

# 57th Annual Report

2015-2016



## Board Of Directors



**Chairman**  
Abhay Firodia



**Director**  
Sudhir Mehta



**Director**  
Pratap Pawar



**Director**  
S. Padmanabhan



**Director**  
Nitin Desai



**Director**  
Dr. Indira Parikh



**Director**  
Arun Sheth



**Managing Director**  
Prasan Firodia



**Director**  
Vinay Kothari



**Director**  
Arvind Mahajan



**Executive Director - Operations**  
Prashant Inamdar

## Management Team



**Abhay Firodia**  
Chairman



**Prasan Firodia**  
Managing Director



**Prashant Inamdar**  
Executive Director  
Operations



**Sanjay Bohra**  
Group CFO



**Ashutosh Khosla**  
President  
Sales & Marketing



**Mansinh Kumbhar**  
President  
Head R&D



**Makarand Kanade**  
Sr. Vice President  
Corp. Quality, Service  
& Spares



**Pravin Karnavat**  
Vice President  
Materials



**Pradeep Dhadiwal**  
Vice President  
Corporate & Controlling



**Ajit Khirapate**  
Vice President  
Production Engineering



**R. Ram**  
Vice President  
Projects



**Yatish Mathur**  
Vice President  
Pithampur Operations



## New Plant at Chakan, Inaugurated ...



4 Cylinder

60,000 Engines  
and 50,000 Axles  
supplied till date ....



6 Cylinder - V Type





## 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

Vinay Kothari

Prashant V. Inamdar  
Executive Director (Operations)

## CHIEF FINANCIAL OFFICER

Sanjay Kumar Bohra

## COMPANY SECRETARY & COMPLIANCE OFFICER

Kishore P. Shah

## AUDITORS

### Statutory Auditor

M/s. P. G. Bhagwat  
Chartered Accountants,  
Pune.

### Secretarial Auditor

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

### Internal Auditors

M/s. Capri Assurance and Advisory Services  
Chennai.

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

## COST ACCOUNTANTS

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

## REGISTERED OFFICE

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

## WORKS

- (i) Mumbai-Pune Road,  
Akurdi, Pune - 411 035,  
Maharashtra.
- (ii) Pithampur, District Dhar - 454 775,  
Madhya Pradesh.
- (iii) Urse, Tal. Maval,  
District Pune - 410 506,  
Maharashtra.
- (iv) Mahindra World City, Chengalpattu,  
District Kancheepuram - 603 004,  
Tamilnadu.
- (v) Nanekarwadi, Chakan,  
District Pune - 410 505,  
Maharashtra.



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## NOTICE

Notice is hereby given that the Fifty Seventh Annual General Meeting of the Members of Force Motors Limited will be held on **Wednesday, the 28th day of September 2016 at 11.30 a.m.**, at the Registered Office of the Company at Mumbai-Pune Road, Akurdi, Pune - 411 035, to transact the following business:

### ORDINARY BUSINESS

- 1) To consider and adopt the Audited Financial Statements of the Company, for the Financial Year ended 31st March 2016, together with the Board's Report and Auditors' Report thereon.
- 2) To note the interim dividend as the final dividend for the Financial Year ended on 31st March 2016.
- 3) To appoint a Director in place of Mr. Sudhir Mehta who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint Auditors and to fix their remuneration and in this regard to pass with or without modification(s), the following resolution as an **ordinary resolution**:

"RESOLVED that M/s. P. G. Bhagwat, Chartered Accountants (Firm Registration No. 101118W) of Pune be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration of ₹ 20,00,000 (Rupees Twenty Lakh only) plus out of pocket expenses."

### SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for contributing to charitable and other funds, a sum up to ₹ 25,00,00,000 (Rupees Twenty Five Crore only), during the Financial Year 2016-17."

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

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, if any, and/or of the Companies (Audit and Auditors) Rules, 2014, 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 2017, be paid remuneration of ₹ 2,30,000 (Rupees Two Lakh Thirty Thousand only) plus travelling and out of pocket expenses and taxes, if any."

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

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

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

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

"RESOLVED that Mr. Arvind Rajindernath Mahajan (DIN 07553144) be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of conclusion of this Annual General Meeting."

"RESOLVED FURTHER that the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 30th July 2016, attached to the Notice, be and are hereby approved."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to issue a letter of appointment to Mr. Arvind Rajindernath Mahajan, in respect of his 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 RESPECT AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**



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

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

- 2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3) The Statement, setting out the material facts, pursuant to Section 102 of the Companies Act, 2013 ('the Act' for brevity) concerning the Special Business mentioned in the Notice, is annexed hereto.
- 4) **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.**
- 5) The requisite information about the Directors seeking appointment/re-appointment is included in the Report on Corporate Governance/Statement annexed to the Notice as the case may be.
- 6) Members/Proxies are requested to bring duly filled attendance slip along with their copy of Annual Report to the Meeting.

**7) Voting through electronic means :**

In terms of the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations' for brevity), the Company is pleased to provide facility to exercise votes on the items of business given in the Notice through remote electronic voting system to Members whose names are recorded in the register of members on 22nd September 2016 (end of day) being the 'cut-off date' for determining voting rights of Members, entitled to participate in the e-voting process, through the remote e-voting platform provided by Central Depository Services (India) Limited (CDSL for brevity).

**A. The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins at 9 a.m. (IST) on 25th September 2016 and ends at 5 p.m. (IST) on 27th September 2016. During this period

shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 22nd September 2016 being the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on 'Shareholders'.
- (v) Enter your User ID
  - a) For CDSL: 16 digits Beneficiary ID,
  - b) For NSDL : 8 characters DP ID followed by 8 digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and click on 'Login'.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted earlier on resolution of any other company, then your existing password is to be used.
- (viii) If a shareholder is a first time user, the shareholder should follow the steps given below:

**For Members holding shares in Demat Form or Physical Form**

<b>PAN</b>	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance slip indicated in the PAN field.
<b>Dividend Bank Details or</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
<b>Date of Birth (DOB)</b>	If both the details are not recorded with the Depository Participant or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

After entering these details appropriately, click on 'Submit'.

- (ix) Members holding shares in physical form will then be directed towards the company selection screen. However, Members holding shares in demat form will be directed towards 'Password Creation' menu

wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) for FORCE MOTORS LIMITED.
- (xii) On the voting page, you will see 'Resolution Description' and against the same the option 'Yes/No' for voting. Select the option Yes or No as desired. The option Yes implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- (xiii) Click on the 'Resolutions File Link' if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution if you have decided to vote, click on 'Submit'. A confirmation dialog box will then be displayed. If you wish to confirm your vote, click on 'Ok', else to change your vote, click on 'Cancel' and accordingly modify your vote.
- (xv) Once you 'Confirm' your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
  - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section/tab or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- B.** Any person who becomes Member after dispatch of Notice of the Meeting and holding shares as on cut-off date i.e. 22nd September 2016 and who have updated their PAN with the Company/Depository Participant, have to follow instructions as per points mentioned in para "A" as aforesaid to vote through remote e-voting during the e-voting period.
- C.** Any person who becomes Member after dispatch of Notice of the Meeting and holding shares as on cut-off date i.e. 22nd September 2016 and who have not updated their PAN with the Company / Depository Participant can send an email to [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com) or [bhagavant.sawant@linkintime.co.in](mailto:bhagavant.sawant@linkintime.co.in) to obtain sequence number and they will have to follow instructions as per points mentioned in para "A" as aforesaid to vote through remote e-voting during the e-voting period.
- D.** A Member may participate in the Meeting even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the Meeting.
- E.** The facility for voting through Poll will also be made available at the Meeting and Members attending the Meeting who have not already cast their vote by remote e-voting will be able to exercise their right at the Meeting.
- F.** Members who have not cast their vote electronically, by remote e-voting may only cast their vote at the Meeting through Poll paper.
- G.** The voting rights of Shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on 22nd September 2016. Members are eligible to cast vote only if they are holding shares as on that date. A person who is not a Member as on the cutoff date i.e. 22nd September 2016 should treat this Notice for information purpose only.

- H. The Company has appointed Mr. Sanjay Athavale, Chartered Accountant in Practice (FCA No. 83374) having office situated at Suite No. 102, "Orchard", Dr. Pai Marg, Baner, Pune - 411 045, as the Scrutiniser to the remote e-voting process and voting through Poll, to be conducted at the venue of the Meeting in a fair and transparent manner.
- I. At the Meeting, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutiniser, order voting through Poll for all those Members who are present but have not cast their votes electronically using the remote e-voting system.
- J. The Scrutiniser shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the Meeting through Poll and thereafter unblock the votes cast through remote e-voting in presence of atleast two witnesses who are not in employment of the Company. The Scrutiniser shall submit a consolidated Scrutiniser's Report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the Meeting to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the results of the voting forthwith.
- K. The result, along with the Scrutiniser's Report shall be placed on the Company's website [www.forcemotors.com](http://www.forcemotors.com) and on the website of CDSL immediately after the result(s) is/are declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to the Stock Exchange.
- 8) Members 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 ('Fund') set up by the Central Government. Members who have so far not claimed the dividend that was declared for the financial years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and / or interim dividend paid in 2015-16 are requested to make their claim with the Company immediately. The details of unpaid and unclaimed amounts lying with the Company for the financial years 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 as on 26th September 2015 (date of last Annual General Meeting) are uploaded on the website of the Company at [www.forcemotors.com](http://www.forcemotors.com), and also on the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). The details of unpaid and unclaimed amounts lying with the Company for the financial year 2014-15 as on 31st March 2016 and interim dividend for the year 2015-16 as on 30th June 2016 are uploaded on the website of the Company at [www.forcemotors.com](http://www.forcemotors.com)
- 9) 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.
- 10) **GREEN INITIATIVE** : As a step for paperless communication with the Members of the Company, Company has decided to forward all notices, circulars and other documents to be served on Members through electronic mode.
- Members of the Company are requested to communicate their e-mail address on which they would like to have these communications. The e-mail address can be communicated by a letter 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 and should be signed as per the specimen signature recorded with the Company or Registrar and Share Transfer Agent.
- In view of the provisions of Section 20 of the Act read with Rule 35 of the Companies (Incorporation) Rules, 2014 henceforth the email id provided by the Members holding shares in dematerialised 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 email ids and no separate paper communication would be made with such Members.**
- 11) Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.forcemotors.com](http://www.forcemotors.com).
- 12) The 57th Annual Report 2015-16 of the Company, circulated to the Members of the Company, will be made available on the Company's website at [www.forcemotors.com](http://www.forcemotors.com) and also on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com)
- 13) 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 57th Annual General Meeting i.e., 28th September 2016.
- 14) Equity Shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Company has paid the annual listing fees to the Stock Exchange.



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

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

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

By Order of the Board of Directors  
For **FORCE MOTORS LIMITED**

**Kishore P. Shah**

Pune, 30th July 2016. Company Secretary & Compliance Officer

**Registered Office :**

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

CIN : L34102PN1958PLC011172

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

Phone : (Board) +91 20 2747 6381

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

## Statement as required pursuant to Section 102 (1) of the Companies Act, 2013

### Item No. 5

As per the provisions of Section 181 of the Companies Act, 2013 ('the Act' in this statement) prior permission of the Company, in general meeting, is required to contribute to bona fide charitable and other funds, if the aggregate amounts, in any financial year exceeds five percent of the Company's average profits for the 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 a sum up to ₹ 25,00,00,000 (Rupees Twenty Five Crore only) to bona fide charitable and other funds during the Financial Year 2016-17.

None of the Directors / Key Managerial Personnel of the Company / their relatives is/are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

### Item No. 6

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 2017 on a remuneration of ₹ 2,30,000 (Rupees Two Lakh Thirty Thousand only) plus travelling and out of pocket expenses and taxes, if any.

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

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

None of the Directors / Key Managerial Personnel of the Company / their relatives is / are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

### Item No. 7

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

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

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

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

None of the Directors / Key Managerial Personnel of the Company / their relatives, is/are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

## Item no. 8

Mr. Arvind Rajindernath Mahajan, 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. Presently, he does not hold any directorship(s) in any other company(ies).

Mr. Mahajan was appointed as an Additional Independent Director of the Company on 30th July 2016. As Mr. Mahajan meets with criteria as indicated under Section 149 of the Act, as an Independent Director, and as Jaya Hind Investments Private Limited, the promoter of the Company, proposed his candidature and gave notice as per the provisions of Section 160 of the Act, the resolution in Item No.8 of the Notice is put for the consideration of the Members of the Company for appointing Mr. Arvind Rajindernath Mahajan as an Independent Director on the Board of the Company for a period of three years from the date of the ensuing Annual General Meeting. In the opinion of the Board, Mr. Mahajan fulfills the conditions specified in the Act and the Listing Regulations / Equity Listing Agreement for appointment as an Independent Director and he is independent of the management.

The Company has prepared a standard draft of Appointment Letter to be issued to Independent Director, a copy of which is available for inspection as stated in note no. 13 of the Notes to the Notice.

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

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

Except Mr. Mahajan, none of the Directors / Key Managerial Personnel of the Company / their relatives, is/are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

For further details of Mr. Mahajan, please refer the Report on Corporate Governance.

By Order of the Board of Directors  
For **FORCE MOTORS LIMITED**

**Kishore P. Shah**

Pune, 30th July 2016.

Company Secretary & Compliance Officer

## Registered Office :

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

CIN: L34102PN1958PLC011172

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

Phone : (Board) +91 20 2747 6381

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

## BOARD'S REPORT

To

The Members,

The Directors present the 57th Annual Report, together with the Audited Financial Statements for the Financial Year ended on 31st March 2016.

### 1. Financial Results

#### Standalone

	2015-16 ₹	2014-15 ₹
Income from Operations (Gross)	3485,18,79,591	2638,90,20,260
Other Income	71,43,71,432	65,77,63,716
Gross Profit (Profit before Depreciation & Taxes)	341,21,88,876	206,22,74,829
Depreciation	91,93,45,256	81,28,43,342
Profit before Tax	249,28,43,620	124,94,31,487
Provision for Tax	69,86,49,774	23,58,04,250
Profit after Tax	179,41,93,846	101,36,27,237
Transfer to General Reserve	--	--
Interim Equity Dividend Paid	13,17,62,620	--
Tax on Interim Equity Dividend	2,68,23,770	--
Proposed Dividend	--	6,58,81,310
Provision for Tax on Distributed Profit	--	1,34,11,855
Balance in Profit & Loss Account carried forward	1061,52,62,976	897,96,55,520

#### Consolidated

	2015-16 ₹	2014-15 ₹
Income from Operations (Gross)	3485,53,19,389	2639,27,21,873
Other Income	71,43,71,432	65,78,72,797
Gross Profit (Profit before Depreciation & Taxes)	341,55,58,118	206,60,44,254
Depreciation	91,93,45,256	81,28,43,342
Profit before Tax	249,62,12,862	125,32,00,912
Provision for Tax	69,96,98,535	23,69,68,730
Profit after Tax	179,65,14,327	101,62,32,182
Less : Profit for the year attributable to Minority Interest	7,79,097	8,74,606
Profit for the year (after Minority Interest)	179,57,35,230	101,53,57,576
Transfer to General Reserve	5,81,000	6,52,000
Interim Equity Dividend Paid	13,17,62,620	--
Tax on Interim Equity Dividend	2,68,23,770	--
Proposed Dividend	--	6,58,81,310
Provision for Tax on Distributed Profit	--	1,34,11,855
Balance in Profit & Loss Account carried forward	1063,02,90,090	899,35,27,180

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

The Audited Consolidated Financial Statement in accordance with the Companies Act, 2013 (the Act for brevity) and Accounting Standard - 21 on Consolidated Financial Statement, is provided in this Annual Report.

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

The Financial Year 2015-16 has been a good year, for all aspects of the Company's business. The Light Commercial Vehicles (LCV) and Tractors manufactured by the Company registered satisfactory growth in sales value and also profitability.

The Company completed the construction of the dedicated plant at Chakan for manufacture of Mercedes Benz Engines and Axles. Generally the engine and axle business, with both, Mercedes Benz, and with BMW registered very satisfactory growth.

The production facilities at Pithampur have been running near capacity, thus improving the cost profile of manufacturing. Active steps have been taken during the last financial year to substantially increase the production capacity at Pithampur. In this the Company's Production Engineering Department and the Growth Department have played a stellar role. A new line of highly complex Body Shop equipment, with significant use of robotics/automation, which is engineered, and mostly manufactured within our Company, has been erected, installed and commissioned. The commissioning has happened by end of July 2016. This enhanced production capacity, and the use of highly productive modern facilities, will enable to enhance both product quality and plant productivity.

The strong efforts over the last few years, have been continued in the year under report, for substantially upgrading the sales channel, improving the service capability of dealers, and of authorised service stations. Thus the numbers of touch points where 'customer care' can be offered are upgraded and increased. A much focused effort is initiated to provide customer care at locations where light commercial vehicles of the Traveller and the Trax types are concentrated, such as various pilgrimage centres, tourist centres, etc. by organising special service camps.

The long festering Industrial Relations issue at Akurdi, on account of the inter-union rivalry, was settled by the Supreme Court's Judgment in favour of the erstwhile recognised union. Subsequent to this, the Company has been able to sign a fresh wage agreement with the recognised union, providing an attractive improvement in remuneration to the workmen at Akurdi. It is hoped with this resolution of the protracted litigation (over 14 years); the Company's efforts to establish cordial, collaborative and mutually satisfactory relationship - between the workmen and the Company - can now get the deserved success.



During the year, the Company completed the development of Euro IV engines, for powering the Traveller range of LCVs, as also of the matching gearboxes and axles. The entire design activity, development effort and testing, of these high-tech new aggregates was carried out in the Company, with selective support from domain specialists like Bosch, AVL, Delphi, etc. The competent and comprehensive 'Engine Tech Centre', established a few years earlier, has enabled the Company to carry out this activity in a successful, cost effective and timely manner.

The Traveller range of vehicles is upgraded with substantial re-engineering. The latest new products, Traveller 'Super' with the 1.8 meter width, and the Traveller 'Royale' with the 2.2 meter width, with a variety of configurations and seating capacities, are now offered with the completely new drive train, significant re-engineering for stylish new looks, excellent ergonomics for passenger comfort. These ranges have been put into regular production. With this, the Company has geared up to supply to the market Euro IV products with high quality, robust and efficient drivelines, and attractive bodies, with internationally benchmarked passenger comfort and safety.

The Traveller brand is very well recognized and valued in the market. The new products already introduced and further models under development - are expected to provide strength and stability to the sales efforts.

Similar new offerings in the 'Trax' and 'Gurkha' market niches are expected to be progressively available during the next year.

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

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

### 4. Dividend

The Company disbursed a dividend at ₹10 per share as interim dividend for the year under report in the month of March 2016. The Board does not recommend any further dividend, and the interim dividend so paid be considered as the final dividend for the year under report. The Company has framed its policy on Dividend Distribution, as mandated by the Securities and Exchange Board of India (the SEBI), and the same is available at the Company's website at [www.forcemotors.com](http://www.forcemotors.com).

### 5. Share Capital

The paid up equity share capital as on 31st March 2016 was ₹13,17,62,620. During the period under review, the Company has not issued any shares with differential voting rights or granted stock options or sweat equity.

### 6. Extract of Annual Return

The extract of Annual Return as on 31st March 2016, pursuant to the provisions of Section 92 of the Act and Rules framed thereunder, in the prescribed form, is annexed to this report.

### 7. Meetings of the Board of Directors

During the Financial Year 2015-16, the Meetings of the Board of Directors of the Company were held on 6th May 2015, 31st July 2015, 26th September 2015, 24th October 2015, 23rd January 2016 and 12th March 2016.

### 8. Committees of the Board of Directors

The Board of Directors has the following committees:

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Strategy Committee

### 9. Particulars of Loans, Guarantees or Investments

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

### 10. Particulars of Contracts or Arrangements with Related Party

All Related Party Transactions (RPTs) 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 as defined under Clause 49 of the Listing Agreement, and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations for brevity).

During the year 2015-16, pursuant to Section 177 of the Act, Clause 49 of the Listing Agreement and Regulation 23 of the Listing Regulations, all RPTs were placed before Audit Committee for its requisite approval. The policy on RPTs as approved by the Board is uploaded on the Company's website [www.forcemotors.com](http://www.forcemotors.com) and can be accessed at weblink: [http://www.forcemotors.com/page/index/shareholders\\_information](http://www.forcemotors.com/page/index/shareholders_information).

### 11. 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.

### 12. 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 2016 and the date of Report except the operationalisation of the Company's new manufacturing facility/plant at Chakan for production/manufacture of engines and axles for Mercedes-Benz India Private Limited.

The Company has successfully completed the transition from existing IND GAAP form of reporting of financial accounts to the IND AS form. The current year's accounts will be presented in IND AS compliant form.

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

#### Conservation of Energy

Strong efforts are continued for the conservation of energy. In all plants of the Company, large scale implementation of transparent / translucent roofs has enabled to bring down power consumption for the shop floor lighting purposes significantly.

A systematic effort is instituted to switch over for lighting purposes to LED lights.

Plant maintenance has ensured conservation of energy by enhancing plant efficiency, arresting leakages, waste, etc.

#### Technology Absorption

The Company is investing in an aggressive 'new product development program'. The new products' launch will boost future growth. The key elements of this strategy, include strengthening the product portfolio by refreshing and updating existing products. To this end further strengthening of the R&D and technology capabilities is undertaken. The Company has focused on the development of highly fuel efficient Common Rail Engines, with low carbon footprint for the Company's product range, complying with BS IV norms. The development of the new power trains for the Company's range of vehicles ensures not only compliance with emerging stricter emission norms, but also aligning high efficiency, low fuel consumption and low noise.

The Company completed the projects for new generation transmissions, which have been developed inhouse. The G/28 family of gearboxes substantially reduces friction, and enhances reliability, compatible with the use of high torque engines introduced along with the BS IV regimen.

The Company focused on developing Special purpose vehicles on the Traveller platform - like rescues vans for quick response during natural calamities, 4x4 Defense vehicles, Life saving Ambulances cum rescue vans particularly designed to cope with the kind of mishaps occurring on highways and cities - involving several persons. The Traveller is well accepted in the Tourist category. To improve passenger comfort - air suspension, luxurious interiors, passenger amenities etc. are introduced. The Company has now taken up the task of BS VI emission compliant Powertrain Development.

The Orchard Tractor is introduced with power steering and dual clutch feature, to reduce Driver fatigue and to improve efficiency.

The expenditure on Research & Development for new products, including the expenditure on Projects and Tool Engineering, was 2.44 % of the operational turnover of the Company for the year under report. The Company continues to maintain its emphasis on research, development and tool engineering activities.

Particulars	Amount (₹)
Capital Expenditure on R&D	26,93,91,475
Revenue Expenditure on R&D	49,60,56,217
Total	76,54,47,692
Total Revenue (Net)	31,31,23,10,468
%	2.44

#### Foreign Exchange Earnings and Outgo

The foreign exchange outgo, arising out of the import of raw materials, components and capital goods, is as per the details mentioned in the Notes to Financial Statements.

### 14. Subsidiary Company

Tempo Finance (West) Private Limited is the subsidiary of the Company. The Board of Directors of the Company has reviewed the affairs of the Subsidiary Company. As per Section 129 of the Act, the Company has prepared the Consolidated Financial Statements of the Company and the Subsidiary Company, which forms part of the Annual Report. A statement containing the salient features of the Financial Statement of the Subsidiary Company in the prescribed format AOC-1 forms part of the Audited Financial Statement of the Company. A copy of the Audited Financial Statements of Subsidiary Company will be made available to the Members of the Company, seeking such information. The Audited Financial Statements of Subsidiary Company will be kept for inspection by any Member at its Registered Office during business hours. These Financial Statements and Policy on material subsidiaries is placed on the Company's website and can be accessed at weblink: [http://www.forcemotors.com/page/index/shareholders\\_information](http://www.forcemotors.com/page/index/shareholders_information).

The Company is a subsidiary of Jaya Hind Investments Private Limited, promoter of the Company, which holds 55.92% in the Company.

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

### 15. Risk Management

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

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

### 16. Directors and Key Managerial Personnel

Mr. Sudhir Mehta, Director of the Company, retires by rotation and being eligible, offers himself for reappointment.

The Board of Directors of the Company in its meeting held on 30th July 2016 appointed Mr. Arvind Rajindernath Mahajan, Director's Identification Number (DIN) 07553144, as an Additional Director of the Company. Considering the fact that Mr. Mahajan satisfies the criteria prescribed by Sections 160 and 161 of the Act, Jaya Hind Investments Private Limited, the Promoter of the Company has given notice for appointment of Mr. Mahajan as an Independent Director, for a period of three years from the date of ensuing Annual General Meeting.

All the necessary information regarding Director(s) retiring by rotation, additional director or independent director to be appointed is a part of Statement attached to the Notice dated 30th July 2016 and/or report on Corporate Governance.

Mrs. Aparna G. Lambore has ceased to be the Company Secretary & Compliance Officer of the Company w.e.f. 30th July 2016. Mr. Kishore P. Shah has been appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 30th July 2016.

#### 17. Declaration of Independent Directors

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

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

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future, for the year under Report.

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

#### 19. Adequacy of Internal Financial Controls

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

#### 20. Fixed Deposits

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

Sr. No.	Particulars	Nos.	Amount in (₹)
a)	accepted or renewed during the year	64	2,94,35,000
b)	remained unpaid or unclaimed as at the end of the year (31st March 2016)*	24	8,95,000
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	Nil	Nil
i)	at the beginning of the year	Nil	Nil
ii)	maximum during the year	Nil	Nil
iii)	at the end of the year	Nil	Nil

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

#### 21. 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 2015-16, as required under Section 204 of the Act and Rules made there under. The Secretarial Audit Report, in the prescribed Form MR-3, for the Financial Year 2015-16 is annexed to this report.

#### 22. 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.

#### 23. Audit Committee

The Audit Committee of the Company has been re-constituted w.e.f. 30th July 2016 and now consists of Mr. Pratap Pawar, Mr. Arun Sheth, Dr. Indira Parikh, Mr. Vinay Kothari and Mr. Sudhir Mehta.

The above composition of the Audit Committee consists of Independent Directors viz., Mr. Pratap Pawar, Mr. Arun Sheth and Dr. Indira Parikh who form the majority.

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

#### 24. Policy on Directors Appointment and Criteria

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters



as provided under Section 178(3) of the Act is available on the website of the Company [www.forcemotors.com](http://www.forcemotors.com).

### 25. Formal Annual Evaluation of the Performance of Board/Committees and Directors

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

### 26. Corporate Governance

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

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

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

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

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

### 29. Details of Frauds Reported by Auditors

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

### 30. Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors 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 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- for the Financial Year ended 31st March 2016 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 and loss of the Company for the year ended 31st March 2016;

- 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;
  - the Annual Financial Statements have been prepared on a going concern basis;
  - that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively;
  - 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.
- You are requested to appoint Auditors for the current year and fix their remuneration. M/s. P. G. Bhagwat, Chartered Accountants, Pune, (Firm Registration No. 101118W), Auditors to the Company, who retire at the ensuing Annual General Meeting, is eligible for reappointment.
  - 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 2016-17. You are requested to ratify the remuneration to be paid to them.
  - The industrial relations at the Pithampur Plant continued to be cordial.  
Ultimately the litigation connected with inter-union rivalry and recognition ended with the decision of the Hon'ble Supreme Court of India on 1st December 2015. The Hon'ble Supreme Court upheld the decision of the Hon'ble High Court of Judicature at Bombay, restoring recognition to the Bharatiya Kamgar Sena for the Company's unit at Akurdi.  
Accordingly, the Company has entered into a Settlement with the Recognized Union regarding terms of employment of its eligible workmen, subject to the condition that the Award is passed by the Hon'ble Industrial Tribunal at Pune, in the matter of the Reference.
  - The Directors express their gratitude to the Dealers, Suppliers and Banks for their support, and express their warm appreciation of the sincere co-operation and dedicated work by a majority of the employees of the Company.

For and on behalf of the Board of Directors

Pune, 30th July 2016.

**ABHAYKUMAR FIRODIA**  
Chairman  
DIN : 00025179

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on 31st March 2016.

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

**I. REGISTRATION AND OTHER DETAILS :**

- i) CIN :- L34102PN1958PLC011172
- ii) Registration Date :- 8th September 1958
- iii) Name of the Company :- Force Motors Limited
- iv) Category / Sub-Category of the Company :- Public Company Limited by Shares
- v) Address of the Registered Office and contact details :- Mumbai-Pune Road, Akurdi, Pune - 411 035, Phone no. 020 27476381
- vi) Whether listed company :- Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :-  
Link Intime India Private Limited, Block no.202, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411 001. Phone no. 020 26160084

**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	56.47
2)	Engines	29	291	2910	29104	32.15

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

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1)	Jaya Hind Investments Private Limited Mumbai-Pune Road, Akurdi, Pune - 411 035.	U67200PN1981PTC023979	Holding	55.92	2(46)
2)	Tempo Finance (West) Private Limited Mumbai-Pune Road, Akurdi, Pune - 411 035.	U65910PN1991PTC062179	Subsidiary	66.43	2(87)

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

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
a)	Individual / HUF	364218	120896	485114	3.68	364218	120896	485114	3.68	0
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	7436381	0	7436381	56.44	7436381	0	7436381	56.44	0
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (1):-</b>	<b>7800599</b>	<b>120896</b>	<b>7921495</b>	<b>60.12</b>	<b>7800599</b>	<b>120896</b>	<b>7921495</b>	<b>60.12</b>	<b>0</b>
<b>(2)</b>	<b>Foreign</b>									
a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
b)	Other - Individuals	0	0	0	0	0	0	0	0	0

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>7800599</b>	<b>120896</b>	<b>7921495</b>	<b>60.12</b>	<b>7800599</b>	<b>120896</b>	<b>7921495</b>	<b>60.12</b>	<b>0</b>
<b>B.</b>	<b>Public Shareholding</b>									
(1)	<b>Institutions</b>									
a)	Mutual Funds	78143	200	78343	0.59	75840	200	76040	0.58	-0.01
b)	Banks / FI	1910	2440	4350	0.03	910	2054	2964	0.02	-0.01
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	20055	0	20055	0.15	20055	0	20055	0.15	0
g)	FIs	805988	300	806288	6.12	385511	300	385811	2.93	-3.19
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others (Foreign Portfolio Investor) *	5007	0	5007	0.04	193195	0	193195	1.47	-1.43
	<b>Sub-total (B) (1):-</b>	<b>906096</b>	<b>2940</b>	<b>909036</b>	<b>6.90</b>	<b>675511</b>	<b>2554</b>	<b>678065</b>	<b>5.15</b>	<b>-1.78</b>
(2)	<b>Non-Institutions</b>									
a)	Bodies Corp.									
i)	Indian	615534	13021	628555	4.77	592594	11987	604581	4.59	-0.18
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	2631253	482539	3113792	23.63	2900183	441894	3342077	25.36	-1.73
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	577044	21333	598377	4.54	617044	13000	630044	4.78	-0.24
c)	Others									
	Other (Foreign Portfolio Investor - Corporate)	0	0	0	0	0	0	0	0	0.00
	<b>Sub-total (B)(2):-</b>	<b>3828838</b>	<b>516893</b>	<b>4345731</b>	<b>32.98</b>	<b>4109821</b>	<b>466881</b>	<b>4576702</b>	<b>34.73</b>	<b>-1.75</b>
	<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>4734934</b>	<b>519833</b>	<b>5254767</b>	<b>39.88</b>	<b>4785332</b>	<b>469435</b>	<b>5254767</b>	<b>39.88</b>	<b>-0.03</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A+B+C)</b>	<b>12535533</b>	<b>640729</b>	<b>13176262</b>	<b>100</b>	<b>12585931</b>	<b>590331</b>	<b>13176262</b>	<b>100</b>	<b>-0.03</b>

\*(due to change in shareholding pattern format by SEBI, last year's FPI is shown under Institutions)

**(ii) Shareholding of Promoters :**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1)	Jaya Hind Investments Private Limited	7368697	55.92	0	7368697	55.92	0	0
2)	Jaya Hind Industries Limited	10909	0.08	0	10909	0.08	0	0
	<b>Total</b>	<b>7379606</b>	<b>56.00</b>	<b>0</b>	<b>7379606</b>	<b>56.00</b>	<b>0</b>	<b>0</b>



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

Sl. No.		Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>JAYA HIND INVESTMENTS PRIVATE LIMITED</b> At the beginning of the year At the end of the year (31.03.2016)	7368697	55.92	7368697	55.92
2.	<b>JAYA HIND INDUSTRIES LIMITED</b> At the beginning of the year At the end of the year (31.03.2016)	10909	0.08	10909	0.08

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

Sl. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>National Westminster Bank PLC as trustee of the Jupiter India Fund</b> <b>At the beginning of the year –</b> Sale of shares as per report dated 07.08.2015 Sale of shares as per report dated 23.10.2015 Sale of shares as per report dated 12.02.2016 <b>At the end of the year (or on the date of separation, if separated during the year)</b>	<b>477970</b> 111948 36967 1714	<b>3.63</b> 0.85 0.28 0.01	 366022 329055 327341	 2.78 2.50 2.48
				<b>327341</b>	<b>2.48</b>
2.	<b>Jupiter South Asia Investment Company Limited - South Asia Access Fund</b> <b>At the beginning of the year –</b> Sale of shares as per report dated 07.08.2015 Sale of shares as per report dated 23.10.2015 Sale of shares as per report dated 12.02.2016 <b>At the end of the year (or on the date of separation, if separated during the year)</b>	<b>223421</b> 50944 26874 6673	<b>1.70</b> 0.39 0.20 0.05	 172477 145603 138930	 1.31 1.11 1.05
				<b>138930</b>	<b>1.05</b>
3.	<b>Vanaja Sundar Iyer</b> <b>At the beginning of the year –</b> Purchase of shares as per report dated 23.10.2015 Purchase of shares as per report dated 30.10.2015 Sale of shares as per report dated 11.12.2015 Purchase of shares as per report dated 31.03.2016 <b>At the end of the year (or on the date of separation, if separated during the year)</b>	<b>163545</b> 6455 5000 15000 39842	<b>1.24</b> 0.05 0.04 0.11 0.30	 170000 175000 160000 199842	 1.29 1.33 1.21 1.52
				<b>199842</b>	<b>1.52</b>
4.	<b>Indira Abhaykumar Firodia</b> <b>At the beginning of the year –</b> <b>At the end of the year (or on the date of separation, if separated during the year)</b>	<b>64396</b>	<b>0.49</b>	 64396	 0.49
5.	<b>Jamnabai N. Firodia</b> <b>At the beginning of the year –</b> <b>At the end of the year (or on the date of separation, if separated during the year)</b>	<b>58825</b>	<b>0.45</b>	 58825	 0.45
6.	<b>Prasanna Holdings Private Limited</b> <b>At the beginning of the year –</b> <b>At the end of the year (or on the date of separation, if separated during the year)</b>	<b>48579</b>	<b>0.37</b>	 48579	 0.37

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	<b>Jamnabai Navalmal Firodia</b> <b>At the beginning of the year –</b> <b>At the end of the year (or on the date of separation, if separated during the year)</b>	<b>44468</b>	<b>0.34</b>	<b>44468</b>	<b>0.34</b>
8.	<b>Canara Robeco Mutual Fund Account Canara Robeco Emerging Equities</b> <b>At the beginning of the year –</b> Purchase of shares as per report dated 10.04.2015 Purchase of shares as per report dated 17.04.2015 Purchase of shares as per report dated 15.05.2015 Purchase of shares as per report dated 22.05.2015 Purchase of shares as per report dated 19.06.2015 Purchase of shares as per report dated 30.06.2015 Purchase of shares as per report dated 17.07.2015 Purchase of shares as per report dated 24.07.2015 Sale of shares as per report dated 31.07.2015 Sale of shares as per report dated 07.08.2015 Sale of shares as per report dated 14.08.2015 Purchase of shares as per report dated 21.08.2015 Purchase of shares as per report dated 11.09.2015 Purchase of shares as per report dated 18.09.2015 Purchase of shares as per report dated 25.09.2015 Sale of shares as per report dated 09.10.2015 Sale of shares as per report dated 16.10.2015 Sale of shares as per report dated 23.10.2015 Purchase of shares as per report dated 27.11.2015 Purchase of shares as per report dated 04.12.2015 Purchase of shares as per report dated 25.12.2015 Purchase of shares as per report dated 31.12.2015 Purchase of shares as per report dated 08.01.2016 Purchase of shares as per report dated 12.02.2016 Purchase of shares as per report dated 04.03.2016 <b>At the end of the year (or on the date of separation, if separated during the year)</b>	<b>42993</b> 5502 4052 2700 3000 2000 3000 3000 2500 16800 14450 2000 5200 1500 3000 2840 3673 5920 7344 1500 1089 5500 3000 2425 5000 3000	<b>0.33</b> 0.04 0.03 0.02 0.02 0.02 0.02 0.02 0.13 0.11 0.02 0.04 0.01 0.02 0.02 0.03 0.04 0.06 0.01 0.01 0.04 0.02 0.02 0.04 0.02	<b>52614</b> 48495 52547 55247 58247 60247 63247 66247 68747 51947 37497 35497 40697 42197 45197 48037 44364 38444 31100 32600 33689 39189 42189 44614 49614 52614	<b>0.40</b> 0.37 0.40 0.42 0.44 0.46 0.48 0.50 0.52 0.39 0.28 0.27 0.31 0.32 0.34 0.36 0.34 0.29 0.24 0.25 0.26 0.30 0.32 0.34 0.38 0.40
9.	<b>MV SCIF Mauritius</b> <b>At the beginning of the year –</b> Sale of shares as per report dated 12.06.2015 Sale of shares as per report dated 26.06.2015 Sale of shares as per report dated 30.06.2015 Sale of shares as per report dated 10.07.2015 Sale of shares as per report dated 31.07.2015 Sale of shares as per report dated 07.08.2015 Sale of shares as per report dated 14.08.2015 Sale of shares as per report dated 21.08.2015 Sale of shares as per report dated 28.08.2015 Purchase of shares as per report dated 18.09.2015 Sale of shares as per report dated 25.09.2015 Purchase of shares as per report dated 30.09.2015 Purchase of shares as per report dated 09.10.2015 Purchase of shares as per report dated 30.10.2015	<b>42674</b> 2485 940 706 1676 1062 240 2478 354 1416 353 42 1062 354 708	<b>0.32</b> 0.02 0.01 0.01 0.01 0.01 0.00 0.02 0.00 0.01 0.00 0.00 0.01 0.00 0.01	<b>33752</b> 40189 39249 38543 36867 35805 35565 33087 32733 31317 31670 31628 32690 33044 33752	<b>0.26</b> 0.31 0.30 0.29 0.28 0.27 0.27 0.25 0.25 0.24 0.24 0.24 0.25 0.25 0.26

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sale of shares as per report dated 20.11.2015	708	0.01	33044	0.25
	Sale of shares as per report dated 04.12.2015	1416	0.01	31628	0.24
	Sale of shares as per report dated 18.12.2015	3530	0.03	28098	0.21
	Sale of shares as per report dated 25.12.2015	1004	0.01	27094	0.21
	Sale of shares as per report dated 31.12.2015	341	0.00	26753	0.20
	Purchase of shares as per report dated 05.02.2016	303	0.00	27056	0.21
	Sale of shares as per report dated 25.03.2016	818	0.01	26238	0.20
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			<b>26238</b>	<b>0.20</b>
10.	<b>Kamala Bansilal Bhandari</b>				
	At the beginning of the year –	37500	0.28		
	Sale of shares as per report dated 12.06.2015	250	0.00		
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			<b>37250</b>	<b>0.28</b>

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

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Mr. Abhaykumar Firodia, Chairman</b>				
	At the beginning of the year	160755	1.22		
	At the end of the year.			160755	1.22
2.	<b>Mr. Prasan Firodia, Managing Director</b>				
	At the beginning of the year	203463	1.54		
	At the end of the year.			203463	1.54
3.	<b>Mr. Vinay Kothari</b>				
	At the beginning of the year	101	0		
	At the end of the year.			101	0

**Note :** (1) Other Directors and Key Managerial Personnel do not hold any shares in the Company.

(2) There is no change in the Shareholding of Directors during the year.

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits (in ₹)	Total Indebtedness (in ₹)
<b>Indebtedness at the beginning of the Financial Year</b>				
(i) Principal Amount	Nil	Nil	21,28,75,000	21,28,75,000
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	1,51,49,307	1,51,49,307
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>22,80,24,307</b>	<b>22,80,24,307</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	Nil	Nil	2,94,35,000	2,94,35,000
• Reduction	Nil	Nil	10,62,75,000	10,62,75,000
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>7,68,40,000</b>	<b>7,68,40,000</b>
<b>Indebtedness at the end of the Financial Year</b>				
(i) Principal Amount	Nil	Nil	13,60,35,000	13,60,35,000
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	1,15,64,885	1,15,64,885
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>14,75,99,885</b>	<b>14,75,99,885</b>



**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 (₹)
		Mr. Prasan Firodia	Mr. Prashant V. Inamdar	
		(in ₹)	(in ₹)	
<b>1. Gross Salary</b>				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,20,00,000	89,55,668	2,09,55,668
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	16,85,654	4,98,307	21,83,961
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	18,00,000	2,87,335	20,87,335
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
-	as% of profit			
-	others, specify...			
5.	Others, please specify			
	<b>Total (A)</b>	<b>1,54,85,654</b>	<b>97,41,310</b>	<b>2,52,26,964</b>
	Ceiling as per the Act			25,08,27,728

**B. Remuneration to other Directors :**

Sl. No.	Names	Particulars of Remuneration (in ₹)			Total Amount (in ₹)
		Fee for attending Board and Committee Meetings	Commission	Others	
<b>(1) Independent Directors</b>					
i.	Mr. Arun Sheth	3,50,000	-	-	3,50,000
ii.	Mr. Nitin Desai	2,50,000	-	-	2,50,000
iii.	Mr. Pratap Pawar	6,00,000	-	-	6,00,000
iv.	Mr. S. Padmanabhan	7,00,000	-	-	7,00,000
v.	Dr. Indira Parikh	1,50,000	-	-	1,50,000
	<b>Total (1)</b>	<b>20,50,000</b>	<b>-</b>	<b>-</b>	<b>20,50,000</b>
<b>(2) Other Non-Executive Directors</b>					
i.	Mr. Sudhir Mehta	2,50,000	-	-	2,50,000
ii.	Mr. Vinay Kothari	6,00,000	-	-	6,00,000
	<b>Total (2)</b>	<b>8,50,000</b>	<b>-</b>	<b>-</b>	<b>8,50,000</b>
	<b>Total (B) = (1+2)</b>	<b>29,00,000</b>	<b>-</b>	<b>-</b>	<b>29,00,000</b>
	Total Managerial Remuneration				29,00,000
	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	Mrs. Aparna Lambore, Company Secretary	Total
		(in ₹)	(in ₹)	(in ₹)
<b>1. Gross Salary</b>				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	10,773,700	1,547,720	12,321,420
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	687,160	98,714	785,874
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	433,743	60,366	494,109
<b>2. Stock Option</b>		-	-	-
<b>3. Sweat Equity</b>		-	-	-
<b>4. Commission</b>				
-	As % of profit	-	-	-
-	Others, specify...			
<b>5. Others, please specify</b>		-	-	-
	<b>Total</b>	<b>11,894,603</b>	<b>1,706,800</b>	<b>13,601,403</b>

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

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

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

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

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

Based on my verification of the **FORCE MOTORS LIMITED** books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 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 31.03.2016 according to the provisions of:

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

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. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place: Pune  
Date : 30/07/2016

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 : 30/07/2016

**I. U. THAKUR**  
Practising Company Secretary  
FCS - 2298 C.PNo. - 1402

## ANNUAL REPORT ON CSR ACTIVITIES

### 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/incurred 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, sophisticated 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 under the web link : [http://www.forcemotors.com/page/index/shareholders\\_information](http://www.forcemotors.com/page/index/shareholders_information).

### 2. The Committee consists of the following Directors as members -

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

3. Average net profit of the Company for last three financial years : ₹ 68,77,09,622.

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) : ₹ 1,37,54,192.

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year : ₹ 1,38,00,000.

(b) Amount unspent, if any : Nil.

(c) Manner in which the amount spent during the financial year is detailed below :

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) local area or other (2) Specify the State and District where project or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Project of establishing modern, sophisticated hospital	'Promoting Health Care including Preventive Health Care' Schedule VII Sr. No. (i)	Akurdi, Pune - 411 035.	₹ 1,38,00,000	₹ 1,38,00,000	₹ 2,26,00,000	Directly *

6. \*The Company had decided to continue to assist Navalmal Firodia Memorial Hospital Trust for creation of a modern sophisticated hospital involving substantial outgo. During the year under review the sum of ₹ 1,38,00,000 has been paid to the trust for the hospital.

7. The Committee reviewed the implementation of CSR Policy and the spend as explained in the earlier part and confirmed the implementation and monitoring has been as per CSR Policy adopted by the Company. It was decided to examine broadening of the activity to include other deserving causes, if possible.

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

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2015-16 was turbulent in terms of a raging debate on the pollution aspect, mainly in the National Capital Region, leading to summary actions by judicial and quasi-judicial bodies to ban diesel vehicles with engine capacity above 2-litre displacements - even when the engines met with all the regulations of emission standards mandated by the Government, and certified by the authorised agencies. These actions created a substantial jolt to the sale of diesel vehicles above 2-litre engine capacity in Delhi. A fall out and collateral effect of this was seen in the abortive attempt by the Kerala Government to follow suit.

This aspect has great ramifications for the future of the automobile industry. While undoubtedly alternate energy propulsions systems such as electric propulsion or alternate fuels such as CNG, hydrogen, etc. are likely to gain substantial traction going forward, there is actually neither justification on emission basis for dis-regarding diesel propulsion, nor are such actions justifiable. It is imperative that the Administrative Wing of the Government should formulate policies relating to emission, fuel efficiency etc. and ensure availability of appropriate quality of fuel for the automobile industry to perform on a steady and sustained basis. And if the industry and the products are in compliance with the Laws and Regulations - summary actions are not justifiable.

Your Company manufactures light commercial vehicles which are used for mass transport. Summary actions against diesel engines with displacement more than 2000 cc is wholly unjustifiable in regard to such vehicles. Even if, however tenuous, a case can be made out of banning large diesel engines for sports utility vehicles (SUV) or personal vehicles (cars). All over the world, without exception, diesel engines are the preferred and fully accepted mode of propulsion for vans, minibuses and multi-utility vehicles. It is essential, from the point of view of the development and stability of the automobile industry, that this issue of emission standards, preferred fuels, uniform availability of appropriate quality of fuel, vehicle registrability, etc. is clarified by the concerned authorities, so as to provide a clear 10-year guideline for the industry. While the Government of India is seized of this issue, various agencies such as judicial and quasi-judicial bodies involved, have not yet come to a synergic solution.

The market for minibuses in various segments, such as school buses, tour and travel, intra-city transportation, mass transportation of corporate employees, particularly in the IT sector, etc is evolving steadily. The high speed of urbanisation, geographic spread of cities, greater emphasis on busing children to schools, and enhanced expectations of motorised travel in rural areas - augers well for the growth of the

minibus category of vehicles. The Government policies in this regard are increasingly supportive of the development of infrastructure - for facilitating dignified, safe, affordable transport in both urban and rural areas. The construction- of highways, improved rural roads network, and inner-city roads - is contributing to the health of this segment.

### II. PERFORMANCE OF THE COMPANY

#### Operational Performance

The number of vehicles sold during the year under report was 33,354 compared to 29,366 vehicles sold in the year 2014-15. During the year under report, the Company achieved a topline of ₹ 3,485.19 crore. The sales turnover stood at ₹ 3,456.74 crore compared to the previous year's turnover of ₹ 2,610.31 crore.

#### Financial Performance

As stated above, the Company sold 33,354 vehicles during the Financial Year 2015-16 compared to 29,366 vehicles in the previous year 2014-15. The proportion of Light Commercial Vehicles and Utility Vehicles, in the product mix of the Company, has increased in relation to the Small Commercial Vehicles. The Profit, before Finance Costs and Taxes, from operations for the year under report was ₹ 253.60 crore compared to operating profit for the previous year 2014-15 amounting to ₹ 131.50 crore. The Net Profit of the Company after Finance Costs, Depreciation and Taxes items was ₹ 179.42 crore for the year 2015-16. The Reserves and Surplus of the Company as on 31st March 2016, stood at ₹ 1,467.26 crore. While the Company has seen significant improvement in the bottom line during the year under review, due to changes in product mix and market penetration, the growth in the top line has been subdued.

### III. OUTLOOK

This is covered in the Board's Report.

### IV. OPPORTUNITIES, THREATS AND RISK FACTORS

The fickleness of policies in relation to the acceptance of diesel fuel, sudden promulgation of enhanced emission norms, and the uncertainty or lack of clarity on the availability of appropriate fuels - is the biggest risk factor for the automobile industry. The development of new engines, compatible drivelines and suitable vehicle superstructures to accommodate the new drivelines, are to be fully compliant with the regulatory requirements of performance, safety, ergonomics, etc. This is essentially a long cycle activity. The typical time for development of the next generation of emission capability engines is 10 years. Thus the automobile industry is seen all over the world, except unfortunately in India, to be supported by long-term policy stability in this regard.

Multiplicity of excise rates, based on end use i.e. seating capacity, is also a risk factor as the affordability of vehicles for hire and reward varies significantly if the seating capacity is between 9 and 13 seats - in comparison to all other seating capacities. The cause of this anomaly in India is unknown. Yet, against global trend, and in exception to the Harmonised Tariff Code all over the world, the Indian regulatory framework continues to discriminate against the development of affordable and high quality mass transportation by mini buses by this measure. This anomaly which is a threat to the minibus & van industry, needs to be removed urgently. Repeated appeals to successive Governments, by the Society of Indian Automobile Manufacturers (SIAM), and by your Company, have not met with a favourable response.

It can only be hoped that this anomaly gets addressed as a result of the uniform rates which may be applicable under the impending Goods and Service Tax (GST). The expected promulgation of the improved, vastly simplified, and rationalised tax regime, by way of the GST is expected to offer substantial relief in terms of ease of business, and in terms of rationalisation of taxation rates and rules, which differ from state to state.

#### **V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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.

#### **VI. HUMAN RESOURCE DEVELOPMENT**

Two significant initiatives are introduced by the Company during the year under report, as under below mentioned para.

Firstly, the Company has commissioned a large, modern and well equipped facility at its Pithampur Plant for conducting employee training activities. This well equipped training facility caters to the requirement of the upgradation of skills and functional competencies, as also in building team work and constructive attitude amongst workmen, engineers, executives, etc. A variety of courses, both specialised and generalised, are enabled to be carried out at the Pithampur facility, which is the Company's largest manufacturing plant.

Secondly, a strong effort with the assistance of ACT - The ACMA Centre for Technology is initiated in Pithampur. This will be a project spanning two years, for inculcating an improvement in the manufacturing environment - in the approach, attitude and capability of people employed in the Company, to function in a collaborative, modern, clean and safe environment. The slogan, "Hospital clean inside, and Garden green outside" is being attempted to be implemented with a structured exercise across the entire plant, by creating a number of specialised verticals for this activity.

#### **VII. 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 are provided in the Financial Statements in Notes no. 38

### 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. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF 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 Mr. 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

The Board of Directors of the Company (**as of 31st March 2016**) ('the Board' for sake of brevity) consisted of **10** Directors. **07** Directors were Non-Executive Directors and **03** Directors were Executive Directors. **05** Directors were Independent Directors. The Company's Board did not consist of any Nominee Directors appointed by lender(s) or a group of equity investor(s). Mr. Abhaykumar Firodia, Chairman and Mr. Prasan Firodia, Managing Director of the Company represent Promoters of the Company.

#### 3. The details of other directorships / committee positions of the Directors (**as of 31st March 2016**) of the Company are as under:-

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

\* includes directorship in private companies and bodies corporate.

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

# Mr. Abhaykumar Firodia, has resigned from the Office of Director of Dhoot Compack Private Limited w.e.f. 28th April 2016 and from Bharat Hotels Ltd. w.e.f. 21st May 2016.

## Mr. Sudhir Mehta has been appointed as Director of CB Services India Private Limited w.e.f. 27th May 2016 and is also director of Young Presidents Organization (Pune chapter) [Section 25 Company].

4. During the Financial Year 2015-16, six meetings of the Board were held on 6th May 2015, 31st July 2015, 26th September 2015, 24th October 2015, 23rd January 2016 and 12th March 2016. The attendance of Directors during the Financial Year 2015-16 for Board Meetings and General Meeting are as under:-

Name of the Director	Number of Board Meetings attended	Whether present at the last Annual General Meeting held on 26th September 2015
Mr. Abhaykumar Firodia	6	Yes
Mr. Prasan Firodia	5	Yes
Mr. Sudhir Mehta	4	Yes
Mr. Pratap Pawar	5	Yes
Mr. S. Padmanabhan	6	Yes
Mr. Nitin Desai	4	Yes
Dr. Indira Parikh	2	Yes
Mr. Arun Sheth	4	Yes
Mr. Vinay Kothari	6	Yes
Mr. Prashant V. Inamdar	6	Yes



5. Mr. Abhaykumar Firodia and Mr. Prasan Firodia, being father and son, are related to each other. Mr. Sudhir Mehta being son-in-law is related to Mr. Abhaykumar Firodia.

None of the other Directors are related to any other Director of the Company as defined under the Companies Act, 2013, including rules thereof.

6. The Board is presented with all the relevant information in various matters affecting the working of the Company and which requires deliberation at the highest level. Besides key operational and financial information, the Board is presented with information relevant to strategy formulation, for deliberations. This includes information as per Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations' for brevity). At each meeting, the Managing Directors present an elaborate report on the operations of the Company, including an assessment of the market, operational issues, operating profitability and various risks associated with the Company's business. Also presented are assessments of the strategic and technological issues enabling a discussion on the strategy, projects and tactics employed in the management of the Company's affairs.
7. The Directors made all disclosures as per the requirement of the Companies Act, 2013 (the 'Act' for brevity) 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 Accounting Standard 18 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.
8. The Independent Directors held their separate Meeting on 23rd January 2016 as mandated by the provisions of the Act and Listing Regulations. The details of the familiarization programme for the Independent Directors of the Company can be accessed at the weblink: [http://www.forcemotors.com/page/index/shareholders\\_information](http://www.forcemotors.com/page/index/shareholders_information).
9. Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including the Chairman, as well as evaluation of the working of its committees. The criteria for Performance Evaluation of Directors, the Board and its Committees, as approved by the Board of Directors of the Company are placed on the Company's website [www.forcemotors.com](http://www.forcemotors.com). Based on this, a separate exercise was carried out to evaluate the performance of the Board, the individual Directors including the Chairman of the Board.

10. The details of remuneration paid to the Executive Directors during the Financial Year 2015-16 is as under:-

Name of the Director	Salary ₹	Value of Perquisites ₹
Mr. Prasan Firodia	1,20,00,000	34,85,654
Mr. Prashant V. Inamdar	89,55,668	7,85,642

The appointment, terms and remuneration of Mr. Prasan Firodia as the Managing Director of the Company had been approved by the Members in the Annual General Meeting held on 20th September 2014. The appointment and remuneration of Mr. Prashant V. Inamdar as the Executive Director (Operations) of the Company had been approved by the Members in the Annual General Meeting held on 26th September 2015.

11. The details of sitting fees paid to Non-Executive Directors during the Financial Year 2015-16 are as under:-

Name of the Director	Sitting fees paid for attending Board Meetings and Committee Meetings ₹
Mr. Sudhir Mehta	2,50,000
Mr. Pratap Pawar	6,00,000
Mr. S. Padmanabhan	7,00,000
Mr. Nitin Desai	2,50,000
Dr. Indira Parikh	1,50,000
Mr. Arun Sheth	3,50,000
Mr. Vinay Kothari	6,00,000

12. There are no financial transactions with the Non-Executive Directors.
13. No Stock Options are granted to any of the Directors.
14. The details of shares of the Company held by Directors are as under :-

Name of the Director	Number of shares held
Mr. Abhaykumar Firodia	1,60,755
Mr. Prasan Firodia	2,03,463
Mr. Vinay Kothari	101

15. The value of purchases and sales from/to Jaya Hind Industries Limited, which is a company deemed to be a Promoter as per the provisions of the Securities & Exchange Board of India (Substantial Acquisition of Shares) Regulations, 2011 were ₹ 85,70,01,603 and ₹ 4,30,55,823 respectively.

16. Mr. Sudhir Mehta (DIN 00056867), Director of the Company, retires by rotation and being eligible offers himself for reappointment.

Mr. Arvind Mahajan (DIN 07553144) was appointed as an Additional Independent Director by the Board of Directors of the Company in its meeting held on 30th July 2016.

The Company has received a notice from a Member of the Company proposing to move the Ordinary Resolution at the ensuing Annual General Meeting to appoint Mr. Arvind Mahajan as an Independent Director for a term of three years, from the date of the ensuing Annual General Meeting.

17. The requisite information about the Director is as under:-

**Mr. Sudhir Mehta**

Mr. Sudhir Mehta (DIN 00056867), 47, 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 Chairman of The Confederation of Indian Industry, Western Region of India.

He is a Director in the following companies :- Pinnacle Industries Limited, Rizhome Industries Private Limited (Amalgamated), Perform Engineering Solutions Private Limited, Intalia Realty Private Limited, Emesa India Elevator Components Company Private Limited, Rivulis Irrigation India Private Limited, Kider (India) Private Limited, Indaux India Private Limited, \*CB Services India Private Limited, Caveo Pinnacle India Private Limited.

\*Mr. Sudhir Mehta has been appointed as Director of CB Services India Private Limited w.e.f. 27th May 2016.

He is a relative of Mr. Abhaykumar Firodia, Chairman of the Company.

He is a Chairman of the Stakeholders' Relationship Committee of the Board. He does not hold any shares in the Company.

He is also a member of Corporate Social Responsibility Committee and Audit Committee w.e.f. 30th July 2016.

The Company has received intimation in the prescribed form as per the provisions of Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 from him.

**Mr. Arvind Mahajan**

Mr. Arvind Mahajan (DIN 07553144), 60, 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.

He has more than 35 years' experience in management consulting & industry. His specialization is in advising CEO's & Boards in area of business

strategy and helping "make strategy happen" through strategic growth & transformation initiatives. He also has strong background in corporate finance, enterprise risk management and organizational change.

He is a regular speaker in industry forums and widely quoted in both print and broadcast media. He has been member of CII and DICCI's various National Advisory Councils. He has also been visiting faculty at management schools including IIM, Ahmedabad and SP Jain Institute of Management & Research.

**18. COMMITTEES**

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board consists of Mr. S. Padmanabhan, Mr. Pratap Pawar, Non-Executive Independent Directors, and Mr. Vinay Kothari, Non-Executive Director. Mr. S. Padmanabhan is the Chairman of the Nomination and Remuneration Committee.

The Committee met on 31st July 2015 and 23rd January 2016. Mr. S. Padmanabhan, Mr. Pratap Pawar and Mr. Vinay Kothari attended all the meetings. Mr. S. Padmanabhan, Chairman of the Committee, was present in the last Annual General Meeting.

Terms of reference of Nomination and Remuneration Committee includes –

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

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

The Nomination and Remuneration Committee is reconstituted w.e.f. 30th July 2016 and consists of three Directors - Mr. S. Padmanabhan Mr. Arvind Mahajan, Non-Executive Independent Directors, and Mr. Vinay Kothari, Non-Executive Director.

Mr. S. Padmanabhan is Chairman of the Committee.

**Audit Committee**

The Audit Committee consists of four Directors - Mr. Pratap Pawar, Mr. Vinay Kothari, Mr. S. Padmanabhan and Mr. Arun Sheth.

Mr. Pratap Pawar, Mr. S. Padmanabhan and Mr. Arun Sheth are Non-Executive Independent Directors, whereas Mr. Vinay Kothari is a Non-Executive Director. Mr. Pratap Pawar, Chairman of the Audit Committee, specializes in marketing and finance.

The Audit Committee met on 6th May 2015, 31st July 2015, 24th October 2015 and 23rd January 2016. Mr. Pratap Pawar, Mr. S. Padmanabhan, Mr. Vinay Kothari attended all the four meetings. Mr. Arun Sheth attended two meetings held on 6th May 2015 and 23rd January 2016.

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, recommendation of appointment and remuneration of statutory and cost auditors, internal auditors, approval of appointment of Chief Financial Officer, review and approval of related party transaction(s), decide the principles for grant of omnibus approval for related party transaction(s), review of auditors' independence and performance, oversee the vigil mechanism, evaluation of internal financial controls and risk management systems, and other areas indicated in the Listing Regulations and as per the provisions of Section 177 of the Act.

The Audit Committee reviewed the Unaudited Financial Results (Provisional) for the first three quarters in its meetings held on 31st July 2015, 24th October 2015 and 23rd January 2016 respectively; and Audited Annual Accounts for the Financial Year 2015-16 in its meeting held on 29th April 2016. 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. This 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.

The Audit Committee is reconstituted w.e.f. 30th July 2016 and consists of five Directors - Mr. Pratap Pawar, Mr. Arun Sheth and Dr. Indira Parikh Non-Executive Independent

Directors, and Mr. Sudhir Mehta and Mr. Vinay Kothari, Non-Executive Directors. Mr. Pratap Pawar is Chairman of the Committee.

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

The "Stakeholders' Relationship Committee" of the Board consists of Mr. Sudhir Mehta, Non-Executive Director, Mr. Vinay Kothari, Non-Executive Director and Mr. Prasan Firodia, Managing Director. Mr. Sudhir Mehta is the Chairman of the Stakeholders' Relationship Committee.

Mrs. Aparna G. Lambore, Company Secretary, was the designated Compliance Officer upto 30th July 2016. Mr. Kishore P. Shah, who is appointed as Company Secretary of the Company is the designated Compliance Officer w.e.f. 30th July 2016.

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

During the year under Report, 21 shareholders' complaints were received and all these complaints were resolved to the satisfaction of the concerned Members. As of 31st March 2016, no complaint was pending.

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

The Board has also constituted a Committee, as per the provisions of Section 135 of the Act, viz. Corporate Social Responsibility Committee consisting of Mr. S. Padmanabhan, Mr. Nitin Desai, Non-Executive Independent Directors and Mr. Sudhir Mehta, Non-Executive Director. Mr. S. Padmanabhan is the Chairman of the Committee.

#### **Risk Management Committee**

The Risk Management Committee of the Board consists of Mr. Prasan Firodia, Managing Director, Mr. Sudhir Mehta, Non-Executive Director, Mr. Prashant V. Inamdar, Executive Director (Operations), Mr. R. B. Bhandari, Officer on Special Duty and Mr. Pradeep Dhadiwal, Vice President. Mr. Prasan Firodia is the Chairman of the Committee.

The Risk Management Committee is dissolved w.e.f. 30th July 2016.

#### **Strategy Committee**

The Board in its meeting held on 30th July, 2016, constituted a committee for strategy formulation so as to take maximum benefit of the opportunities available to the Company.

The Committee is named as Strategy Committee. The Committee consists of Mr. Arvind Mahajan, Dr. Indira Parikh, Non-Executive Independent Directors, Mr. Abhaykumar Firodia, Chairman of the Company, Mr. Prasan Firodia, Managing Director of the Company and Mr. Sudhir Mehta, Non-Executive Director. Mr. Arvind Mahajan is the Chairman of the Committee.

#### **SHAREHOLDERS**

19. The Unaudited Financial Results for the first, second and third quarters and Audited Results for the last quarter of 2015-16 were made available to the Stock Exchange(s), where the shares of the Company are quoted, on the same day on which they were approved and taken on record by the Board. The



quarterly and Annual Audited Financial Results are published in national and local dailies such as Financial Express and Business Standard (1st, 2nd and 3rd quarters) and Economic Times (Annual Audited Financial Results) in English and Loksatta (1st, 2nd and 3rd quarters) and Maharashtra Times (Annual Audited Financial Results) in Marathi after the information was made available to the Stock Exchange(s) in the prescribed format. The working results of the Company are available on the Company's website [www.forcemotors.com](http://www.forcemotors.com). The Quarterly Unaudited Financial Results were subject to Limited Review by the Statutory Auditors of the Company. The appropriate reports for each quarter were filed with the Stock Exchange on 31st July 2015, 24th October 2015 and 23rd January 2016 respectively.

20. No presentation was made to any institutional investors or analyst during the year 2015-16.

**21. General Meetings :**

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

Annual General Meeting held on	Time	Location	Number of Special Resolution	Subject of Special Resolution
21st September 2013	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411 035.	--	--
20th September 2014	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411 035	04	Alteration of Articles of Association-Appointment of Managing Directors
26th September 2015	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411 035.	01	Approval of the appointment of Mr. Prashant V. Inamdar, Executive Director (Operations) and payment of remuneration.

22. There was no matter, required to be dealt by the Company, by passing a resolution through postal ballot as per the provisions of Section 110 of the Act, read with the Companies (Management and Administration) Rules, 2014 during the year under report.
23. No penalties were imposed by the Stock Exchanges or Securities and Exchange Board of India on the Company in any manner related to capital markets.
24. No materially significant related party transactions that may have potential conflict with the interests of the Company at large was entered into.
- 25. Annual General Meeting**

Time : 11.30 a.m.

Date : 28th September 2016

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

**26. Financial Year :**

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

**27. 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

28. The Board had declared payment of interim dividend of ₹ 10 per share on 1,31,76,262 equity shares of ₹ 10 each fully paid up in its meeting held on 12th March 2016 and the dividend is paid to the Members of the Company.
29. Shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Annual Listing fee for the Financial Year 2015-16 has been paid to BSE Limited.
30. The Stock Code allotted by BSE Limited is 500033.
31. Market price data during the Financial Year 2015-16 is as under:-

Month	Share Price		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2015	1791.00	1383.00	29094.61	26897.54
May 2015	1740.00	1535.00	28071.16	26423.99
June 2015	1664.00	1406.00	27968.75	26307.07
July 2015	2699.00	1474.00	28578.33	27416.39
August 2015	3288.00	2212.20	28417.59	25298.42
September 2015	2433.00	1911.25	26471.82	24833.54
October 2015	3785.00	2345.00	27618.14	26168.71
November 2015	3434.00	3021.00	26824.30	25451.42
December 2015	3364.00	2732.00	26256.42	24867.73
January 2016	3250.00	2352.50	26197.27	23839.76
February 2016	2826.50	2180.00	25002.32	22494.61
March 2016	2897.00	2262.50	25479.62	23133.18





32. Distribution of shareholding as on 31st March 2016 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	44204	97.21	1946710	14.77
501 to 1000	678	1.50	509018	3.86
1001 to 2000	294	0.65	417837	3.17
2001 to 3000	102	0.22	259717	1.97
3001 to 4000	54	0.12	194097	1.47
4001 to 5000	34	0.07	156565	1.19
5001 to 10000	57	0.13	399855	3.04
10001 & above	48	0.10	9292463	70.53
<b>Total</b>	<b>45471</b>	<b>100.00</b>	<b>13176262</b>	<b>100.00</b>

33. 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.

34. **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. Request for transfer of shares in dematerialized form are duly processed by National Securities Depository Limited / Central Depository Services (India) Limited in the electronic form through the respective depository participants.

As on the date of report, no transfer and transmission request of shares held in physical form is pending. During the year under report, the Company processed 67 share transfers, 28 transmissions, 161 requests for dematerialization and 18 requests for re-materialization of shares.

35. 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 2016, the number of equity shares of the Company held, through depositories were 1,25,85,931 (95.24% of the total paid up capital of the Company).

36. **Other Disclosures :**

• *Materially significant related party transactions*

There were no materially significant related party contract(s) or arrangement(s) or transaction(s) during the year as defined under Clause 49 of the Listing Agreement and Regulation 23 of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

• *Details of non-compliances etc. during last three years*

There were no instances of non-compliance by the Company. No penalties were imposed by the Stock Exchange or Securities and Exchange Board of India in any manner related to capital markets except in the Financial Year 2014-15, the Company has paid penalty of ₹ 17,977 (including service tax) to BSE Limited for delay in submission of Corporate Governance Report of one quarter.

• *Whistle Blower Policy*

The Company has established a vigil mechanism, formulated a Whistleblower Policy, and the Audit 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. No personnel has approached the Audit Committee till date. The details of the mechanism/ policy are disclosed on the website of the Company [www.forcemotors.com](http://www.forcemotors.com).

• *Disclosure Commodity Price Risk and Commodity Hedging Activities*

There is no information to be provided under this heading.

37. **Compliance of Corporate Governance & Listing Regulations**

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

The Company has complied with the discretionary requirements 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 the BSE Limited. The results, in prescribed proforma are published in the newspapers as per the requirement.

• *Modified opinion(s) in Audit Report*

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

• *Separate post of Chairman and MD/CEO*

The post of Chairman and Managing Director are held by same person as permitted by the Articles of Association of the Company.

• *Reporting of Internal Auditor*

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

**38. Unclaimed Share Certificates and Suspense Account:**

Share certificates in respect of 2,401 shares earlier issued as right shares or bonus shares were returned undelivered. The Company intimated this fact to the concerned Members from time to time including reminders issued as per the requirement. List of these Members is hosted on the website of the Company. These unclaimed shares have been transferred to the 'Force Motors Limited-Unclaimed Securities Suspense Account' on 30th March 2016. As per the Listing Regulations, all corporate benefits in terms of securities accruing on these shares shall also be credited to this account.

The details of the above shares are as given below:

- a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : **Nil**
  - b) Number of shareholders who approached the Company for transfer of shares from suspense account during the year : **Nil**
  - c) Number of shareholders to whom shares were transferred from suspense account during the year : **Nil**
  - d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : **2401 equity shares of ₹ 10 each of 22 shareholders.**
  - e) Voting rights on these shares shall remain frozen till the rightful owner of these shares present a claim for the same.
39. The Company has not issued any GDRs, ADRs or Warrants or Convertible Instruments.
40. The Corporate Identity Number allotted to the Company is L34102PN1958PLC011172.
41. The Company's registered address is Mumbai-Pune Road, Akurdi, Pune - 411 035.
42. The Company's plants are located at :-
- (a) Mumbai - Pune Road, Akurdi, Pune - 411 035.

- (b) Plot No.3, Sector No.1, Industrial Area, Pithampur, District Dhar - 454 775, Madhya Pradesh.
- (c) Gat no. 3,4,5, Village Urse, Tal. Maval, District Pune - 410 506.
- (d) Mahindra World City, Panchayat Anjur, Taluk Chengalpattu, District Kancheepuram-603004, Tamilnadu.
- (e) Gat no. 330 (P),331,332,333,312/5/6/7 and 355 Village Nanekarwadi, Chakan, Taluka Khed, District Pune- 410 505.

The address for correspondence is :-

**Company Secretary & Compliance Officer**

Secretarial Department

**Force Motors Limited**

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

Phone: (020) 27476381

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

or

**Link Intime India Private Limited**

Block no. 202, Akshay Complex,

Near Ganesh Temple,

Off Dhole Patil Road,

Pune - 411 001.

Phone: (020) 26161629 / 26160084 / 26163503

Telefax No. : (020) 26163503

e-mail : [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

**43. COMPLIANCES**

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

### Declaration by the Managing Director under Listing Regulations

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 2016.

Pune, 30 July 2016

**Prasan Firodia**  
Managing Director  
DIN : 00029664

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **To the Members of Force Motors Limited**

We have examined the compliance of conditions of Corporate Governance by Force Motors Limited, for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with BSE Ltd. for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

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

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

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

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

Pune, 30th July 2016.

**S. S. Athavale**  
Partner  
Membership No. 83374

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of Force Motors Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Force Motors Limited ("**the Company**"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **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 Companies Act, 2013 ("**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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) in our opinion there are no financial transactions or matters which have any adverse effect on the functioning of the Company.



- (f) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**;
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, subject to Note No. 42 in Notes to Financial Statements.

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

Place : Pune  
 Date : 29th April, 2016

**Sanjay Athavale**  
 Partner  
 Membership Number 83374

## ANNEXURE - A TO THE AUDITORS' REPORT

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As explained to us, considering the nature of the Fixed Assets, the same have been physically verified by the management at reasonable intervals during the year as per the verification plan adopted by the Company, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us and the records produced to us for our verification, the discrepancies noticed during such physical verification were not material and the same have been properly dealt with in the books of account;
- (c) The title deeds of immovable properties are held in the name of the Company;
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed during such verification;
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made investments, or given any guarantee or security in respect of which the provisions of Sections 185 and 186 of the Companies Act, 2013 were required to be complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 of the Companies Act 2013, and the rules framed there under, wherever applicable. As informed to us, no order has been passed against the Company by the Company Law Board, the National Company Law Tribunal, RBI, or any court or any tribunal.
- (vi) The Company is maintaining cost records as prescribed under Section 148 (1) of the Companies Act, 2013. However, we have not verified the same for completeness or accuracy.
- (vii) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there were no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;

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

Name of the Statute	Amount (₹ Lakhs)	Forum
Customs Duty	0.80	Asst. Commissioner of Customs, Mumbai CESTAT, Mumbai
Sales Tax	472.78	Sr. Dy. Comm. of Sales Tax, Pune, Jt. Comm. of Sales Tax (Appeals-1), Pune, Jt. Comm. of Profession Tax, Pune, Dy. Comm. (Appeals-III), Commercial Taxes, Jaipur, Dy. Comm. of Commercial Tax (Coimbatore & Sitarampur), Dy. Comm., Commercial Tax, Ratlam, M.P. Commercial Tax Appellate Board, Bhopal, Additional Comm., Commercial Tax, Indore.
Excise Duty	2,677.23	Commissioner of Central Excise (Appeals, Pune), Commissionerate, Pune, CESTAT, Western regional Bench, Mumbai, CESTAT, New Delhi, Comm. (Appeals), Bhopal and Commissioner of Central Excise, Indore Commissionerate, Indore.
<b>Total</b>	<b>3,150.81</b>	

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

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

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

Place : Pune  
Date : 29th April, 2016

**Sanjay Athavale**  
Partner  
Membership Number 83374

## ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Force Motors Limited ("the Company") as of 31st March, 2016 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Pune  
Date : 29th April, 2016

**Sanjay Athavale**  
Partner  
Membership Number 83374

**Balance Sheet as at 31st March, 2016**

Particulars	Note No.	₹	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>I EQUITY AND LIABILITIES :</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	2	13,17,90,383		13,17,90,383
(b) Reserves and Surplus	3	1467,26,19,509		1303,70,12,053
			<b>1480,44,09,892</b>	<b>1316,88,02,436</b>
<b>2. Non-current Liabilities</b>				
(a) Long-term Borrowings	4	2,64,00,000		10,73,00,000
(b) Deferred Tax Liabilities (Net)	5	67,69,01,191		26,61,33,572
(c) Other Long-term Liabilities	6	3,96,00,000		3,96,00,000
(d) Long-term Provisions	7	22,44,11,170		19,21,58,120
			<b>96,73,12,361</b>	<b>60,51,91,692</b>
<b>3. Current Liabilities</b>				
(a) Trade Payables				
(i) Dues of Micro & Small Enterprises		40,41,660		40,41,660
(ii) Dues of Creditors other than Micro & Small Enterprises		416,84,10,298		392,43,00,757
		417,24,51,958		392,83,42,417
(b) Other Current Liabilities	8	270,92,96,005		161,68,65,749
(c) Short-term Provisions	9	28,51,11,623		39,76,20,801
			<b>716,68,59,586</b>	<b>594,28,28,967</b>
<b>Total</b>			<b>2293,85,81,839</b>	<b>1971,68,23,095</b>
<b>II ASSETS :</b>				
<b>1. Non-current Assets</b>				
(a) <b>Fixed Assets</b>				
(i) Tangible Assets	10	761,49,50,286		624,23,94,551
(ii) Intangible Assets	11	31,82,70,432		13,31,33,825
(iii) Capital Work-in-progress		131,59,95,438		174,54,94,847
(iv) Intangible Assets under development		73,00,08,570		65,20,62,995
			<b>997,92,24,726</b>	<b>877,30,86,218</b>
(b) Non-current Investments	12	1,23,03,364		1,23,03,364
(c) Long-term Loans and Advances	13	78,00,85,296		99,96,72,196
			<b>79,23,88,660</b>	<b>101,19,75,560</b>
<b>2. Current Assets</b>				
(a) Inventories	14	547,51,09,659		392,54,80,084
(b) Trade Receivables	15	150,39,81,096		108,68,03,598
(c) Cash and Bank Balances	16	317,63,79,424		303,03,42,907
(d) Short-term Loans and Advances	17	185,98,07,443		184,65,95,288
(e) Other Current Assets	18	15,16,90,831		4,25,39,440
			<b>1216,69,68,453</b>	<b>993,17,61,317</b>
<b>Total</b>			<b>2293,85,81,839</b>	<b>1971,68,23,095</b>

**Summary of Significant Accounting Policies 1**

The accompanying notes are an integral part of the financial statements.

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016



**Statement of Profit and Loss for the year ended 31st March, 2016**

Particulars	Note No.	₹	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>I INCOME :</b>				
(a) Revenue from Operations (Gross)	19	3485,18,79,591		2638,90,20,260
Less : Excise Duty / Service Tax		425,39,40,555		275,17,94,930
Revenue from Operations (Net)			3059,79,39,036	2363,72,25,330
(b) Other Income	20		71,43,71,432	65,77,63,716
(c) <b>Total Revenue (a) + (b)</b>			3131,23,10,468	2429,49,89,046
<b>II EXPENSES :</b>				
(a) Cost of Raw Materials and Components consumed	21	2237,63,53,312		1647,15,56,774
(b) Change in Inventories of Finished Goods and Work-in-progress	22	(65,19,09,802)		(6,12,47,029)
(c) Employee Benefits expense	23	303,69,37,084		277,73,48,335
(d) Finance Costs	24	4,32,11,426		6,55,27,987
(e) Depreciation and Amortization expense	25	91,93,45,256		81,28,43,342
(f) Other expenses	26	351,09,04,146		317,08,20,687
		2923,48,41,422		2323,68,50,096
Less : Expenditure included in the above items capitalized		41,53,74,574		19,12,92,537
<b>Total Expenses</b>			2881,94,66,848	2304,55,57,559
<b>III Profit before exceptional and extra-ordinary items and tax (I) - (II)</b>			249,28,43,620	124,94,31,487
IV Exceptional Items			--	--
<b>V Profit before extra-ordinary items and tax (III + IV)</b>			249,28,43,620	124,94,31,487
VI Extra-ordinary items			--	--
<b>VII Profit Before Tax (V - VI)</b>			249,28,43,620	124,94,31,487
<b>VIII Tax Expenses :</b>				
(a) Current Tax		28,78,82,155		--
(b) Deferred Tax		41,07,67,619		21,31,91,133
(c) Taxation Provision in respect of earlier years		--		2,26,12,917
<b>Total Tax Expenses</b>			69,86,49,774	23,58,04,250
<b>IX Profit for the year (VII - VIII)</b>			179,41,93,846	101,36,27,237
<b>X Basic and Diluted Earnings per equity share</b> [Nominal value per share ₹ 10]	27		136.17	76.93
<b>Summary of Significant Accounting Policies.</b>	1			

The accompanying notes are an integral part of the financial statements.

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016

**Cash Flow Statement for the year ended 31st March,**

	2016 ₹	2015 ₹
<b>(A) Cash flow from Operating Activities :</b>		
Net Profit / (Loss) before tax and extraordinary items	249,28,43,620	124,94,31,487
<b>Adjustments for :</b>		
Depreciation	91,93,45,256	81,28,43,342
Foreign exchange loss / (gain)	(1,34,76,182)	1,26,87,240
Interest Income on bank deposits & others	(26,94,72,856)	(20,63,57,371)
Dividend / Income from trade investments	(15,78,125)	(14,51,875)
Loss / (Profit) on sale of assets	(13,60,732)	(1,29,227)
Interest expense	4,32,11,426	6,55,27,987
Provision for bad, doubtful debts and debit balances	3,95,13,825	--
<b>Operating Profit before Working Capital Changes</b>	<b>320,90,26,232</b>	<b>193,25,51,583</b>
(Increase) / Decrease in trade receivables, loans & advances and other current assets	(52,54,58,629)	(17,69,68,178)
(Increase) / Decrease in Inventories	(154,96,29,575)	(15,29,63,831)
Increase / (Decrease) in trade payables and other payables	187,62,98,166	98,12,66,907
<b>Cash generated from operations</b>	<b>301,02,36,194</b>	<b>258,38,86,481</b>
Direct Taxes paid	(37,77,37,201)	(32,41,88,927)
<b>Net Cash flow from Operating Activities</b> (A)	<b>263,24,98,993</b>	<b>225,96,97,554</b>
<b>(B) Cash flow from Investing Activities :</b>		
Purchase of fixed assets	(237,81,22,484)	(117,31,73,536)
Proceeds from sale of assets / equipments	69,37,301	31,10,252
Interest received	26,94,72,856	20,63,57,371
Dividend / Income from trade investments	15,78,125	14,51,875
<b>Net Cash flow from Investing Activities</b> (B)	<b>(210,01,34,202)</b>	<b>(96,22,54,038)</b>
<b>(C) Cash flow from Financing Activities :</b>		
Proceeds of long-term borrowing	(8,09,00,000)	(9,65,25,000)
Proceeds of short-term borrowing	40,60,000	(21,94,70,000)
Interest paid	(4,67,95,848)	(8,33,65,894)
Dividend paid (Including Tax thereon)	(23,78,79,555)	(4,62,46,704)
<b>Net Cash flow from Financing Activities</b> (C)	<b>(36,15,15,403)</b>	<b>(44,56,07,598)</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b> (A+B+C)	<b>17,08,49,388</b>	<b>85,18,35,918</b>
Cash and Cash equivalents as at 01-04-2015	296,04,60,554	210,86,24,636
Cash and Cash equivalents as at 31-03-2016 (excluding unrealised exchange fluctuation gain)	313,13,09,942	296,04,60,554

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016

**Notes to Financial Statements for the year ended 31st March, 2016.**
**1. ACCOUNTING POLICIES**
**A. Depreciation :**
**(a) Tangible Assets :**

The Depreciation on Fixed assets is provided as per the Schedule-II to the Companies Act, 2013.

**(b) Intangible Assets :**

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

**(c) Leasehold land is amortized over the period of lease.**
**B. Investments (Long Term) :**

Investments (Long Term) are valued at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of investments.

**C. Valuation of Inventory :**

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

**D. Employees Retirement Benefit :**

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 recognised and provided for.

Benefits in respect of leave encashable at retirement / cessation are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.

**E. 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 Fixed Assets under appropriate heads and depreciation is provided as per rates applicable.

**F. Foreign Currency Transactions :**

- (a) Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.
- (b) Monetary items of Assets and Liabilities booked in foreign currency are translated into rupee at the exchange rate prevailing at the Balance Sheet date.
- (c) Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognised in the Statement of Profit and Loss.
- (d) The premium or discounts arising on Forward Contracts is amortized over the life of the Contract.
- (e) Exchange difference arising on translation of foreign currency liabilities for acquisition of fixed assets are adjusted to the Statement of Profit and Loss.

**G. Cost of borrowings incurred for acquisition, construction or production of qualifying asset is capitalised as per Accounting Standard (AS 16) the Companies (Accounting Standard) Rules, 2006.**
**H. Leases :**
**(a) Where the Company is the Lessee :**

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

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

Assets subject to operating leases are included in fixed assets, lease income is recognised in the Statement of Profit and Loss. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

**I. Incentives :**

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

**2. SHARE CAPITAL**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Authorised Share Capital :</b>		
<b>2,00,00,000</b> (2,00,00,000) Equity Shares of ₹10 each	<b>20,00,00,000</b>	20,00,00,000
<b>Issued Share Capital :</b>		
<b>1,32,13,802</b> (1,32,13,802) Equity Shares of ₹10 each	<b>13,21,38,020</b>	13,21,38,020
<b>Subscribed and paid-up Share Capital :</b>		
<b>1,31,76,262</b> (1,31,76,262) Equity Shares of ₹10 each fully paid up	<b>13,17,62,620</b>	13,17,62,620

[of the above **2,00,918** (2,00,918) Equity Shares are allotted as fully paid shares pursuant to a contract without payment being received in cash and **57,29,934** (57,29,934) Equity Shares are allotted as fully paid Bonus Shares by capitalisation of reserves]

[These allotments were made before earlier financial year and not in the period of five years preceding 31st March, 2016 or 31st March, 2015]

<b>Add : Amount paid on Forfeited Shares</b>	<b>27,763</b>	27,763
<b>Total</b>	<b>13,17,90,383</b>	13,17,90,383

**Note :** Offer on Right basis for **17,932** (17,932) Equity Shares of ₹ 10 each is kept in abeyance as per the provisions of Section 126 of the Companies Act, 2013.

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

	As at 31st March, 2016		As at 31st March, 2015	
	No.	₹	No.	₹
At the beginning of the period	<b>1,31,76,262</b>	<b>13,17,62,620</b>	1,31,76,262	13,17,62,620
Issued / Reduced during the period	--	--	--	--
<b>Outstanding at the end of the period</b>	<b>1,31,76,262</b>	<b>13,17,62,620</b>	1,31,76,262	13,17,62,620

**(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) During the year ended 31st March, 2016, the Company has distributed a dividend ₹ 5 (₹ 3) per share on **1,31,76,262** (1,31,76,262) Equity Shares of ₹ 10 each fully paid up.

The Board of Directors, in their meeting held on 12th March, 2016, has approved an Interim Dividend of ₹ 10 per share on 1,31,76,262 Equity Shares of ₹ 10 each fully paid up. The Interim Dividend paid for the year ended 31st March 2016 amounted to ₹ 13,17,62,620.

- (d) 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.

**(e) Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

- (i) The Company is a subsidiary of Jaya Hind Investments Private Limited, which holds **55.92%** (55.92%) **73,68,697** (73,68,697) shares in the Company.
- (ii) Jaya Hind Industries Limited, being associate company of Jaya Hind Investments Private Limited, holds **0.08%** (0.08%) **10,909** (10,909) shares in the Company.

**(f) Details of shareholders holding more than 5% of paid up equity share capital.**

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Equity Shares of ₹ 10 each fully paid	% of holding of equity capital	No. of Equity Shares of ₹ 10 each fully paid	% of holding of equity capital
Jaya Hind Investments Private Limited	<b>73,68,697</b>	<b>55.92</b>	73,68,697	55.92



**3. RESERVES AND SURPLUS**

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
(a) Capital Reserve	25,00,000	25,00,000
(b) Securities Premium	59,19,77,215	59,19,77,215
(c) General Reserve		
Balance as per the last Financial Statements	346,28,79,318	346,28,79,318
Add : Transferred from surplus	—	—
Closing Balance	346,28,79,318	346,28,79,318
(d) Surplus		
Balance as per last Financial Statements	897,96,55,520	807,10,44,173
Profit for the year	179,41,93,846	101,36,27,237
	1077,38,49,366	908,46,71,410
Less : Appropriations		
- WDV of Asset (Net of tax) as per Note 7 (b) of Schedule II to the Companies Act, 2013.	--	2,57,22,725
- Interim Equity Dividend paid	13,17,62,620	--
- Tax on Interim Equity Dividend	2,68,23,770	--
- Proposed Equity Dividend	—	6,58,81,310
- Tax on proposed Equity Dividend	—	1,34,11,855
Total Appropriations	15,85,86,390	10,50,15,890
Net Surplus	1061,52,62,976	897,96,55,520
Reserves and Surplus	Total 1467,26,19,509	1303,70,12,053

Securities Premium represents premium received on issue of Equity Shares.

**4. LONG-TERM BORROWINGS**

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Deposits (Unsecured)	2,64,00,000	10,73,00,000
Total	2,64,00,000	10,73,00,000

Deposits accepted by the Company are for a period ranging between 1 to 3 years from the date of acceptance of each deposits.

**5. DEFERRED TAX LIABILITIES (NET)**

(Refer Note No. 40)

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Deferred Tax Liabilities	26,61,33,572	60,25,26,389
Less : Deferred Tax Assets	(41,07,67,619)	33,63,92,817
Net Deferred Tax Liabilities	Total 67,69,01,191	26,61,33,572

**6. OTHER LONG-TERM LIABILITIES**

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Deposits received from Lessee	3,96,00,000	3,96,00,000
Total	3,96,00,000	3,96,00,000

**7. LONG-TERM PROVISIONS**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Provision for Employee Benefits (Refer Note No. 37)	20,20,46,648	18,63,34,996
(b) Provision for Product Warranties and Service Charges (Refer Note No. 39)	2,23,64,522	58,23,124
<b>Total</b>	<b>22,44,11,170</b>	<b>19,21,58,120</b>

**8. OTHER CURRENT LIABILITIES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Deposits (Unsecured)	10,87,40,000	10,06,10,000
(b) Deposits matured but not claimed (Unsecured)	8,95,000	49,65,000
(c) Interest accrued but not due on Fixed Deposits	1,15,64,885	1,51,49,307
(d) Interest accrued and due on unclaimed deposits	36,416	5,25,819
(e) Creditors for Capital goods	21,22,39,709	74,22,17,182
(f) Advances and deposits against orders	169,05,96,264	33,48,85,820
(g) Unclaimed dividend	1,07,21,079	34,01,678
(h) Statutory Dues	64,26,51,022	37,77,52,973
(i) Other payables	3,18,51,630	3,73,57,970
<b>Total</b>	<b>270,92,96,005</b>	<b>161,68,65,749</b>

Deposits accepted by the Company are for a period ranging between 1 to 3 years from the date of acceptance of each deposits.

**9. SHORT-TERM PROVISIONS**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Provisions for Employee Benefits (Refer Note No. 37)	17,54,14,485	19,54,73,539
(b) Provision for Product Warranties & Service Charges (Refer Note No. 39)	10,96,97,138	12,28,54,097
(c) <b>Provision for Taxation :</b>		
Taxation provision for the earlier years	44,34,33,925	23,11,25,992
Taxation provision for the year	53,33,03,000	21,31,91,333
	97,67,36,925	44,43,17,325
<b>Less : (i) Advance payment of tax</b>	94,43,77,884	56,75,24,083
(ii) MAT Credit Entitlement	83,36,71,505	58,82,50,660
[Contra Refer Note 17-d]	(80,13,12,464)	(71,14,57,418)
(d) Provision for proposed Equity Dividend	--	6,58,81,310
(e) Provision for Tax on Distributed Profit	--	1,34,11,855
	--	7,92,93,165
<b>Total</b>	<b>28,51,11,623</b>	<b>39,76,20,801</b>

**10. TANGIBLE ASSETS**

Fixed Assets	Land		Buildings	Plant, Machinery & Equipments	Furniture & Fixtures	Vehicles	Office Equipment	Others (Aircraft)	Total	Previous Year Total
	Freehold	Leasehold								
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Gross Block As at 31st March, 2015	7,94,12,385	\$ 17,18,71,547	*\$ 124,69,90,604	\$ 1203,19,39,524	10,24,48,530	32,35,30,316	6,15,03,967	144,80,55,156	1546,57,52,029	1482,10,12,473
Additions	--	--	90,44,96,782	78,80,44,094	1,06,52,894	3,61,55,444	1,35,08,804	46,67,73,684	221,96,31,702	66,13,29,755
Disposals	--	--	--	62,52,401	3,48,976	1,74,47,634	42,71,660	--	2,83,20,671	1,65,90,199
<b>As at 31st March, 2016</b>	<b>7,94,12,385</b>	<b>17,18,71,547</b>	<b>215,14,87,386</b>	<b>1281,37,31,217</b>	<b>11,27,52,448</b>	<b>34,22,38,126</b>	<b>7,07,41,111</b>	<b>191,48,28,840</b>	<b>1765,70,63,060</b>	<b>1546,57,52,029</b>
Depreciation As at 31st March, 2015	--	50,44,839	51,45,69,507	819,75,28,016	6,52,19,731	16,75,64,285	4,43,12,993	22,91,18,107	922,33,57,478	842,12,43,639
Transfer to Retained earnings #	--	--	--	--	--	--	--	--	--	3,89,67,922
For the Year	--	--	** 7,82,05,860	64,40,81,673	65,75,269	2,88,52,170	69,76,542	7,44,67,138	84,14,99,398	77,67,55,091
Disposals	--	--	--	62,44,875	1,04,866	1,22,05,067	41,89,294	--	2,27,44,102	1,36,09,175
<b>As at 31st March, 2016</b>	<b>--</b>	<b>73,85,585</b>	<b>59,27,75,367</b>	<b>883,53,64,814</b>	<b>7,16,90,134</b>	<b>18,42,11,388</b>	<b>4,71,00,241</b>	<b>30,35,85,245</b>	<b>1004,21,12,774</b>	<b>922,33,57,478</b>
Net Block As at 31st March, 2015	7,94,12,385	16,68,26,708	73,24,21,097	383,44,11,508	3,72,28,799	15,59,66,031	1,71,90,974	121,89,37,049	624,23,94,551	639,97,68,833
<b>Net Block As at 31st March, 2016</b>	<b>7,94,12,385</b>	<b>16,44,85,962</b>	<b>155,87,12,019</b>	<b>397,83,66,403</b>	<b>4,10,62,314</b>	<b>15,80,26,738</b>	<b>2,36,40,870</b>	<b>161,12,43,595</b>	<b>761,49,50,286</b>	<b>624,23,94,551</b>

**Notes :**

\* Includes office premises on ownership basis ₹ 5,00,000/-

\*\* Amortisation charges for one year in respect of leasehold land.

\$ Assets given on lease are included herein and are detailed in separate Note No. 36.

# WDV of Assets transferred to retained earnings as per Note 7 (b) of Schedule II to the Companies Act, 2013.

As per our separate report of even date.

**For M/s. P. G. Bhagwat**

[FRN : 101118W]

Chartered Accountants

**Sanjay Kumar Bohra**

Chief Financial Officer

**Prasan Firodia**

Managing Director

**S. S. Athavale**

Partner

Membership No. 83374

**Aparna G. Lambore**

Company Secretary

**Sudhir Mehta**

Director

Place : Pune

Date : 29th April, 2016

Place : Pune

Date : 29th April, 2016

**11. INTANGIBLE ASSETS**

Fixed Assets	Software	Technical Know-how acquired on or after 1-4-2003	Technical Know-how acquired upto 1-4-2003	Technical Know-how internally generated	Total	Previous Year Total
	₹	₹	₹	₹	₹	₹
Gross Block						
As at 31st March, 2015	19,31,84,515	28,83,05,354	8,22,00,834	9,23,39,718	65,60,30,421	51,99,75,506
Additions	6,81,65,513	10,01,00,000	--	9,47,16,952	26,29,82,465	13,60,54,915
Disposals	--	--	--	--	--	--
<b>As at 31st March, 2016</b>	<b>26,13,50,028</b>	<b>38,84,05,354</b>	<b>8,22,00,834</b>	<b>18,70,56,670</b>	<b>91,90,12,886</b>	<b>65,60,30,421</b>
Amortization						
As at 31st March, 2015	12,92,17,417	21,91,38,627	8,22,00,834	9,23,39,718	52,28,96,596	48,68,08,346
For the Year *	3,14,09,755	3,06,49,944	--	1,57,86,159	7,78,45,858	3,60,88,250
Deductions	--	--	--	--	--	--
<b>As at 31st March, 2016</b>	<b>16,06,27,172</b>	<b>24,97,88,571</b>	<b>8,22,00,834</b>	<b>10,81,25,877</b>	<b>60,07,42,454</b>	<b>52,28,96,596</b>
Net Block						
As at 31st March, 2015	6,39,67,098	6,91,66,727	--	--	13,31,33,825	3,31,67,160
<b>Net Block</b>						
<b>As at 31st March, 2016</b>	<b>10,07,22,856</b>	<b>13,86,16,783</b>	<b>--</b>	<b>7,89,30,793</b>	<b>31,82,70,432</b>	<b>13,31,33,825</b>
Useful Life	5 Years	6 Years	6 Years	6 Years		

**Note :**

\* Amortisation Charges for one year

As per our separate report of even date.

For **M/s. P. G. Bhagwat**  
[FRN : 10118W]  
Chartered Accountants

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016



**12. NON-CURRENT INVESTMENTS**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>(a) Trade Investments (Valued at cost)</b>		
<b>Unquoted</b>		
8,80,200 (8,80,200) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (West) Private Limited	88,56,854	88,56,854
25,000 (25,000) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (North) Private Limited	2,50,000	2,50,000
1 (1) Equity Share of ₹ 10, fully paid in MAN Trucks India Private Limited	10	10
50,000 (50,000) Equity Shares of ₹ 10 each, fully paid in Pithampur Auto Cluster Ltd.	5,00,000	5,00,000
<b>Quoted</b>		
3,15,625 (3,15,625) Equity Shares of ₹ 2 each, fully paid in ICICI Bank Limited	26,96,250	26,96,250
<b>(b) Other Investments (Valued at cost)</b>		
<b>Unquoted</b>		
5 (5) Equity Shares of ₹ 50 each, fully paid in Mittal Tower Premises Co-operative Society Limited.	250	250
<b>Total</b>	<b>1,23,03,364</b>	<b>1,23,03,364</b>

**Aggregate amount of quoted investments :**

	As at 31st March, 2016		As at 31st March, 2015	
	Cost	Market Value	Cost	Market Value
	₹	₹	₹	₹
Quoted	26,96,250	7,46,92,656	26,96,250	10,04,79,219
Unquoted	96,07,114	--	96,07,114	--

**13. LONG-TERM LOANS AND ADVANCES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>(a) Capital Advances (Unsecured)</b>		
Considered Good	60,67,02,681	88,96,18,003
<b>(b) Security Deposits (Unsecured)</b>		
Considered Good	17,28,98,615	10,97,43,193
<b>(c) Other Loans &amp; Advances (Unsecured)</b>		
Considered Good	4,84,000	3,11,000
Considered Doubtful	9,50,143	9,53,576
	14,34,143	12,64,576
<b>Less : Provision for doubtful advances</b>	<b>9,50,143</b>	<b>9,53,576</b>
	<b>4,84,000</b>	<b>3,11,000</b>
<b>Total</b>	<b>78,00,85,296</b>	<b>99,96,72,196</b>

**14. INVENTORIES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Raw Materials and Components [Includes in transit ₹ 63,67,05,453 (₹ 56,69,39,997)]	278,48,49,177	216,19,56,400
(b) Finished Goods (Refer Note 22)	180,53,47,175	107,47,87,393
(c) Work-in-progress (Refer Note 22)	40,82,99,981	48,69,49,961
(d) Excise Duty on Inventory of Finished Goods	27,87,39,979	15,02,85,993
(e) Stores and Spares	19,78,73,347	5,15,00,337
<b>Total</b>	<b>547,51,09,659</b>	<b>392,54,80,084</b>

Method of valuation is as stated in Note No. 1 C.

**15. TRADE RECEIVABLES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Unsecured</b>		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	12,40,35,114	6,84,51,003
- Considered Doubtful	--	--
	12,40,35,114	6,84,51,003
- <b>Less : Provision for doubtful receivables</b>	--	--
	12,40,35,114	6,84,51,003
(b) Other receivables		
- Considered Good	137,99,45,982	101,83,52,595
<b>Total</b>	<b>150,39,81,096</b>	<b>108,68,03,598</b>

**16. CASH AND BANK BALANCES**

	₹	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>(a) Cash and Cash equivalents</b>			
(i) Balance with Banks	312,77,26,460		295,97,16,335
(ii) Cheques / Drafts on hand	33,25,984		--
(iii) Cash on hand	6,05,901		7,24,894
		<b>313,16,58,345</b>	<b>296,04,41,229</b>
<b>(b) Other bank balances</b>			
(i) Unpaid dividend account	1,07,21,079		34,01,678
(ii) Margin money deposit	3,40,00,000		6,65,00,000
		<b>4,47,21,079</b>	<b>6,99,01,678</b>
<b>Total</b>		<b>317,63,79,424</b>	<b>303,03,42,907</b>

**17. SHORT-TERM LOANS AND ADVANCES**

	₹	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Unsecured</b>			
<b>(a) Security Deposits</b>			
Considered Good		47,52,380	47,05,214
<b>(b) Advances recoverable in cash or kind</b>			
Considered Good	104,30,19,027		111,82,17,229
Considered Doubtful	1,08,13,700		1,08,13,700
	105,38,32,727		112,90,30,929
<b>Less : Provision for doubtful advances</b>	1,08,13,700		1,08,13,700
		<b>104,30,19,027</b>	<b>111,82,17,229</b>
<b>(c) Other Loans &amp; Advances</b>			
Considered Good		1,07,23,572	1,22,15,427
<b>(d) Others</b>			
(i) Advance Income-tax	(3,23,59,041)		12,32,06,758
(ii) MAT Credit Entitlement (net of provision for taxation) [Contra - Refer Note 9-C]	83,36,71,505		58,82,50,660
		<b>80,13,12,464</b>	<b>71,14,57,418</b>
<b>Total</b>		<b>185,98,07,443</b>	<b>184,65,95,288</b>

**18. OTHER CURRENT ASSETS**

		As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Unsecured, Considered Good</b>			
Interest accrued on deposits with Banks		15,16,90,831	4,25,39,440
<b>Total</b>		<b>15,16,90,831</b>	<b>4,25,39,440</b>

**19. REVENUE FROM OPERATIONS**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Revenue from operations		
Sale of products	3456,74,10,971	2610,30,61,842
(b) Other operating revenue		
(i) Service Charges	4,39,76,268	1,34,95,958
(ii) Others	24,04,92,352	27,24,62,460
<b>Revenue from operations (Gross)</b>	<b>3485,18,79,591</b>	<b>2638,90,20,260</b>
<b>Less : Excise Duty / Service Tax</b>	<b>425,39,40,555</b>	<b>275,17,94,930</b>
<b>Revenue from operations (Net)</b>	<b>Total 3059,79,39,036</b>	<b>2363,72,25,330</b>

**DETAILS OF PRODUCTS SOLD**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
- Automobiles	2195,56,63,423	1797,34,81,327
- Auto Components	1259,49,24,137	792,45,32,256
- Moulds, Dies, Press Tools, Jigs & Fixtures	1,68,23,411	20,50,48,259
<b>Total</b>	<b>3456,74,10,971</b>	<b>2610,30,61,842</b>

**20. OTHER INCOME**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Interest Income	29,43,13,821	24,63,09,426
(b) Dividend Income	15,78,125	14,51,875
(c) Net gain on foreign currency translation and transaction (other than considered as finance cost)	--	13,05,29,092
(d) Industrial Promotion Incentive	26,05,82,857	20,73,01,099
(e) Lease Rent received	4,55,41,201	4,55,41,201
(f) Profit on sale of assets	40,13,458	13,76,235
(g) Others	10,83,41,970	2,52,54,788
<b>Total</b>	<b>71,43,71,432</b>	<b>65,77,63,716</b>

**21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Steel and other metals	107,85,95,129	116,76,29,649
(b) Castings and Forgings	67,44,84,190	64,36,03,184
(c) Components	2062,32,73,993	1466,03,23,941
<b>Total</b>	<b>2237,63,53,312</b>	<b>1647,15,56,774</b>



**22. (INCREASE) / DECREASE IN INVENTORIES**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹	(Increase) / Decrease ₹
<b>(a) Inventories at the end of the year</b>			
(i) Finished Goods	180,53,47,175	107,47,87,393	(73,05,59,782)
(ii) Work-in-progress	40,82,99,981	48,69,49,961	7,86,49,980
<b>Total</b>	<b>221,36,47,156</b>	<b>156,17,37,354</b>	<b>(65,19,09,802)</b>
<b>(b) Inventories at the beginning of the year</b>			
(i) Finished Goods	107,47,87,393	94,48,51,577	(12,99,35,816)
(ii) Work-in-progress	48,69,49,961	55,56,38,748	6,86,88,787
<b>Total</b>	<b>156,17,37,354</b>	<b>150,04,90,325</b>	<b>(6,12,47,029)</b>

**DETAILS OF INVENTORY**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>Finished Goods</b>		
(i) On-road automobiles	123,06,53,225	68,59,24,228
(ii) Tractors	22,66,10,869	17,48,29,617
(iii) Engines	2,40,176	67,230
(iv) Others	34,78,42,905	21,39,66,318
<b>Total</b>	<b>180,53,47,175</b>	<b>107,47,87,393</b>
<b>Work-in-progress</b>		
(i) On-road automobiles	3,04,07,369	1,40,37,442
(ii) Engines	6,56,57,013	8,73,30,728
(iii) Others	31,22,35,599	38,55,81,791
<b>Total</b>	<b>40,82,99,981</b>	<b>48,69,49,961</b>

**23. EMPLOYEE BENEFIT EXPENSE**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Salaries, Wages, Bonus, etc.	273,12,51,208	246,99,17,283
(b) Contribution to provident, other funds and schemes	19,39,34,057	20,66,81,421
(c) Staff welfare expenses	11,17,51,819	10,07,49,631
<b>Total</b>	<b>303,69,37,084</b>	<b>277,73,48,335</b>

**24. FINANCE COSTS**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Interest	3,92,86,395	5,99,66,083
(b) Other borrowing cost	39,25,031	55,61,904
<b>Total</b>	<b>4,32,11,426</b>	<b>6,55,27,987</b>

**25. DEPRECIATION AND AMORTIZATION EXPENSE**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Depreciation of tangible assets	84,14,99,398	77,67,55,091
(b) Amortization of intangible assets	7,78,45,858	3,60,88,251
<b>Total</b>	<b>91,93,45,256</b>	<b>81,28,43,342</b>

**26. OTHER EXPENSES**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Consumption of stores and spares	74,49,09,648	74,02,09,751
(b) Fabrication and Processing Charges	9,65,40,420	7,30,92,611
(c) Power and Fuel	45,71,16,693	38,97,83,407
(d) Forwarding Charges	27,55,27,189	26,47,64,282
(e) Rent	2,73,57,532	1,67,42,588
(f) Rates and Taxes	12,79,56,433	10,57,45,244
(g) Insurance	6,18,67,257	5,35,89,149
(h) Repairs and Maintenance :		
(i) Plant and Machinery	15,17,94,874	12,02,16,174
(ii) Buildings	5,33,30,903	6,55,23,560
(iii) Others	1,94,93,619	2,48,57,080
(i) Publicity and sales promotion	63,83,96,446	53,03,22,508
(j) Payments to Auditors (Refer details below)	28,02,091	20,88,229
(k) Prior year expenses	55,23,285	53,65,281
(l) Loss on Exchange Fluctuation (Net)	1,88,62,986	--
(m) Donation	22,78,119	10,00,000
(n) Expenditure on Corporate Social Responsibility	1,38,00,000	88,00,000
(o) Bad Debts	3,95,13,825	--
(p) Miscellaneous Expenses	77,38,32,826	76,87,20,823
<b>Total</b>	<b>351,09,04,146</b>	<b>317,08,20,687</b>

**Payments to Auditors**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Audit Fees	20,00,000	16,00,000
(b) Tax Audit Fees	1,00,000	1,00,000
(c) Certification work	6,18,371	3,38,896
(d) Provident Fund Audit fees	25,000	--
(e) Reimbursement of expenses	58,720	49,333
<b>Total</b>	<b>28,02,091</b>	<b>20,88,229</b>

**27. EARNINGS PER SHARE (EPS)**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>Values used in calculating Earnings Per Share</b> (Basic & Diluted)		
(a) Numerator		
Profit / (Loss) after tax	179,41,93,846	101,36,27,237
(b) Denominator		
Number of Equity Shares	1,31,76,262	1,31,76,262
Weighted average number of Equity Shares	1,31,76,262	1,31,76,262

**28. CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>(a) Contingent Liabilities</b>		
(i) Taxes & Duties	59,08,92,132	46,73,90,719
(ii) Others (Court cases pending)	37,17,81,758	32,94,43,302
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	122,81,58,636	76,42,58,903
<b>(c)</b> As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Company has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Company. The Company has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Company and the developments in respect thereof. Moreover, considering the period lapsed, since the conclusion of the said legal proceedings, the Company does not expect any impact of this litigation on its financial position.		

**29.** As of 31st March, 2016, the Company has not received any intimation, except in few cases, as to the status as Micro, Small or Medium Enterprises from suppliers of the Company along with a copy of the Memorandum, filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006 (**the Act**). The proceedings initiated by one of the suppliers, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹ 1,56,61,877 with interest. The Company has not accepted the said liability. The Company has a major counter-claim against the said supplier amounting to about ₹ 9,06,40,899, 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.

**30. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMPTION**

	₹		Percentage
	For the year Ended 31st March, 2016	For the year ended 31st March, 2015	For the year ended 31st March, 2016
(a) Imported	958,54,10,800	498,26,41,578	42.84
(b) Indigenous	1279,09,42,512	1148,89,15,196	57.16
<b>Total</b>	<b>2237,63,53,312</b>	<b>1647,15,56,774</b>	<b>100.00</b>

**31. C.I.F. VALUE OF IMPORTS, EXPENDITURE & EARNINGS  
IN FOREIGN EXCHANGE**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>(a) C. I. F. Value of Imports</b>		
(i) Raw Materials	--	5,81,35,573
(ii) Components	<b>943,04,56,067</b>	513,66,78,078
(iii) Capital Goods	<b>56,03,08,307</b>	5,24,38,194
(iv) Machinery Spares, Tools & Others	<b>2,29,63,082</b>	3,96,44,795
<b>(b) Expenditure in Foreign Currency :</b>		
(i) Travelling and Other expenses	<b>2,00,11,160</b>	2,20,77,844
(ii) Royalty and Technical know-how fees (net of tax)	<b>93,681</b>	57,58,052
(iii) Technical services and consultation fees (net of tax)	<b>3,52,96,508</b>	1,26,39,593
<b>(c) Earnings in Foreign Currency :</b>		
Exports on FOB basis	<b>49,94,15,765</b>	55,60,70,069

**32. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY**

Sr. No.	Particulars	No. of Non-resident Shareholders	Accounting year to which dividend relates	No. of Shares held	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a)	Interim Dividend (6 NRI and Nil Foreign Nationals)	6	2015-16	14,050	<b>1,40,500</b>	--
(b)	Dividend (6 NRI & Nil Foreign Nationals)	6	2014-15	14,050	<b>70,250</b>	--
(c)	Dividend (7 NRI & 5 Foreign Nationals)	12	2013-14	1,14,379	--	3,43,137

33. The amount of net exchange differences included in the Profit / Loss for the year on Revenue account is ₹ 3,06,75,051 Debit (₹ 13,02,67,935 Credit) and on Capital account is ₹ 1,18,12,065 Credit (₹ 2,61,157 Credit).

**34. THE COMPANY'S EXPENDITURE ON ITS RESEARCH & DEVELOPMENT  
ACTIVITY DURING THE YEAR UNDER REPORT WAS AS FOLLOWS**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Capital Expenditure	<b>26,93,91,475</b>	13,01,04,220
(b) Revenue Expenditure	<b>49,60,56,217</b>	52,32,49,935

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

**35. THE COMPANY'S LIABILITIES AND OBLIGATIONS IN FOREIGN CURRENCY OUTSTANDING AS AT  
31ST MARCH, 2016, NET OF RECEIVABLES ARE AS UNDER**

	Hedged by forward cover contracts with bankers		Not hedged by forward cover contracts or other derivative instruments	
	Foreign Currency	Amount ₹	Foreign Currency	Amount ₹
(a) In US Dollar	-- (--)	-- (--)	-- (--)	-- (--)
(b) In Euro	-- (--)	-- (--)	<b>46,21,691</b> (4,37,076)	<b>35,02,31,706</b> (2,99,04,727)
(c) In Japanese Yen	-- (--)	-- (--)	<b>9,05,09,350</b> (15,47,18,900)	<b>5,39,79,776</b> (8,14,28,557)
(d) In G. B. Pounds	-- (--)	-- (--)	-- (12,000)	-- (11,21,880)



### 36. LEASES

#### Operating Leases :

##### Assets given on Lease :

##### (a) Industrial Shed :

The Company has entered into a Lease Agreement for Industrial Shed at Chakan, Pune for a period of 10 years.

The said agreement provides for progressive increase in rentals during the tenure of the agreement.

The Lessee is entitled to terminate the Lease Agreement after the expiry of 60th month from the date of agreement. 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 recognised in Statement of Profit and Loss.

Category	Gross carrying amount of the portion of assets leased, disclosed in Note No. 10	Accumulated Depreciation	Depreciation recognised in Statement of Profit and Loss
	₹	₹	₹
(i) Freehold Land	<b>23,02,671</b> (23,02,671)	-- (--)	-- (--)
(ii) Building	<b>7,71,03,623</b> (7,71,03,623)	<b>1,41,53,660</b> (1,16,85,228)	<b>24,68,432</b> (24,68,432)
(iii) Plant & Machinery	<b>1,83,04,544</b> (1,83,04,544)	<b>81,13,415</b> (66,13,712)	<b>14,99,704</b> (14,99,704)

The future minimum lease rentals :

- Less than one year	₹	<b>4,98,09,375</b> (4,55,40,000)
- Later than one year but not later than five years	₹	<b>18,46,07,781</b> (21,18,32,160)
- Later than five years	₹	-- (2,25,84,996)

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 ₹ 2,00,00,000.

##### (b) Freehold land :

Out of the freehold land at Akurdi;

(i) 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 recognised in the Statement of Profit and Loss.

(ii) 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 recognised in the Statement of Profit and Loss.

**37. DISCLOSURE AS PER ACCOUNTING STANDARD 15 (REVISED) IS AS UNDER**

	Gratuity ₹		Leave Entitlement ₹	
	As at 31st March		As at 31st March	
	2016	2015	2016	2015
<b>(A) Amount to be recognised in Balance Sheet</b>				
(i) Present Value of Obligation	<b>43,35,88,946</b>	42,31,40,687	<b>24,83,67,961</b>	23,06,11,622
(a) Current Liability	<b>12,72,15,785</b>	14,95,78,756	<b>4,63,21,313</b>	4,42,76,626
(b) Non-current Liability	<b>30,63,73,161</b>	27,35,61,931	<b>20,20,46,648</b>	18,63,34,996
(ii) Funded Status	<b>30,63,73,161</b>	27,35,61,931	—	—
(iii) Net Asset / (Liability) recognised in Balance Sheet	<b>(12,72,15,785)</b>	(14,95,78,756)	<b>(24,83,67,961)</b>	(23,06,11,622)
<b>(B) Expense recognised in the Statement of Profit and Loss at the end</b>				
(i) Current Service Cost	<b>3,25,84,628</b>	3,02,26,928	<b>3,04,82,063</b>	2,82,76,496
(ii) Interest Cost	<b>3,14,49,095</b>	3,39,66,078	<b>1,72,59,705</b>	1,71,18,496
(iii) Expected Return on Plan Assets	<b>(2,37,86,026)</b>	(2,24,62,058)	—	—
(iv) Net actuarial (gain) / loss recognised in the year	<b>(1,37,76,020)</b>	1,53,51,016	<b>(1,13,18,727)</b>	60,19,396
(v) Expenses recognised in the Statement of Profit and Loss	<b>2,64,71,677</b>	5,70,81,964	<b>3,64,23,041</b>	5,14,14,388
<b>(C) Present value of obligation as at the end</b>				
(i) Present value of obligation as at the beginning	<b>42,31,40,687</b>	40,48,17,171	<b>23,06,11,622</b>	19,70,33,452
(ii) Acquisition Adjustment	<b>2,45,133</b>	—	—	—
(iii) Interest Cost	<b>3,14,49,095</b>	3,39,66,078	<b>1,72,59,705</b>	1,71,18,496
(iv) Current Service Cost	<b>3,25,84,628</b>	3,02,26,928	<b>3,04,82,063</b>	2,82,76,496
(v) Settlement Cost	<b>(36,07,009)</b>	—	—	—
(vi) Benefits paid	<b>(3,65,32,447)</b>	(6,31,27,137)	<b>(1,86,66,702)</b>	(1,78,36,218)
(vii) Actuarial (gain) / loss on obligation	<b>(1,36,91,141)</b>	1,72,57,647	<b>(1,13,18,727)</b>	60,19,396
(viii) Present value of obligation as at the end	<b>43,35,88,946</b>	42,31,40,687	<b>24,83,67,961</b>	23,06,11,622
<b>(D) Actuarial Assumptions :</b>				
(i) Discount Rate	<b>7.80%</b>	7.80%	<b>7.80%</b>	7.80%
(ii) Salary Escalation Rate	<b>10.00%</b>	10.00%	<b>10.00%</b>	10.00%
(iii) Rate of Return on Plan Assets	<b>8.75%</b>	8.75%	—	—
(iv) Mortality Rate	As per standard table of LIC (1994-95)			

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

The Liability for Earned Leave, for Temporary Employees (short term) has been provided on actual basis, amounting to ₹ 18,77,387 (₹ 16,18,157).

**38. RELATED PARTY DISCLOSURES (As identified by the Management)****(A) Name of the related parties and nature of related party relationship where control exists are as under :**

- (a) Subsidiary Company : Tempo Finance (West) Private Limited
- (b) Key Management : Mr. Abhaykumar Firodia, Chairman.  
Personnel : Mr. Prasan Firodia, Managing Director
- (c) Relatives of Key Management Personnel
- (i) Mr. Abhaykumar Firodia : Mr. Prasan Firodia : Son
- (ii) Mr. Prasan Firodia : Mr. Abhaykumar Firodia : Father
- (d) Other related parties : Jaya Hind Industries Ltd.  
: Jaya Hind Investments Pvt. Ltd.  
: Jaya Hind Montupet Pvt. Ltd.

**(B) Disclosure of Transactions with these parties are mentioned below :**

Type of Related Party	Nature of Transaction	Volume of Transactions during 2015-16	Amount outstanding as on 31st March, 2016	
			Receivables	Payables
		₹	₹	₹
(a) Key Management Personnel	: Managerial Remuneration / Sitting Fees	<b>1,54,33,655</b> (78,89,007)	-- (--)	<b>1,20,000</b> (1,20,000)
(b) Other Related Parties				
(i) Jaya Hind Industries Ltd.	: Purchase of Capital Goods	<b>9,15,79,500</b> (7,00,088)		
	: Sale of Capital Goods	-- (2,40,939)		
	: Purchase of Raw Materials, Components & Others	<b>76,54,22,103</b> (74,33,85,665)		
	: Sundry Sales	<b>3,17,43,978</b> (3,67,63,364)		
	: Service Charges recovered	<b>49,56,190</b> (33,32,504)		
	: Processing Charges recovered	<b>63,55,655</b> (26,92,637)	<b>40,29,98,404</b> (51,13,71,631)	<b>12,44,93,943</b> (10,44,56,364)
	: Material given on Loan	-- (1,32,411)		
	: Machinery given on Loan	<b>3,40,820</b> (4,12,231)		
	: Expenses recovered	-- (3,39,68,117)		
	: Expenses reimbursed	-- (23,58,660)		
(ii) Jaya Hind Montupet Pvt. Ltd.	: Sale of Capital Goods	-- (7,21,359)		
	: Purchase of Raw Materials, Components & Others	<b>3,59,35,140</b> (--)	<b>21,38,990</b> (5,92,308)	<b>50,42,261</b> (--)
	: Service Charges recovered	<b>1,60,97,878</b> (5,31,176)		

**39. PROVISIONS MADE FOR PRESENT OBLIGATIONS, BASED ON RELIABLE ESTIMATES, EXPECTED TO RESULT INTO OUTFLOW OF RESOURCES, ARE AS UNDER**

Class of Provisions and brief description.	Carrying Amount of provisions as at 1st April, 2015	Additional provisions made during the year	Paid during the year against provisions	Amount reversed and written back	Carrying Amount of provisions as at 31st March, 2016
	₹	₹	₹	₹	₹
Warranty	<b>7,84,69,162</b> (2,92,16,598)	<b>6,62,68,687</b> (7,84,69,162)	<b>3,23,04,000</b> (2,92,16,598)	<b>3,61,65,162</b> (--)	<b>7,62,68,687</b> (7,84,69,162)
Free Service Coupons	<b>5,02,08,056</b> (4,65,86,302)	<b>5,37,92,973</b> (5,02,08,056)	<b>3,38,32,000</b> (4,65,86,302)	<b>1,43,76,056</b> (--)	<b>5,57,92,973</b> (5,02,08,056)

**40. DETAILS OF DEFERRED TAX ASSETS / (LIABILITIES)**

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
<b>A) Nature of Timing difference</b>		
(i) Difference between accounting and tax depreciation (cumulative)	<b>(81,75,15,049)</b>	(69,39,45,916)
(ii) Other Timing differences	<b>14,06,13,858</b>	42,78,12,344
<b>Total</b>	<b>(67,69,01,191)</b>	<b>(26,61,33,572)</b>
<b>B) Current Tax</b>		
Current Tax (MAT)	<b>53,33,03,000</b>	26,34,31,620
<b>Less : MAT Credit entitlement</b>	<b>24,54,20,845</b>	26,34,41,620
<b>Net Current Tax</b>	<b>28,78,82,155</b>	—

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

The Fund Based Limits (sanctioned as a sub-limit to the Non-fund Based Limits), if utilised, are payable on demand to the Banks. During the year 2015-16, the Company has not utilised any fund based limits.

**42.** All amounts which became due, for transfer to the Credit of Investor Education and Protection Fund, as of 31st March, 2016, have been transferred to that fund, except a sum of ₹ 60,000 being amount of 5 (five) fixed deposits and interest thereon amounting to ₹ 25,051. In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

**43.** As per the Accounting Standard AS 26 - Intangible Assets, the Company has recognised Intangible Assets arising out of in-house Research and Development activities of the Company amounting to ₹ **22,14,63,548** (₹ 6,07,27,190).

As the development activity is continued, the said asset is considered as Capital Work-in-progress, and will be amortized over the period of its life, after completion of the development phase.

**44.** During the year under report the eligibility and method of availing, various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, being clarified, the Company recognised a sum of ₹ **26,05,82,857** (₹ 20,73,01,099) in the Statement of Profit & Loss as "Industrial Investment Promotion Assistance". These incentives are now 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.

**45.** The Company has spent ₹ 1,38,00,000 towards Corporate Social Responsibility (CSR) activities, which is shown in "Other Expenses" [Note No. 26 (n)] to the Notes to Account.

(a) Gross amount required to be spent by the Company during the year ₹ **1,38,00,000** (₹ 88,00,000)

(b) Amount spent during the year on :

Sr. No.	Description	in Cash (₹)	Yet to be paid in cash (₹)	Total (₹)
(i)	Project of establishing modern, sophisticated hospital	<b>1,38,00,000</b> (88,00,000)	-- (--)	<b>1,38,00,000</b> (88,00,000)
(ii)	On purposes other than (i) above	-- (--)	-- (--)	-- (--)

**46.** The Company is operating in a Single Segment.

**47.** Previous year/period's figures are re-arranged wherever necessary and shown in brackets.

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016



**Form AOC - 1**

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

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

**Part "A" : SUBSIDIARIES**

1.	Sr. No.	1
2.	Name of the Subsidiary	Tempo Finance (West) Private Limited
3.	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period.	Same as per the Holding Company's reporting period
4.	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N. A.
5.	Share Capital	₹ 1,32,51,000
6.	Reserves & Surplus	₹ 3,01,13,521
7.	Total Assets	₹ 4,33,78,261
8.	Total Liabilities	₹ 4,33,78,261
9.	Investments	—
10.	Turnover (Total Revenue)	₹ 34,39,798
11.	Profit before taxation	₹ 33,69,242
12.	Provision for taxation	₹ 10,48,761
13.	Profit after taxation	₹ 23,20,481
14.	Proposed Dividend	—
15.	% of Shareholding	66.43%

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

**Part “B” : Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to  
Associate Companies and Joint Ventures**

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

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

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016

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

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Force Motors Limited (herein referred to as **"the Holding Company"**) and its subsidiary (the Holding Company and its subsidiary together referred to as **"the Group"**), comprising of the consolidated Balance Sheet as at 31st March, 2016, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as **"the consolidated financial statements"**).

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the **"the Act"**) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are responsible and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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.
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group Companies are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) in our opinion there are no financial transactions or matters which have any adverse effect on the functioning of the Group.
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure;
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 28 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, subject to Note No. 42 in Notes to Financial Statements of the Holding Company.

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

Place : Pune  
Date : 29th April, 2016

**Sanjay Athavale**  
Partner  
Membership Number 83374

## **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, We have audited the internal financial controls over financial reporting of Force Motors Limited (hereinafter referred to as "**the Holding Company**") and its subsidiary company, which is company incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct

of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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



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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

#### **Opinion**

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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.

#### **Other Matters**

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, is based on the corresponding reports of the auditor of such company.

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

Place : Pune  
Date : 29th April, 2016

**Sanjay Athavale**  
Partner  
Membership Number 83374

**Consolidated Balance Sheet as at 31st March, 2016**

Particulars	Note No.	₹	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>I EQUITY AND LIABILITIES :</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	2	13,17,90,383		13,17,90,383
(b) Reserves and Surplus	3	1469,26,22,468		1305,54,73,628
			<b>1482,44,12,851</b>	1318,72,64,011
<b>2. Minority Interest</b>			<b>1,45,59,562</b>	1,37,80,465
<b>3. Non-current Liabilities</b>				
(a) Long-term Borrowings	4	2,64,00,000		10,73,00,000
(b) Deferred Tax Liabilities (Net)	5	67,69,01,191		26,61,33,572
(c) Other Long-term Liabilities	6	3,96,00,000		3,96,00,000
(d) Long-term Provisions	7	22,44,11,170		19,21,58,120
			<b>96,73,12,361</b>	60,51,91,692
<b>4. Current Liabilities</b>				
(a) Trade Payables				
(i) Dues of Micro & Small Enterprises		40,41,660		40,41,660
(ii) Dues of Creditors other than Micro & Small Enterprises		416,84,10,298		392,43,00,757
		<b>417,24,51,958</b>		392,83,42,417
(b) Other Current Liabilities	8	270,93,09,745		161,68,79,379
(c) Short-term Provisions	9	28,51,11,623		39,76,20,801
			<b>716,68,73,326</b>	594,28,42,597
<b>Total</b>			<b>2297,31,58,100</b>	1974,90,78,765
<b>II ASSETS :</b>				
<b>1. Non-current Assets</b>				
(a) <b>Fixed Assets</b>				
(i) Tangible Assets	10	761,49,50,286		624,23,94,551
(ii) Intangible Assets	11	31,83,25,286		13,31,88,679
(iii) Capital Work-in-progress		131,59,95,438		174,54,94,847
(iv) Intangible Assets under development		73,00,08,570		65,20,62,995
			<b>997,92,79,580</b>	877,31,41,072
(b) Non-current Investments	12	34,46,510		34,46,510
(c) Long-term Loans and Advances	13	81,25,85,296		100,21,72,196
			<b>81,60,31,806</b>	100,56,18,706
<b>2. Current Assets</b>				
(a) Inventories	14	547,51,09,659		392,54,80,084
(b) Trade Receivables	15	150,39,81,096		108,68,03,598
(c) Cash and Bank Balances	16	318,61,82,386		306,78,81,340
(d) Short-term Loans and Advances	17	186,04,11,952		184,70,48,225
(e) Other Current Assets	18	15,21,61,621		4,31,05,740
			<b>1217,78,46,714</b>	997,03,18,987
<b>Total</b>			<b>2297,31,58,100</b>	1974,90,78,765

**Summary of Significant Accounting Policies** 1

The accompanying notes are an integral part of the financial statements.

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2016**

Particulars	Note No.	₹	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>I INCOME :</b>				
(a) Revenue from Operations (Gross)	19	3485,53,19,389		2639,27,21,873
Less : Excise Duty / Service Tax		425,39,40,555		275,17,94,930
Revenue from Operations (Net)			3060,13,78,834	2364,09,26,943
(b) Other Income	20		71,43,71,432	65,78,72,797
<b>(c) Total Revenue (a) + (b)</b>			<b>3131,57,50,266</b>	2429,87,99,740
<b>II EXPENSES :</b>				
(a) Cost of Raw Materials and Components consumed	21	2237,63,53,312		1647,15,56,774
(b) Change in Inventories of Finished Goods and Work-in-progress	22	(65,19,09,802)		(6,12,47,029)
(c) Employee Benefits expense	23	303,69,37,084		277,73,48,335
(d) Finance Costs	24	4,32,11,426		6,55,28,133
(e) Depreciation and Amortization expense	25	91,93,45,256		81,28,43,342
(f) Other expenses	26	351,09,74,702		317,08,61,810
		2923,49,11,978		2323,68,91,365
Less : Expenditure included in the above items capitalized		41,53,74,574		19,12,92,537
<b>Total Expenses</b>			<b>2881,95,37,404</b>	2304,55,98,828
<b>III Profit before exceptional and extra-ordinary items and tax (I) - (II)</b>			<b>249,62,12,862</b>	125,32,00,912
IV Exceptional Items			--	--
<b>V Profit before extra-ordinary items and tax (III + IV)</b>			<b>249,62,12,862</b>	125,32,00,912
VI Extra-ordinary items			--	--
<b>VII Profit Before Tax (V - VI)</b>			<b>249,62,12,862</b>	125,32,00,912
<b>VIII Tax Expenses :</b>				
(a) Current Tax		28,89,31,155		11,65,000
(b) Deferred Tax		41,07,67,619		21,31,91,333
(c) Taxation Provision in respect of earlier years		(239)		2,26,12,397
<b>Total Tax Expenses</b>			<b>69,96,98,535</b>	23,69,68,730
<b>IX Less : Profit for the year attributable to Minority Interest</b>			<b>7,79,097</b>	8,74,606
<b>X Profit for the year</b>			<b>179,57,35,230</b>	101,53,57,576
<b>XI Basic and Diluted Earnings per equity share</b>	27		<b>136.29</b>	77.06
[Nominal value per share ₹ 10]				
<b>Summary of Significant Accounting Policies.</b>		1		

The accompanying notes are an integral part of the financial statements.

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016

<b>Consolidated Cash Flow Statement for the year ended 31st March,</b>		<b>2016</b>	<b>2015</b>
		<b>₹</b>	<b>₹</b>
<b>(A) Cash flow from Operating Activities :</b>			
Net Profit / (Loss) before tax and extraordinary items		249,62,12,862	125,32,00,912
<b>Adjustments for :</b>			
Depreciation		91,93,45,256	81,28,43,342
Foreign exchange loss / (gain)		(1,34,76,182)	1,26,87,240
Interest Income on bank deposits & others		(26,94,72,856)	(20,63,57,371)
Dividend / Income from trade investments		(15,78,125)	(14,51,875)
Loss / (Profit) on sale of assets		(13,60,732)	(1,29,227)
Interest expense		4,32,11,426	6,55,27,987
Provision for bad, doubtful debts and debit balances		3,95,13,825	--
<b>Operating Profit before Working Capital Changes</b>		<b>321,23,95,474</b>	<b>193,63,21,008</b>
(Increase) / Decrease in trade receivables, loans & advances and other current assets		(52,53,59,298)	(17,70,50,490)
(Increase) / Decrease in Inventories		(154,96,29,575)	(15,29,63,831)
(Increase) / Decrease in trade payables and other payables		187,62,98,423	98,11,57,972
<b>Cash generated from operations</b>		<b>301,37,05,024</b>	<b>258,74,64,659</b>
Direct Taxes paid		(37,89,41,502)	(32,53,39,114)
<b>Net Cash flow from Operating Activities</b>	<b>(A)</b>	<b>263,47,63,522</b>	<b>226,21,25,545</b>
<b>(B) Cash flow from Investing Activities :</b>			
Purchase of fixed assets		(237,81,22,484)	(117,31,73,536)
Proceeds from sale of assets / equipments		69,37,301	31,10,252
Interest received		26,94,72,856	20,63,57,371
Dividend / Income from trade investments		15,78,125	14,51,875
<b>Net Cash flow from Investing Activities</b>	<b>(B)</b>	<b>(210,01,34,202)</b>	<b>(96,22,54,038)</b>
<b>(C) Cash flow from Financing Activities :</b>			
Proceeds of long-term borrowing		(8,09,00,000)	(9,65,25,000)
Proceeds of short-term borrowing		40,60,000	(21,94,70,000)
Interest paid		(4,67,95,848)	(8,33,65,894)
Proceeds from maturity of Inter Corporate Deposits		(3,00,00,000)	--
Dividend paid (Including Tax thereon)		(23,78,79,555)	(4,62,46,704)
<b>Net Cash flow from Financing Activities</b>	<b>(C)</b>	<b>(39,15,15,403)</b>	<b>(44,56,07,598)</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>(A+B+C)</b>	<b>14,31,13,917</b>	<b>85,42,63,909</b>
Cash and Cash equivalents as at 01-04-2015		299,79,98,987	214,37,35,078
Cash and Cash equivalents as at 31-03-2016 (excluding unrealised exchange fluctuation gain)		314,11,12,904	299,79,98,987

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016



**Notes to Consolidated Financial Statements for the year ended 31st March, 2016.**
**1. ACCOUNTING POLICIES**
**A. Depreciation :**
**(a) Tangible Assets :**

The Depreciation on Fixed assets is provided as per Schedule-II to the Companies Act, 2013.

**(b) Intangible Assets :**

(i) Software and their implementation costs are written off over the period of five years.

(ii) Technical Know-how acquired and internally generated are amortized over the useful life of the assets, not exceeding ten years.

(c) Leasehold land is amortized over the period of lease.

**B. Investments (Long Term) :**

Investments (Long Term) are valued at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of investments.

**C. Valuation of Inventory :**

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

**D. Employees Retirement Benefit :**

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 recognised and provided for.

Benefits in respect of leave encashable at retirement / cessation are provided for based on valuation, as at the Balance Sheet date, made by independent actuaries.

**E. 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 Fixed Assets under appropriate heads and depreciation is provided as per rates applicable.

**F. Foreign Currency Transactions :**

(a) Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.

(b) Monetary items of Assets and Liabilities booked in foreign currency are translated into rupee at the exchange rate prevailing at the Balance Sheet date.

(c) Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognised in the Statement of Profit and Loss.

(d) The premium or discounts arising on Forward Contracts is amortized over the life of the Contract.

(e) Exchange difference arising on translation of foreign currency liabilities for acquisition of fixed assets are adjusted to the Statement of Profit and Loss.

**G.** Cost of borrowings incurred for acquisition, construction or production of qualifying asset is capitalised as per Accounting Standard (AS 16) - the Companies (Accounting Standard) Rules, 2006.

**H. Leases :**
**(a) 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 recognised as an expense in the Statement of Profit and Loss.

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

Assets subject to operating leases are included in fixed assets, lease income is recognised in the Statement of Profit and Loss. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

**I. Incentives :**

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

**J.** (a) The Group has followed Equated Balance Method for the implicit rate for accounting the income from Hire Purchase.

(b) 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.

**2. SHARE CAPITAL**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Authorised Share Capital :</b>		
<b>2,00,00,000</b> (2,00,00,000) Equity Shares of ₹10 each	<b>20,00,00,000</b>	20,00,00,000
<b>Issued Share Capital :</b>		
<b>1,32,13,802</b> (1,32,13,802) Equity Shares of ₹10 each	<b>13,21,38,020</b>	13,21,38,020
<b>Subscribed and paid-up Share Capital :</b>		
<b>1,31,76,262</b> (1,31,76,262) Equity Shares of ₹10 each fully paid up	<b>13,17,62,620</b>	13,17,62,620
[of the above <b>2,00,918</b> (2,00,918) Equity Shares are allotted as fully paid Shares pursuant to a contract without payment being received in cash and <b>57,29,934</b> (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, 2016 or 31st March, 2015]		
<b>Add : Amount paid on Forfeited Shares</b>	<b>27,763</b>	27,763
<b>Total</b>	<b>13,17,90,383</b>	13,17,90,383

**Note :** Offer on Right basis for **17,932** (17,932) Equity Shares of ₹ 10 each is kept in abeyance as per provisions of Section 126 of the Companies Act, 2013.

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

	As at 31st March, 2016		As at 31st March, 2015	
	No.	₹	No.	₹
At the beginning of the period	<b>1,31,76,262</b>	<b>13,17,62,620</b>	1,31,76,262	13,17,62,620
Issued / Reduced during the period	--	--	--	--
<b>Outstanding at the end of the period</b>	<b>1,31,76,262</b>	<b>13,17,62,620</b>	1,31,76,262	13,17,62,620

**(b) Terms/rights attached to equity shares :**

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

- (c) During the year ended 31st March, 2016, the Company has distributed a dividend of ₹ 5 (₹ 3) per share on **1,31,76,262** (1,31,76,262) Equity Shares of ₹ 10 each fully paid up.

The Board of Directors, in their meeting held on 12th March, 2016, has approved an Interim Dividend of ₹ 10 per share on 1,31,76,262 Equity Shares of ₹ 10 each fully paid up. The Interim Dividend paid for the year ended 31st March, 2016 amounted to ₹ 13,17,62,620.

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

(i) The Company is a subsidiary of Jaya Hind Investments Private Limited, which holds **55.92%** (55.92%) **73,68,697** (73,68,697) shares in the Company.

(ii) Jaya Hind Industries Limited, being associate company of Jaya Hind Investments Private Limited, holds **0.08%** (0.08%) **10,909** (10,909) shares in the Company.

**(e) Details of shareholders holding more than 5% of paid up equity share capital.**

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Equity Shares of ₹ 10 each fully paid	% of holding of equity capital	No. of Equity Shares of ₹ 10 each fully paid	% of holding of equity capital
Jaya Hind Investments Private Limited	<b>73,68,697</b>	<b>55.92</b>	73,68,697	55.92

**3. RESERVES AND SURPLUS**

		As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Capital Reserve		25,00,000	25,00,000
(b) Securities Premium		59,19,77,215	59,19,77,215
(c) General Reserve			
Balance as per the last Financial Statements	346,32,47,721		346,32,47,721
Add : Transferred from Surplus	--		--
Less : Minority Interest	1,23,691		1,23,691
Closing Balance		346,31,24,030	346,31,24,030
(d) General Reserve II			
Balance as per the last Financial Statements	65,41,500		58,89,500
Add : Transferred from Surplus	5,81,000		6,52,000
Less : Minority Interest	23,91,367		21,96,297
Closing Balance		47,31,133	43,45,203
(e) Surplus			
Balance as per last Financial Statements	900,05,38,657		808,99,74,365
Profit for the year	179,65,14,327		101,62,32,182
		1079,70,52,984	910,62,06,547
Less : Appropriations			
WDV of Asset (net of tax) as per Note 7 (b) of Schedule II to the Companies Act, 2013.	--		2,57,22,725
Interim Equity Dividend paid	13,17,62,620		--
Tax on Interim Equity Dividend	2,68,23,770		--
Proposed Equity Dividend	--		6,58,81,310
Tax on proposed Equity Dividend	--		1,34,11,855
Transfer to General Reserve	5,81,000		6,52,000
Total Appropriations		15,91,67,390	10,56,67,890
Sub-Total		1063,78,85,594	900,05,38,657
Less : Minority Interest		75,95,504	70,11,477
Net Surplus		1063,02,90,090	899,35,27,180
	Total	1469,26,22,468	1305,54,73,628

Securities Premium represents premium received on issue of Equity Shares.

**4. LONG-TERM BORROWINGS**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Deposits (Unsecured)	2,64,00,000	10,73,00,000
Total	2,64,00,000	10,73,00,000

Deposits accepted by the Group are for a period ranging between 1 to 3 years from the date of acceptance of each deposits.

**5. DEFERRED TAX LIABILITIES (NET)**

(Refer Note No. 36)

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Deferred Tax Liabilities	26,61,33,572	60,25,26,389
Less : Deferred Tax Assets	(41,07,67,619)	33,63,92,817
Total	67,69,01,191	26,61,33,572

**6. OTHER LONG-TERM LIABILITIES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Deposits received from Lessee	3,96,00,000	3,96,00,000
Total	3,96,00,000	3,96,00,000

**7. LONG-TERM PROVISIONS**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Provision for Employee Benefits (Refer Note No.33)	20,20,46,648	18,63,34,996
(b) Provision for Product Warranties and Service Charges (Refer Note No. 35)	2,23,64,522	58,23,124
<b>Total</b>	<b>22,44,11,170</b>	<b>19,21,58,120</b>

**8. OTHER CURRENT LIABILITIES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Deposits (Unsecured)	10,87,40,000	10,06,10,000
(b) Deposits matured but not claimed (Unsecured)	8,95,000	49,65,000
(c) Interest accrued but not due on Fixed Deposits	1,15,64,885	1,51,49,307
(d) Interest accrued and due on unclaimed deposits	36,416	5,25,819
(e) Creditors for Capital goods	21,22,39,709	74,22,17,182
(f) Advances and deposits against orders	169,05,96,264	33,48,85,820
(g) Unclaimed dividend	1,07,21,079	34,01,678
(h) Statutory Dues	64,26,51,022	37,77,53,120
(i) Other payables	3,18,65,370	3,73,71,453
<b>Total</b>	<b>270,93,09,745</b>	<b>161,68,79,379</b>

Deposits accepted by the Group are for a period ranging between 1 to 3 years from the date of acceptance of each deposits.

**9. SHORT-TERM PROVISIONS**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Provisions for Employee Benefits (Refer Note No. 33)	17,54,14,485	19,54,73,539
(b) Provision for Product Warranties & Service Charges (Refer Note No. 35)	10,96,97,138	12,28,54,097
(c) <b>Provision for Taxation :</b>		
Taxation provision for the earlier years	44,56,33,925	23,31,37,992
Taxation provision for the year	53,43,52,000	21,43,56,333
	97,99,85,925	44,74,94,325
<b>Less : (i) Advance payment of tax</b>	<b>94,82,31,393</b>	<b>57,11,54,020</b>
(ii) MAT Credit Entitlement	83,36,71,505	58,82,50,660
[Contra Refer Note 17-d]	(80,19,16,973)	(71,19,10,355)
(d) Provision for proposed Equity Dividend	--	6,58,81,310
(e) Provision for Tax on Distributed Profit	--	1,34,11,855
	--	7,92,93,165
<b>Total</b>	<b>28,51,11,623</b>	<b>39,76,20,801</b>



**10. TANGIBLE ASSETS**

Fixed Assets	Land		Buildings	Plant, Machinery & Equipments	Furniture & Fixtures	Vehicles	Office Equipment	Others (Aircraft)	Total	Previous Year Total
	Freehold	Leasehold								
Gross Block As at 31st March, 2015	₹ 7,94,12,385	\$ 17,18,71,547	*\$ 124,69,90,604	₹ 1203,19,39,524	₹ 10,24,48,530	₹ 32,35,30,316	₹ 6,15,03,967	₹ 144,80,55,156	₹ 1546,57,52,029	₹ 1482,10,12,473
Additions	--	--	90,44,96,782	₹ 78,80,44,094	₹ 1,06,52,894	₹ 3,61,55,444	₹ 1,35,08,804	₹ 46,67,73,684	₹ 221,96,31,702	₹ 66,13,29,755
Disposals	--	--	--	₹ 62,52,401	₹ 3,48,976	₹ 1,74,47,634	₹ 42,71,660	--	₹ 2,83,20,671	₹ 1,65,90,199
<b>As at 31st March, 2016</b>	<b>7,94,12,385</b>	<b>17,18,71,547</b>	<b>215,14,87,386</b>	<b>1281,37,31,217</b>	<b>11,27,52,448</b>	<b>34,22,38,126</b>	<b>7,07,41,111</b>	<b>191,48,28,840</b>	<b>1765,70,63,060</b>	<b>1546,57,52,029</b>
Depreciation As at 31st March, 2015	--	50,44,839	51,45,69,507	₹ 819,75,28,016	₹ 6,52,19,731	₹ 16,75,64,285	₹ 4,43,12,993	₹ 22,91,18,107	₹ 922,33,57,478	₹ 842,12,43,639
Transfer to Retained earnings #	--	--	--	--	--	--	--	--	--	₹ 3,89,67,922
For the Year	--	** 23,40,746	7,82,05,860	₹ 64,40,81,673	₹ 65,75,269	₹ 2,88,52,170	₹ 69,76,542	₹ 7,44,67,138	₹ 84,14,99,398	₹ 77,67,55,091
Disposals	--	--	--	₹ 62,44,875	₹ 1,04,866	₹ 1,22,05,067	₹ 41,89,294	--	₹ 2,27,44,102	₹ 1,36,09,175
<b>As at 31st March, 2016</b>	<b>--</b>	<b>73,85,585</b>	<b>59,27,75,367</b>	<b>883,53,64,814</b>	<b>7,16,90,134</b>	<b>18,42,11,388</b>	<b>4,71,00,241</b>	<b>30,35,85,245</b>	<b>1004,21,12,774</b>	<b>922,33,57,478</b>
Net Block As at 31st March, 2015	7,94,12,385	16,68,26,708	73,24,21,097	₹ 383,44,11,508	₹ 3,72,28,799	₹ 15,59,66,031	₹ 1,71,90,974	₹ 121,89,37,049	₹ 624,23,94,551	₹ 639,97,68,833
<b>Net Block As at 31st March, 2016</b>	<b>7,94,12,385</b>	<b>16,44,85,962</b>	<b>155,87,12,019</b>	<b>397,83,66,403</b>	<b>4,10,62,314</b>	<b>15,80,26,738</b>	<b>2,36,40,870</b>	<b>161,12,43,595</b>	<b>761,49,50,286</b>	<b>624,23,94,551</b>

**Notes :**

- \* Includes office premises on ownership basis ₹ 5,00,000  
 \*\* Amortisation charges for one year in respect of leasehold land.  
 \$ Assets given on lease are included herein and are detailed in separate Note No. 32.  
 # WDV of Assets transferred to retained earnings as per Note 7 (b) of Schedule II to the Companies Act, 2013.

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
 Chief Financial Officer

**Prasan Firodia**  
 Managing Director

**S. S. Athavale**  
 Partner  
 Membership No. 83374

**Aparna G. Lambore**  
 Company Secretary

**Sudhir Mehta**  
 Director

Place : Pune  
 Date : 29th April, 2016

Place : Pune  
 Date : 29th April, 2016

**11. INTANGIBLE ASSETS**

Fixed Assets	Software	Technical Know-how acquired on or after 1-4-2003	Technical Know-how acquired upto 1-4-2003	Technical Know-how internally generated	Total	Previous Year Total
	₹	₹	₹	₹	₹	₹
Gross Block						
As at 31st March, 2015	19,31,84,515	28,83,05,354	8,22,00,834	9,23,39,718	65,60,30,421	51,99,75,506
Additions	6,81,65,513	10,01,00,000	--	9,47,16,952	26,29,82,465	13,60,54,915
Disposals	--	--	--	--	--	--
<b>As at 31st March, 2016</b>	<b>26,13,50,028</b>	<b>38,84,05,354</b>	<b>8,22,00,834</b>	<b>18,70,56,670</b>	<b>91,90,12,886</b>	<b>65,60,30,421</b>
Amortization						
As at 31st March, 2015	12,92,17,417	21,91,38,627	8,22,00,834	9,23,39,718	52,28,96,596	48,68,08,346
For the Year *	3,14,09,755	3,06,49,944	--	1,57,86,159	7,78,45,858	3,60,88,250
Deductions	--	--	--	--	--	--
<b>As at 31st March, 2016</b>	<b>16,06,27,172</b>	<b>24,97,88,571</b>	<b>8,22,00,834</b>	<b>10,81,25,877</b>	<b>60,07,42,454</b>	<b>52,28,96,596</b>
<b>Net Block</b>						
<b>As at 31st March, 2016</b>	<b>10,07,22,856</b>	<b>13,86,16,783</b>	<b>--</b>	<b>7,89,30,793</b>	<b>31,82,70,432</b>	<b>13,31,33,825</b>
<b>Add : Goodwill arising out of consolidation of accounts</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>54,854</b>	<b>54,854</b>
<b>Net Block including goodwill As at 31st March, 2016</b>	<b>10,07,22,856</b>	<b>13,86,16,783</b>	<b>--</b>	<b>7,89,30,793</b>	<b>31,83,25,286</b>	<b>13,31,88,679</b>
Useful Life	5 Years	6 Years	6 Years	6 Years		

**Note :**

\* Amortisation Charges for one year

As per our separate report of even date.

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016



## 12. NON-CURRENT INVESTMENTS

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>(a) Trade Investments (Valued at cost)</b>		
<b>Unquoted</b>		
25,000 (25,000) Equity Shares of ₹ 10 each, fully paid in Tempo Finance (North) Private Limited	2,50,000	2,50,000
1 (1) Equity Share of ₹ 10, fully paid in MAN Trucks India Private Limited	10	10
50,000 (50,000) Equity Shares of ₹ 10 each, fully paid in Pithampur Auto Cluster Ltd.	5,00,000	5,00,000
<b>Quoted</b>		
3,15,625 (3,15,625) Equity Shares of ₹ 2 each, fully paid in ICICI Bank Limited	26,96,250	26,96,250
<b>(b) Other Investments (Valued at cost)</b>		
<b>Unquoted</b>		
5 (5) Equity Shares of ₹ 50 each, fully paid in Mittal Tower Premises Co-Operative Society Limited.	250	250
<b>Total</b>	<b>34,46,510</b>	<b>34,46,510</b>

## Aggregate amount of quoted investments :

	As at 31st March, 2016		As at 31st March, 2015	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Quoted	26,96,250	7,46,92,656	26,96,250	10,04,79,219
Unquoted	7,50,260	--	7,50,260	--

## 13. LONG-TERM LOANS AND ADVANCES

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>(a) Capital Advances (Unsecured)</b>	<b>60,67,02,681</b>	<b>88,96,18,003</b>
Considered Good		
<b>(b) Security Deposits (Unsecured)</b>	<b>17,28,98,615</b>	<b>10,97,43,193</b>
Considered Good		
<b>(c) Other Loans &amp; Advances (Unsecured)</b>		
Considered Good	3,29,84,000	28,11,000
Considered Doubtful	9,50,143	9,53,576
	<b>3,39,34,143</b>	<b>37,64,576</b>
<b>Less : Provision for doubtful advances</b>	<b>9,50,143</b>	<b>9,53,576</b>
	<b>3,29,84,000</b>	<b>28,11,000</b>
<b>Total</b>	<b>81,25,85,296</b>	<b>100,21,72,196</b>

**14. INVENTORIES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
(a) Raw Materials and Components [Includes in transit ₹ 63,67,05,453 (₹ 56,69,39,997)]	278,48,49,177	216,19,56,400
(b) Finished Goods (Refer Note 22)	180,53,47,175	107,47,87,393
(c) Work-in-progress (Refer Note 22)	40,82,99,981	48,69,49,961
(d) Excise Duty on Inventory of Finished Goods	27,87,39,979	15,02,85,993
(e) Stores and Spares	19,78,73,347	5,15,00,337
<b>Total</b>	<b>547,51,09,659</b>	<b>392,54,80,084</b>

Method of valuation is as stated in Note No. 1 C.

**15. TRADE RECEIVABLES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Unsecured</b>		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	12,40,35,114	6,84,51,003
- Considered Doubtful	—	—
	12,40,35,114	6,84,51,003
- <b>Less</b> : Provision for doubtful receivables	—	—
	12,40,35,114	6,84,51,003
(b) Other receivables		
- Considered Good	137,99,45,982	101,83,52,595
<b>Total</b>	<b>150,39,81,096</b>	<b>108,68,03,598</b>

**16. CASH AND BANK BALANCES**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>(a) Cash and Cash equivalents</b>		
(i) Balance with Banks	313,75,28,937	299,72,54,683
(ii) Cheques / Drafts on hand	33,25,984	—
(iii) Cash on hand	6,06,386	7,24,979
	314,14,61,307	299,79,79,662
<b>(b) Other Bank balances</b>		
(i) Unpaid dividend account	1,07,21,079	34,01,678
(ii) Margin money deposit	3,40,00,000	6,65,00,000
	4,47,21,079	6,99,01,678
<b>Total</b>	<b>318,61,82,386</b>	<b>306,78,81,340</b>



**17. SHORT-TERM LOANS AND ADVANCES**

	₹	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Unsecured</b>			
<b>(a) Security Deposits</b>			
Considered Good		47,52,380	47,05,214
<b>(b) Advances recoverable in cash or kind</b>			
Considered Good	104,30,19,027		111,82,17,229
Considered Doubtful	1,08,13,700		1,08,13,700
	<u>105,38,32,727</u>		<u>112,90,30,929</u>
<b>Less : Provision for doubtful advances</b>	<u>1,08,13,700</u>		<u>1,08,13,700</u>
		104,30,19,027	111,82,17,229
<b>(c) Other Loans &amp; Advances</b>			
Considered Good		1,07,23,572	1,22,15,427
<b>(d) Others</b>			
(i) Advance Income-tax	(3,17,54,532)		12,36,59,695
(ii) MAT Credit Entitlement (net of provision for taxation) [Contra - Refer Note 9-c]	<u>83,36,71,505</u>		<u>58,82,50,660</u>
		80,19,16,973	71,19,10,355
<b>Total</b>		<u><u>186,04,11,952</u></u>	<u><u>184,70,48,225</u></u>

**18. OTHER CURRENT ASSETS**

		As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Unsecured, Considered Good</b>			
Interest accrued on deposits with Banks		15,18,64,104	4,28,35,740
Interest accrued on deposits with Others		2,97,517	2,70,000
<b>Total</b>		<u><u>15,21,61,621</u></u>	<u><u>4,31,05,740</u></u>

**19. REVENUE FROM OPERATIONS**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>(a) Revenue from operations</b>		
(i) Sale of products	3456,74,10,971	2610,30,61,842
(ii) Interest	34,39,798	37,01,613
<b>(b) Other operating revenue</b>		
(i) Service Charges	4,39,76,268	1,34,95,958
(ii) Others	24,04,92,352	27,24,62,460
<b>Revenue from operations (Gross)</b>	<b>3485,53,19,389</b>	<b>2639,27,21,873</b>
<b>Less : Excise Duty / Service Tax</b>	<b>425,39,40,555</b>	<b>275,17,94,930</b>
<b>Revenue from operations (Net)</b>	<b>Total 3060,13,78,834</b>	<b>2364,09,26,943</b>

**DETAILS OF PRODUCTS SOLD**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
- Automobiles	2195,56,63,423	1797,34,81,327
- Auto Components	1259,49,24,137	792,45,32,256
- Moulds, Dies, Press Tools, Jigs & Fixtures	1,68,23,411	20,50,48,259
<b>Total</b>	<b>3456,74,10,971</b>	<b>2610,30,61,842</b>

**20. OTHER INCOME**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Interest Income	29,43,13,821	24,63,09,426
(b) Dividend Income	15,78,125	14,51,875
(c) Net gain on foreign currency translation and transaction (other than considered as finance cost)	--	13,05,29,092
(d) Industrial Promotion Incentive	26,05,82,857	20,73,01,099
(e) Lease Rent received	4,55,41,201	4,55,41,201
(f) Profit on sale of assets	40,13,458	13,76,235
(g) Others	10,83,41,970	2,53,63,869
<b>Total</b>	<b>71,43,71,432</b>	<b>65,78,72,797</b>

**21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Steel and other metals	107,85,95,129	116,76,29,649
(b) Castings and Forgings	67,44,84,190	64,36,03,184
(c) Components	2062,32,73,993	1466,03,23,941
<b>Total</b>	<b>2237,63,53,312</b>	<b>1647,15,56,774</b>

**22. (INCREASE) / DECREASE IN INVENTORIES**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹	(Increase) / Decrease ₹
<b>(a) Inventories at the end of the year</b>			
(i) Finished Goods	180,53,47,175	107,47,87,393	(73,05,59,782)
(ii) Work-in-progress	40,82,99,981	48,69,49,961	7,86,49,980
<b>Total</b>	<b>221,36,47,156</b>	<b>156,17,37,354</b>	<b>(65,19,09,802)</b>
<b>(b) Inventories at the beginning of the year</b>			
(i) Finished Goods	107,47,87,393	94,48,51,577	(12,99,35,816)
(ii) Work-in-progress	48,69,49,961	55,56,38,748	6,86,88,787
<b>Total</b>	<b>156,17,37,354</b>	<b>150,04,90,325</b>	<b>(6,12,47,029)</b>

**DETAILS OF INVENTORY**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>Finished Goods</b>		
(i) On-road automobiles	123,06,53,225	68,59,24,228
(ii) Tractors	22,66,10,869	17,48,29,617
(iii) Engines	2,40,176	67,230
(iv) Others	34,78,42,905	21,39,66,318
<b>Total</b>	<b>180,53,47,175</b>	<b>107,47,87,393</b>
<b>Work-in-progress</b>		
(i) On-road automobiles	3,04,07,369	1,40,37,442
(ii) Engines	6,56,57,013	8,73,30,728
(iii) Others	31,22,35,599	38,55,81,791
<b>Total</b>	<b>40,82,99,981</b>	<b>48,69,49,961</b>

**23. EMPLOYEE BENEFIT EXPENSE**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Salaries, Wages, Bonus, etc.	273,12,51,208	246,99,17,283
(b) Contribution to provident, other funds and schemes	19,39,34,057	20,66,81,421
(c) Staff welfare expenses	11,17,51,819	10,07,49,631
<b>Total</b>	<b>303,69,37,084</b>	<b>277,73,48,335</b>

**24. FINANCE COSTS**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Interest	3,92,86,395	5,99,66,229
(b) Other borrowing cost	39,25,031	55,61,904
<b>Total</b>	<b>4,32,11,426</b>	<b>6,55,28,133</b>

**25. DEPRECIATION AND AMORTIZATION EXPENSE**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Depreciation of tangible assets	84,14,99,398	77,67,55,091
(b) Amortization of intangible assets	7,78,45,858	3,60,88,251
<b>Total</b>	<b>91,93,45,256</b>	<b>81,28,43,342</b>

**26. OTHER EXPENSES**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Consumption of stores and spares	74,49,09,648	74,02,09,751
(b) Fabrication and Processing Charges	9,65,40,420	7,30,92,611
(c) Power and Fuel	45,71,16,693	38,97,83,407
(d) Forwarding Charges	27,55,27,189	26,47,64,282
(e) Rent	2,73,57,532	1,67,42,588
(f) Rates and Taxes	12,79,58,933	10,57,47,744
(g) Insurance	6,18,67,257	5,35,89,149
(h) Repairs and Maintenance :		
(i) Plant and Machinery	15,17,94,874	12,02,16,174
(ii) Buildings	5,33,30,903	6,55,23,560
(iii) Others	1,94,93,619	2,48,57,080
(i) Publicity and sales promotion	63,83,96,446	53,03,22,508
(j) Payments to auditors (Refer details below)	28,18,111	21,03,397
(k) Prior year expenses	55,23,285	53,65,281
(l) Loss on Exchange Fluctuation (Net)	1,88,62,986	--
(m) Donation	22,78,119	10,00,000
(n) Expenditure on Corporate Social Responsibility	1,38,00,000	88,00,000
(o) Bad Debts	3,95,13,825	--
(p) Miscellaneous Expenses	77,38,84,862	76,87,44,278
<b>Total</b>	<b>351,09,74,702</b>	<b>317,08,61,810</b>

**Payments to Auditors**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
(a) Audit Fees	20,13,740	16,13,483
(b) Tax Audit Fees	1,00,000	1,00,000
(c) Certification work	6,20,089	3,40,019
(d) Provident Fund Audit Fees	25,000	--
(e) Reimbursement of expenses	59,282	49,895
<b>Total</b>	<b>28,18,111</b>	<b>21,03,397</b>

**27. EARNINGS PER SHARE (EPS)**

	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>Values used in calculating Earnings Per Share</b> (Basic & Diluted)		
(a) Numerator		
Profit / (Loss) after tax	179,57,35,230	101,53,57,576
(b) Denominator		
Number of Equity Shares	1,31,76,262	1,31,76,262
Weighted average number of Equity Shares	1,31,76,262	1,31,76,262

**28. CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>(a) Contingent Liabilities</b>		
(i) Taxes & Duties	59,19,52,899	46,82,41,048
(ii) Others (Court cases pending)	37,17,81,758	32,94,43,302
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	122,81,58,636	76,42,58,903
<b>(c)</b> As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Group has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Group. The Group has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Group and the developments in respect thereof. Moreover, considering the period lapsed, since the conclusion of the said legal proceedings, the Group does not expect any impact of this litigation on its financial position.		

29. As of 31st March, 2016, the Group has not received any intimation, except in few cases, as to the status as Micro, Small or Medium Enterprises from suppliers of the Group along with a copy of the Memorandum, filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006 (**the Act**). The proceedings initiated by one of the suppliers, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹ 1,56,61,877 with interest. The Group has not accepted the said liability. The Group has a major counter-claim against the said supplier amounting to about ₹ 9,06,40,899, 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.

30. The amount of net exchange differences included in the Statement of Profit / Loss for the year on Revenue account is ₹ 3,06,75,051 Debit (₹ 13,02,67,935 Credit) and on Capital account is ₹ 1,18,12,065 Credit (₹ 2,61,157 Credit).

**31. THE GROUP'S LIABILITIES AND OBLIGATIONS IN FOREIGN CURRENCY OUTSTANDING AS AT 31ST MARCH, 2016, NET OF RECEIVABLES ARE AS UNDER**

	Hedged by forward cover contracts with bankers		Not hedged by forward cover contracts or other derivative instruments	
	Foreign Currency	Amount ₹	Foreign Currency	Amount ₹
(a) In US Dollar	-- (--)	-- (--)	-- (--)	-- (--)
(b) In Euro	-- (--)	-- (--)	46,21,691 (4,37,076)	35,02,31,706 (2,99,04,727)
(c) In Japanese Yen	-- (--)	-- (--)	9,05,09,350 (15,47,18,900)	5,39,79,776 (8,14,28,557)
(d) In G. B. Pounds	-- (--)	-- (--)	-- (12,000)	-- (11,21,880)



## 32. LEASES

### Operating Leases :

#### Assets given on Lease :

##### (a) Industrial Shed :

The Group has entered into a Lease Agreement for Industrial Shed at Chakan, Pune for a period of 10 years.

The said agreement provides for progressive increase in rentals during the tenure of the agreement.

The Lessee is entitled to terminate the Lease Agreement after the expiry of 60th month from the date of agreement. 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 recognised in Statement of Profit and Loss.

Category	Gross carrying amount of the portion of assets leased, disclosed in Note No. 10	Accumulated Depreciation	Depreciation recognised in the Statement of Profit and Loss
	₹	₹	₹
(i) Freehold Land	<b>23,02,671</b> (23,02,671)	-- (--)	-- (--)
(ii) Building	<b>7,71,03,623</b> (7,71,03,623)	<b>1,41,53,660</b> (1,16,85,228)	<b>24,68,432</b> (24,68,432)
(iii) Plant & Machinery	<b>1,83,04,544</b> (1,83,04,544)	<b>81,13,415</b> (66,13,712)	<b>14,99,704</b> (14,99,704)

The future minimum lease rentals :

- Less than one year	₹	<b>4,98,09,375</b> (4,55,40,000)
- Later than one year but not later than five years	₹	<b>18,46,07,781</b> (21,18,32,160)
- Later than five years	₹	-- (2,25,84,996)

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 ₹ 2,00,00,000.

##### (b) Freehold land :

Out of the freehold land at Akurdi;

- 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 recognised 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 recognised in the Statement of Profit and Loss.

**33. DISCLOSURE AS PER ACCOUNTING STANDARD 15 (REVISED) IS AS UNDER**

	Gratuity ₹		Leave Entitlement ₹	
	As at 31st March		As at 31st March	
	2016	2015	2016	2015
<b>(A) Amount to be recognised in Balance Sheet</b>				
(i) Present Value of Obligation	43,35,88,946	42,31,40,687	24,83,67,961	23,06,11,622
(a) Current Liability	12,72,15,785	14,95,78,756	4,63,21,313	4,42,76,626
(b) Non-current Liability	30,63,73,161	27,35,61,931	20,20,46,648	18,63,34,996
(ii) Funded Status	30,63,73,161	27,35,61,931	--	--
(iii) Net Asset / (Liability) recognised in Balance Sheet	(12,72,15,785)	(14,95,78,756)	(24,83,67,961)	(23,06,11,622)
<b>(B) Expense recognised in the Statement of Profit and Loss at the end</b>				
(i) Current Service Cost	3,25,84,628	3,02,26,928	3,04,82,063	2,82,76,496
(ii) Interest Cost	3,14,49,095	3,39,66,078	1,72,59,705	1,71,18,496
(iii) Expected Return on Plan Assets	(2,37,86,026)	(2,24,62,058)	--	--
(iv) Net actuarial (gain) / loss recognised in the year	(1,37,76,020)	1,53,51,016	(1,13,18,727)	60,19,396
(v) Expenses recognised in the Statement of Profit and Loss	2,64,71,677	5,70,81,964	3,64,23,041	5,14,14,388
<b>(C) Present value of obligation as at the end</b>				
(i) Present value of obligation as at the beginning	42,31,40,687	40,48,17,171	23,06,11,622	19,70,33,452
(ii) Acquisition Adjustment	2,45,133	--	--	--
(iii) Interest Cost	3,14,49,095	3,39,66,078	1,72,59,705	1,71,18,496
(iv) Current Service Cost	3,25,84,628	3,02,26,928	3,04,82,063	2,82,76,496
(v) Settlement Cost	(36,07,009)	--	--	--
(vi) Benefits paid	(3,65,32,447)	(6,31,27,137)	(1,86,66,702)	(1,78,36,218)
(vii) Actuarial (gain) / loss on obligation	(1,36,91,141)	1,72,57,647	(1,13,18,727)	60,19,396
(viii) Present value of obligation as at the end	43,35,88,946	42,31,40,687	24,83,67,961	23,06,11,622
<b>(D) Actuarial Assumptions:</b>				
(i) Discount Rate	7.80%	7.80%	7.80%	7.80%
(ii) Salary Escalation Rate	10.00%	10.00%	10.00%	10.00%
(iii) Rate of Return on Plan Assets	8.75%	8.75%	--	--
(iv) Mortality Rate	As per standard table of LIC (1994-95)			

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

The Liability for Earned Leave, for Temporary Employees (short term) has been provided on actual basis, amounting to ₹ 18,77,387 (₹ 16,18,157).

**34. RELATED PARTY DISCLOSURES (As identified by the Management) :**
**(A) Name of the related parties and nature of related party relationship where control exists are as under :**

- (a) Key Management : Mr. Abhaykumar Firodia, Chairman.  
 Personnel : Mr. Prasan Firodia, Managing Director
- (b) Relatives of Key Management Personnel  
 (i) Mr. Abhaykumar Firodia : Mr. Prasan Firodia : Son  
 (ii) Mr. Prasan Firodia : Mr. Abhaykumar Firodia : Father
- (c) Other related parties : Jaya Hind Industries Ltd.  
 : Jaya Hind Investments Pvt. Ltd.  
 : Jaya Hind Montupet Pvt. Ltd.

**(B) Disclosure of Transactions with these parties are mentioned below :**

Type of Related Party	Nature of Transaction	Volume of Transactions during 2015-16	Amount outstanding as on 31st March, 2016	
			Receivables	Payables
		₹	₹	₹
(a) Key Management Personnel :	Managerial Remuneration / Sitting fees	<b>1,54,33,655</b> (78,89,007)	-- (--)	<b>1,20,000</b> (1,20,000)
(b) Other Related Parties				
(i) Jaya Hind Industries Ltd.	Purchase of Capital Goods	<b>9,15,79,500</b> (7,00,088)		
	Sale of Capital Goods	-- (2,40,939)		
	Purchase of Raw Materials, Components & Others	<b>76,54,22,103</b> (74,33,85,665)		
	Sundry Sales	<b>3,17,43,978</b> (3,67,63,364)		
	Service Charges recovered	<b>49,56,190</b> (33,32,504)		
	Processing Charges recovered	<b>63,55,655</b> (26,92,637)	<b>40,29,98,404</b> (51,13,71,631)	<b>12,44,93,943</b> (10,44,56,364)
	Material given on Loan	-- (1,32,411)		
	Machinery given on Loan	<b>3,40,820</b> (4,12,231)		
	Expenses recovered	-- (3,39,68,117)		
	Expenses reimbursed	-- (23,58,660)		
(ii) Jaya Hind Montupet Pvt. Ltd.	Sale of Capital Goods	-- (7,21,359)		
	Purchase of Raw Materials, Components & others	<b>3,59,35,140</b> (--)	<b>21,38,990</b> (5,92,308)	<b>50,42,261</b> (--)
	Service charges recovered	<b>1,60,97,878</b> (5,31,176)		

**35. PROVISIONS MADE FOR PRESENT OBLIGATIONS, BASED ON RELIABLE ESTIMATES, EXPECTED TO RESULT INTO OUTFLOW OF RESOURCES, ARE AS UNDER :**

Class of Provisions and brief description.	Carrying Amount of provisions as at 1st April, 2015	Additional provisions made during the year	Paid during the year against provisions	Amount reversed and written back	Carrying Amount of provisions as at 31st March, 2016
	₹	₹	₹	₹	₹
Warranty	<b>7,84,69,162</b> (2,92,16,598)	<b>6,62,68,687</b> (7,84,69,162)	<b>3,23,04,000</b> (2,92,16,598)	<b>3,61,65,162</b> (--)	<b>7,62,68,687</b> (7,84,69,162)
Free Service Coupons	<b>5,02,08,056</b> (4,65,86,302)	<b>5,37,92,973</b> (5,02,08,056)	<b>3,38,32,000</b> (4,65,86,302)	<b>1,43,76,056</b> (--)	<b>5,57,92,973</b> (5,02,08,056)

**36. DETAILS OF DEFERRED TAX ASSETS / (LIABILITIES)**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Nature of Timing difference</b>		
(a) Difference between accounting and tax depreciation (cumulative)	<b>(81,75,15,049)</b>	(69,39,45,916)
(b) Other Timing differences	<b>14,06,13,858</b>	42,78,12,344
<b>Total</b>	<b><u>(67,69,01,191)</u></b>	<b><u>(26,61,33,572)</u></b>

**37. The Subsidiary Company considered in the consolidated financial statements is :**

Name of the Company	Registered Office	% of voting power held by Holding Company as at 31st March, 2016
Tempo Finance (West) Pvt. Ltd.	Mumbai Pune Road, Akurdi, Pune - 411 035.	-- (66.43)

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

The Fund Based Limits (sanctioned as a sub-limit to the Non-fund Based Limits), if utilised, are payable on demand to the Banks. During the year 2015-16, the Group has not utilised any fund based limits.

**39. All amounts which became due, for transfer to the credit of Investor Education and Protection Fund, as of 31st March, 2016, have been transferred to that fund, except a sum of ₹ 60,000. Being amount of 5 (Five) fixed deposits and interest thereon amounting to ₹ 25,051. In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.****40. As per Accounting Standard AS 26 - Intangible Assets, the Group has recognised Intangible Assets, arising out of in-house Research and Development activities of the Group amounting to ₹ 22,14,63,548 (₹ 6,07,27,190).**

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

**41. During the year under report the eligibility and method of availing, various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, being clarified, the Group recognised a sum of ₹ 26,05,82,857 (₹ 20,73,01,099) in the Statement of Profit and Loss as "Industrial Investment Promotion Assistance". These incentives are now 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.****42. The Group has spent ₹ 1,38,00,000 towards Corporate Social Responsibility (CSR) activities, which is shown in "Other Expenses" [Note No 26 (n)] to the Notes to Account.**

(a) Gross amount required to be spent by the Group during the year ₹ 1,38,00,000 (₹ 88,00,000)

(b) Amount spent during the year on :

Sr. No.	Description	in Cash (₹)	Yet to be paid in Cash (₹)	Total (₹)
(i)	Project of establishing modern, sophisticated hospital	<b>1,38,00,000</b> (88,00,000)	-- (--)	<b>1,38,00,000</b> (88,00,000)
(ii)	On purposes other than (i) above	-- (--)	-- (--)	-- (--)

**43. Previous year/period's figures are re-arranged wherever necessary and shown in brackets.**

As per our separate report of even date

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

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Prasan Firodia**  
Managing Director

**S. S. Athavale**  
Partner  
Membership No. 83374

**Aparna G. Lambore**  
Company Secretary

**Sudhir Mehta**  
Director

Place : Pune  
Date : 29th April, 2016

Place : Pune  
Date : 29th April, 2016

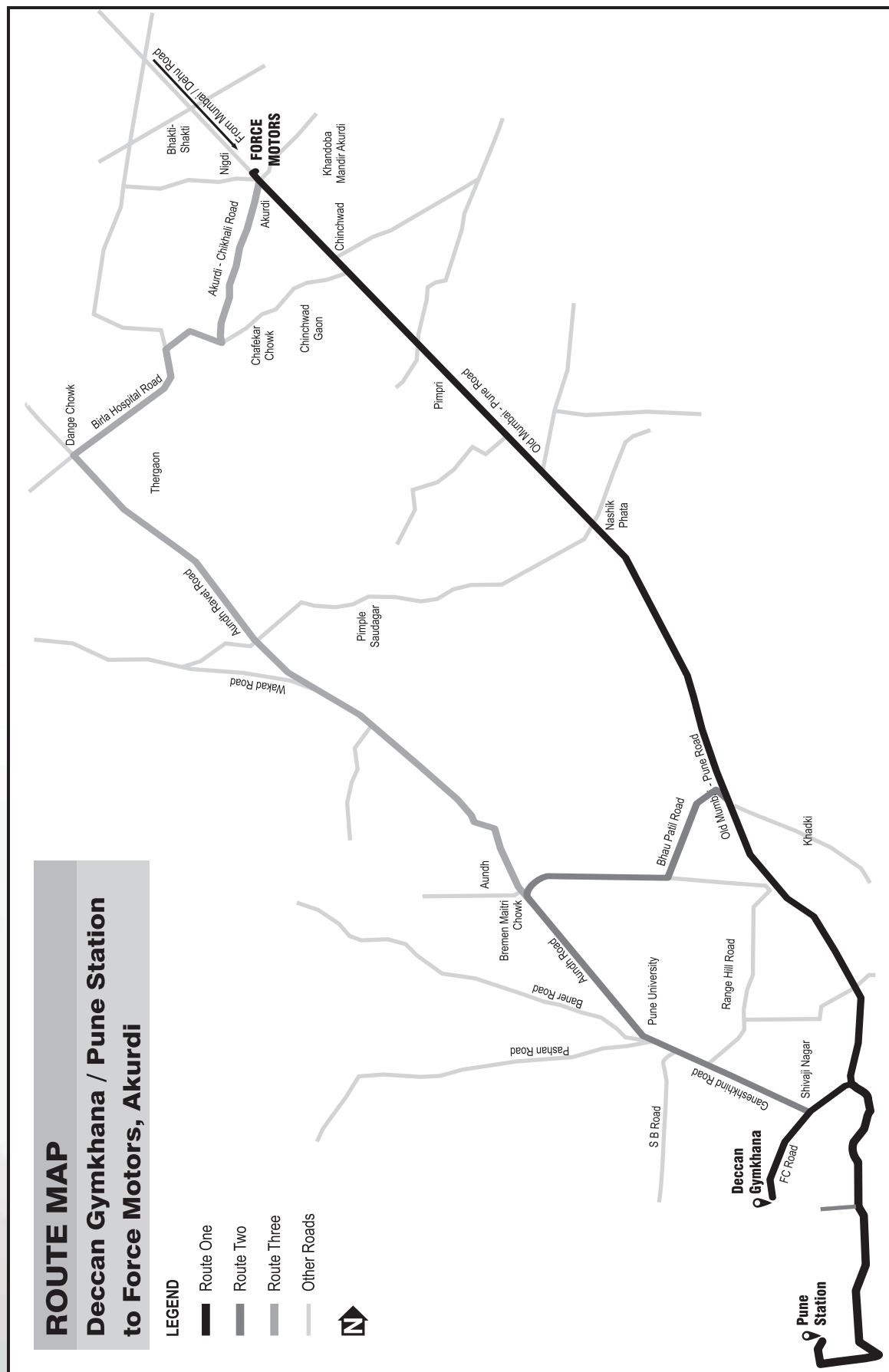
**Disclosure as per Schedule III**

Name of the entity	Net Assets		Share in Profit or Loss	
	As a % of consolidated net assets	Amount (in ₹)	As a % of consolidated Profit or Loss	Amount (in ₹)
<b>Force Motors Limited</b>	99.77	1480,44,09,892	99.87	179,41,93,846
Indian Subsidiary :				
Tempo Finance (West) Pvt. Ltd.	0.23	3,45,62,521	0.13	23,20,481
<b>Minority Interest</b> (Indian Minority)	0.10	1,45,59,562	0.04	7,79,097



## NOTES

[illegible]



**Registered Office :**

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

Tel: +91 20 27476381

E-mail: compliance-officer@forcemotors.com

Website: www.forcemotors.com

**FORCE**

57th Annual Report 2015-16

**PROXY FORM**

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L34102PN1958PLC011172

Name of the Company : FORCE MOTORS LIMITED

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

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No/ Client Id : \_\_\_\_\_

DP ID : \_\_\_\_\_

I/We, being the member(s) of ..... shares of the above named company, hereby appoint-

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
2. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
3. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting of the Company, to be held on Wednesday, the 28th day of September 2016 at 11.30 a.m. at the Registered Office of the Company at Mumbai-Pune Road, Akurdi, Pune - 411 035 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolutions :**

Sr. no	Description
1	Adoption of Financial Statements for the Financial Year ended 31st March 2016 and the Board's and Auditors' Report thereon.
2	Noting of interim dividend as the final dividend for the Financial Year ended on 31st March 2016.
3	Appointment of Director in place of Mr. Sudhir Mehta, who retires by rotation and being eligible offers himself for reappointment
4	Appointment of M/s. P.G.Bhagwat, Chartered Accountants, as Auditors and to fix their remuneration.
5	Resolution relating to permission to the Board to contribute to charitable and other funds.
6	Resolution relating to fix remuneration of M/s. Joshi Apte & Associates, the Cost Accountants, Pune.
7	Resolution relating to permission to the Board to invite and accept deposits.
8	Appointment of Mr. Arvind Mahajan as an Independent Director.

Signed this ..... day of .....2016

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

**Note :** This form of proxy, in order to be effective, must be duly filled, stamped, signed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.

# Our Objectives



## New Products

TRAX Cruiser Deluxe



Traveller Super



Multi Stretcher Ambulance



Traveller Royale





## **FORCE MOTORS LIMITED**

CIN L34102PN1958PLC011172

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