March 2018: ₹ 410 Lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.28 (n)] to the Notes to Financial Statements.

(a) Gross amount required to be spent by the Group during the year : ₹ 456 Lakhs.

(b) Amount spent during the year on :

Description	In Cash	Yet to be paid In Cash	Total
Project of establishing modern, sophisticated hospital	460	--	460
Total	460	--	460

46. During the year under report, the Holding Company acquired certain assets from MAN Trucks India Pvt. Ltd. (now known as MAN Truck & Bus India Pvt. Ltd.), being movable properties, immovable properties, intangible assets and other miscellaneous assets situated at Pithampur, District Dhar, Madhya Pradesh. All contractual arrangements entered into for these acquisitions fully implemented during the year.

47. ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III OF THE COMPANIES ACT, 2013

Name of the entity	Net Assets		Share of Profit or Loss		Share of Comprehensive Income		Share of Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit or Loss	Amount	As a % of consolidated Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Force Motors Limited	99.26	1,92,063	102.63	14,718	100.21	478	102.54	15,196
Indian Subsidiary:								
Tempo Finance (West) Pvt. Ltd.	0.18	339	0.11	16	--	--	0.11	16
Non Controlling Interest (Indian Minority)	0.09	172	0.06	9	--	--	0.06	9
Indian Joint Venture:								
Force MTU Power Systems Pvt. Ltd.	0.47	919	(2.80)	(401)	(0.21)	(1)	(2.71)	(402)
Total	100.00	1,93,493	100.00	14,342	100.00	477	100.00	14,819

**Notes to Consolidated Financial Statements for the year ended 31st March 2019**

(All amounts in ₹ Lakhs, unless otherwise stated)

48. INVESTMENT IN JOINT VENTURE**Interest in Joint Venture**

Force Motors Limited has 51% interest in Force MTU Power Systems Private Limited (FMTU). FMTU is a private entity that is not listed on any public exchange.

Following table illustrates the summarized financial information of the Group's investment in FMTU :-

Particulars	As at 31st March 2019
Current Assets	1,204
Non-current Assets	896
Current Liabilities	276
Non-current Liabilities	22
Revenue	49
Net Income / (Loss)	(786)
Other Comprehensive Income	(3)
Total Comprehensive Income / (Loss)	(789)
The above net income includes;	
Interest Income	36
Employee Benefits Expense	391
Other Expenses	746
Income Tax Expenses (credit)	(302)
Net Assets of the Joint Venture	1,802
Proportion of the Group's interest in Joint Venture	919

49. The Group is operating in a Single Segment.

50. Previous year's figures have been re-grouped, re-arranged and re-classified wherever necessary.

As per our separate report of even date.

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

Suhas Deshpande
Partner
Membership No. 031787

Place : Pune
Date : 27th May 2019

Sanjay Kumar Bohra
Chief Financial Officer

Kishore P. Shah
Company Secretary

On behalf of the Board of Directors

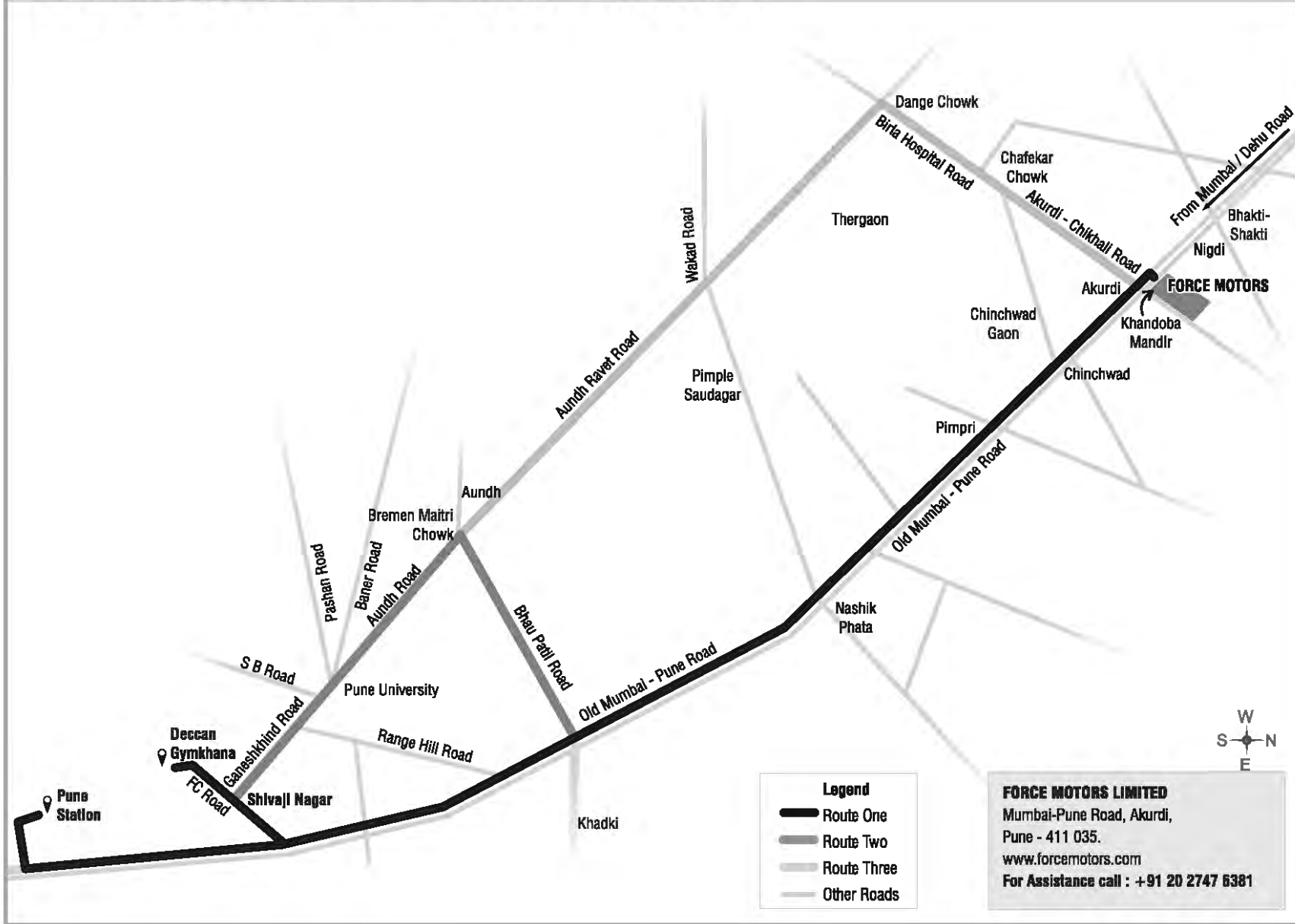
Prasan Firodia
Managing Director

Prashant V. Inamdar
Executive Director

Place : Pune
Date : 27th May 2019

ROUTE MAP

Pune Station, Deccan Gymkhana to Force Motors, Akurdi



FORCE MOTORS LIMITED

CIN: L34102PN1958PLC011172

Registered Office :

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

Te l: +91 20 27476381

E-mail: compliance-officer@forcemotors.com

Website : www.forcemotors.com

**PROXY FORM**

60th Annual Report 2018-19

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 60th Annual General Meeting of the Company, to be held on Thursday, the 19th September 2019 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 :

Item No.	Description	FOR	AGAINST
Ordinary Business			
1.	Adoption of the audited standalone and consolidated financial statements, for the Financial Year ended 31st March 2019, together with the Board's Report and Auditors' Report thereon.		
2.	Declaration of dividend for the Financial Year ended 31st March 2019		
3.	Re-appoint Mr. Sudhir Mehta (DIN: 00056867), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4.	Contribution to bona fide charitable and other funds		
5.	Appointment of Cost Accountant with remuneration		
6.	Ratification of the related party transactions in pursuance to the Trademark License Agreement with Force MTU Power Systems Private Limited, subsidiary of the Company		
7.	Re-appointment of Mr. Abhaykumar Firodia, as a Managing Director of the Company, to be designated as 'Chairman'		
8.	Re-appointment of Mr. Prasan Firodia, as a Managing Director of the Company		
9.	Re-appointment of Mr. Prashant V. Inamdar, as Executive Director of the Company		
10.	Re-appointment of Mr. Arvind Mahajan, as an independent director of the Company for a term of five consecutive years with effect from 28th September, 2019		

Signed this day of2019

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

- Notes :**
1. 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.
 2. As provided under Regulation 44 of the SEBI (LODR) Regulations, 2015, members may vote either FOR or AGAINST each resolution.

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 60th Annual General Meeting

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 '60th Annual General Meeting' of the Company to be held on Thursday, 19th September 2019 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

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

www.forcemotors.com | Toll Free No.: 1800 2335 000