



54th
ANNUAL REPORT
2012 - 2013



FORCE MOTORS LIMITED



Mr. Prasan Firodia, Managing Director , Mr. Aniruddha Kulkarni, CTO and Mr. Naresh Kumar Rattan, COO & President (Corp. Sales & Marketing) at the launch of the GURKHA - World's first Extreme Off Roader Vehicle at IBUS 2013 in Greater Noida on February 25, 2013.



Mr. Prasan Firodia, Managing Director and Mr. Naresh Kumar Rattan, COO and President (Corp. Sales and Marketing) at the launch of the Force One SX and Force One EX at Pune on July 29, 2013.

BOARD OF DIRECTORS

Mr. Abhaykumar Firodia, Chairman

Mr. Prasan Firodia, Managing Director

Mr. Sudhir Mehta

Mr. Pratap Pawar

Mr. L. Lakshman

Mrs. Anita Ramachandran

Mr. S. Padmanabhan

Mr. Arun Sheth

Mr. Vinay Kothari

Mr. Atul Chordia

Mr. S. A. Gundecha

Mr. R. B. Bhandari

COMPANY SECRETARY

Mrs. Aparna G. Lambore

AUDITORS

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

COST AUDITORS

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

REGISTERED OFFICE

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

WORKS

- (i) Mumbai-Pune Road,
Akurdi, Pune - 411 035.
- (ii) Pithampur,
District Dhar – 454 775.
- (iii) Urse, Taluka Maval,
District Pune - 410 506.

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NOTICE

Notice is hereby given that the 54th Annual General Meeting of the Members of Force Motors Limited will be held on **Saturday, the 21st day of September 2013 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 Audited Balance Sheet and Profit & Loss Account for the year ended on 31st March 2013 together with the Directors' Report and Auditors' Report thereon.
- 2) To declare a dividend.
- 3) To appoint a Director in place of Mr. Abhaykumar Firodia, who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Mrs. Anita Ramachandran, who retires by rotation and being eligible, offers herself for reappointment.
- 5) To appoint a Director in place of Mr. Atul Chordia, who retires by rotation and being eligible, offers himself for reappointment.
- 6) To appoint a Director in place of Mr. Arun Sheth, who retires by rotation and being eligible, offers himself for reappointment.
- 7) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 293 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for contributing, to charitable and other funds, not directly related to the business of the Company or welfare of its employees, a sum upto ₹ 25,00,00,000 (Rupees Twenty Five Crore only), during the Financial Year 2013-14."

NOTES

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE SAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) **In view of the general exemption granted by the Government of India, vide General Circular No. 2/2011 (No:51/12/2007-CL-III) dated 8th February 2011, the accounts of the subsidiary company, viz. Tempo Finance (West) Private Limited, are not attached. A copy of these annual accounts of the subsidiary company is available for inspection at the Registered Office of the**

Company on any working day. Any Member desiring to have a copy of these accounts of the subsidiary company or require any detail in respect of the said accounts can address his request to the Company Secretary for obtaining a copy of the standalone accounts of the said subsidiary company or the required details.

- 3) The Explanatory Statement setting out the material facts concerning the Special Business as mentioned at Item no. 8 of the Notice, as required by Section 173 of the Companies Act, 1956, is annexed hereto.
- 4) The requisite information about the Directors, retiring by rotation, is included in the Report on Corporate Governance.
- 5) The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 19th day of September 2013 to Saturday, the 21st day of September 2013 (both days inclusive) for the purpose of ascertaining entitlement to the dividend that may be declared at the ensuing Annual General Meeting.
- 6) The payment of dividend, if declared, at the ensuing Annual General Meeting will be made after Saturday, the 21st day of September 2013 to those Members holding shares in physical form and whose names appear in the Register of Members of the Company on Wednesday, the 18th day of September 2013, and who hold shares of the Company in dematerialized form and whose name is entered as a Beneficial Owner in the records of the Depositories on that date.
- 7) Members holding shares in physical form are requested to intimate immediately any change in their address/details of their bank account/details for transfer of dividend, if declared, through Electronic Clearance Service (ECS) before Wednesday, the 18th day of September 2013. These details may kindly be intimated to the Company at the Registered Office or to the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited, Block no. 202, 2nd floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001.

Members holding shares in dematerialized form shall address communication to their respective Depository Participants.

- 8) Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed/unpaid for a period of seven years from the date it became due for payment 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 and/or 2011-12 are requested to make their claim with the Company immediately, as no claim shall lie against the Fund or the Company in respect of amount once credited to the said Fund.

- 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 the PAN 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) **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.**
- 11) **GREEN INITIATIVE: As a step for paperless communication with the Members of the Company, Company has decided to forward all notices, circulars and other documents to be served on Members through electronic mode.**
- 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, 2nd floor, 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.

- 12) Equity shares of the Company are listed on the Pune Stock Exchange Limited, Shivleela Chambers, 752, Sadashiv Peth, R. B. Kumthekar Marg, Pune - 411 030 and BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Company has paid the annual listing fees to each of the Stock Exchanges.

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

Pune - 411 035
27th July 2013.

APARNA G. LAMBORE
Company Secretary

Explanatory Statement as required by Section 173 (2) of the Companies Act, 1956

Item No. 8

As per the provisions of Section 293(1)(e) of the Companies Act, 1956 (**the Act**), the Board of Directors of a public company is authorized to contribute to charitable and other funds not directly relating to the business of the company or welfare of its employees, the aggregate amounts of which, in any financial year shall not exceed fifty thousand rupees or five percent of its average profits as determined in accordance with the provisions of sections 349 and 350 of the Companies Act, 1956 made during the three immediately preceding financial years, whichever is greater. Considering the Company's profitability position in recent years and the requirement of donating certain amount to charitable institutions, the Board of Directors consider that the consent of the Members of the Company should be

obtained to contribute the sum up to ₹ 25,00,00,000 (Rupees Twenty Five Crore only) to the charitable institutions and funds during Financial Year 2013-14.

None of the Directors of the Company is interested in the resolution, mentioned at Item no.8.

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

Pune - 411 035
27th July 2013.

APARNA G. LAMBORE
Company Secretary

DIRECTORS' REPORT

To

The Members,

The Directors present the 54th Annual Report, together with the audited accounts for the Financial Year ended on 31st March 2013.

1. Financial Results

	2012-13 ₹	2011-12 ₹
Income from Operations (Gross)	2276,35,17,184	2369,16,19,208
Other Income	43,65,16,285	24,59,73,016
Exceptional Items	--	960,70,94,000
Gross Profit	89,28,83,139	1071,65,55,435
Depreciation	70,15,66,527	60,35,64,562
Provision for Taxes (Net)	4,85,29,076	186,96,72,785
Profit After Tax	14,27,87,536	824,33,18,088
Proposed Dividend	3,95,28,786	13,17,62,620
Provision for Tax on Distributed Profit	67,17,918	2,13,75,191
Transfer to General Reserve	1,42,78,754	82,44,00,000
Balance in Profit & Loss Account Carried Forward	741,80,42,356	733,57,80,277

2. Dividend

The Board of Directors has recommended a dividend of ₹ 3 per share on 1,31,76,262 equity shares of ₹ 10 each fully paid up.

3. Name Change

As reported earlier, petition challenging the decision of the Hon'ble High Court of Judicature at Bombay, in respect of change in the name of the Company has been admitted by the Hon'ble Supreme Court of India. The operation of the order of the Hon'ble High Court has been stayed. The matter is still under consideration of the Hon'ble Supreme Court of India.

4. The Joint Venture

As reported earlier, the Heavy Commercial Vehicle Joint Venture with MAN Truck & Bus AG Germany, was terminated w.e.f. 28th March 2012. As per the agreed arrangement, Company was to provide common services till 27th March 2013. The arrangement regarding providing of common services stands terminated from 24th January 2013. The Company is continuing supply of Cabs and Gearboxes to MAN Trucks India Private Limited.

5. Market Situation

In view of the provisions of the Listing Agreement, the Market Situation and Status of Operations are dealt with in the "Management Discussion and Analysis" attached hereto.

6. Exports

The export turnover for the year under report was ₹ 35.68 crore against the previous year's export of ₹ 23.96 crore.

7. Research & Development

The expenditure on Research & Development, for new products, including the expenditure on Projects and Tool Engineering, was 3.22 % 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.

8. Foreign Collaborations

As reported earlier the Company entered into a licensing agreement with Daimler AG, Germany in respect of Multi-Purpose Vehicle (MPV). This project is progressing satisfactorily. The Company has received the agreed technology, and has also procured dies, tools required for the manufacture of MPV. The construction of buildings at Company's Pithampur Plant to house the facilities for production of MPV is nearing completion. The supplier base, for procurement of the parts of MPV, is being established. The technology procured from Getriebe-und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie KG (GETRAG), in respect of Transaxles, required in the manufacture of the MPV, has been absorbed completely.

Continuous technical support, as per the agreed arrangement, is being availed by the Company from MB Tech Group GmbH KGAA, for development of various parts and systems of vehicles being manufactured, or planned to be manufactured by the Company.

The Company continues to have the benefit of technical assistance from Dr. Rolf Bacher, Germany.

9. Industrial Relations

The litigation connected with recognition of labour union at the Company's Akurdi, Pune Plant, is still pending before the Hon'ble Supreme Court of India. The industrial relations at the Pithampur Plant continued to be cordial.

10. Foreign Exchange

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.

**11. Environment and Conservation of Energy**

Several steps to save energy and natural resources like water are being taken so as to achieve energy saving and cost reductions. The establishment of a new robotized top coat line in the paint shop, at Pithampur, is a step in this direction as it will result in considerable savings in paint, energy and will improve the environment friendliness of the system.

12. Fixed Deposits

23 deposits amounting to ₹ 4,95,000 matured for repayment on or before 31st March 2013 but remained unclaimed on that date. Out of these, 5 deposits amounting to ₹ 1,35,000 have since been repaid/renewed.

13. Orders for Machinery

Since the close of the Accounting Year the Company has placed orders for new machinery, equipment and other capital assets of value ₹ 13.08 crore.

14. Directors

Mr. Abhaykumar Firodia, Mrs. Anita Ramachandran, Mr. Atul Chordia and Mr. Arun Sheth, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment.

15. Audit Committee

Mr. Vinay Kothari, Mr. Pratap Pawar, Mr. S. Padmanabhan, Mr. Arun Sheth, Independent Directors, and Mr. S. A. Gundecha, Non-Executive Director, are the Members of the Audit Committee.

16. Unclaimed Share Certificate and Suspense Account

Share certificates in respect of 4709 shares earlier issued as right shares or bonus shares were returned undelivered. The Company intimated the fact to the concerned Members from time to time including reminders issued as per the provisions of the Listing Agreement. List of these Members is hosted on the website of the Company.

17. Corporate Governance

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

18. Directors' Responsibility Statement

As required by sub-section 2AA of Section 217 of the Companies Act, 1956, the Directors state that –

- in the preparation of Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of

the state of affairs of the Company at the end of the Financial Year and of the profit/loss of the Company for that period;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts are prepared on a going concern basis.

19. Other

Under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the annexure to the Directors' Report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the Members of the Company excluding the aforesaid annexure. The Members interested in obtaining a copy of the said annexure may write to the Company at the Registered Office of the Company. The Company had two employees who were in receipt of remuneration exceeding ₹ 5,00,000 per month and employed throughout the financial year and six employees who were in receipt of remuneration exceeding ₹ 5,00,000 per month and employed for part of the financial year.

- You are requested to appoint Auditors for the current year and fix their remuneration. M/s. P. G. Bhagwat, Chartered Accountants, Pune, Auditors to the Company, who retire at the ensuing Annual General Meeting, are eligible for reappointment.
- The Central Government has directed to conduct audit of the cost records of the Financial Year 2012-13 and accordingly M/s. Joshi Apte & Associates, Cost Accountants, Pune, were appointed as the Cost Auditors for that year. The Cost Audit Report is under preparation.
- The Directors express their grateful thanks 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

ABHAYKUMAR FIRODIA
Chairman

Pune - 411 035
27th July 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The year under review saw further slack develop in the demand for automobile products. The strained macro-economic environment, coupled with rising costs of fuel, saw steady weakening of demand for automobiles.

II. PERFORMANCE OF THE COMPANY

During the year under report, the Company achieved a top line of ₹ 2276.35 crore. The sales turnover stood at ₹ 2220.53 crore compared to the previous year's turnover of ₹ 2282.26 crore. The number of vehicles sold during the year under report was 29,502 compared to 32,258 vehicles sold in the year 2011-12.

The tractor business of the Company has shown an improvement in sales on account of the focused effort in select markets, and the significantly improved customer support established. This trend is continuing to improve, on the background of firm demand in the tractor market.

The sale of Traveller 26 is encouraging. New segments such as school buses, tourism and travel, etc. are opening up for this highly attractive, fuel efficient and weight optimized 26-seater monocoque bus developed by the Company.

The sale of Trump 40 showed significant decline, on account of increased competition, as also due to non-availability of Euro IV version for metropolitan areas.

Continuous emphasis on after sales service and spare parts availability has significantly benefited customer loyalty. This is achieved across the Commercial Vehicles (CV), Personal Vehicles (PV), and Agricultural Vehicles (AV) channels, for sales and service. Expansion of channels and enhancing capability, skills and knowledge of associates and channel partners, is an important objective, being vigorously pursued.

New product-lines and new collaborations

The Company has developed an Extreme Offroad Vehicle (EOV) – the 4x4x4 Trax Gurkha (all wheel drive x all terrains x all seasons) – which will cater to the specialist market for offroad vehicles.

The SUV - Force One EX - a highly fuel efficient and power optimized version, is also developed and under introduction.

The Company has created a new high-tech, engine and vehicle testing lab at Akurdi. Considering the several engine development and vehicle development programmes in hand, this investment in the 'Advanced Technology Centre', is very timely.

The Company has commenced project work on design, development and upgradation of several engine configurations, in various displacements and capacities. For this, the services of specialized agencies such as AVL, Bosch, etc. are being utilized. It is expected that over the next one and half years, the Company will have a new line-up of engines, capable of Euro IV and Euro V emission standards, across its range of products.

The transmission and axle line-up of the Company is also being upgraded and revamped. Assistance is obtained on a selective basis from M/s. Magna Steyr as also from M/s. Daimler.

III. SUBSIDIARY

The Company has acquired further 17.52 % of the paid up share capital of Tempo Finance (West) Private Limited (Tempo Finance), a Non-Banking Finance Company.

Earlier Company had acquired 48.90 % of paid up capital of Tempo Finance, and with above referred additional acquisition Tempo Finance has become a subsidiary of the Company w.e.f. 14th August 2012. Plans for further capitalizing this company and creating a suitable financing organization are under consideration.

IV. OPPORTUNITIES, THREATS AND RISK FACTORS

The current economic environment is not encouraging. Unless a turn-around in the rate of growth of the economy is achieved in the second half of the current fiscal year, there is likely to be notable contraction of demand, and consequently in the sale of your Company's products.

The Government of India, through the JNNURM is seeking to modernize the bus fleets operating in inner cities. Part of this requirement calls for mini and midi buses. The Company is attempting to enter this field, with very modern and efficient special products - in conformity to the JNNURM norms.

V. FINANCIAL PERFORMANCE

As stated above, the Company sold 29,502 numbers of vehicles during the Financial Year 2012-13 compared to 32,258 vehicles in the previous year 2011-12. 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 ₹ 27.38 crore compared to operating profit for the previous year 2011-12 amounting to ₹ 85.74 crore.

The Net Profit of the Company after Finance Costs, Depreciation and Taxes items was ₹ 14.28 crore for the year 2012-13.

Considering the above, the Board of Directors of the Company has recommended a dividend of ₹ 3 per share on 1,31,76,262 equity shares of ₹ 10 each for the consideration of the Members.

A sum of ₹ 1,42,78,754 is transferred to the General Reserve Account. The Reserves and Surplus of the Company as on 31st March 2013 stood at ₹ 1139.77 crore.

VI. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has undertaken 3 important initiatives.

- 1) A project is awarded to Robert Bosch Engineering & Business Solutions Limited, for assistance towards installing 'Controlling Function', within the framework of SAP environment. With the introduction of this discipline, the Company expects to significantly enhance its capability, in the financial control and management of operational efficiencies.
- 2) A detailed review, of the Company's regular system of internal audit and checks, has been carried out with the assistance of M/s. Capri Assurance & Advisory Services. Their recommendations are taken up for implementation.

- 3) M/s. KPMG Advisory Services have been engaged for a project - to update, improve, and automate, the processes involved in materials procurement, expenses approvals and supplier payments. The 'Procure to Pay' cycle to be implemented in our SAP environment.

VII. HUMAN RESOURCE DEVELOPMENT

Human Resource Development activity is greatly strengthened by a comprehensive initiative. Training initiative at the Head Office, at both plants and also for the field force, comprising of Company's employees as also the employees of Company's dealers - has been greatly emphasized. Increase in Management bandwidth, at senior and middle management levels, in view of growth aspirations is being carried out.

VIII. CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

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.

BOARD OF DIRECTORS

- The Board of Directors of the Company (**as of 31st March 2013**) ('the Board' for brevity) consisted of **12** Directors. **11** Directors were Non-Executive Directors and only **1** Director was Executive Director. **7** Directors were Independent Directors.

The Company's Board did not consist of any Nominee Directors appointed by lenders or other investors.

Mr. Abhaykumar Firodia, Chairman and Mr. Prasan Firodia, Managing Director of the Company represent promoters of the Company.

- The details of other directorships of the Directors (**as of 31st March 2013**) of the Company are as under: -

Sr. No.	Name of the Director	Number of other Companies in which Directorships held*	Number of Companies of which Chairman
1	Mr. Abhaykumar Firodia	10	04
2	Mr. Prasan Firodia	05	--
3	Mr. Sudhir Mehta	05	02
4	Mr. Pratap Pawar	17	02
5	Mrs. Anita Ramachandran	06	--
6	Mr. S. Padmanabhan	16	--
7	Mr. L. Lakshman	12	01
8	Mr. Arun Sheth	11	10
9	Mr. Vinay Kothari	09	--
10	Mr. Atul Chordia	30	--
11	Mr. S. A. Gundecha	02	--
12	Mr. R. B. Bhandari	01	--

* includes directorship in private companies and bodies corporate.

- The details of Committee positions held by the Directors of the Company in other Companies are as under: -

Name of the Director	Number of Audit Committee Memberships	Number of Remuneration Committee Memberships**	Number of Shareholders' Grievance Committee Memberships	Number of Chairmanships*
Mr. Pratap Pawar	3	2	2	2
Mrs. Anita Ramachandran	4	4	--	2
Mr. S. Padmanabhan	4	2	1	2
Mr. L. Lakshman	9	4	1	3
Mr. Arun Sheth	--	1	--	1

* includes Chairmanship of Remuneration Committee.

** includes HR & Compensation Committee.

- During the Financial Year 2012-13, six meetings of the Board were held on 21st April 2012, 19th May 2012, 28th July 2012, 22nd September 2012, 20th October 2012 and 19th January 2013. The attendance of Directors during the Financial Year 2012-13 for Board Meetings and General Meeting are as under:-

Name of the Director	Number of Board Meetings attended	Whether present at Annual General Meeting
Mr. Abhaykumar Firodia	5	No
Mr. Prasan Firodia	6	Yes
Mr. Sudhir Mehta	6	Yes
Mr. Pratap Pawar	5	Yes
Mrs. Anita Ramachandran	3	No
Mr. S. Padmanabhan	6	Yes
Mr. L. Lakshman	6	Yes
Mr. Arun Sheth	5	Yes
Mr. Vinay Kothari	6	Yes
Mr. Atul Chordia	2	No
Mr. S. A. Gundecha	6	Yes
Mr. R. B. Bhandari	6	Yes

- 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 annexure to Clause 49 of the Listing Agreement. At each meeting, the Managing Director presents an elaborate report on the operations of the Company, including an assessment of the market, operational issues and operating profitability. 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, 1956 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 No.18 issued by the Institute of Chartered Accountants of India and of the Companies (Accounting Standards) Rules, 2006. The Directors have informed the Company about the Committee Positions occupied by them in other Companies and changes therein.
8. The details of remuneration paid to the Executive Director during the Financial Year 2012-13 is as under:-

Name of the Director	Salary ₹	Value of Perquisites ₹
Mr. Prasan Firodia	24,00,000	8,58,065

The appointment and remuneration of Mr. Prasan Firodia as the Managing Director of the Company had been approved by the Members in their Extraordinary General Meeting held on 16th January 2010.

9. The details of sitting fees paid to Non-Executive Directors during the Financial Year 2012-13 are as under: -

Name of the Director	Sitting fees paid for attending Board Meetings and Committee Meetings ₹
Mr. Abhaykumar Firodia	70,000
Mr. Sudhir Mehta	80,000
Mr. Pratap Pawar	1,40,000
Mrs. Anita Ramachandran	40,000
Mr. S. Padmanabhan	1,60,000
Mr. L. Lakshman	80,000
Mr. Arun Sheth	1,40,000
Mr. Atul Chordia	30,000
Mr. Vinay Kothari	1,60,000
Mr. S. A. Gundecha	1,60,000
Mr. R. B. Bhandari	80,000

Sitting fees paid to Non-Executive Directors, including Independent Directors for every meeting of the Board of Directors or Committee thereof attended, has been increased from ₹ 10,000 per meeting to ₹ 20,000. This increase in sitting fees has been approved by the Members in the 53rd Annual General Meeting held on 22nd September 2012.

10. The details of financial transactions with Non-Executive Directors are as under: -

Name of the Director	Nature of Payment	Amount Paid ₹
Mr. S. A. Gundecha	Interest paid on Fixed Deposits	3,14,999.99
Mr. R. B. Bhandari	Interest paid on Fixed Deposits	8,14,731.73

No Stock Options are granted to any of the Directors.

11. The details of shares of the Company held by Non-Executive Directors are as under: -

Name of the Director	Number of shares held
Mr. Abhaykumar Firodia	1,60,755
Mr. Atul Chordia	400
Mr. Vinay Kothari	101
Mr. S. A. Gundecha	2,012
Mr. R. B. Bhandari	8,408

12. 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, 1997 were ₹ 76,32,40,392 and ₹ 5,06,99,925 respectively.
13. Mr. Abhaykumar Firodia, Mrs. Anita Ramachandran, Mr. Arun Sheth and Mr. Atul Chordia, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment.
14. The requisite information about these Directors is as under: -

Mr. Abhaykumar Firodia

Mr. Abhaykumar Firodia, 68, is B.A. (Hons) and is bestowed with the honorary degree of "Doctor of Science" by Rajiv Gandhi Proudyogiki Vishwa-vidyalaya (State Technological University), Madhya Pradesh.

Mr. Firodia was conferred with the prestigious "Order of Merit", of the Federal Republic of Germany, the highest honour awarded to individuals for their exemplary services to the Federal Republic of Germany.

Mr. Firodia has an experience of business management of over 45 years and was leading the Company as the Managing Director for over 20 years.

Mr. Firodia holds directorships in the following companies: -

Jaya Hind Industries Limited, Prasanna Holdings Private Limited, Jaya Hind Investments Private Limited, Dhanna Engineering Private Limited, Ahmednagar Engineering Private Limited, Dhoot Compact Limited, Bharat Hotels Limited, Dhoot Industrial Finance Limited, RAN Chemicals Private Limited and Mahratta Chamber of Commerce, Industries & Agriculture.

Mr. Firodia holds 1,60,755 equity shares of ₹ 10 each of the Company.

Mr. Abhaykumar Firodia is father of Mr. Prasan Firodia, Managing Director of the Company.

The Company has received intimation in the prescribed form as per the provisions of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003 from him.

Mrs. Anita Ramachandran

Mrs. Anita Ramachandran, 58, is a Commerce Graduate with Post Graduation in Business Management and Management Science. Mrs. Ramachandran is a renowned expert in Human Resource Management. She has wide experience in Management Consultancy Services. She is presently heading Cerebrus Consultants Private Limited, Mumbai.

She holds directorships in the following Companies:

Cerebrus Consultants Private Limited, Geometric Limited, Godrej & Boyce Manufacturing Company Limited, Swadhaar Finserve Private Limited and Rane (Madras) Limited. She was a Director in HCL Infosystems Limited upto 8th July 2013.

The Committee positions held by Mrs. Anita Ramachandran are as under: -

Name of the Company	Committee Positions
Geometric Limited	a) Audit Committee - Member b) Compensation Committee - Member
Godrej & Boyce Manufacturing Company Limited	a) Audit Committee - Member b) Compensation Committee - Member
Swadhaar FinServe Private Limited	a) HR & Compensation Committee - Chairperson b) Audit & Finance Committee - Member

The Company has received intimation in the prescribed form as per the provisions of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003 from her.

Mr. Arun Sheth

Mr. Arun Sheth, 65 years, is a Commerce Graduate and is the Chairman and Managing Director of Prabhudas Lilladher Private Limited, leading member of BSE Limited and National Stock Exchange of India Limited.

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

Mr. Sheth holds directorships in the following companies:-

Prabhudas Lilladher Advisory Services Private Limited, Prabhudas Lilladher Private Limited, PL Capital Markets Private Limited, PL Commodity Markets Private Limited, PL Fund Advisors Private Limited, PL Insurance Broking Services Private Limited, PL Distribution Company Private Limited, MajorGainz Online Trading Private Limited, Sheth Financial Services Private Limited, Champion Electronics Private Limited and Samya Consulting Private Limited.

Mr. Arun Sheth is the Chairman of Remuneration / Compensation Committee of Prabhudas Lilladher Advisory Services Private Limited.

The Company has received intimation in the prescribed form as per the provisions of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003 from him.

Mr. Atul Chordia

Mr. Atul Chordia, 48 years, holds a Bachelor's Degree in Commerce. Mr. Atul Chordia has a wide experience as an entrepreneur. He is associated with several projects connected with construction, hospitality and infrastructure. He acts as a director of several companies involved in these activities.

Mr. Chordia holds directorships in the following Companies: -

Aquarius Properties Private Limited, AS Realty and Infrastructure Private Limited, A Square Land Development Private Limited, Ashray Premises Private Limited, AR Ventures Funds Management Limited, Cybele Paradise Private Limited, Chalez Properties And Investments Private Limited, EON Hadapsar Infrastructure Private Limited, EON Kharadi Infrastructure Private Limited, EON Hinjewadi Infrastructure Private Limited, EON Aviation Private Limited, ICC Realty (India) Private Limited, India Land Infrastructure Development Private Limited, Odeon Impex Private Limited, Laguna Developers Private Limited, Panchshil Techpark Private Limited, P-One Infrastructure Private Limited, Panchshil Overseas Private Limited, Panchshil Infrastructure Holdings Private Limited, Panchshil Corporate Park Private Limited, Premsagar Infra Realty Private Limited, Precast India Infrastructures Private Limited, RVS Hospitality & Development Private Limited, Sportive Financial Services Private Limited, Siroya FM Infra-development Private Limited, Target Infradevelopers Private Limited, VRS Developers Private Limited, Wakad Realty Private Limited, Wagholi Properties Private Limited, Zero G Apartments Private Limited.

Mr. Chordia holds 400 equity shares of ₹ 10 each of the Company.

The Company has received intimation in the prescribed form as per the provisions of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003 from him.

COMMITTEES

15. The reconstituted Remuneration Committee of the Board consists of two Non-Executive Independent Directors, viz. Mr. Pratap Pawar, Chairman of the Committee, Mr. Vinay Kothari, and one Non-Executive Director Mr. R. B. Bhandari. During the financial year under report there was no change in the managerial remuneration and therefore no meeting of this committee was required to be convened and held.

16. The Audit Committee consists of five Directors - Mr. Vinay Kothari, Mr. Pratap Pawar, Mr. S. Padmanabhan, Mr. Arun Sheth and Mr. S. A. Gundecha.

Mr. Pratap Pawar, Mr. Vinay Kothari, Mr. S. Padmanabhan and Mr. Arun Sheth are Non-Executive Independent Directors, whereas Mr. S. A. Gundecha is a Non-Executive Director. Mr. Vinay Kothari, Chairman of the Audit Committee, has majored in finance and accounts in his MBA degree.

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, recommendation of appointment and remuneration of auditors, review of related party transactions and other areas indicated in Clause 49 of the Listing Agreement executed by the Company with Stock Exchanges and as per the provisions of Section 292A of the Companies Act, 1956.

The Audit Committee met on 21st April 2012, 19th May 2012, 28th July 2012, 22nd September 2012, 20th October 2012 and 19th January 2013. Mr. Vinay Kothari, Mr. S. Padmanabhan and Mr. S. A. Gundecha attended all the six meetings. Mr. Pratap Pawar and Mr. Arun Sheth attended five meetings.

The Audit Committee reviewed the Unaudited Financial Results (Provisional) for the three quarters and Audited Annual Accounts for the Financial Year 2012-13 in its meetings.

During the year under report, the Audit Committee interacted with the Statutory Auditors and the Cost Auditors of the Company regarding internal control systems, discussed the financial results/cost accounting records, and also held a post statutory audit review 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 sought 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 Head of Finance & Accounts 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.

17. The Board has constituted a Committee as Investors' Relation Committee consisting of two Non - Executive Directors, viz. Mr. Abhaykumar Firodia and Mr. S. A. Gundecha and one Executive Director Mr. Prasan Firodia. This Committee met from time to time for approval of transfer of shares, issue of duplicate share certificates, approval of transmission cases and to deal with non-routine investors' grievances, if any.

Mrs. Aparna G. Lambore, Company Secretary, is the designated Compliance Officer. During the year under report 39 investors' grievances were received and all these grievances were resolved to the satisfaction of the concerned members. As of 31st March 2013, no grievance was pending.

As of date of report, one request for transmission of shares held in physical form is pending. During the year under report, the Company processed 158 share transfers and requests for dematerialization / rematerialization of shares. As of date, no shareholder's grievance is under process.

SHAREHOLDERS

18. The Company has appointed Registrar and Share Transfer Agent - Link Intime India Private Limited, Block No. 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411 001, to handle demat and physical share transfers as well as other shares related activities of the Company.

19. The Unaudited Financial Results for the first, second and third quarters and Audited Results for the last quarter were made available to the Stock Exchanges, 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 Unaudited Financial Results for the quarter ended on 30th June 2012, 30th September 2012 and 31st December 2012 and the Audited Financial Results for the Financial Year 2012-13 were published in 'The Economic Times' and 'Maharashtra Times' after the information was made available to the Stock Exchanges in the prescribed format. The working results of the Company are available on the Company's website www.forcemotors.com. The Quarterly Unaudited Financial Results were subject to limited review by the Statutory Auditors of the Company. The appropriate certificates for each quarter were filed with the Stock Exchanges on 28th July 2012, 20th October 2012 and 19th January 2013 respectively.



20. **General Body Meetings:** The details of the last three Annual General Meetings are as under: -

Annual General Meeting Held On	Time	Location	Number of Special Resolution	Subject of Special Resolution
25th September 2010	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411 035.	--	--
24th September 2011	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411 035.	--	--
22nd September 2012	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411 035.	01	Alteration of Articles of Association - Increase in sitting fees of Directors

21. There was no matter, required to be dealt by the Company, by passing a resolution through postal ballot as per the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

22. No penalties were imposed by the Stock Exchanges or SEBI on the Company in any manner related to capital markets.

23. No presentation was made to any institutional investors or analyst during the year 2012-13.

24. Annual General Meeting

Time : 11.30 a.m.

Date : 21st September 2013.

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

25. 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

26. Period of book closure :

Thursday, 19th September 2013 to

Saturday, 21st September 2013

(both days inclusive).

27. The Board has recommended a payment of dividend of ₹ 3 per share on 1,31,76,262 equity shares of ₹ 10 each fully paid up. The dividend, if declared, by the Members of the Company will be paid after 21st day of September 2013.

28. Shares of the Company are listed on the Pune Stock Exchange Limited and BSE Limited. Annual Listing fee for the Financial Year 2013-14 has been paid to both the Exchanges.

29. The Stock Code allotted by BSE Limited is 500033.

30. Market price data during the Financial Year 2012-13 is as under :-

Month	Share Price		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2012	566.00	442.05	17664.10	17010.16
May 2012	538.00	445.00	17432.33	15809.71
June 2012	478.90	405.00	17448.48	15748.98
July 2012	501.50	441.55	17631.19	16598.48
August 2012	460.00	425.40	17972.54	17026.97
September 2012	451.90	421.10	18869.94	17250.80
October 2012	502.00	411.00	19137.29	18393.42
November 2012	505.00	464.60	19372.70	18255.69
December 2012	525.00	449.50	19612.18	19149.03
January 2013	495.00	435.00	20203.66	19508.93
February 2013	445.00	375.00	19966.69	18793.97
March 2013	410.00	329.00	19754.66	18568.43

31. Distribution of shareholding as on 31st March 2013 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	7266	90.32	660840	5.02
501 to 1000	404	5.02	293090	2.22
1001 to 2000	182	2.26	255199	1.94
2001 to 3000	54	0.68	132231	1.01
3001 to 4000	32	0.40	115029	0.87
4001 to 5000	13	0.16	59712	0.45
5001 to 10000	43	0.53	306086	2.32
10001 & above	51	0.63	11354075	86.17
Total	8045	100.00	13176262	100.00

32. The shares of the Company are available for dematerialization. The International Securities Identification Number code allotted to the shares of the Company is INE451A01017.

As of 31st March 2013, the number of equity shares of the Company held through depositories were 1,23,77,680 (93.94 % of the total paid up capital of the Company).

33. The Company has not issued any GDRs, ADRs or Warrants or Convertible Instruments.
34. The Company's plants are located at (a) Mumbai - Pune Road, Akurdi, Pune - 411 035 (b) Plot No.3, Sector No.1, Pithampur Industrial Estate, Pithampur, District Dhar - 454 775, Madhya Pradesh and (c) Gat no. 345, Village Urse, Tal. Maval, District Pune - 410 506.

The address for correspondence is –
Mrs. Aparna G. Lambore,
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

or

Link Intime India Private Limited,
Block no. 202,
2nd Floor, Akshay Complex,
Off Dhole Patil Road, Near Ganesh Temple,
Pune-411 001.

Phone : (020) 26161629 / 26163503
Telefax : (020) 26163503
e-mail: pune@linkintime.co.in

35. COMPLIANCES

The certificate obtained from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is attached to the Board Report. The Code of Conduct approved by the Board 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 Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges.

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 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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.

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

Place : Pune
Date : 27th July 2013.

S. S. Athavale
Partner
Membership No. 83374

INDEPENDENT AUDITORS' REPORT

To the Members of Force Motors Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Force Motors Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the **PROFIT** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227 (3) of the Act, we report that :
 - (a) We have 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place : Pune
 Date : 25th May, 2013

Sanjay Athavale
 Partner
 Membership Number 83374

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off major part of the fixed assets.
2. (a) The inventory has been physically verified during the year by the management, which is, in our opinion, at reasonable intervals.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
3. (a) The Company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
- (b) The Company has not taken any loans from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, have been entered in the Register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Rules framed there under, with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise-duty, Cess, Service tax and other statutory dues applicable to it.
According to the information and explanations given to us, no undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Wealth tax, Sales tax, Customs duty, Excise duty, Cess and Service tax and other statutory dues applicable to it were outstanding, as at the Balance Sheet date 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 Sales tax, Income-tax, Customs duty, Wealth-tax, Excise duty, Cess and Service tax which have not been deposited on account of any dispute except :

Type of the dues	Amount outstanding (₹ In Lakhs)	Forum
Customs Duty	0.80	Asst. Commissioner of Customs, Mumbai, CESTAT, Mumbai
Sales Tax	242.95	Sr. Dy. Commissioner of Sales Tax, Pune, Joint Commissioner of Sales Tax (Appeal) 1, Pune, Dy. Commissioner (Appeals) III Commercial Taxes, Jaipur, Dy. Commissioner of Commercial Tax (Coimbatore, Ratlam, Indore & Sitarampur) and M.P. Commercial Tax Appellate Board, Bhopal.
Excise Duty	122.87	CESTAT, New Delhi, CESTAT, West Regional Bench, Mumbai, Commissioner (Appeals), Indore and Commissioner of Central Excise (Appeals), Pune I Commissionerate, Pune.
TOTAL	366.62	

10. There are no accumulated losses as at the Balance Sheet date. The Company has not incurred cash losses during the financial year covered by our audit, nor in the immediately preceding financial year.
11. 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 dues to any financial institution or bank. The Company did not have any outstanding debentures at any time during the year and hence the question of any default therein does not arise.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit funds are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. The funds raised on short-term basis have not been used for long term investment.
18. The Company has not made preferential allotment of shares during the year.
19. No money has been raised by debenture issues during the year
20. No money has been raised by public issues during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place : Pune
 Date : 25th May, 2013

Sanjay Athavale
 Partner
 Membership Number 83374

Balance Sheet as at 31st March, 2013

	Notes	₹	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
I EQUITY AND LIABILITIES :				
1. Shareholders' Funds				
(a) Share Capital	2	13,17,90,383		13,17,90,383
(b) Reserves and Surplus	3	1139,77,04,607		1130,11,63,775
			1152,94,94,990	1143,29,54,158
2. Non-current Liabilities				
(a) Long-term Borrowings	4	41,98,70,000		59,69,05,000
(b) Deferred Tax Liabilities (Net)	5	21,92,69,499		19,14,80,176
(c) Other Long-term Liabilities	6	3,96,00,000		3,96,00,000
(d) Long-term Provisions	7	27,63,40,969		33,55,54,057
			95,50,80,468	116,35,39,233
3. Current Liabilities				
(a) Trade Payables		252,56,11,826		243,68,84,548
(b) Other Current Liabilities	8	184,58,33,508		130,74,54,045
(c) Short-term Provisions	9	22,23,15,450		30,28,36,348
			459,37,60,784	404,71,74,941
			Total	1707,83,36,242
II ASSETS :				
1. Non-current Assets				
(a) Fixed Assets				
(i) Tangible Assets	10	616,42,94,420		445,61,45,198
(ii) Intangible Assets	11	5,15,84,641		5,10,06,517
(iii) Capital Work-in-progress		188,98,69,811		93,37,43,743
			810,57,48,872	544,08,95,458
(b) Non-current Investments	12	1,18,03,364		94,75,559
(c) Long-term Loans and Advances	13	75,54,84,448		69,01,69,186
			76,72,87,812	69,96,44,745
2. Current Assets				
(a) Inventories	14	381,62,64,137		362,39,56,282
(b) Trade Receivables	15	108,80,46,389		156,43,27,210
(c) Cash and Bank Balances	16	225,14,55,848		462,08,97,856
(d) Short-term Loans and Advances	17	101,78,68,159		68,98,57,263
(e) Other Current Assets	18	3,16,65,025		40,89,518
			820,52,99,558	1050,31,28,129
			Total	1707,83,36,242
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

Prasan Firodia Managing Director
Sudhir Mehta Director

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013

Statement of Profit and Loss for the year ended 31st March, 2013

	Notes	₹	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
III INCOME :				
(i) Revenue from Operations (Gross)	19	2276,35,17,184		2369,16,19,208
Less : Excise Duty / Service Tax		303,62,96,246		284,15,61,089
Revenue from Operations (Net)			1972,72,20,938	2085,00,58,119
(ii) Other Income	20		43,65,16,285	24,59,73,016
(iii) Total Revenue (i) + (ii)			2016,37,37,223	2109,60,31,135
IV EXPENSES :				
(a) Cost of Raw Materials and Components consumed	21	1439,20,14,432		1492,98,40,912
(b) Change in Inventories of Finished Goods and Work-in-progress	22	(30,44,41,548)		(36,92,73,797)
(c) Employee Benefits expense	23	262,32,31,904		258,87,84,020
(d) Finance Costs	24	8,24,46,672		35,15,29,925
(e) Depreciation and Amortization expense	25	70,15,66,527		60,35,64,562
(f) Other expenses	26	282,02,39,145		276,65,76,608
		2031,50,57,132		2087,10,22,230
Less : Expenditure included in the above items capitalized		34,26,36,521		28,08,87,968
Total Expenses			1997,24,20,611	2059,01,34,262
V Profit before exceptional and extra-ordinary items and tax (III) - (IV)			19,13,16,612	50,58,96,873
VI Exceptional Items	27		--	960,70,94,000
VII Profit before extra-ordinary items and tax (V + VI)			19,13,16,612	1011,29,90,873
VIII Extra-ordinary items			--	--
IX Profit Before Tax (VII - VIII)			19,13,16,612	1011,29,90,873
X Tax Expenses :				
(1) Current Tax		1,65,21,729		183,82,51,261
(2) Deferred Tax		2,77,89,323		3,41,83,876
(3) Taxation Provision in respect of earlier years		42,18,024		(27,62,352)
Total Tax Expenses			4,85,29,076	186,96,72,785
XI Profit for the year (IX - X)			14,27,87,536	824,33,18,088
XII Basic and Diluted Earnings per equity share	28		10.84	625.62
[Nominal value per share ₹ 10/-]				
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

Prasan Firodia Managing Director
Sudhir Mehta Director

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,		2013	2012
		₹	₹
(A) Cash flow from Operating Activities :			
Net Profit / (Loss) before tax and extraordinary items		19,13,16,612	1011,29,90,873
Adjustments for :			
Depreciation		70,15,66,527	60,35,64,562
Foreign exchange loss / (gain)		(28,88,854)	37,61,653
Interest Income on bank deposits & others		(34,01,61,791)	(46,72,097)
Profit on sale of Investments		--	(960,70,94,000)
Dividend / Income from trade investments		(10,41,563)	(8,83,750)
Loss / (Profit) on sale of assets		18,167	(2,92,52,371)
Interest expense		8,24,46,672	35,15,29,925
Provision for bad, doubtful debts and debit balances		3,62,22,409	--
Operating Profit before Working Capital Changes		66,74,78,179	142,99,44,795
(Increase) / Decrease in trade receivables, loans & advances & other current assets		15,62,02,396	7,18,83,805
(Increase) / Decrease in Inventories		(19,23,07,855)	(51,08,80,865)
Increase / (Decrease) in trade payables and other payables		30,72,37,625	(29,22,89,195)
Cash generated from operations		93,86,10,345	69,86,58,540
Direct Taxes paid		(10,60,45,840)	(209,08,19,958)
Net Cash flow from Operating Activities	(A)	83,25,64,505	(139,21,61,418)
(B) Cash flow from investing activities :			
Purchase of fixed assets		(338,57,92,329)	(206,61,63,918)
Proceeds from sale of assets / equipments		58,35,822	4,06,96,061
Interest received		34,01,61,791	46,72,097
Investment in shares of subsidiary		(23,27,805)	--
Proceeds from sale of Investments		--	1016,50,65,000
Dividend / Income from trade investments		10,41,563	8,83,750
Net Cash flow from Investing Activities	(B)	(304,10,80,958)	814,51,52,990
(C) Cash flow from financing activities :			
Proceeds of long-term borrowing		(17,70,35,000)	(59,54,75,000)
Proceeds of short-term borrowing		23,26,04,000	(126,54,41,350)
Interest paid		(6,34,64,150)	(34,16,20,052)
Dividend paid (Including Tax thereon)		(15,31,37,811)	(7,65,68,907)
Net Cash flow from Financing Activities	(C)	(16,10,32,961)	(227,91,05,309)
Net Increase / (Decrease) in Cash and Cash equivalents	(A+B+C)	(236,95,49,414)	447,38,86,263
Cash and Cash equivalents as at 01-04-2012		461,90,06,893	14,51,20,630
Cash and Cash equivalents as at 31-03-2013 (excluding unrealised exchange fluctuation gain)		224,94,57,479	461,90,06,893

As per our separate report of even date.

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

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Prasan Firodia Managing Director
Sudhir Mehta Director

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013

Notes to Financial Statements for the year ended 31st March, 2013.
1. ACCOUNTING POLICIES :
A. Depreciation :
(a) Tangible Assets :

The Depreciation on Fixed assets is provided on straight line method at the rates as per Schedule-XIV of the Companies Act, 1956.

(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 amortised over the useful life of the assets, not exceeding ten years.

(c) Lease hold land is amortised 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 the Accounting Standard No. AS 16 - the Company's (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.

2. SHARE CAPITAL

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Authorised Share Capital :		
2,00,00,000 (2,00,00,000) Shares of ₹10/- each	20,00,00,000	20,00,00,000
Issued Share Capital :		
1,32,13,802 (1,32,13,802) Equity Shares of ₹10/- each	13,21,38,020	13,21,38,020
Subscribed and paid-up Share Capital :		
1,31,76,262 (1,31,76,262) Equity Shares of ₹10/- each fully paid up	13,17,62,620	13,17,62,620
<p>[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]</p> <p>[These allotments were made before earlier financial year and not in the period of five years preceding 31st March, 2013 or 31st March, 2012]</p>		
Add : Amount paid on Forfeited Shares	27,763	27,763
Total	13,17,90,383	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 206A of the Companies Act, 1956.

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

	31st March, 2013		31st March, 2012	
	No.	₹	No.	₹
At the beginning of the period	1,31,76,262	13,17,62,620	1,31,76,262	13,17,62,620
Issued / Reduction during the period	—	—	—	—
Outstanding at the end of the period	1,31,76,262	13,17,62,620	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. 13,032,914 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) The Board of Directors has recommended a dividend of ₹3/- (₹ 10/-) per share on 1,31,76,262 (1,31,76,262) equity shares of ₹10/- each fully paid up.
- (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**
The Company is not a subsidiary of any other company.

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

	31st March, 2013		31st March, 2012	
	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
1. Jaya Hind Investments Private Limited	62,17,358	47.19	62,17,358	47.19
2. Bajaj Holdings & Investment Limited	25,66,661	19.48	25,66,661	19.48

3. RESERVES AND SURPLUS

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
(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	337,09,06,283	254,65,06,283
Add : Transferred from the Statement of Profit and Loss	1,42,78,754	82,44,00,000
Closing Balance	<u>338,51,85,037</u>	<u>337,09,06,283</u>
(d) Surplus		
Balance as per last Financial Statements	733,57,80,277	7,00,00,000
Profit for the year	<u>14,27,87,536</u>	<u>824,33,18,088</u>
	747,85,67,813	831,33,18,088
Less : Appropriations		
Proposed Equity Dividend	3,95,28,786	13,17,62,620
Tax on proposed Equity Dividend	67,17,918	2,13,75,191
Transfer to General Reserve	<u>1,42,78,754</u>	<u>82,44,00,000</u>
Total Appropriations	6,05,25,458	97,75,37,811
Net Surplus	<u>741,80,42,355</u>	<u>733,57,80,277</u>
Total	<u><u>1139,77,04,607</u></u>	<u><u>1130,11,63,775</u></u>

Securities Premium represents premium received on issue of Equity Shares.

4. LONG-TERM BORROWINGS

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
Deposits (Unsecured)	41,98,70,000	59,69,05,000
Total	<u><u>41,98,70,000</u></u>	<u><u>59,69,05,000</u></u>

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. 41)

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
Deferred Tax Liabilities	40,25,80,253	36,07,49,407
Less : Deferred Tax Assets	18,33,10,754	16,92,69,231
Total	<u><u>21,92,69,499</u></u>	<u><u>19,14,80,176</u></u>

6. OTHER LONG-TERM LIABILITIES

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
Deposits received from lessee	3,96,00,000	3,96,00,000
Total	<u><u>3,96,00,000</u></u>	<u><u>3,96,00,000</u></u>

7. LONG-TERM PROVISIONS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Provision for Employee Benefits (Refer Note No. 38)	25,66,99,503	30,81,41,708
(b) Provision for Product Warranties and Service Charges (Refer Note No. 40)	1,96,41,466	2,74,12,349
Total	<u>27,63,40,969</u>	<u>33,55,54,057</u>

8. OTHER CURRENT LIABILITIES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Deposits (unsecured)	26,93,60,000	3,63,65,000
(b) Deposits matured but not claimed (unsecured)	4,95,000	8,86,000
(c) Interest accrued but not due	3,58,21,333	1,68,09,182
(d) Interest accrued and due on unclaimed deposits	54,378	84,007
(e) Creditors for Capital goods	46,50,85,595	43,12,26,919
(f) Advances and deposits against orders	57,87,50,673	47,86,52,928
(g) Unclaimed dividend	3,74,003	3,84,998
(h) Statutory Dues	23,83,35,606	25,98,46,334
(i) Other payables	25,75,56,920	8,31,98,677
Total	<u>184,58,33,508</u>	<u>130,74,54,045</u>

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, 2013 ₹	As at 31st March, 2012 ₹
(a) Provisions for employee benefits (Refer Note No. 38)	14,16,00,027	7,79,60,830
(b) Provision for Product Warranties & Service Charges (Refer Note No. 40)	3,44,68,719	7,17,37,707
(c) Provision for Taxation :		
Taxation provision for the earlier years	219,72,60,305	41,35,27,305
Taxation provision for the year	4,70,56,000	202,61,00,000
	<u>224,43,16,305</u>	<u>243,96,27,305</u>
Less : (i) Advance payment of tax	242,00,54,099	255,96,37,283
(ii) MAT Credit Entitlement	21,55,27,010	18,59,48,739
[Contra Refer Note 17-d]	<u>(39,12,64,804)</u>	<u>(30,59,58,717)</u>
(d) Provision for Proposed equity dividend	3,95,28,786	13,17,62,620
(e) Provision for Tax on Distributed Profit	67,17,918	2,13,75,191
	<u>4,62,46,704</u>	<u>15,31,37,811</u>
Total	<u>22,23,15,450</u>	<u>30,28,36,348</u>

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 Mar., 2012	\$ 4,45,85,613	\$ 1,60,53,256	* @ \$ 109,75,59,641	\$ 970,39,74,082	7,96,65,052	25,76,30,328	4,67,11,203	31,77,96,223	1156,39,75,398	1041,92,12,335
Additions	3,46,72,452	--	2,10,05,300	88,86,64,364	73,14,397	6,37,78,345	73,09,915	136,32,48,932	238,59,93,705	119,14,68,369
Disposals	--	--	28,688	67,47,049	5,79,409	2,00,94,893	--	--	2,74,50,039	4,67,05,306
As at 31st Mar., 2013	7,92,58,065	1,60,53,256	111,85,36,253	1058,58,91,397	8,64,00,040	30,13,13,780	5,40,21,118	168,10,45,155	1392,25,19,064	1156,39,75,398
Depreciation As at 31st Mar., 2012	--	23,71,145	35,83,90,340	635,82,52,496	4,93,72,397	15,02,58,065	3,31,59,360	15,60,26,397	710,78,30,200	65742,45,552
For the Year	--	** 4,29,835	3,42,20,855	58,94,82,707	37,62,933	1,93,39,570	27,16,017	2,20,38,577	67,19,90,494	56,88,46,263
Disposals	--	--	8,147	54,39,838	1,30,021	1,60,18,044	--	--	2,15,96,050	3,52,61,615
As at 31st Mar., 2013	--	28,00,980	39,26,03,048	694,22,95,365	5,30,05,309	15,35,79,591	3,58,75,377	17,80,64,974	775,82,24,644	710,78,30,200
Net Block As at 31st Mar., 2012	4,45,85,613	1,36,82,111	73,91,69,302	330,12,52,939	3,02,92,655	10,73,72,263	5,80,20,490	16,17,69,825	445,61,45,198	384,49,66,783
Net Block As at 31st Mar., 2013	7,92,58,065	1,32,52,276	72,59,33,205	364,35,96,032	3,33,94,731	14,77,34,189	1,81,45,741	150,29,80,181	616,42,94,420	445,61,45,198

Notes :

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

@ Certain Buildings completed are capitalised - pending finalisation of Contractors' bills, adjustment in cost, if any required, will be carried out during the financial year in which the same is finalized.

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

\$ Assets given on lease are included herein and are detailed in separate Note No. 37.

As per our separate report of even date.

For M/s. P. G. Bhagwat
(FRN : 101118W)
Chartered Accountants

S. S. Athavale
Partner
Membership No. 83374

Place : Pune
Date : 25th May, 2013

Prasan Firodia Managing Director
Sudhir Mehta Director

Place : Pune
Date : 25th May, 2013

Aparna G. Lambore
Company Secretary

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 Mar., 2012	10,02,78,657	20,45,05,354	8,22,00,834	9,23,39,718	47,93,24,563	47,39,45,100
Additions	3,01,54,157	--	--	--	3,01,54,157	53,79,463
Disposals	--	--	--	--	--	--
As at 31st Mar., 2013	13,04,32,814	20,45,05,354	8,22,00,834	9,23,39,718	50,94,78,720	47,93,24,563
Amortization						
As at 31st Mar., 2012	9,12,93,483	16,24,84,271	8,22,00,834	9,23,39,458	42,83,18,046	39,35,99,747
For the Year *	90,89,851	2,04,85,922	--	260	2,95,76,033	3,47,18,299
Deductions	--	--	--	--	--	--
As at 31st Mar., 2013	10,03,83,334	18,29,70,193	8,22,00,834	9,23,39,718	45,78,94,079	42,83,18,046
Net Block						
As at 31st Mar., 2012	89,85,174	4,20,21,083	--	260	5,10,06,517	8,03,45,352
Net Block						
As at 31st Mar., 2013	3,00,49,480	2,15,35,161	--	--	5,15,84,641	5,10,06,517
Useful Life	5 Years	10 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

S. S. Athavale
Partner
Membership No. 83374

Place : Pune
Date : 25th May, 2013

Aparna G. Lambore
Company Secretary

Prasan Firodia Managing Director

Sudhir Mehta Director

Place : Pune
Date : 25th May, 2013

12. NON-CURRENT INVESTMENTS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Trade Investments (Valued at cost)		
Unquoted		
8,80,200 (6,48,000) Equity Shares of ₹ 10/- each, fully paid in Tempo Finance (West) Private Limited [*]	88,56,854	65,29,049
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/- each, fully paid in MAN Trucks India Private Limited	10	10
Quoted		
63,125 (63,125) Equity Shares of ₹ 10/- each fully paid in ICICI Bank Limited	26,96,250	26,96,250
(b) Other Investments (Valued at cost)		
Unquoted		
5 (5) Equity Shares of ₹ 50/- each fully paid in Mittal Tower Premises Co-Operative Society Limited.	250	250
Total	<u>1,18,03,364</u>	<u>94,75,559</u>

[*] Associate Company upto 13th August, 2012 and Subsidiary Company w.e.f. 14th August, 2012

Aggregate amount of quoted investments :

	As on 31st March, 2013		As on 31st March, 2012	
	Cost ₹	Market Value ₹	Cost ₹	Market Value ₹
Quoted	26,96,250	6,59,87,719	26,96,250	5,60,07,656
Unquoted	91,07,114	--	67,79,309	--

13. LONG-TERM LOANS AND ADVANCES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Capital Advances (Unsecured)		
Considered good	67,84,12,232	63,10,35,156
(b) Security Deposits (Unsecured)		
Considered good	7,69,92,180	5,78,58,875
(c) Other Loans & Advances (Unsecured)		
Considered good	80,036	12,75,155
Considered doubtful	14,13,299	14,82,945
	<u>14,93,335</u>	<u>27,58,100</u>
Less : Provision for doubtful advances	<u>14,13,299</u>	<u>14,82,945</u>
	80,036	12,75,155
Total	<u>75,54,84,448</u>	<u>69,01,69,186</u>

14. INVENTORIES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Raw Materials and Components [Includes in transit ₹ 20,84,45,562 (₹ 30,19,74,647)]	193,04,31,750	208,12,41,557
(b) Work-in-progress (Refer Note 22)	53,46,57,870	49,49,89,423
(c) Finished goods (Refer Note 22)	98,55,49,934	72,07,76,833
(d) Excise Duty on Inventory of Finished Goods	15,48,09,204	9,55,66,250
(e) Stores and Spares	21,08,15,379	23,13,82,219
Total	<u>381,62,64,137</u>	<u>362,39,56,282</u>

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

15. TRADE RECEIVABLES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Unsecured		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	3,62,17,260	5,55,52,629
- Considered Doubtful	3,62,22,409	—
	<u>7,24,39,669</u>	<u>5,55,52,629</u>
- Less : Provision for doubtful receivables	<u>3,62,22,409</u>	—
	3,62,17,260	5,55,52,629
(b) Other receivables		
- Considered good	105,18,29,129	150,87,74,581
Total	<u>108,80,46,389</u>	<u>156,43,27,210</u>

16. CASH AND BANK BALANCES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Cash and Cash equivalents		
(i) Balance with Banks	224,85,52,243	444,04,16,791
(ii) Cheques / Drafts on hand	1,55,421	17,81,34,695
(iii) Cash on hand	8,74,181	4,61,372
	<u>224,95,81,845</u>	<u>461,90,12,858</u>
(b) Other bank balances		
(i) Unpaid dividend account	3,74,003	3,84,998
(ii) Margin money deposit	15,00,000	15,00,000
	<u>18,74,003</u>	<u>18,84,998</u>
Total	<u><u>225,14,55,848</u></u>	<u><u>462,08,97,856</u></u>

17. SHORT-TERM LOANS AND ADVANCES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Unsecured		
(a) Security Deposits		
Considered good	42,15,839	25,99,878
(b) Advances recoverable in cash or kind		
Considered good	61,37,62,848	37,01,67,146
Considered doubtful	1,08,13,700	1,08,13,700
	<u>62,45,76,548</u>	<u>38,09,80,846</u>
Less : Provision for doubtful advances	<u>1,08,13,700</u>	<u>1,08,13,700</u>
	61,37,62,848	37,01,67,146
(c) Other Loans & Advances		
Considered good	86,24,668	1,11,31,522
(d) Others		
(i) Advance Income-tax	17,57,37,794	12,00,09,978
(ii) MAT Credit Entitlement (net of provision for taxation) [Contra - Refer Note 9-C]	21,55,27,010	18,59,48,739
	<u>39,12,64,804</u>	<u>30,59,58,717</u>
Total	<u><u>101,78,68,159</u></u>	<u><u>68,98,57,263</u></u>

18. OTHER CURRENT ASSETS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Unsecured, considered good		
Interest accrued on deposits with Banks	3,16,65,025	40,89,518
Total	<u><u>3,16,65,025</u></u>	<u><u>40,89,518</u></u>

19. REVENUE FROM OPERATIONS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Revenue from operations		
Sale of products	2220,53,22,925	2282,25,58,913
(b) Other operating revenue		
(i) Service Charges	25,42,58,541	60,19,30,946
(ii) Others	30,39,35,718	26,71,29,349
Revenue from operations (Gross)	2276,35,17,184	2369,16,19,208
Less : Excise Duty / Service Tax	303,62,96,246	284,15,61,089
Revenue from operations (Net)	Total 1972,72,20,938	2085,00,58,119

DETAILS OF PRODUCTS SOLD

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
- Automobiles	1729,70,79,683	1714,28,173,008
- Auto Components	490,43,38,475	564,46,58,535
- Moulds, Dies, Press Tools, Jigs & Fixtures	39,04,767	3,50,27,370
Total	2220,53,22,925	2282,25,58,913

20. OTHER INCOME

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Interest Income	38,43,15,937	14,09,87,878
(b) Dividend Income	10,41,563	8,83,750
(c) Net gain / loss on foreign currency translation and transaction (other than considered as finance cost)	55,61,244	2,63,46,731
(d) Others	4,55,97,541	7,77,54,657
Total	43,65,16,285	24,59,73,016

21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Steel and other metals	103,28,48,189	116,53,22,631
(b) Castings and Forgings	73,98,11,238	77,59,79,717
(c) Components	1261,93,55,005	1298,85,38,564
Total	1439,20,14,432	1492,98,40,912

22. (INCREASE) / DECREASE IN INVENTORIES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹	(Increase) / Decrease ₹
(a) Inventories at the end of the year			
(i) Finished Goods	98,55,49,934	72,07,76,833	(26,47,73,101)
(ii) Work-in-progress	53,46,57,870	49,49,89,423	(3,96,68,447)
Total	<u>152,02,07,804</u>	<u>121,57,66,256</u>	<u>(30,44,41,548)</u>
(b) Inventories at the beginning of the year			
(i) Finished Goods	72,07,76,833	46,35,24,486	(25,72,52,347)
(ii) Work-in-progress	49,49,89,423	38,29,67,973	(11,20,21,450)
Total	<u>121,57,66,256</u>	<u>84,64,92,459</u>	<u>(36,92,73,797)</u>

DETAILS OF INVENTORY

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Work-in-progress		
(i) On-road automobiles	10,57,03,277	2,64,39,756
(ii) Engines	8,84,25,553	11,44,45,855
(iii) Others	34,05,29,040	35,41,03,812
Total	<u>53,46,57,870</u>	<u>49,49,89,423</u>
Finished Goods		
(i) On-road automobiles	83,89,33,174	48,36,90,069
(ii) Tractors	4,83,57,180	9,61,59,404
(iii) Engines	2,20,079	12,31,279
(iv) Others	9,80,39,501	13,96,96,081
Total	<u>98,55,49,934</u>	<u>72,07,76,833</u>

23. EMPLOYEE BENEFIT EXPENSE

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Salaries, Wages, Bonus etc.	233,61,94,688	231,06,91,911
(b) Contribution to provident, other funds and schemes	18,60,51,620	17,68,26,733
(c) Staff welfare expenses	10,09,85,596	10,12,65,376
Total	<u>262,32,31,904</u>	<u>258,87,84,020</u>

24. FINANCE COSTS

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Interest	7,94,96,672	34,93,63,258
(b) Other borrowing cost	29,50,000	21,66,667

Total	8,24,46,672	35,15,29,925
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25. DEPRECIATION AND AMORTIZATION EXPENSE

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Depreciation of tangible assets	67,19,90,494	56,88,46,263
(b) Amortization of intangible assets	2,95,76,033	3,47,18,299

Total	70,15,66,527	60,35,64,562
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26. OTHER EXPENSES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Consumption of stores and spares	73,82,18,299	85,31,46,798
(b) Fabrication and Processing Charges	10,15,21,177	10,54,36,588
(c) Power and Fuel	37,21,78,599	34,31,63,885
(d) Forwarding Charges	24,46,77,867	21,70,44,531
(e) Rent	70,30,716	98,40,972
(f) Rates and Taxes	5,25,49,607	4,39,24,205
(g) Insurance	4,54,65,030	4,53,50,458
(h) Repairs and Maintenance :		
(i) Plant and Machinery	10,04,75,944	11,68,30,851
(ii) Buildings	4,18,44,217	4,77,19,344
(iii) Others	2,22,49,854	2,32,49,513
(i) Publicity and sales promotion	43,54,11,870	39,20,78,419
(j) Payments to Auditors (Refer details below)	19,88,179	15,06,329
(k) Prior year expenses	44,78,906	1,13,09,049
(l) Provision for doubtful debts	3,62,22,409	—
(m) Donation	1,00,00,000	—
(n) Miscellaneous Expenses	60,59,26,471	55,59,75,666

Total	282,02,39,145	276,65,76,608
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Payments to Auditors

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Audit Fees	16,00,000	12,00,000
(b) Tax Audit Fees	1,00,000	75,000
(c) Certification work	2,39,250	1,94,500
(d) Provident Fund Audit fees paid to Associate of Statutory Auditor	15,000	15,000
(e) Reimbursement of expenses	33,929	21,829

Total	19,88,179	15,06,329
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27. EXCEPTIONAL ITEMS

Exceptional Income, related to year ended on 31st March, 2012, represents gain made by the Company, on sale and transfer of 5,57,97,100 equity shares of MAN FORCE TRUCKS Pvt. Ltd. (Now known as MAN Trucks India Private Limited), the erstwhile joint venture between the Company and MAN Truck & Bus AG, Germany. During the year, the Company has continued the support to the said company, by rendering the services upto 24th January, 2013.

28. EARNINGS PER SHARE (EPS)

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Values used in calculating Earnings Per Share (Basic & Diluted)		
(a) Numerator		
Profit / (Loss) after tax	14,27,87,536	824,33,18,088
(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

29. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) Contingent Liabilities		
(i) Taxes & Duties	23,97,54,153	21,54,37,011
(ii) Others (Court cases pending)	26,07,24,115	23,69,33,376
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	91,44,14,860	113,24,30,846

Part of the estimated amount of commitments supported by letter(s) of credit issued by a Bank NIL (₹ 18,24,05,604). The Bank holds charge on the assets of the Company, as a security, enforceable in case of default, being made by the Company.

- (c) As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Company has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Company. The Company has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule VI to the Companies Act, 1956, only to indicate the alleged claims made against the Company and the developments in respect thereof.

30. As of 31st March, 2013, 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 with interest for ₹ 1,56,61,877. 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.

31. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMPTION :

	₹		Percentage	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
(a) Imported	305,82,38,340	332,56,61,134	21.25	22.28
(b) Indigenous	1133,37,76,092	1160,41,79,778	78.75	77.72
Total	<u>1439,20,14,432</u>	<u>1492,98,40,912</u>	<u>100.00</u>	<u>100.00</u>

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

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(a) C. I. F. Value of Imports		
(i) Raw Materials	14,85,89,603	11,92,85,813
(ii) Components	227,15,22,501	342,33,52,859
(iii) Capital Goods	176,45,49,902	33,95,86,707
(iv) Machinery, Spares, Tools & Others	4,87,28,680	4,78,04,281
(b) Expenditure in Foreign Currency :		
(i) Travelling and Other expenses	1,23,99,048	40,22,069
(ii) Royalty and Technical know-how fees (net of tax)	6,46,39,309	7,26,061
(iii) Technical services and consultation fees (net of tax)	1,82,96,831	2,51,99,148
(iv) Interest	--	29,88,529
(c) Earnings in Foreign Currency :		
(i) Exports on FOB basis	35,67,85,680	23,96,29,094
(ii) Sale of long-term investments in MAN FORCE TRUCKS Pvt. Ltd.	--	1016,50,65,000

33. REMITTANCE OF DIVIDEND IN FOREIGN CURRENCY :

(a) No. of Non-resident shareholders 10 NRI and 2 Foreign Nationals (Other than NRI) (Foreign Nationals)	(Nos)	12	2
(b) No. of shares held	(Nos)	1,17,417	1,00,079
(c) Amount of dividend remitted (net of taxes)	(₹)	11,74,170	5,00,395
(d) Accounting year to which dividend relates		2011-12	2010-11

34. The amount of net exchange differences included in the Profit / Loss for the year on Revenue account is ₹ 38,03,005 Credit (₹ 2,34,23,178/- Credit) and on Capital account is ₹ 17,58,239/- Credit. (₹ 29,23,553/- Credit).

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

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
(i) Capital Expenditure	24,73,12,336	2,04,89,400
(ii) Revenue Expenditure	40,25,34,786	38,77,87,335

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

**36. THE COMPANY'S LIABILITIES AND OBLIGATIONS IN FOREIGN CURRENCY OUTSTANDING AS AT
31ST MARCH, 2013, 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 ₹
in US Dollar	-- (-)	-- (-)	26,450 (-)	14,40,743 (-)
in Euro	-- (-)	-- (-)	24,93,890 (50,68,325)	17,36,60,649 (34,40,37,933)
in Japanese Yen	-- (-)	-- (-)	-- (9,00,000)	-- (5,49,000)

37. LEASES :**Operating Leases :****(a) Assets taken on Lease :**

The Company has taken 10 vehicles on operating lease for a period of four years.

Lease rentals are recognised in the Statement of Profit & Loss.

(b) Assets given on Lease :**(i) Industrial Shed at Chakan :**

The Company has entered into a Lease Agreement for Industrial Shed 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 & Loss.

Category	Gross carrying amount of the portion of assets leased, disclosed in Note No. 10	Accumulated Depreciation	Depreciation recognised in Statement of Profit & Loss
	₹	₹	₹
(1) Freehold Land	23,02,671 (23,02,671)	-- (-)	-- (-)
(2) Building	7,71,03,623 (7,71,03,623)	66,35,221 (40,53,647)	25,81,574 (25,23,867)
(3) Plant & Machinery	1,83,04,544 (1,83,04,544)	36,75,117 (22,36,225)	14,38,891 (14,38,891)

The future minimum lease rentals :

Less than one year	₹	4,33,12,500 (3,96,00,000)	
Later than one year but not later than five years	₹	19,32,60,375 (10,59,30,000)	
Later than five years	₹	-- (-)	-- (-)

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/-.

(ii) Freehold land at Akurdi :

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 & Loss.

38. DISCLOSURE AS PER ACCOUNTING STANDARD 15 (REVISED) IS AS UNDER :

	Gratuity ₹		Leave Entitlement ₹	
	31st March		31st March	
	2013	2012	2013	2012
(A) Amount to be recognised in Balance Sheet				
(i) Present Value of Obligation	43,50,46,574	40,14,90,524	21,22,14,067	20,07,44,406
(a) Current Liability	9,60,79,587	4,61,97,382	4,43,33,487	3,09,08,922
(b) Non-current Liability	33,89,66,987	35,52,93,142	16,78,80,580	16,98,35,484
(ii) Funded Status	25,01,48,064	21,69,86,918	--	--
(iii) Net Asset / (Liability) recognised in Balance Sheet	(18,48,98,510)	(18,45,03,606)	(21,22,14,067)	(20,07,44,406)
(B) Expense recognised in the Statement of Profit & Loss at the end				
(i) Current Service Cost	2,99,90,390	2,77,16,841	2,76,24,534	2,88,49,152
(ii) Interest Cost	3,27,00,521	3,05,74,655	1,63,87,803	1,35,77,895
(iii) Expected Return on Plan Assets	(2,08,40,425)	(1,80,27,452)	--	--
(iv) Net actuarial (gain) / loss recognised in the year	39,12,110	(1,29,30,197)	(1,66,49,218)	(8,98,290)
(v) Expenses recognised in the Statement of Profit and Loss	4,57,62,596	2,73,33,847	2,73,63,119	4,15,28,757
(C) Present value of obligation as at the end				
(i) Present value of obligation as at the beginning	40,14,90,524	38,98,42,504	20,07,44,406	17,19,52,522
(ii) Interest Cost	3,27,00,521	3,05,74,655	1,63,87,803	1,35,77,895
(iii) Current Service Cost	2,99,90,390	2,77,16,841	2,76,24,534	2,88,49,152
(iv) Benefits paid	(3,35,57,029)	(3,39,61,704)	(1,58,93,458)	(1,27,36,873)
(v) Actuarial (gain) / loss on obligation	44,22,168	(1,26,81,772)	(1,66,49,218)	(8,98,290)
(vi) Present value of obligation as at the end	43,50,46,574	40,14,90,524	21,22,14,067	20,07,44,406
(D) Actuarial Assumptions :				
(i) Discount Rate	8.00%	8.50%	8.00%	8.50%
(ii) Salary escalation rate	10.00%	10.00%	10.00%	10.00%
(iii) Rate of Return on Plan Assets	9.35%	9.35%	--	--
(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 ₹ 11,86,953/- (₹ 8,54,526/-).

39. 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
(w.e.f. 14th August, 2012)
- (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
(iii) Other related parties : Jaya Hind Industries Ltd.
: Jaya Hind Investments Pvt. Ltd.

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

Type of Related party	Nature of Transaction	Volume of Transactions during 2012-13	Amount outstanding as on 31-03-2013	
			Receivables	Payables
		₹	₹	₹
(a) Key Management Personnel :	: Managerial Remuneration	32,58,065 (32,58,059)	-- (-)	24,000 (24,000)
(b) Jaya Hind Industries Ltd.	: Purchase of Capital Goods	72,12,375 (1,95,22,090)	34,99,800 (34,99,800)	-- (-)
	: Purchase of Raw Materials, Components & Others	75,40,34,930 (72,79,33,107)	-- (-)	5,44,57,837 (10,08,70,557)
	: Sundry Sales	1,98,91,145 (2,80,44,350)	-- (-)	-- (-)
	: Processing Charges recovered	5,29,787 (8,12,265)	-- (-)	-- (-)
	: Material given on Loan	-- (-)	37,44,691 (37,44,691)	-- (-)
	: Machinery given on Loan	1,26,39,639 (46,77,882)	36,70,75,545 (36,79,67,983)	-- (-)
	: Expenses recovered	3,02,78,993 (2,75,19,283)	45,25,737 (21,86,145)	-- (-)
	: Expenses reimbursed	19,93,087 (15,80,059)	-- (-)	-- (-)
(c) Jaya Hind Investments Pvt. Ltd.	: Inter Corporate Deposit	-- (242,50,00,000)	-- (-)	-- (-)
	: Interest on Inter Corporate Deposit (Gross)	-- (12,41,18,493)	-- (-)	-- (-)

40. 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 01-04-2012	Additional provisions made during the year	Paid during the year against provisions	Amount reversed and written back	Carrying Amount of provisions as at 31-03-2013
	₹	₹	₹	₹	₹
Warranty	5,11,12,844 (2,62,49,480)	2,86,73,774 (5,11,12,844)	5,11,12,844 (2,62,49,480)	-- (-)	2,86,73,774 (5,11,12,844)
Free Service Coupons	4,80,37,212 (4,67,74,585)	2,54,36,411 (4,69,83,000)	4,80,37,212 (4,57,20,373)	-- (-)	2,54,36,411 (4,80,37,212)

41. DETAILS OF DEFERRED TAX ASSETS / (LIABILITIES) :

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
A) Nature of Timing difference		
(a) Difference between accounting and tax depreciation (cumulative)	(49,55,47,342)	(36,07,49,407)
(b) Other Timing differences	27,62,77,843	16,92,69,231
	<u>Total</u>	<u></u>
	<u>(21,92,69,499)</u>	<u>(19,14,80,176)</u>
B) Current Tax		
Current Tax (MAT)	4,61,00,000	202,42,00,000
Less : MAT Credit entitlement	<u>2,95,78,271</u>	<u>18,59,48,739</u>
Net Current Tax	<u>1,65,21,729</u>	<u>183,82,51,261</u>

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

The fund based limits, if utilised, are payable on demand to the Banks. During the year 2012-13, the Company has not utilised any fund based limits.

43. All amounts which became due, for transfer to the Credit of Investor Education and Protection Fund, as of 31st March, 2013, have been transferred to that fund, except a sum of ₹ 60,000/- being amount of 5 (five) fixed deposits and interest thereon amounting to ₹ 5,580/-. In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

44. 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 ₹ 6,65,42,452/-, in the development phase of a new model Multipurpose Vehicles. 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.

45. The Company is operating in a Single Segment.

46. 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

Prasan Firodia Managing Director

Sudhir Mehta Director

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

STATEMENT PURSUANT TO SECTION 212 (3)

1.	Name of the Subsidiary Company	Tempo Finance (West) Private Limited	
2.	Holding Company's interest in the Subsidiaries at the end of the Financial Year of the Subsidiary, i.e. 31st March, 2013.	8,80,200 equity shares of ₹ 10 each, fully paid up.	
3.	The net aggregate amount so far as it concerns the Members of Holding Company and is not dealt with in the Company's accounts of the Subsidiary Company's profit after deducting its losses.	(i) For the Financial Year of Subsidiary Company ended on 31st March, 2013	₹ 14,31,714
		(ii) For the previous Financial Year of the Subsidiary Company	₹ Nil
4.	The net aggregate amount of profits of the Subsidiary Company after deducting its losses so far as these profits are dealt with in the Holding Company's accounts.	(i) For the Financial Year of the Subsidiary Company ended on 31st March, 2013.	₹ Nil
		(ii) For the previous Financial Year of the Subsidiary Company	₹ Nil

w.e.f. 14th August, 2012, Tempo Finance (West) Private Limited has become a subsidiary of the Company. Hence figures for the previous financial year are not disclosed.

As per our separate report of even date attached

Aparna G. Lambore
Company Secretary

Prasan Firodia Managing Director
Sudhir Mehta Director

Place : Pune
Date : 25th May, 2013

Pune
Date : 25th May, 2013

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AUDITORS' REPORT**To the Board of Directors of Force Motors Limited**

We have audited the accompanying consolidated financial statements of Force Motors Limited group, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

We report that consolidated financial statements have been prepared by the management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, on the basis of separate audited financial statements of Force Motors Ltd., audited by us, and its subsidiary whose financial statements are also audited by us, included in the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the group as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the **PROFIT** for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Pune
Date : 25th May, 2013

Sanjay Athavale
Partner
Membership Number 83374



Consolidated Balance Sheet as at 31st March, 2013

	Notes	₹	As at 31st March, 2013 ₹
I EQUITY AND LIABILITIES :			
1. Shareholders' Funds			
(a) Share Capital	2	13,17,90,383	
(b) Reserves and Surplus	3	1141,29,04,089	
		<hr/>	1154,46,94,472
2. Minority Interest			
3. Non-current Liabilities			
(a) Long-term Borrowings	4	41,98,70,000	
(b) Deferred Tax Liabilities (Net)	5	21,92,69,499	
(c) Other Long-term Liabilities	6	3,96,00,000	
(d) Long-term Provisions	7	27,63,40,969	
		<hr/>	95,50,80,468
4. Current Liabilities			
(a) Trade Payables		252,56,94,300	
(b) Other Current Liabilities	8	184,58,80,046	
(c) Short-term Provisions	9	22,23,15,450	
		<hr/>	459,38,89,796
		Total	<hr/> <u>1710,57,96,365</u>
II ASSETS :			
1. Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	616,42,94,420	
(ii) Intangible Assets	11	5,16,39,495	
(iii) Capital Work-in-progress		188,98,69,811	
		<hr/>	810,58,03,726
(b) Non-current Investments	12	29,46,510	
(c) Long-term Loans and Advances	13	75,79,84,448	
		<hr/>	76,09,30,958
2. Current Assets			
(a) Inventories	14	381,62,64,137	
(b) Trade Receivables	15	108,80,46,389	
(c) Cash and Bank Balances	16	228,11,20,655	
(d) Short-term Loans and Advances	17	101,81,93,017	
(e) Other Current Assets	18	3,54,37,483	
		<hr/>	823,90,61,681
		Total	<hr/> <u>1710,57,96,365</u>
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

Prasan Firodia Managing Director
Sudhir Mehta Director

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

	Notes	₹	For the year ended 31st March, 2013 ₹
III INCOME :			
(i) Revenue from Operations (Gross)	19	2276,67,08,984	
Less : Excise Duty / Service Tax		303,62,96,246	
Revenue from Operations (Net)			1973,04,12,738
(ii) Other Income	20		43,65,16,285
(iii) Total Revenue (i) + (ii)			2016,69,29,023
IV EXPENSES :			
(a) Cost of Raw Materials and Components consumed	21	1439,20,14,432	
(b) Change in Inventories of Finished Goods and Work-in-progress	22	(30,44,41,548)	
(c) Employee Benefits expense	23	262,32,31,904	
(d) Finance Costs	24	8,24,58,789	
(e) Depreciation and Amortization expense	25	70,15,66,527	
(f) Other expenses	26	282,02,87,177	
		2031,51,17,281	
Less : Expenditure included in the above items capitalized		34,26,36,521	
Total Expenses			1997,24,80,760
V Profit before exceptional and extra-ordinary items and tax (III) - (IV)			19,44,48,263
VI Exceptional Items			--
VII Profit before extra-ordinary items and tax (V + VI)			19,44,48,263
VIII Extra-ordinary items			--
IX Profit Before Tax (VII - VIII)			19,44,48,263
X Tax Expenses :			
(1) Current Tax		1,74,98,729	
(2) Deferred Tax		2,77,89,323	
(3) Taxation Provision in respect of earlier years		42,17,297	
Total Tax Expenses			4,95,05,349
XI Less : Profit for the year attributable to Minority Interest			7,23,664
XII Profit for the year			14,42,19,250
XIII Basic and Diluted Earnings per equity share	27		10.95
[Nominal value per share ₹ 10/-]			
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

Prasan Firodia Managing Director
Sudhir Mehta Director

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,		2013
		₹
(A) Cash flow from Operating Activities :		
Net Profit / (Loss) before tax and extraordinary items		19,44,48,263
Adjustments for :		
Depreciation		70,15,66,527
Foreign exchange loss / (gain)		(28,88,854)
Interest Income on bank deposits & others		(34,01,61,791)
Tax on distributed profits for earlier year		--
Dividend / Income from trade investments		(10,41,563)
Loss / (Profit) on sale of assets		18,167
Interest expense		8,24,46,672
Provision for bad, doubtful debts and debit balances		3,62,22,409
Operating Profit before Working Capital Changes		67,06,09,830
(Increase) / Decrease in trade receivables, loans & advances & other current assets		18,11,50,398
(Increase) / Decrease in Inventories		(19,23,07,855)
Increase / (Decrease) in trade payables and other payables		30,72,36,187
Cash generated from operations		96,66,88,560
Direct Taxes paid		(10,70,53,967)
Net Cash flow from Operating Activities	(A)	85,96,34,593
(B) Cash flow from investing activities :		
Purchase of fixed assets		(338,57,92,329)
Proceeds from sale of assets / equipments		58,35,822
Interest received		34,01,61,791
Investment in shares of subsidiary		(23,27,805)
Dividend / Income from trade investments		10,41,563
Net Cash flow from Investing Activities	(B)	(304,10,80,958)
(C) Cash flow from financing activities :		
Proceeds of long-term borrowing		(17,70,35,000)
Proceeds of short-term borrowing		23,26,04,000
Interest paid		(6,34,64,150)
Dividend paid (Including Tax thereon)		(15,31,37,811)
Net Cash flow from Financing Activities	(C)	(16,10,32,961)
Net Increase / (Decrease) in Cash and Cash equivalents	(A+B+C)	(234,24,79,326)
Cash and Cash equivalents as at 01-04-2012		462,16,01,612
Cash and Cash equivalents as at 31-03-2013 (excluding unrealised exchange fluctuation gain)		227,91,22,286

As per our separate report of even date.

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

Prasan Firodia Managing Director
Sudhir Mehta Director

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013

Notes to Financial Statements for the year ended 31st March, 2013.
1. ACCOUNTING POLICIES :
A. Depreciation :
(a) Tangible Assets :

The Depreciation on Fixed assets is provided on straight line method at the rates as per Schedule-XIV of the Companies Act, 1956.

(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 amortised over the useful life of the assets, not exceeding ten years.

(c) Lease hold land is amortised 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 the Accounting Standard No. AS 16 - the Company's (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.

2. SHARE CAPITAL

	As at 31st March, 2013 ₹
Authorised Share Capital :	
2,00,00,000 Shares of ₹10/- each	20,00,00,000
Issued Share Capital :	
1,32,13,802 Equity Shares of ₹10/- each	13,21,38,020
Subscribed and paid-up Share Capital :	
1,31,76,262 Equity Shares of ₹10/- each fully paid up	13,17,62,620

[of the above 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 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, 2013 or 31st March, 2012]

Add : Amount paid on Forfeited Shares	27,763
Total	13,17,90,383

Note : Offer on Right basis for 17,932 Equity Shares of ₹ 10/- each is kept in abeyance as per provisions of Section 206A of the Companies Act, 1956.

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

	31st March, 2013	
	No.	₹
At the beginning of the period	1,31,76,262	13,17,62,620
Issued / Reduction during the period	—	—
Outstanding at the end of the period	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) The Board of Directors has recommended a dividend of ₹3/- per share on 1,31,76,262 equity shares of ₹10/- each fully paid up.
- (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.
- (e) **Details of shareholders holding more than 5% of paid up equity share capital.**

	31st March, 2013	
	No. of Equity Shares of ₹ 10/- each fully paid	% of holding of equity capital
1. Jaya Hind Investments Private Limited	62,17,358	47.19
2. Bajaj Holdings & Investment Limited	25,66,661	19.48

3. RESERVES AND SURPLUS

	As at 31st March, 2013
	₹
(a) Capital Reserve	25,00,000
(b) Securities Premium	59,19,77,215
(c) General Reserve	
Balance as per the last Financial Statements	337,12,74,686
Add : Transferred from the Statement of Profit and Loss	--
Less : Minority Interest	1,23,691
Closing Balance	<u>337,11,50,995</u>
(d) General Reserve II	
Balance as per the last Financial Statements	47,72,500
Add : Transferred from the Statement of Profit and Loss	1,48,18,754
Less : Minority Interest	17,83,663
Closing Balance	<u>1,78,07,591</u>
(e) Surplus	
Balance as per last Financial Statements	735,13,66,107
Profit for the year	<u>14,49,42,914</u>
	749,63,09,021
Less : Appropriations	
Proposed Equity Dividend	3,95,28,786
Tax on proposed Equity Dividend	67,17,918
Transfer to General Reserve	<u>1,48,18,754</u>
Total Appropriations	<u>6,10,65,458</u>
Sub-Total	<u>743,52,43,563</u>
Less : Minority Interest	57,75,275
Net Surplus	<u>742,94,68,288</u>
Total	<u><u>1141,29,04,089</u></u>

Securities Premium represents premium received on issue of Equity Shares.

4. LONG-TERM BORROWINGS

	As at 31st March, 2013
	₹
Deposits (Unsecured)	41,98,70,000
Total	<u>41,98,70,000</u>

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. 35)

	As at 31st March, 2013
	₹
Deferred Tax Liabilities	40,25,80,253
Less : Deferred Tax Assets	18,33,10,754
Total	<u>21,92,69,499</u>

6. OTHER LONG-TERM LIABILITIES

	As at 31st March, 2013
	₹
Deposits received from lessee	3,96,00,000
Total	<u>3,96,00,000</u>

7. LONG-TERM PROVISIONS

	As at 31st March, 2013 ₹
(a) Provision for Employee Benefits	25,66,99,503
(b) Provision for Product Warranties and Service Charges	1,96,41,466
Total	<u>27,63,40,969</u>

8. OTHER CURRENT LIABILITIES

	As at 31st March, 2013 ₹
(a) Deposits (unsecured)	26,93,60,000
(b) Deposits matured but not claimed (unsecured)	4,95,000
(c) Interest accrued but not due	3,58,21,333
(d) Interest accrued and due on unclaimed deposits	54,378
(e) Creditors for Capital goods	46,50,85,595
(f) Advances and deposits against orders	57,87,50,673
(g) Unclaimed dividend	3,74,003
(h) Statutory Dues	23,83,42,055
(i) Other payables	25,75,97,009
Total	<u>184,58,80,046</u>

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, 2013 ₹
(a) Provisions for employee benefits	14,16,00,027
(b) Provision for Product Warranties & Service Charges (Refer Note No. 34)	3,44,68,719
(c) Provision for Taxation :	
Taxation provision for the earlier years	219,87,80,305
Taxation provision for the year	4,80,33,000
	<u>224,68,13,305</u>
Less : (i) Advance payment of tax	242,28,75,957
(ii) MAT Credit Entitlement	21,55,27,010
[Contra Refer Note 17-d]	<u>(39,15,89,662)</u>
(d) Provision for Proposed equity dividend	3,95,28,786
(e) Provision for Tax on Distributed Profit	67,17,918
	4,62,46,704
Total	<u>22,23,15,450</u>

10. TANGIBLE ASSETS

Fixed Assets	Land		Buildings	Plant, Machinery & Equipments	Furniture & Fixtures	Vehicles	Office Equipment	Others (Aircraft)	Total
	Freehold ₹	Leasehold ₹							
Gross Block As at 31st Mar., 2012	\$ 4,45,85,613	1,60,53,256	*@\$ 109,75,59,641	\$ 970,39,74,082	7,96,65,052	25,76,30,328	4,67,11,203	31,77,96,223	1156,39,75,398
Additions	3,46,72,452	--	2,10,05,300	88,86,64,364	73,14,397	6,37,78,345	73,09,915	136,32,48,932	238,59,93,705
Disposals	--	--	28,688	67,47,049	5,79,409	2,00,94,893	--	--	2,74,50,039
As at 31st Mar., 2013	7,92,58,065	1,60,53,256	111,85,36,253	1058,58,91,397	8,64,00,040	30,13,13,780	5,40,21,118	168,10,45,155	1392,25,19,064
Depreciation As at 31st Mar., 2012	--	23,71,145	35,83,90,340	635,82,52,496	4,93,72,397	15,02,58,065	3,31,59,360	15,60,26,397	710,78,30,200
For the Year	--	4,29,835	3,42,20,855	58,94,82,707	37,62,933	1,93,39,570	27,16,017	2,20,38,577	67,19,90,494
Disposals	--	--	8,147	54,39,838	1,30,021	1,60,18,044	--	--	2,15,96,050
As at 31st Mar., 2013	--	28,00,980	39,26,03,048	694,22,95,365	5,30,05,309	15,35,79,591	3,58,75,377	17,80,64,974	775,82,24,644
Net Block As at 31st Mar., 2013	7,92,58,065	1,32,52,276	72,59,33,205	364,35,96,032	3,33,94,731	14,77,34,189	1,81,45,741	150,29,80,181	616,42,94,420

Notes :

- * Includes office premises on ownership basis ₹ 5,00,000/-
 @ Certain Buildings completed are capitalised - pending finalisation of Contractors' bills, adjustment in cost, if any required, will be carried out during the financial year in which the same is finalized.
 ** 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.

As per our separate report of even date.

For **M/s. P. G. Bhagwat**
 (FRN : 101118WJ)
 Chartered Accountants

S. S. Athavale

Partner
 Membership No. 83374

Place : Pune
 Date : 25th May, 2013

Prasan Firodia Managing Director

Sudhir Mehta Director

Place : Pune
 Date : 25th May, 2013

Aparna G. Lambore
 Company Secretary



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 ₹
Gross Block					
As at 31st Mar., 2012	10,02,78,657	20,45,05,354	8,22,00,834	9,23,39,718	47,93,24,563
Additions	3,01,54,157	--	--	--	3,01,54,157
Disposals	--	--	--	--	--
As at 31st Mar., 2013	13,04,32,814	20,45,05,354	8,22,00,834	9,23,39,718	50,94,78,720
Amortization					
As at 31st Mar., 2012	9,12,93,483	16,24,84,271	8,22,00,834	9,23,39,458	42,83,18,046
For the Year *	90,89,851	2,04,85,922	--	260	2,95,76,033
Deductions	--	--	--	--	--
As at 31st Mar., 2013	10,03,83,334	18,29,70,193	8,22,00,834	9,23,39,718	45,78,94,079
Net Block					
As at 31st Mar., 2013	3,00,49,480	2,15,35,161	--	--	5,15,84,641
Add : Goodwill arising out of consolidation of accounts	--	--	--	--	54,854
Net Block including goodwill As at 31st March, 2013	3,00,49,480	2,15,35,161	--	--	5,16,39,495
Useful Life	5 Years	10 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

Prasan Firodia Managing Director
Sudhir Mehta Director

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013

12. NON-CURRENT INVESTMENTS

	₹	As at 31st March, 2013 ₹
(a) Trade Investments (Valued at cost)		
Unquoted		
25,000 Equity Shares of ₹ 10/- each, fully paid in Tempo Finance (North) Private Limited		2,50,000
1 Equity Share of ₹ 10/- each, fully paid in MAN Trucks India Private Limited		10
Quoted		
63,125 Equity Shares of ₹ 10/- each fully paid in ICICI Bank Limited		26,96,250
(b) Other Investments (Valued at cost)		
Unquoted		
5 Equity Shares of ₹ 50/- each fully paid in Mittal Tower Premises Co-Operative Society Limited.		250
Total		<u>29,46,510</u>

Aggregate amount of quoted investments :

	As on 31st March, 2013	
	Cost ₹	Market Value ₹
Quoted	26,96,250	6,59,87,719
Unquoted	2,50,260	--

13. LONG-TERM LOANS AND ADVANCES

		As at 31st March, 2013 ₹
(a) Capital Advances (Unsecured)		67,84,12,232
Considered good		
(b) Security Deposits (Unsecured)		7,69,92,180
Considered good		
(c) Other Loans & Advances (Unsecured)		
Considered good	25,80,036	
Considered doubtful	14,13,299	
	<u>39,93,335</u>	
Less : Provision for doubtful advances	14,13,299	
		25,80,036
Total		<u>75,79,94,448</u>

14. INVENTORIES

	As at 31st March, 2013 ₹
(a) Raw Materials and Components [Includes in transit ₹ 20,84,45,562]	193,04,31,750
(b) Work-in-progress (Refer Note 22)	53,46,57,870
(c) Finished goods (Refer Note 22)	98,55,49,934
(d) Excise Duty on Inventory of Finished Goods	15,48,09,204
(e) Stores and Spares	21,08,15,379
Total	<u><u>381,62,64,137</u></u>

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

15. TRADE RECEIVABLES

	As at 31st March, 2013 ₹
Unsecured	
(a) Outstanding for a period exceeding six months from the date they are due for payment	
- Considered Good	3,62,17,260
- Considered Doubtful	<u>3,62,22,409</u>
	7,24,39,669
- Less : Provision for doubtful receivables	<u>3,62,22,409</u>
	3,62,17,260
(b) Other receivables	
- Considered good	105,18,29,129
Total	<u><u>108,80,46,389</u></u>

16. CASH AND BANK BALANCES

	As at 31st March, 2013 ₹
(a) Cash and Cash equivalents	
(i) Balance with Banks	227,82,16,965
(ii) Cheques / Drafts on hand	1,55,421
(iii) Cash on hand	<u>8,74,266</u>
	227,92,46,652
(b) Other Bank balances	
(i) Unpaid dividend account	3,74,003
(ii) Margin money deposit	<u>15,00,000</u>
	18,74,003
Total	<u><u>228,11,20,655</u></u>

17. SHORT-TERM LOANS AND ADVANCESAs at 31st
March, 2013
₹**Unsecured****(a) Security Deposits**

Considered good

42,15,839

(b) Advances recoverable in cash or kind

Considered good

61,37,62,848

Considered doubtful

1,08,13,700

62,45,76,548

Less : Provision for doubtful advances1,08,13,700

61,37,62,848

(c) Other Loans & Advances

Considered good

86,24,668

(d) Others

(i) Advance Income-tax

17,60,62,652

(ii) MAT Credit Entitlement

21,55,27,010

(net of provision for taxation) [Contra - Refer Note 9-c]

39,15,89,662

Total

101,81,93,017**18. OTHER CURRENT ASSETS**As at 31st
March, 2013
₹**Unsecured, considered good**

Interest accrued on deposits with Banks

3,51,67,483

Interest accrued on deposits with Others

2,70,000

Total

3,54,37,483

19. REVENUE FROM OPERATIONS

		As at 31st March, 2013 ₹
(a) Revenue from operations		
Sale of products		2220,53,22,925
Interest		31,91,800
(b) Other operating revenue		
(i) Service Charges		25,42,58,541
(ii) Others		30,39,35,718
Revenue from operations (Gross)		<u>2276,67,08,984</u>
Less : Excise Duty / Service Tax		303,62,96,246
Revenue from operations (Net)	Total	<u><u>1973,04,12,738</u></u>

DETAILS OF PRODUCTS SOLD

		As at 31st March, 2013 ₹
- Automobiles		1729,70,79,683
- Auto Components		490,43,38,475
- Moulds, Dies, Press Tools, Jigs & Fixtures		39,04,767
	Total	<u><u>2220,53,22,925</u></u>

20. OTHER INCOME

		As at 31st March, 2013 ₹
(a) Interest Income		38,43,15,937
(b) Dividend Income		10,41,563
(c) Net gain / loss on foreign currency translation and transaction (other than considered as finance cost)		55,61,244
(d) Others		4,55,97,541
	Total	<u><u>43,65,16,285</u></u>

21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

		As at 31st March, 2013 ₹
(a) Steel and other metals		103,28,48,189
(b) Castings and Forgings		73,98,11,238
(c) Components		1261,93,55,005
	Total	<u><u>1439,20,14,432</u></u>

22. (INCREASE) / DECREASE IN INVENTORIES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹	(Increase) / Decrease ₹
(a) Inventories at the end of the year			
(i) Finished Goods	98,55,49,934	72,07,76,833	(26,47,73,101)
(ii) Work-in-progress	53,46,57,870	49,49,89,423	(3,96,68,447)
Total	<u>152,02,07,804</u>	<u>121,57,66,256</u>	<u>(30,44,41,548)</u>

DETAILS OF INVENTORY

	As at 31st March, 2013 ₹
Work-in-progress	
(i) On-road automobiles	10,57,03,277
(ii) Engines	8,84,25,553
(iii) Others	34,05,29,040
Total	<u>53,46,57,870</u>
Finished Goods	
(i) On-road automobiles	83,89,33,174
(ii) Tractors	4,83,57,180
(iii) Engines	2,20,079
(iv) Others	9,80,39,501
Total	<u>98,55,49,934</u>

23. EMPLOYEE BENEFIT EXPENSE

	As at 31st March, 2013 ₹
(a) Salaries, Wages, Bonus etc.	233,61,94,688
(b) Contribution to provident, other funds and schemes	18,60,51,620
(c) Staff welfare expenses	10,09,85,596
Total	<u>262,32,31,904</u>

24. FINANCE COSTS

	As at 31st March, 2013 ₹
(a) Interest	7,95,08,789
(b) Other borrowing cost	29,50,000

Total	8,24,58,789
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25. DEPRECIATION AND AMORTIZATION EXPENSE

	As at 31st March, 2013 ₹
(a) Depreciation of tangible assets	67,19,90,494
(b) Amortization of intangible assets	2,95,76,033

Total	70,15,66,527
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26. OTHER EXPENSES

	As at 31st March, 2013 ₹
(a) Consumption of stores and spares	73,82,18,299
(b) Fabrication and Processing Charges	10,15,21,177
(c) Power and Fuel	37,21,78,599
(d) Forwarding Charges	24,46,77,867
(e) Rent	70,30,716
(f) Rates and Taxes	5,25,52,107
(g) Insurance	4,54,65,030
(h) Repairs and Maintenance :	
(i) Plant and Machinery	10,04,75,944
(ii) Buildings	4,18,44,217
(iii) Others	2,22,49,854
(i) Publicity and sales promotion	43,54,11,870
(j) Payment to auditors (Refer details below)	20,02,336
(k) Prior year expenses	44,94,174
(l) Provision for doubtful debts	3,62,22,409
(m) Donation	1,00,00,000
(n) Miscellaneous Expenses	60,59,42,578

Total	282,02,87,177
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Payments to Auditors

	As at 31st March, 2013 ₹
(a) Audit Fees	16,13,483
(b) Tax Audit Fees	1,00,000
(c) Certification work	2,39,924
(d) Provident Fund Audit fees paid to Associate of Statutory Auditor	15,000
(e) Reimbursement of expenses	33,929

Total	20,02,336
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27. EARNINGS PER SHARE (EPS)

As at 31st
March, 2013
₹

**Values used in calculating Earnings Per Share
(Basic & Diluted)**

(a) Numerator	
Profit / (Loss) after tax	14,42,19,250
(b) Denominator	
Number of Equity Shares	1,31,76,262
Weighted average number of Equity Shares	1,31,76,262

28. As of 31st March, 2013, 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 with interest for ₹ 1,56,61,877. 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.

29. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

As at 31st
March, 2013
₹

(a) Contingent Liabilities

(i) Taxes & Duties	24,06,04,482
(ii) Others (Court cases pending)	26,07,24,115

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	91,44,14,860
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(c) As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Group has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Group. The Group has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule VI to the Companies Act, 1956, only to indicate the alleged claims made against the Group and the developments in respect thereof.

30. The amount of net exchange differences included in the Statement of Profit / Loss for the year on Revenue account is ₹ 38,03,005 Credit and on Capital account is ₹ 17,58,239 Credit.

31. THE GROUP LIABILITIES AND OBLIGATIONS IN FOREIGN CURRENCY OUTSTANDING AS AT 31ST MARCH, 2013, 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 ₹
in US Dollar	--	--	26,450	14,40,743
in Euro	--	--	24,93,890	17,36,60,649

32. LEASES :
Operating Leases :
(a) Assets taken on Lease :

The Group has taken 10 vehicles on operating lease for a period of four years.

Lease rentals are recognised in the Statement of Profit & Loss.

(b) Assets given on Lease :
(i) Industrial Shed at Chakan :

The Group has entered into a Lease Agreement for Industrial Shed 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 & 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 & Loss
	₹	₹	₹
(1) Freehold Land	23,02,671	--	--
(2) Building	7,71,03,623	66,35,221	25,81,574
(3) Plant & Machinery	1,83,04,544	36,75,117	14,38,891

The future minimum lease rentals :

Less than one year	₹	4,33,12,500	--
Later than one year but not later than five years	₹	19,32,60,375	--
Later than five years	₹	--	--

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/-.

(ii) Freehold land at Akurdi :

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 & Loss.

33. 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.

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

Type of Related party	Nature of Transaction	Volume of Transactions during 2012-13	Amount outstanding as on 31-03-2013	
			Receivables	Payables
		₹	₹	₹
(a) Key Management Personnel :	: Managerial Remuneration	32,58,065	--	24,000
(b) Jaya Hind Industries Ltd.	: Purchase of Capital Goods	72,12,375	34,99,800	--
	: Purchase of Raw Materials, Components & Others	75,40,34,930	--	5,44,57,837
	: Sundry Sales	1,98,91,145	--	--
	: Processing Charges recovered	5,29,787	--	--
	: Material given on Loan	--	37,44,691	--
	: Machinery given on Loan	1,26,39,639	36,70,75,545	--
	: Expenses recovered	3,02,78,993	45,25,737	--
	: Expenses reimbursed	19,93,087	--	--

34. 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 01-04-2012	Additional provisions made during the year	Paid during the year against provisions	Amount reversed and written back	Carrying Amount of provisions as at 31-03-2013
	₹	₹	₹	₹	₹
Warranty	5,11,12,844	2,86,73,774	5,11,12,844	--	2,86,73,774
Free Service Coupons	4,80,37,212	2,54,36,411	4,80,37,212	--	2,54,36,411

35. DETAILS OF DEFERRED TAX ASSETS / (LIABILITIES) :

As at 31st
March, 2013

₹

Nature of Timing difference

(a) Difference between accounting and tax depreciation (cumulative)	(49,55,47,342)
(b) Other Timing differences	27,62,77,843

Total	(21,92,69,499)
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36. 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, 2013
Tempo Finance (West) Pvt. Ltd.	Mumbai Pune Road, Akurdi, Pune - 411 035.	66.43

37. Since this being the first year of consolidation, there are no corresponding previous years figures.

As per our separate report of even date

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

Prasan Firodia Managing Director

Sudhir Mehta Director

S. S. Athavale
Partner
Membership No. 83374

Aparna G. Lambore
Company Secretary

Place : Pune
Date : 25th May, 2013

Place : Pune
Date : 25th May, 2013





FORCE MOTORS LIMITED

Mumbai-Pune Road, Akurdi, Pune - 411 035. INDIA
www.forcemotors.com | www.forceone.co.in
Toll Free No. : 1800 2335 000