

**BOARD OF DIRECTORS\***

Mr. Abhaykumar Firodia, Chairman

Mr. Prasan Firodia, Managing Director

Mr. Sudhir Mehta

Mr. Pratap Pawar

Mr. S. Padmanabhan

Mr. Vinay Kothari

Mr. Nitin Desai

Dr. Indira Parikh

Mr. Arun Sheth

Mr. R. B. Bhandari

**COMPANY SECRETARY**

Mrs. Aparna G. Lambore

\* w.e.f. 11th August 2014.

**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) Gat No. 345, Urse, Taluka Maval,  
District Pune - 410 506.



## INDEX

1. Notice of Annual General Meeting	05 - 15	10. Notes to Financial Statements	35 - 53
2. Directors' Report	16 - 18	11. Consolidated Accounts for the year 2013-2014	
3. Management Discussion and Analysis	19 - 20	(a) Auditors' Report on Consolidated Accounts	55
4. Report on Corporate Governance	21 - 27	(b) Consolidated Balance Sheet	56
5. Auditors' Certificate on Corporate Governance	28	(c) Consolidated Statement of Profit & Loss	57
6. Auditors' Report with Annexure	29 - 31	(d) Consolidated Cash Flow Statement	58
7. Balance Sheet	32	(e) Consolidated Notes to Financial Statements	59 - 75
8. Statement of Profit & Loss	33		
9. Cash Flow Statement	34		



**NOTICE**

Notice is hereby given that the 55th Annual General Meeting of the Members of Force Motors Limited will be held on **Saturday, the 20th day of September 2014 at 11.30 a.m.**, at the Registered Office of the Company at Mumbai - Pune Road, Akurdi, Pune - 411 035 to transact the following business:

**ORDINARY BUSINESS**

- 1) To consider and adopt the Audited Financial Statement of the Company, for the financial year ended 31st March 2014, together with the Directors' Report and Auditors' Report thereon.
- 2) To declare a dividend.
- 3) To appoint a Director in place of Mr. Sudhir Mehta, who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Mr. R. B. Bhandari, who retires by rotation and being eligible, offers himself for reappointment.
- 5) To appoint Auditors and to fix their remuneration. The Board has recommended the appointment of M/s. P. G. Bhagwat, Chartered Accountants, Pune as the Auditors till the conclusion of next Annual General Meeting on a remuneration of ` 16,00,000 plus out of pocket expenses.

**SPECIAL BUSINESS**

- 6) 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 181 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for contributing to charitable and other funds, a sum upto ` 25,00,00,000 (Rupees Twenty Five Crore only), during the Financial Year 2014-15."

- 7) To consider and, if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:

"RESOLVED that the following Article be and is hereby inserted, in the Articles of Association of the Company, as Article No. 139A.

139A. The Board of Directors may appoint a Director of the Company as the Chairman/ Chairperson of the Company, even if such Director is a Managing Director or is a Whole Time Director or is the Chief Executive Officer of the Company. The Board may also appoint any Director of the Company as a Managing Director or a Whole Time Director or the Chief Executive Officer, of the Company even if he/she is appointed as the Chairman / Chairperson of the Company."

- 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 148 and all other applicable provisions of

the Companies Act, 2013, if any, and/or of the Companies (Audit and Auditors) Rules, 2014, M/s. Joshi Apte & Associates, the Cost Accountants, Pune who are appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2015, be paid a remuneration of ` 2,20,000 (Rupees Two Lakh Twenty Thousand only) plus out of pocket expense and taxes, if any."

- 9) To consider and, if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:

"RESOLVED that in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, approval of the Company be and is hereby accorded to the appointment of Mr. Abhaykumar Firodia as a Managing Director of the Company, to be designated as the Chairman, for a period of five years w.e.f. 20th September 2014 or such other date as may be decided by the Board of Directors of the Company, on the terms and conditions as set out in this resolution.

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

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to delegate substantial powers of management to Mr. Abhaykumar Firodia and to Mr. Prasan Firodia, as Managing Directors of the Company, to be exercised by them, either jointly or severally, and the Board of Directors of the Company may grant Power of Attorney in favour of each of them for vesting the specific powers of management in each of them."

- 10) To consider and, if thought fit, to pass with or without modifications the following resolution as a **special resolution**:

"RESOLVED that in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Prasan Firodia as a Managing Director of the Company, for a period of 5 years with effect from 6th November 2014, on the terms and conditions including remuneration as set out in this resolution -

**REMUNERATION**

- A) **Salary of** ₹ 10,00,000 per month.
- B) **Commission** of such an amount as may be approved by the Nomination and Remuneration Committee and the Board of Directors of the Company for each financial year, provided that the total remuneration shall not exceed 5% of the net profits of the Company, as computed as per the provisions of Section 198 of the Companies Act, 2013, as reduced by salary, perquisites and cost of benefits incurred by the Company for the Managing Director.
- C) **Perquisites :**
- (i) Provision of car for use on Company's business and for personal purposes.
  - (ii) Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
  - (iii) Personal Accident and Medical Insurance Policies for an amount, the annual premium for which shall not exceed ₹ 30,000 (Rupees Thirty Thousand only).
  - (iv) Reimbursement of medical expenses incurred for self and family.
  - (v) Free telephone facility at residence and one mobile telephone.
  - (vi) Fees of two clubs, provided that admission or life Membership fees shall not be paid by the Company.  
Provided that the valuation of above perquisites/benefits shall be done as per the provisions of the Income-tax Act, 1961 or Rules made there under as prevalent or as amended/ modified/ substituted from time to time.
  - (vii) Contribution to Provident Fund and Super-annuation Fund to the extent not taxable under the Income-tax Act, 1961, as prevalent or as amended/ modified / substituted from time to time.
  - (viii) Gratuity at the rate of half a month's salary for each completed year of service, as per the rules of the Company.
  - (ix) Encashment of leave, at the end of the tenure, as per the rules of the Company.

Provided that the remuneration aforesaid, including all perquisites, benefits and amenities shall be allowed as a minimum remuneration in any year in the event of absence or inadequacy of profits for that year, subject to a ceiling of ₹ 10,00,000 per month or ₹ 1,20,00,000 per annum, excluding cost of perquisites / benefits mentioned at Sr. No. C (vii) to (ix) above."

"RESOLVED FURTHER that the approval of the payment of minimum remuneration is granted for a period of 3 years from 6th November 2014."

"RESOLVED FURTHER that the Managing Director shall exercise such powers and perform such duties as may be delegated by the Board of Directors of the Company from time to time and shall have substantial powers of the management of the affairs of the Company."

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

- 11) To appoint Mr. Nitin Desai as a Director of the Company. Mr. Nitin Desai was appointed as an Additional Independent Director w.e.f. 11th August 2014. As per the provisions of Section 161 of the Companies Act, 2013, he holds office up to the date of the ensuing Annual General Meeting and in respect of whom Company has received a notice in writing, from a Member, proposing his candidature for the office of Director and signifying intention to move the following resolution as an **ordinary resolution**:

"RESOLVED that Mr. Nitin Desai be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of conclusion of this Annual General Meeting."

"RESOLVED FURTHER that the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 11th August 2014 attached to this Notice, be and are hereby approved."

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

- 12) To appoint Dr. Indira Parikh as a Director of the Company. Dr. Indira Parikh was appointed as an Additional Independent Director w.e.f. 11th August 2014. As per the provisions of Section 161 of the Companies Act, 2013, she holds office up to the date of the ensuing Annual General Meeting and in respect of whom Company has received a notice in writing, from a member, proposing her candidature for the office of Director and signifying intention to move the following resolution as an **ordinary resolution**:

"RESOLVED that Dr. Indira Parikh be and she is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of conclusion of this Annual General Meeting."

"RESOLVED FURTHER that the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 11th August 2014 attached to this Notice, be and are hereby approved."

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

- 13) To appoint Mr. Pratap Pawar as an Independent Director in respect of whom notice as per the provisions of Section 160 of the Companies Act, 2013 is received and in this regard to consider and if thought fit, to pass with or without modifications the following resolution as an **ordinary resolution**:

“RESOLVED that Mr. Pratap Pawar, the present Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of conclusion of this Annual General Meeting.”

“RESOLVED FURTHER that the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 11th August 2014 attached to this Notice, be and are hereby approved.”

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

- 14) To appoint Mr. S. Padmanabhan as an Independent Director in respect of whom notice as per the provisions of Section 160 of the Companies Act, 2013 is received and in this regard to consider and if thought fit, to pass with or without modifications the following resolution as an **ordinary resolution**:

“RESOLVED that Mr. S. Padmanabhan, the present Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of conclusion of this Annual General Meeting.”

“RESOLVED FURTHER that the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated 11th August 2014 attached to this Notice, be and are hereby approved.”

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

- 15) To appoint Mr. Arun Sheth as an Independent Director in respect of whom notice as per the provisions of Section 160 of the Companies Act, 2013 is received and in this regard to consider and if thought fit, to pass with or without modifications the following resolution as an **ordinary resolution**:

“RESOLVED that Mr. Arun Sheth, the present Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of 3 years from the date of conclusion of this Annual General Meeting.”

“RESOLVED FURTHER that the proposed terms and conditions of appointment of Independent Director, as indicated in the Statement dated

11th August 2014 attached to this Notice be and are hereby approved.”

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

- 16) To consider and, if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:

“RESOLVED that the Articles of Association of the Company be and are hereby altered by substituting in line no. 2 of Article 118 the numerals and words ‘the amount prescribed by the Companies Act, 2013 or rules made there under’ in place of ‘` 20,000 (Rupees Twenty Thousand only)’.”

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

“RESOLVED that, subject to compliance of the provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 or other legal provisions, as applicable, consent of the Company be and is hereby accorded and the Board of Directors of the Company be and is hereby authorised to invite and accept, if required, deposits from Members of the Company and Public to such extent that the deposits outstanding and the deposits to be accepted shall not exceed 10% of the aggregate Paid up Share Capital and Free Reserves of the Company and 25% of the aggregate of the Paid up Share Capital and Free Reserves of the Company, in respect of the deposits to be accepted from the Members of the Company and Public respectively.”

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

#### NOTES

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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) The Statement, setting out the material facts, pursuant to Section 102(1) of the Companies Act, 2013, concerning the Special Business mentioned in the Notice, is annexed hereto.
- 3) **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.**

4) The requisite information about the Directors, retiring by rotation, is included in the Report on Corporate Governance / statement annexed to Notice as the case may be.

**5) Voting through electronic means -**

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to Members holding shares as on 5th September 2014 (end of day) being cut-off date for determining voting rights of Members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services (India) Limited (CDSL for brevity).

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

- (i) The voting period will begin at 9 a.m. on Sunday, 14th September 2014 and will end at 6 p.m. on Tuesday, 16th September 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 5th September 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID -
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in dematerialised form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Dematerialised Form and Physical Form**

<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both dematerialised shareholders as well as physical shareholders).
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Members holding shares in **dematerialised form** and who have not updated their PAN with the Depository Participant are requested to use the first two letters of their First name (in CAPITAL letters) and last 8 digits of the demat account number in the PAN field.

e.g. If your name is Ramesh Kumar with client ID in CDSL - 1203440000179982 then enter RA00179982 in the PAN field.

e.g. If your name is Ramesh Kumar with client ID in NSDL - IN30045080007429 then enter RA80007429 in the PAN field.

Members holding shares in **physical form** and who have not updated their PAN with the Company are requested to use the first two letters of their First name and 8 digits of their folio number.

In case folio number is less than 8 digits enter the applicable number of 0's before the number, and after the first two characters of the name in CAPITAL letters.

e.g. If your name is Ramesh Kumar with folio number R000512 then enter RA00000512 in the PAN field.

<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio, in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Company, please enter the number of equity shares held by you as on the cut off date i.e. 5th day of September 2014 in the 'Dividend Bank Details' field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in dematerialised form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the Electronic Voting Sequence Number (EVSN) of "FORCE MOTORS LIMITED".
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- B. The Company has appointed Mr. Sanjay Athavale, Chartered Accountant in Practice (FCA No. 83374) having address Suite No. 102, "Orchard", Dr. Pai Marg, Baner, Pune-411 045 as the Scrutiniser to the e-voting process, (including voting through Ballot from the members) in a fair and transparent manner.
- C. The Scrutiniser shall, within a period not exceeding 3 (three) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least 2 (two) witnesses, not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- D. In the event of a poll, please note that the members who have exercised their right to vote by electronic means/ through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing resolution(s).
- E. At the said Annual General Meeting, the Chairman shall announce the date on which the results of voting on the resolutions set out in the notice, would be declared. The results declared along with the Scrutinisers Report shall be placed on the Company's website [www.forcemotors.com](http://www.forcemotors.com) within two days of the passing of the resolutions at the 55th Annual General Meeting of the Company and shall be communicated to the Stock Exchanges.
- 6) The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 6th day of September 2014 to Saturday, the 20th day of September 2014 (both days inclusive) for the purpose of ascertaining entitlement to the dividend that may be declared at the ensuing Annual General Meeting.
- 7) The payment of dividend, if declared, at the ensuing Annual General Meeting will be made after Saturday, the 20th day of September 2014 to those Members holding shares in physical form and whose names appear in the Register of Members of the Company on Friday, the 5th day of September 2014, 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.
- 8) 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 Friday, the 5th day of September 2014. 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 Participant(s).

- 9) Members are requested to note that 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, 2011-12 and/ or 2012-13 are requested to make their claim with the Company immediately. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 21st September 2013 (date of last Annual General Meeting) on the website of the Company; [www.forcemotors.com](http://www.forcemotors.com), and also on the website of the Ministry of Corporate Affairs.
- 10) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit 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.

- 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.

**In view of the provisions of Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 henceforth the email id provided by the Members holding shares in dematerialised form would be treated as email id provided by Members for sending communication. Hence Annual Report and notices of any General Meeting or other communication would be made only on these email ids and no separate paper communication would be made with such Members.**

- 12) Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.forcemotors.com](http://www.forcemotors.com).
- 13) The Annual Report 2013-14 of the Company, circulated to the Members of the Company, will be made available on the Company's website at [www.forcemotors.com](http://www.forcemotors.com) and also on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com).
- 14) All documents referred to in the Notice and Statement are open for inspection at the registered office of the Company on all working days (Time : 10.00 a.m. to 3.30 p.m.) till the 55th Annual General Meeting i.e., 20th September 2014.
- 15) Equity shares of the Company are listed on the Pune Stock Exchange Limited, Shivleela Chambers, 752, Sadashiv Peth, R. B. Kumbhkar 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.
- 16) The Directors Identification Number of the directors being appointed / re-appointed are -

Sr.no.	Name of Director	DIN
i	Mr. Sudhir Mehta	00056867
ii	Mr. R. B. Bhandari	00308309
iii	Mr. Abhaykumar Firodia	00025179
iv	Mr. Prasan Firodia	00029664
v	Mr. Nitin Desai	00140239
vi	Dr. Indira Parikh	00143801
vii	Mr. Pratap Pawar	00018985
viii	Mr. S. Padmanabhan	00001207
ix	Mr. Arun Sheth	00086891

- 17) The Firm Registration number of the Statutory Auditors is 101118W.
- 18) The Corporate Identity Number of the Company is CINL34102PN1958PLC011172.

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

Pune - 411 035  
11th August 2014.

**APARNA G. LAMBORE**  
Company Secretary

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

### Item No. 6

As per the provisions of Section 181 of the Companies Act, 2013 (**the Act** in this statement), prior permission of the Company, in general meeting, is required to contribute to bonafide charitable and other funds, if the aggregate amounts, in any financial year exceeds five percent of the Company's average profits for three immediately preceding financial years. Considering the Company's profitability position in recent years and the requirement of donating certain amount to charitable institutions, the Board of Directors consider that the consent of the Members of the Company should be obtained to contribute the sum up to ₹ 25,00,00,000 (Rupees Twenty Five Crore only) to charitable institutions and funds during the Financial Year 2014-15.

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

### Item No.7

Considering the provisions of Section 203 of the Companies Act, 2013 an individual cannot be appointed or reappointed as the Chairman/Chairperson of the Company, if he is the Managing Director or Whole-time Director or Chief Executive Officer of the Company unless the Articles of Association permit appointment of a person holding the position of Managing Director / Whole-time Director / Chief Executive Officer as the Chairman.

In view of these provisions and considering the proposal of appointment of Mr. Abhaykumar Firodia, the present Chairman of the Company, as the Managing Director of the Company it is proposed to amend the Articles of Association of the Company by inserting a new Article as Article No. 139A.

None of the Directors or Key Managerial Personnel, except Mr. Abhaykumar Firodia, Mr. Prasan Firodia and Mr. Sudhir Mehta is concerned or interested in this Resolution. Mr. Prasan Firodia is the son of Mr. Abhaykumar Firodia. Mr. Sudhir Mehta is the son-in-law of Mr. Abhaykumar Firodia. As Mr. Abhaykumar Firodia is presently the Chairman of the Company and subject to receipt of necessary approvals, is proposed to be appointed as the Managing Director of the Company, he may be deemed to be interested in this business to that extent.

### Item No. 8

The Board, after considering the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2015 on a remuneration of ₹ 2,20,000 (Rupees Two Lakh Twenty Thousand only) plus out of pocket expenses and taxes, if any.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought, by this ordinary resolution, as set out at Item No. 8 of the Notice, for payment of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2015.

The Central Government made Companies (cost records and audit) Rules, 2014 as per the provisions of Section 148 of the Act which came into force w.e.f. 30th June 2014. The named Cost Auditor were appointed by the Board of Directors of the Company voluntarily, though provisions of the Act and the Companies (cost records and audit) Rules, 2014 do not apply to the Automobile Industry, in which the Company operates. The Company has decided to continue to get its cost records audited voluntarily.

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

### Item No.9

Mr. Abhaykumar Firodia, DIN 00025179, aged 69 years, is associated with the Company as a Director since 1975. Mr. Firodia was the Managing Director of the Company w.e.f. 1st July 1987 till 5th November 2009 and continues to be the Non-executive Chairman of the Company.

Considering the various projects being undertaken by the Company and the market situation requiring band width at the highest level of the management, the Board requested Mr. Firodia to assist the Company in the management of the Company. In order to ensure the compliance of the provisions of the Companies Act, 2013 and the Rules made there under, a proposal to appoint Mr. Abhaykumar Firodia as Managing Director and enabling the Board to delegate substantial powers of the management to him along with Mr. Prasan Firodia, the present Managing Director of the Company, a proposal contained in Item No. 9 is put for the consideration of the Members of the Company.

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

Except Mr. Abhaykumar Firodia, Mr. Prasan Firodia, being son of Mr. Abhaykumar Firodia and Mr. Sudhir Mehta, being son-in-law of Mr. Abhaykumar Firodia, none of the Directors or Key Managerial Personnel of the Company is interested in this business.

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

### Item No.10

The Board in its meeting held on 26th July 2014 has, subject to the approval of Members of the Company, re-appointed Mr. Prasan Firodia as a Managing Director, for a period of 5 (five) years from the expiry of his present term, which will expire on 5th November 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the Members' approval for the re-appointment of and for payment of remuneration to Mr. Prasan Firodia as Managing Director, in terms of the applicable provisions of the Act.

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

**Brief resume:** Mr. Prasan Firodia, aged 35 years, holds a Bachelor's degree in Business Administration, was appointed as a Director of the Company on 17th December 2003 and as the Managing Director of the Company with effect from 6th November 2009. He is also a Managing Director of Jaya Hind Industries Limited. He shall not draw any remuneration as the Managing Director from Jaya Hind Industries Limited. Mr. Prasan Firodia holds 2,03,463 equity shares of ₹ 10 each of the Company constituting 1.54 % of the paid up share capital of the Company.

No formal contracts, except the resolution passed by the Board of Directors and in the General Meeting, are expected to be executed with the Managing Director. As any other Director, Managing Director shall be entitled to

resign from the services by submitting resignation and no other fee or any compensation is payable to him by the Company for termination of this arrangement.

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

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

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

The Company operates in the automobile industry for about 56 years. The Company's financial performance during the last 5 years is as under:

(Figures in ₹)

Sr No	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
1	Turnover					
	Gross Turnover - without other Income	1075,80,46,970	1692,83,11,757	2369,16,19,208	2276,35,17,184	2301,13,77,716
	Gross Turnover - with other Income (Excluding Exceptional Income)	1172,11,15,304	1786,43,04,400	2393,75,92,224	2320,00,33,469	2361,07,28,222
2	Profit Before Interest, Tax, Depreciation and amortization (including Exceptional income)	101,66,06,111	149,66,75,677	1106,80,85,360	97,53,29,811	156,64,78,190
3	Extra Ordinary Income/ abnormal income / Exceptional Income			960,70,94,000		
4	Net Profit as calculated as per provisions of Sec. 198 of Companies Act, 2013	21,82,89,732	81,95,04,983	50,86,42,574	19,44,55,195	62,95,14,779
5	Paid - up capital	13,17,90,383	13,17,90,383	13,17,90,383	13,17,90,383	13,17,90,383
6	Reserve & Surplus	270,13,73,449	321,09,83,498	1130,11,63,775	1139,77,04,607	1212,84,00,706
7	Net owned funds	283,31,63,832	334,27,73,881	1143,29,54,158	1152,94,94,990	1226,01,91,089
8	Borrowings other than trade creditors and provisions	147,83,10,100	249,50,72,350	63,41,56,000	68,97,25,000	52,88,70,000

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

Remuneration drawn by Mr. Prasan Firodia for the last 5 years is as under :

Sr. No.	Financial Year	Gross Remuneration including value of perquisites and contribution to Provident Fund and other Funds. ₹	Tax ₹	Net Remuneration ₹
1.	2009-10	11,37,667	3,12,000	8,25,667
2.	2010-11	32,57,982	6,60,000	25,97,982
3.	2011-12	32,58,059	6,60,000	25,98,059
4.	2012-13	32,58,065	6,40,000	26,18,065
5.	2013-14	32,58,078	6,60,000	25,98,078

Though the Company has made a book profit, considering the provisions of Section 349 of the Companies Act, 1956 and of Section 198 of the Act, the Company has incurred a loss as the profit earned on sale of shares are not being considered as profit for the purpose of calculation of profit while determining Managerial Remuneration. Due to heavy losses incurred in Financial Year 2008-09 and due to the requirement of said sections to adjust the carried forward loss, the Company may have inadequate or no profit calculated as per the provisions of the said Sections.

The Company has taken several steps like rationalisation of its product portfolio, investments in new projects, re-establishment of its tractor market and control cost to improve the performance. These measures have already shown results during the Financial Years 2009-10 to 2013-14.

It is expected that, during the next Financial Year, the Company should be able to achieve production/sale of 35600 vehicles and earn a profit.

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

Considering the budgeted turnover for the financial year 2014-15, the proposed remuneration would constitute 0.035 % of the turnover.

Considering his age, experience, qualification and performance, the Board of Directors and Nomination and Remuneration Committee of the Board of Directors is of the opinion that Mr. Prasan Firodia, being a Director representing the Promoters of the Company, is suitable for the post. All components of remuneration, payable to Mr. Prasan Firodia as Managing Director of the Company and indicated in the resolution Item No. 10 of the notice are fixed, except the commission. The amount of commission to be paid to Managing Director shall be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company, year to year, based on the performance of the Company, profitability of the Company, performance of the Managing Director and other factors as may be considered appropriate by the Nomination and Remuneration Committee of the Board.

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

Mr. Prasan Firodia is the son of Mr. Abhaykumar Firodia, Chairman of the Company. None of the other Directors / Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

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

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

#### **Item no. 11**

Mr. Nitin Desai, aged 70 years, is a Graduate in Civil Engineering and Masters in Environmental Engineering from the University of Michigan, Ann Arbor, USA.

He holds directorship in the following Companies:-

Desai Brothers Limited, Aquapharm Chemicals Private Limited, Desons Finvest Private Limited, Desons Holdings & Finance Private Limited, Sahyadri Hospitals Limited, Desai Foods Private Limited, Konkan Medical Services Private Limited, Cadila Health Care Limited and Savannah Hotels Private Limited.

Mr. Desai was appointed as an Additional Director of the Company on 11th August 2014. As Mr. Desai meets with criteria indicated in Section 149 of the Act and as Jaya Hind Investments Private Limited, the promoters of the Company proposed his candidature and gave notice as per the provisions of Section 160 of the Act, the resolution in Item No.11 of the Notice is put for the consideration of the Members of the Company for appointing Mr. Nitin Desai as an Independent Director on the Board of the Company.

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

Mr. Nitin Desai fulfills the criteria laid out in Section 149(6) of the Act in this regard. Section 149(10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to appoint Mr. Nitin Desai as an Independent Director of the Company to hold office for a term of 3 (three) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Nitin Desai and accordingly recommends the ordinary resolution set forth in Item No. 11 of the Notice for approval of the Members.

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

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

Except Mr. Nitin Desai, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

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

#### **Item no. 12**

Dr. Indira Parikh aged 70 years, holds a Doctorate in Education from Gujarat, India and Masters in Education from the University of Rochester, N.Y., U.S.A.

She holds directorship in the following companies-

Amanta Healthcare Limited, Zydus Wellness Limited, Sintex Industries Limited, Shasun Pharmaceuticals Limited and Fosco India Limited.

Dr. Indira Parikh was appointed as an Additional Director of the Company on 11th August 2014. As Dr. Indira Parikh meets with criteria indicated in Section 149 of the Act and as Jaya Hind Investments Private Limited, the promoters of the Company proposed her candidature and gave notice as per the provisions of Section 160 of the Act, the resolution in Item No.12 of the Notice is put for the consideration of the Members of the Company for appointing Dr. Indira Parikh as an Independent Director on the Board of the Company.

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

Dr. Indira Parikh fulfills the criteria laid out in Section 149(6) of the Act in this regard. Section 149(10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to appoint Dr. Indira Parikh as an Independent Director of the Company to hold office for a term of 3 (three) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Dr. Indira Parikh and accordingly recommends the ordinary resolution set forth in Item No. 12 of the Notice for approval of the Members.

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

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

Except Dr. Indira Parikh, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

For further details of Dr. Parikh, please refer the Report on Corporate Governance.

#### **Item no. 13**

Mr. Pratap Pawar was re-appointed as the Director of the Company by the Members of the Company in their 52nd Annual General Meeting held on 24th September 2011. Considering the provisions of Section 149 of the Act, Mr. Pratap Pawar is proposed to be appointed as an Independent Director for a period of 3 (three) years. Mr. Pratap Pawar being an Independent Director is not liable to retire by rotation at the ensuing Annual General Meeting.

Jaya Hind Investments Private Limited has given notice proposing the candidature of Mr. Pratap Pawar for appointment as an Independent Director on the Board of Directors of the Company and hence, the resolution covered by Item No.13 of the notice is being put for the consideration of the Members.

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

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

term of 3 (three) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Pawar and accordingly recommends the ordinary resolution set forth in Item No. 13 of the Notice for approval of the Members.

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

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

Except Mr. Pawar, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

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

#### **Item no. 14**

Mr. S. Padmanabhan was re-appointed as the Director of the Company by the Members of the Company in their 52nd Annual General Meeting held on 24th September 2011. Considering the provisions of Section 149 of the Act, Mr. S. Padmanabhan is proposed to be appointed as an Independent Director for a period of 3 (three) years. Mr. S. Padmanabhan being an Independent Director, is not liable to retire by rotation at the ensuing Annual General Meeting.

Jaya Hind Investments Private Limited has given notice proposing the candidature of Mr. S. Padmanabhan for appointment as an Independent Director on the Board of Directors of the Company and hence, the resolution covered by Item No.14 of the notice is being put for the consideration of the Members.

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

Mr. S. Padmanabhan fulfills the criteria laid out in Section 149(6) of the Act in this regard. Section 149(10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to appoint Mr. S. Padmanabhan as an Independent Director of the Company to hold office for a term of 3 (three) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. S. Padmanabhan and accordingly recommends the ordinary resolution set forth in Item No. 14 of the Notice for approval of the Members.

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

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

Except Mr. S. Padmanabhan, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

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

**Item no. 15**

Mr. Arun Sheth was re-appointed as the Director of the Company by the Members of the Company in their 54th Annual General Meeting held on 21st September 2013. Considering the provisions of Section 149 of the Act, Mr. Arun Sheth is proposed to be appointed as an Independent Director for a period of 3 (three) years. Mr. Arun Sheth being an Independent Director, is not liable to retire by rotation at the ensuing Annual General Meeting.

Jaya Hind Investments Private Limited has given notice proposing the candidature of Mr. Arun Sheth for appointment as an Independent Director on the Board of Directors of the Company and hence, the resolution covered by Item No.15 of the notice is being put for the consideration of the Members.

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

Mr. Arun Sheth fulfills the criteria laid out in Section 149 (6) of the Act in this regard. Section 149 (10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1st April 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to appoint Mr. Arun Sheth as an Independent Director of the Company to hold office for a term of 3 (three) years from the date of ensuing Annual General Meeting.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Arun Sheth and accordingly recommends the ordinary resolution set forth in Item No. 15 of the Notice for approval of the Members.

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

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

Except Mr. Arun Sheth, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

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

**Item no. 16**

At present, as per the provisions of Article 118 of the Articles of Association of the Company, each Director is entitled for remuneration in the form of meeting fees, for

attending each meeting of the Board of Directors or Committee thereof, of ` 20,000.

Considering the provisions of the Companies Act, 2013, the business environment and the time required to be committed by the Directors, for attending the meetings of the Board or of a Committee thereof, the Company proposes to increase the meeting fees from ` 20,000 to ` 50,000, for each meeting of the Board or of a Committee thereof, attended by Non-working Directors. As per the provisions of Section 197 of the Act read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company can make payment up to ` 1,00,000, as a meeting fee, as stated above.

It is proposed to amend Article 118 of the Articles of Association of the Company, as stated in the resolution, to achieve the increase in the meeting fees payable to the Directors.

All Directors of the Company, other than Managing Director, may be deemed to be interested in this resolution to the extent of meeting fees payable to each of them.

**Item no. 17**

Considering the provisions of the Companies Act, 2013 and provisions of Companies (Acceptance of Deposits) Rules, 2014, if the Company decides to accept the deposits from the Members / Public, a resolution needs to be passed in the general meeting of the Members of the Company, permitting acceptance of deposits and approving the terms and conditions, subject to which such deposits shall be accepted. Considering the present financial position of the Company, Company may not need to accept deposits. The Company is continuing with the deposits already accepted and shall comply with the provisions of Section 74 of the Companies Act, 2013, in case the Board decides to do so.

In order to enable the Board to take a decision about acceptance/renewal of deposits, from time to time, depending on the financial position of the Company and prevalent rate of interest, the Board recommend that powers be vested in the Directors of the Company to accept the deposits from the Members of the Company and from Public, up to the permitted limits. Such deposits would be unsecured deposits carrying interest rate depending on the rate of interest prevalent from time to time. The term of deposits to be accepted shall not be less than six months and not more than thirty six months.

The Company, before accepting deposits, shall comply with all other formalities as prescribed by the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

None of the directors or Key Managerial Personnel of the Company, including their relatives, is interested in this business, except to the extent of deposits placed by the Directors with the Company. At present, Mr. R. B. Bhandari, Director has placed deposits with the Company.

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

Pune - 411 035  
11th August 2014.

**APARNA G. LAMBORE**  
Company Secretary

## DIRECTORS' REPORT

To

The Members,

The Directors present the 55th Annual Report, together with the audited accounts for the Financial Year ended on 31st March 2014.

### 1. Financial Results

	2013-14	2012-13
Income from Operations (Gross)	2301,13,77,716	<b>2276,35,17,184</b>
Other Income	59,93,50,506	<b>43,65,16,285</b>
Profit before Depreciation	147,46,54,600	<b>89,28,83,139</b>
Depreciation	84,83,84,924	<b>70,15,66,527</b>
Provision for Taxes (Net)	(15,06,73,127)	<b>4,85,29,076</b>
Profit After Tax	77,69,42,803	<b>14,27,87,536</b>
Proposed Dividend	3,95,28,786	<b>3,95,28,786</b>
Provision for Tax on Distributed Profit	67,17,918	<b>67,17,918</b>
Transfer to General Reserve	7,76,94,281	<b>1,42,78,754</b>
Balance in Profit & Loss Account carried forward	807,10,44,173	<b>741,80,42,355</b>

2. In view of acquisition of 6,31,139 equity shares of ₹ 10 each by Jaya Hind Investments Private Limited on 17th February 2014, the Company has become a subsidiary Company of Jaya Hind Investments Private Limited, the promoter of the Company, within the meaning of Regulation 2 of Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The holding company, as of the date of report, holds 72,68,497 equity shares (55.16% of the paid up capital) of your Company.

### 3. 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.

### 4. 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.

### 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 ₹ 49.17 crore against the previous year's export of ₹ 35.68 crore.

### 7. Research & Development

The expenditure on Research & Development, for new products, including the expenditure on Projects and Tool Engineering, was 3.90% 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

- During the year under consideration, the Company obtained technical assistance from M/s. AVL, Graz, Austria, for the engineering and development of a series of common rail engines, capable of BS IV / Euro IV emission standards, and which will also cater for the next level of emissions. Also assistance was obtained for further enhancement of the robustness, the reliability and life cycle of the engines.
- The Company also received technology assistance from Magna Steyr India Pvt. Ltd. for upgradation of transmissions.
- The period of the license arrangement, with ZF Friedrichshafen AG, Germany, for the technology for truck gearboxes ended. The Company has the right to continue to manufacture the products.
- The Company continues to have the benefit of technical assistance of Dr. Rolf Bacher, Germany, and of Prof. Wolfgang Kraus.

### 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. During the year under report, the permanent workmen of the Akurdi factory raised various demands. A reference has been made as per the provisions of the Industrial Disputes Act, 1947 in respect of these demands. The litigation connected with this reference is pending. The wage settlement with the workmen of Pithampur Plant is implemented satisfactorily.

### 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. Installation and replacement of capacitors and compressors with high capacity have significantly contributed in energy saving and cost reductions. The Company has installed the latest generation robotic paint shop, obtained from Duerr AG, Germany, for painting of vehicle bodies. This, besides enabling dramatic improvement in paint coverage and paint quality, will result in approximately 10 per cent reduction in energy consumption.

**12. Fixed Deposits**

103 deposits amounting to ₹ 35,05,000 matured for repayment on or before 31st March 2014 but remained unclaimed on that date. Out of these, 58 deposits amounting to ₹ 19,45,000 have since been repaid.

**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 ₹ 4.79 crore.

**14. Directors**

Mr. Sudhir Mehta and Mr. R. B. Bhandari, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment.

Mr. L. Lakshman, Mrs. Anita Ramachandran, Mr. Atul Chordia, Mr. S. A. Gundecha have ceased to be Directors of the Company, by resignation. Board places on records its appreciation for the services rendered by them in their capacity as Directors.

The Board of Directors of the Company, in its meetings held on 26th July 2014 and 11th August 2014, decided to put proposals for the appointment of Mr. Nitin Desai, Dr. Indira Parikh, Mr. Pratap Pawar, Mr. S. Padmanabhan and Mr. Arun Sheth as Independent Directors.

Considering the provisions of section 160 and 161 of the Companies Act, 2013, Jaya Hind Investments Private Limited has given notices for appointment of Mr. Nitin Desai, Dr. Indira Parikh, Mr. Pratap Pawar, Mr. S. Padmanabhan and Mr. Arun Sheth as Independent Directors for a period of 3 years.

All necessary information regarding these Directors retiring by rotation, additional director or independent director to be appointed is a part of the Statement attached to notice dated 11th August 2014 and/or report on Corporate Governance.

The details of managerial remuneration are indicated in Note No. 38 Notes to Financial Statement (Schedule XIII). The term of appointment of Mr. Prasan Firodia, Managing Director of the Company, expires on 5th November 2014. The Board, and the Nomination and Remuneration Committee of the Board approved, subject to the approval of the Members of the Company, the proposal of reappointment of Mr. Prasan Firodia, Managing Director, for a further period of 5 years w.e.f. 6th

November 2014 and in respect of payment of remuneration to him as Managing Director of the Company.

Mr. Abhaykumar Firodia, Chairman of the Company, has agreed to assist the Company, by undertaking management responsibility, considering the expansion of business, the new projects to be implemented by the Company and accordingly, the Board, and Nomination and Remuneration Committee of the Board, in compliance with the provisions of the Companies Act, 2013, decided to put a proposal for the consideration of the Members of the Company, in the ensuing Annual General Meeting, to appoint Mr. Abhaykumar Firodia, as Managing Director, to be designated as the Chairman.

Mr. Abhaykumar Firodia has indicated that he shall not draw any remuneration, including sitting fees, as a Managing Director of the Company, except the provision of cars and telephone.

**15. Audit Committee**

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

**16. Unclaimed Share Certificate and Suspense Account**

Share certificates in respect of 4647 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 judgments 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;

(d) the Annual Accounts are prepared on a going concern basis.

**19. Other**

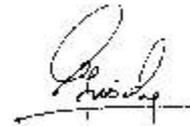
Under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the annexure to the Directors' Report. However, in terms of the provisions of Section 219(1)(b)(iv) 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.

**20.** 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.

**21.** The Central Government has directed to conduct audit of the cost records of the Financial Year 2013-14 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.

**22.** 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 FIORDIA**  
Chairman

Pune - 411 035  
11th August 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The overall demand situation during the year under review remained weak. Particularly the market for commercial vehicles and passenger transport vehicles has not been buoyant during the year under review. With the changes, occurring in the expectations of society, particularly in regard to health services and education - a market may be emerging for specialized products like ambulances, school buses and inner city minibuses. While this segment will be relevant for the Company, it is nevertheless a niche in the entire market for automobiles.

### II. PERFORMANCE OF THE COMPANY

The number of vehicles sold during the year under report was 27,537 compared to 29,502 vehicles sold in the year 2012-13. During the year under report, the Company achieved a topline of ₹ 2301.14 crore. The sales turnover stood at ₹ 2275.50 crore compared to the previous year's turnover of ₹ 2220.53 crore.

The sale of tractors made by the Company has shown an improvement on account of the focused effort in select markets, and the significantly improved customer support that has been established. This trend is continuing. On the background of firm demand in the tractor market, the tractor activity is expected to register good growth.

The 26-seater Traveller, the T2 platform - which is the wide wheel track new vehicle platform for Traveller - has been well accepted in the market. This has enabled the Company to enter the attractive segment of 26-seater buses. The regular 26-seater buses and also specialized school buses on this platform, have met with good success - offering to the customer exceptional fuel economy, high reliability and excellent ride comfort.

The sale of small commercial vehicles featuring the Trump series, has undergone significant slow-down in the market. Thus, the number of total vehicles the Company has sold significantly reduced. However as the Traveller sales, particularly the T2 version has registered growth, the value of total vehicles sold by the Company has not been compromised.

On the MPV project, for which the Company obtained technology and tooling from M/s. Daimler AG, Germany, significant changes in the market have occurred - as a result of the entry of several new players. Also the customer expectations and changing price points have impacted the market. This project is under review. The

Company appointed M/s. Roland Berger Strategy Consultants, to examine the product portfolio of the Company. Their report is received in regard to possible emphasis and growth opportunities.

The Company has been active in enhancing sales channel capability and geographic foot-print for the commercial vehicles business. The new markets which have been opened up in previously unexploited territories, are yielding good results.

The Company, having commissioned the new and hitech Engine Tech Centre at Akurdi - comprising of latest engine dynamometers and chassis dynamometers - has created a very capable infrastructure, for undertaking engine development and vehicle development programmes.

To cater to emerging demand for higher emission status, and higher reliability, several engine and vehicle development programmes are in hand. Support from organizations such as AVL, Bosch, Delphi, etc. is being used. This, in addition to the intensive utilization of the Engine Tech Centre is aimed to achieve the target of creating a new line up of engines, to meet Euro IV / and Euro V emission targets, for our range of vehicles.

Engine requirement for the Pithampur factory, which earlier was supported from production at Akurdi, Pune, has now nearly exclusively been relocated at Pithampur itself. This will result in significant savings in manufacturing and logistics costs.

### III. HOLDING COMPANY AND SUBSIDIARY COMPANY

The Company is a subsidiary of Jaya Hind Investments Private Limited, promoter of the Company, w.e.f. 17th February 2014.

Tempo Finance (West) Private Limited is a subsidiary of your Company.

### IV. OPPORTUNITIES, THREATS AND RISK FACTORS

Enhancement of market size and opportunities in India, for the type of products the Company manufactures, requires development of both - urban infrastructure, and a friendly licensing and regulatory environment for vans. To facilitate movement of people in groups, both in urban areas as also tours and travels, a friendly regime of taxation comprising of excise tax, as also road permit tax is required. If tourism receives the boost as expected, and if a greater emphasis is placed on transporting school children by properly regulated and designed vehicles, and if the health care network in the country receives sustained support from the State and the Central Governments, then applications for the type of vehicles the Company manufactures will be supported with improved demand.

The challenges in this regard are to develop vehicles which cater to specialized needs, such as ambulances and inner city buses. This calls for considerable integration of telematics, instrumentation, communication hardware and software, with the standard vehicle systems. As the Company manufactures ready built vans from the factory, (and not chassis on which outside body builders make superstructures) the challenges of adapting these devices on to factory built vehicles in our production setup - have to be taken up by the Company. During the year considerable work in this regard has been done by the Company, to create well engineered vehicles, for meeting the rising demand in these very specialized niche segments. These are produced in our assembly lines.

Major risks involved are that these markets and applications for Vans, are significantly dependent on Government policies and support, besides relying on growing incomes for the people, the direction of the economy and the taxation policies of Central & State Governments will continue to have a major impact.

#### **V. FINANCIAL PERFORMANCE**

As stated above, the Company sold 27,537 numbers of vehicles during the Financial Year 2013-14 compared to 29,502 vehicles in the previous year 2012-13. 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 ` 71.81 crore compared to operating profit for the previous year 2012-13 amounting to ` 27.38 crore.

The Net Profit of the Company after Finance Costs, Depreciation and Taxes items was ` 77.69 crore for the year 2013-14.

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 ` 7,76,94,281 is transferred to the General Reserve Account. The Reserves and Surplus of the Company as on 31st March 2014 stood at ` 1212.84 crore.

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

To further enhance the internal control systems, the Company has emphasized the audit process which comprises 3 levels in the Company:

Level I - Statutory Audit.

Level II - Internal Audit.

This comprises critical examination of the expenditures and resource deployment. This is carried out internally by Company functionaries, on a structured & continuous basis.

Level III – Management Audit.

Two firms of external auditors are engaged, to examine the 'operating processes' employed by the Company, and to assess conformance thereto by various operatives and departments within the Company.

These auditors are engaged in both plants of the Company, as also to examine all the operational functions. The management auditors, on a quarterly basis, report their findings to the Board of Directors and the Audit Committee.

#### **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 2014**) ('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 2014**) 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	11	06
2	Mr. Prasan Firodia	06	---
3	Mr. Sudhir Mehta	06	---
4	Mr. Pratap Pawar	15	02
5	Mrs. Anita Ramachandran **	05	---
6	Mr. S. Padmanabhan	06	01
7	Mr. L. Lakshman **	10	01
8	Mr. Arun Sheth	11	10
9	Mr. Vinay Kothari	08	---
10	Mr. Atul Chordia **	31	---
11	Mr. S. A. Gundecha **	02	---
12	Mr. R. B. Bhandari	01	---

\* includes directorship in private companies and bodies corporate.  
 \*\* additional information - Mr. L. Lakshman has ceased to be a Director of the Company, by resignation, w.e.f. 28th June 2014. Mr. S. A. Gundecha has ceased to be a Director of the Company w.e.f. 7th August 2014. Mr. Atul Chordia has ceased to be a Director of the Company w.e.f. 8th August 2014. Mrs. Anita Ramachandran has ceased to be a Director of the Company w.e.f. 9th August 2014.

- 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**	3	3	---	2
Mr. S. Padmanabhan	2	2	---	2
Mr. L. Lakshman**	7	---	1	3
Mr. Arun Sheth	---	1	---	1

\* includes Chairmanship of Remuneration Committee.

\*\* additional information - Mr. L. Lakshman has ceased to be a Director of the Company, by resignation, w.e.f. 28th June 2014. Mrs. Anita Ramachandran has ceased to be a Director of the Company w.e.f. 9th August 2014.

- During the Financial Year 2013-14, seven meetings of the Board were held on 20th April 2013, 25th May 2013, 27th July 2013, 21st September 2013, 7th October 2013, 18th January 2014 and 16th February 2014. The attendance of Directors during the Financial Year 2013-14 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	6	No
Mr. Prasan Firodia	6	Yes
Mr. Sudhir Mehta	2	No
Mr. Pratap Pawar	6	Yes
Mrs. Anita Ramachandran *	3	No
Mr. S. Padmanabhan	7	Yes
Mr. L. Lakshman*	4	Yes
Mr. Arun Sheth	5	Yes
Mr. Vinay Kothari	6	Yes
Mr. Atul Chordia *	2	Yes
Mr. S. A. Gundecha *	7	Yes
Mr. R. B. Bhandari	7	Yes

\* additional information - Mr. L. Lakshman has ceased to be a Director of the Company, by resignation, w.e.f. 28th June 2014. Mr. S. A. Gundecha has ceased to be a Director of the Company w.e.f. 7th August 2014. Mr. Atul Chordia has ceased to be a Director of the Company w.e.f. 8th August 2014. Mrs. Anita Ramachandran has ceased to be a Director of the Company w.e.f. 9th August 2014.

- 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, operating profitability and various risks associated with the Company's business. Also

presented are assessments of the strategic and technological issues enabling a discussion on the strategy, projects and tactics employed in the management of the Company's affairs.

7. The Directors made all disclosures as per the requirement of the Companies Act, 1956 / the Companies Act, 2013 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 2013-14 is as under:-

Name of the Director	Salary	Value of Perquisites
Mr. Prasan Firodia	24,00,000	8,58,078

The appointment and remuneration of Mr. Prasan Firodia as a 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 2013-14 are as under:-

Name of the Director	Sitting fees paid for attending Board Meetings and Committee Meetings
Mr. Abhaykumar Firodia	1,20,000
Mr. Sudhir Mehta	40,000
Mr. Pratap Pawar	2,20,000
Mrs. Anita Ramachandran*	60,000
Mr. S. Padmanabhan	2,60,000
Mr. L. Lakshman*	80,000
Mr. Arun Sheth	2,00,000
Mr. Atul Chordia*	40,000
Mr. Vinay Kothari	2,40,000
Mr. S. A. Gundecha *	2,60,000
Mr. R.B. Bhandari	1,40,000

\* additional information - Mr. L. Lakshman has ceased to be a Director of the Company, by resignation, w.e.f. 28th June 2014. Mr. S. A. Gundecha has ceased to be a Director of the Company w.e.f. 7th August 2014. Mr. Atul Chordia has ceased to be a Director of the Company w.e.f. 8th August 2014. Mrs. Anita Ramachandran has ceased to be a Director of the Company w.e.f. 9th August 2014.

Sitting fees of ₹ 20,000 per meeting is paid to Non-Executive Directors, including Independent

Directors for every meeting of the Board of Directors or Committee thereof attended. The Members of the Company have approved this payment.

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

Name of the Director	Nature of Payment	Amount Paid
Mr. R.B. Bhandari	Interest paid on Fixed Deposits	9,11,466
Mr. S.A. Gundecha*	Interest paid on Fixed Deposits	3,21,329

\* Mr. S. A. Gundecha has ceased to be a Director of the Company w.e.f. 7th August 2014.

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

\*Mr. S. A. Gundecha has ceased to be a Director of the Company w.e.f. 7th August 2014. Mr. Atul Chordia has ceased to be a Director of the Company w.e.f. 8th August 2014.

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, 2011 were ₹ 68,10,24,943 and ₹ 4,98,26,779 respectively.
13. Mr. Sudhir Mehta (DIN 00056867) and Mr. R. B. Bhandari (DIN 00308309), 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. Sudhir Mehta**

Mr. Sudhir Mehta (DIN 00056867), 45, holds a Bachelor's Degree from Depauw University of U.S.A., and Master's Degree in Business Management from the University of Chicago. He has extensive experience as an Investment Banker and as an Entrepreneur. He is presently the Managing Director of Pinnacle Industries Limited.

He holds directorships in the following companies:-

Pinnacle Industries Limited, Rizhome Industries Private Limited, Perform Fitness Solutions Private Limited, Intalia Realty Private Limited, Pithampur Auto Cluster Limited and Caveo Pinnacle India Private Limited.

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

The Company has received declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from him.

**Mr. R. B. Bhandari**

Mr. R. B. Bhandari (DIN 00308309), 69, is a Commerce Graduate. Mr. Bhandari has a long experience in Company Accounts and Internal Audit functions. Mr. Bhandari worked as an Internal Auditor of the Company for over 20 years.

He holds directorship in Tempo Finance (West) Private Limited.

Mr. Bhandari holds 8,408 equity shares of ` 10 each of the Company.

The Company has received declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from him.

**Mr. Abhaykumar Firodia**

Mr. Abhaykumar Firodia, (DIN 00025179), Chairman of the Company, is to be appointed as Managing Director as proposed in the Item No.9 of Notice dated 11th August 2014. Mr. Abhaykumar Firodia, age 69 years, is the Chairman of the Company, a Director of the Company since 1975 and had been Managing Director of the Company from 1st July 1987 to 5th November 2009.

Considering his expertise and experience, the Company requested Mr. Firodia to assist in certain areas of the management of the affairs of the Company and accordingly Mr. Firodia is to be appointed as the Managing Director, subject to the provisions of the Companies Act, 2013 and the Rules made there under Mr. Firodia has indicated that he shall not draw any remuneration, including sitting fees, during this tenure as Managing Director, to be designated as the Chairman. The Company shall make arrangement for provision of cars and mobiles to him.

He holds directorships in the following companies:-

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

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

He is a relative of Mr. Prasan Firodia, Managing Director and Mr. Sudhir Mehta, Director of the Company.

The Company has received declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from him.

**Mr. Prasan Firodia**

Mr. Prasan Firodia (DIN 00029664), 35, is a Bachelor in Business Administration. He has an

experience of business management of over 10 years and is leading the Company as the Managing Director.

He 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, Jaya Hind Montupet Private Limited and Sona Koyo Steering Systems Limited.

Mr. Prasan Firodia holds 2,03,463 equity shares of ` 10 each of the Company.

Mr. Prasan Firodia is son of Mr. Abhaykumar Firodia, Chairman of the Company.

The Company has received declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from him.

**Mr. Nitin Desai**

Mr. Nitin Desai (DIN 00140239), 70, is a Graduate in Civil Engineering and Masters in Environmental Engineering from the University of Michigan, Ann Arbor, USA.

He is presently Chairman and Managing Director of Desai Brothers Limited, Pune, a leading Corporate in the multifold business of manufacturing Bidis, Food Products, Finance & Investments, Hospitality, Health Care.

Actively associated with the Health Care Industry, he is one of the Promoter Directors of the fast expanding "Sahyadri Group of Hospitals". He is actively involved with diverse social activities, mainly in the spheres of Eye Care, Education, Environment, old age home, etc.

He holds directorships in the following Companies: -

Desai Brothers Limited, Aquapharm Chemicals Private Limited, Desons Finvest Private Limited, Desons Holdings & Finance Private Limited, Sahyadri Hospitals Limited, Desai Foods Private Limited, Konkan Medical Services Private Limited, Cadila Health Care Limited and Savannah Hotels Private Limited.

The Committee positions held by Mr. Desai are as under: -

Name of the Company	Committee Positions
Desai Brothers Limited	(a) Nomination and Remuneration Committee - Member (b) Corporate Social Responsibility Committee - Chairman
Desons Holdings & Finance Private Limited	(a) Audit Committee - Chairman (b) Corporate Social Responsibility Committee - Chairman
Cadila Healthcare Limited	(a) Nomination and Remuneration Committee - Chairman (b) Audit Committee - Chairman
Sahyadri Hospitals Limited	(a) Remuneration Committee - Member

The Company has received declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from him.

**Dr. Indira Parikh**

Dr. Indira Parikh (DIN 00143801), 70, is the Founder President of Foundation for Liberal and Management Education (FLAME). Dr. Parikh was the Dean of IIM-Ahmedabad from 2002 to 2005 and was a faculty member at IIM-Ahmedabad for over 30 years.

She has specialized in organization development and design, and institution building. She has been a consultant to various national and international organizations both in private and public sector.

She holds directorships in the following Companies: Amanta Health Care Limited, Zydus Wellness Limited, Sintex Industries Limited, Shasun Pharmaceuticals Limited and Foseco India Limited.

The Committee positions held by Dr. Parikh are as under: -

Name of the Company	Committee Positions
Sintex Industries Limited	(a) Audit Committee – Member (b) Remuneration Committee - Member
Zydus Wellness Limited	(a) Corporate Social Responsibility Committee – Member (b) Audit Committee – Member (c) Nomination & Remuneration Committee - Member
NSDL Limited	(a) Executive Committee - Member
Shasun Pharmaceuticals Limited	(a) Nomination & Remuneration Committee - Member (b) Corporate Social Responsibility Committee – Member
Foseco India Limited	(a) Corporate Social Responsibility Committee – Chairman (b) Audit Committee – Member (c) Nomination & Remuneration Committee – Member (d) Stakeholders Relationship Committee-Member

The Company has received declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from her.

**Mr. Pratap Pawar**

Mr. Pratap Pawar (DIN 00018985), 69, is a Bachelor of Engineering from Birla Institute of Technology and Science, Pilani. He has over 40 years of experience as a Technocrat and Industrialist. He specializes in marketing and finance. At present he is the Chairman and Managing Director of Sakal Papers Private Limited, a leading Marathi daily.

He holds directorships in the following Companies: - P. P. Holdings Limited, Finolex Cables Limited, Kirloskar Oil Engines Limited, Sakal Papers Private Limited, Bharat Forge Limited, Ojas Engineering Private Limited, A.P. Holdings Private Limited,

Karha Developers & Miners Private Limited, Rajgadh Agro Farms Private Limited, Pasle Agro Farms Private Limited, Bhimthadi Developers & Miners Private Limited, Abhijit Pawar Media Limited, ASK' Chemicals Foundry Solution India Private Limited, The Indian Newspapers Society and Mahratta Chamber of Commerce, Industries & Agriculture.

The Committee positions held by Mr. Pawar are as under: -

Name of the Company	Committee Positions
Finolex Cables Limited	(a) Share Transfer cum Investor's Grievances Committee - Member (b) Remuneration Committee – Member (c) Audit Committee-Member
Kirloskar Oil Engines Limited	(a) Share Transfer cum Investor's Grievances Committee - Chairman (b) Audit Committee – Member
Bharat Forge Limited	(a) Audit Committee – Chairman (b) Remuneration Committee-Member (c) Corporate Social Responsibility Committee- Chairman

The Company has received declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from him.

**Mr. S. Padmanabhan**

Mr. S. Padmanabhan (DIN 00001207), 74, is an I.A.S.(R). He has had a distinguished career as a bureaucrat. Subsequent to his retirement, he is associated with several leading companies as Director, Management Consultant and Advisor.

He holds directorships in the following companies:- Sudarshan Chemical Industries Limited, Desai Brothers Limited, Premier Limited, Rajkumar Forge Limited, Sanghvi Movers Limited, Aquapharm Chemicals Private Limited.

The Committee positions held by Mr. Padmanabhan are as under: -

Name of the Company	Committee Positions
Premier Limited	(a) Audit Committee- Chairman (b) Remuneration Committee - Chairman
Sanghvi Movers Limited	(a) Audit Committee- Member (b) Remuneration Committee - Member

The Company has received declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from him.

**Mr. Arun Sheth**

Mr. Arun Sheth (DIN 00086891), 66, is a Commerce Graduate. He is the Chairman and Managing Director of Prabhudas Lilladher Private Limited, leading member of BSE Limited and National Stock Exchange of India Limited.

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

He 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 declaration in the prescribed form as per the provisions of Section 164 of the Companies Act, 2013 from him.

#### COMMITTEES

15. The "Remuneration Committee" of the Board has been re-designated as "Nomination and Remuneration Committee", consisting of Mr. Pratap Pawar, Mr. S. Padmanabhan, Non-Executive Independent Directors, and Mr. R. B. Bhandari, Non Executive Director. Mr. Pratap Pawar, Independent Director is the Chairman of the Nomination and Remuneration Committee.

16. The Audit Committee consists of four Directors - Mr. Pratap Pawar, Mr. Vinay Kothari, Mr. S. Padmanabhan and Mr. Arun Sheth. Mr. S. A. Gundecha was the Audit Committee Member till 7th August 2014.

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

The 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 20th April 2013, 25th May 2013, 27th July 2013, 21st September 2013, 7th October 2013 and 18th January 2014. 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 2013-14 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.

The "Investors' Relation Committee" of the Board has been re-designated as "Stakeholders' Relationship Committee", consisting of Mr. Sudhir Mehta, Non-executive Director, Mr. Prasan Firodia, Executive Director and Mr. Vinay Kothari, Non-executive Director. Mr. Sudhir Mehta is the Chairman of the Stakeholders' Relationship Committee. 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 21 investors' grievances were received and all these grievances were resolved to the satisfaction of the concerned members. As of 31st March 2014, no grievance was pending.

As of date of report, 3 Transfer and 1 Transmission requests of shares held in physical form is pending. During the year under report, the Company processed 34 share transfers, 4 transmission and 76 requests for dematerialization / re-materialization of shares. As of date, one shareholder's grievance is under process.

The Board has also constituted a Committee, as per the provisions of Section 135 of the Companies Act, 2013, viz. Corporate Social Responsibility Committee consisting of Mr. S. Padmanabhan, Non-Executive Independent Director, Mr. Sudhir Mehta, Non-executive Director and Mr. Nitin Desai, Non-Executive Independent Director. Mr. S. Padmanabhan is the Chairman of the Committee.

The Committee has been directed by the Board to make proposals, including about the rules and regulations, in respect of the amount to be spent by the Company from time to time as per the provisions of the said section.

#### SHAREHOLDERS

17. 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.

18. 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 2013 were published in 'The Economic Times' and 'Maharashtra Times', for the quarter ended 30th September 2013 in 'Financial Express' and 'Lokmat' and for the quarter ended 31st December 2013 and the Audited Financial Results for the Financial Year 2013-14 were published in 'Financial Express' and 'Loksatta' 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](http://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 27th July 2013, 7th October 2013 and 18th January 2014 respectively.

19. **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
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
21st September 2013	11.30 a.m.	Mumbai-Pune Road, Akurdi, Pune - 411 035.	--	--

20. 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.

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

22. No presentation was made to any institutional investors or analyst during the year 2013-14.

#### 23. Annual General Meeting

Time : 11.30 a.m.

Date : 20th September 2014.

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

#### 24. 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

#### 25. Period of book closure :

Saturday, 6th September 2014 to

Saturday, 20th September 2014

(both days inclusive).

26. 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 20th day of September 2014.

27. 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.

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

29. Market price data during the Financial Year 2013-14 is as under: -

Month	Share Price		BSE Sensex	
	High	Low	High	Low
April 2013	391.50	333.00	19622.68	18144.22
May 2013	410.00	341.25	20443.62	19451.26
June 2013	349.90	245.00	19860.19	18467.16
July 2013	279.80	235.00	20351.06	19126.82
August 2013	304.70	225.00	19569.20	17448.71
September 2013	314.40	275.00	20739.69	18166.17
October 2013	361.00	285.95	21205.44	19264.72
November 2013	327.00	272.05	21321.53	20137.67
December 2013	437.00	303.25	21483.74	20568.70
January 2014	381.35	305.00	21409.66	20343.78
February 2014	390.70	281.65	21140.51	19963.12
March 2014	364.90	327.50	22467.21	20920.98

**30. Distribution of shareholding as on 31st March 2014 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	7320	90.62	666241	5.06
501 to 1000	392	4.85	283004	2.15
1001 to 2000	181	2.24	257339	1.95
2001 to 3000	55	0.68	134680	1.02
3001 to 4000	31	0.38	111859	0.85
4001 to 5000	16	0.20	74193	0.56
5001 to 10000	39	0.48	277215	2.10
10001 & above	44	0.55	11371731	86.31
Total	8078	100.00	13176262	100.00

31. 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 2014, the number of equity shares of the Company held through depositories were 1,24,05,674 (94.15 % of the total paid up capital of the Company).

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

33. The Corporate Identity Number allotted to the Company is L34102PN1958PLC011172. The Company's registered address is Mumbai - Pune Road, Akurdi, Pune - 411 035. 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 -

Ms. 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 / 26160084 / 26163503

Telefax No. : (020) 26163503

e-mail : pune@linkintime.co.in

**34. 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 2014, 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 : 11th August 2014.

**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, 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- (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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : 24th May, 2014

**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 and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Customs 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	372.23	Sr. Dy. Commissioner of Sales Tax, Pune, Joint Commissioner of Sales Tax (Appeal) I, Pune, Dy. Commissioner (Appeals) III Commercial Tax, Jaipur, Dy. Commissioner of Commercial Tax (Coimbatore, Ratlam & Sitarampur), Additional Commissioner, Commercial Tax, Indore and M.P. Commercial Tax Appellate Board, Bhopal.
Excise Duty	127.66	CESTAT, New Delhi, CESTAT, West Regional Bench, Mumbai, Commissioner (Appeals), Indore and Commissioner of Central Excise (Appeals), Pune I Commissionerate, Pune.
TOTAL	500.69	

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 : 24th May, 2014

**Sanjay Athavale**  
Partner  
Membership Number 83374

**Balance Sheet as at 31st March, 2014**

	Notes		As at 31st March, 2014	As at 31st March, 2013
<b>I EQUITY AND LIABILITIES :</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	2	13,17,90,383		<b>13,17,90,383</b>
(b) Reserves and Surplus	3	1212,84,00,706		<b>1139,77,04,607</b>
			1226,01,91,089	<b>1152,94,94,990</b>
<b>2. Non-current Liabilities</b>				
(a) Long-term Borrowings	4	20,38,25,000		<b>41,98,70,000</b>
(b) Deferred Tax Liabilities (Net)	5	6,61,87,436		<b>21,92,69,499</b>
(c) Other Long-term Liabilities	6	3,96,00,000		<b>3,96,00,000</b>
(d) Long-term Provisions	7	20,66,14,643		<b>27,63,40,969</b>
			51,62,27,079	<b>95,50,80,468</b>
<b>3. Current Liabilities</b>				
(a) Trade Payables		299,94,25,393		<b>252,56,11,826</b>
(b) Other Current Liabilities	8	168,90,37,489		<b>184,58,33,508</b>
(c) Short-term Provisions	9	25,38,69,668		<b>22,23,15,450</b>
			494,23,32,550	<b>459,37,60,784</b>
		<b>Total</b>	<b>1771,87,50,718</b>	<b>1707,83,36,242</b>
<b>II ASSETS :</b>				
<b>1. Non-current Assets</b>				
<b>(a) Fixed Assets</b>				
(i) Tangible Assets	10	639,97,68,833		<b>616,42,94,420</b>
(ii) Intangible Assets	11	3,31,67,160		<b>5,15,84,641</b>
(iii) Capital Work-in-progress		205,77,39,514		<b>188,98,69,811</b>
			849,06,75,507	<b>810,57,48,872</b>
(b) Non-current Investments	12	1,23,03,364		<b>1,18,03,364</b>
(c) Long-term Loans and Advances	13	76,27,05,849		<b>75,54,84,448</b>
			77,50,09,213	<b>76,72,87,812</b>
<b>2. Current Assets</b>				
(a) Inventories	14	377,25,16,254		<b>381,62,64,137</b>
(b) Trade Receivables	15	135,08,43,220		<b>108,80,46,389</b>
(c) Cash and Bank Balances	16	216,09,06,992		<b>225,14,55,848</b>
(d) Short-term Loans and Advances	17	114,99,90,309		<b>101,78,68,159</b>
(e) Other Current Assets	18	1,88,09,223		<b>3,16,65,025</b>
			845,30,65,998	<b>820,52,99,558</b>
		<b>Total</b>	<b>1771,87,50,718</b>	<b>1707,83,36,242</b>
<b>Summary of Significant Accounting Policies</b>	<b>1</b>			

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 : 24th May, 2014

Place : Pune  
Date : 24th May, 2014

**Statement of Profit and Loss for the year ended 31st March, 2014**

	Notes		For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>III INCOME :</b>				
(a) Revenue from Operations (Gross)	19	2301,13,77,716		<b>2276,35,17,184</b>
<b>Less : Excise Duty / Service Tax</b>		<b>279,51,10,531</b>		<b>303,62,96,246</b>
Revenue from Operations (Net)			2021,62,67,185	<b>1972,72,20,938</b>
(b) Other Income	20		59,93,50,506	<b>43,65,16,285</b>
<b>(c) Total Revenue (a) + (b)</b>			<b>2081,56,17,691</b>	<b>2016,37,37,223</b>
<b>IV EXPENSES :</b>				
(a) Cost of Raw Materials and Components consumed	21	1414,06,84,327		<b>1439,20,14,432</b>
(b) Change in Inventories of Finished Goods and Work-in-progress	22	1,97,17,479		<b>(30,44,41,548)</b>
(c) Employee Benefits expense	23	240,55,96,777		<b>262,32,31,904</b>
(d) Finance Costs	24	9,18,23,590		<b>8,24,46,672</b>
(e) Depreciation and Amortization expense	25	84,83,84,924		<b>70,15,66,527</b>
(f) Other expenses	26	284,72,23,265		<b>282,02,39,145</b>
		2035,34,30,362		<b>2031,50,57,132</b>
<b>Less : Expenditure included in the above items capitalized</b>		<b>16,40,82,347</b>		<b>34,26,36,521</b>
<b>Total Expenses</b>			<b>2018,93,48,015</b>	<b>1997,24,20,611</b>
<b>V Profit before exceptional and extra-ordinary items and tax (III) - (IV)</b>			62,62,69,676	<b>19,13,16,612</b>
<b>VI Exceptional Items</b>			--	--
<b>VII Profit before extra-ordinary items and tax (V + VI)</b>			62,62,69,676	<b>19,13,16,612</b>
<b>VIII Extra-ordinary items</b>			--	--
<b>IX Profit Before Tax (VII - VIII)</b>			62,62,69,676	<b>19,13,16,612</b>
<b>X Tax Expenses :</b>				
(a) Current Tax		--		<b>1,65,21,729</b>
(b) Deferred Tax		(15,30,82,063)		<b>2,77,89,323</b>
(c) Taxation Provision in respect of earlier years		24,08,936		<b>42,18,024</b>
<b>Total Tax Expenses</b>			<b>(15,06,73,127)</b>	<b>4,85,29,076</b>
<b>XI Profit for the year (IX - X)</b>			77,69,42,803	<b>14,27,87,536</b>
<b>XII Basic and Diluted Earnings per equity share</b>	27		58.97	<b>10.84</b>
[Nominal value per share ` 10]				
<b>Summary of Significant Accounting Policies.</b>	1			

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

As per our separate report of even date.

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

**Prasan Firodia** Managing Director  
**Sudhir Mehta** Director

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

**Aparna G. Lambore**  
Company Secretary

Place : Pune  
Date : 24th May, 2014

Place : Pune  
Date : 24th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,	2014	2013
<b>(A) Cash flow from Operating Activities :</b>		
<b>Net Profit / (Loss) before tax and extraordinary items</b>	62,62,69,676	19,13,16,612
<b>Adjustments for :</b>		
Depreciation	84,83,84,924	70,15,66,527
Foreign exchange loss / (gain)	(5,81,816)	(28,88,854)
Interest Income on bank deposits & others	(14,72,51,457)	(34,01,61,791)
Dividend / Income from trade investments	(12,62,500)	(10,41,563)
Loss / (Profit) on sale of assets	1,22,94,451	18,167
Interest expense	9,18,23,590	8,24,46,672
Provision for bad, doubtful debts and debit balances	--	3,62,22,409
<b>Operating Profit before Working Capital Changes</b>	142,96,76,868	66,74,78,179
(Increase) / Decrease in trade receivables, loans & advances & other current assets	(39,13,51,522)	15,62,02,396
(Increase) / Decrease in Inventories	4,37,47,884	(19,23,07,855)
Increase / (Decrease) in trade payables and other payables	14,56,28,960	30,72,37,625
<b>Cash generated from operations</b>	122,77,02,190	93,86,10,345
Direct Taxes paid	(2,10,25,540)	(10,60,45,840)
<b>Net Cash flow from Operating Activities</b>	(A) 120,66,76,650	83,25,64,505
<b>(B) Cash flow from investing activities :</b>		
Purchase of fixed assets	(128,22,71,111)	(338,57,92,329)
Proceeds from sale of assets / equipments	13,85,61,452	58,35,822
Interest received	14,72,51,457	34,01,61,791
Investment in shares of subsidiary / others	(5,00,000)	(23,27,805)
Dividend / Income from trade investments	12,62,500	10,41,563
<b>Net Cash flow from Investing Activities</b>	(B) (99,56,95,702)	(304,10,80,958)
<b>(C) Cash flow from financing activities :</b>		
Proceeds of long-term borrowing	(21,60,45,000)	(17,70,35,000)
Proceeds of short-term borrowing	5,51,90,000	23,26,04,000
Interest paid	(9,47,12,087)	(6,34,64,150)
Dividend paid (Including Tax thereon)	(4,62,46,704)	(15,31,37,811)
<b>Net Cash flow from Financing Activities</b>	(C) (30,18,13,791)	(16,10,32,961)
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	(A+B+C) (9,08,32,843)	(236,95,49,414)
Cash and Cash equivalents as at 01-04-2013	224,94,57,479	461,90,06,893
Cash and Cash equivalents as at 31-03-2014 (excluding unrealised exchange fluctuation gain)	215,86,24,636	224,94,57,479

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 : 24th May, 2014

Place : Pune  
Date : 24th May, 2014

**Notes to Financial Statements for the year ended 31st March, 2014.**
**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 to 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 Companies (Accounting Standard) Rules, 2006.**
**H. Leases :**
**(a) Where the Company is the Lessee :**

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

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

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

**I. Incentives :**

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

**2. SHARE CAPITAL**

	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised Share Capital :</b>		
2,00,00,000 <b>(2,00,00,000)</b> Shares of ₹ 10 each	20,00,00,000	<b>20,00,00,000</b>
<b>Issued Share Capital :</b>		
1,32,13,802 <b>(1,32,13,802)</b> Equity Shares of ₹ 10 each	13,21,38,020	<b>13,21,38,020</b>
<b>Subscribed and paid-up Share Capital :</b>		
1,31,76,262 <b>(1,31,76,262)</b> Equity Shares of ₹ 10 each fully paid up	13,17,62,620	<b>13,17,62,620</b>
	27,763	<b>27,763</b>
<b>Add : Amount paid on Forfeited Shares</b>		
	27,763	<b>27,763</b>
<b>Total</b>	<b>13,17,90,383</b>	<b>13,17,90,383</b>

**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, 2014		31st March, 2013	
	No.	₹	No.	₹
At the beginning of the period	1,31,76,262	13,17,62,620	<b>1,31,76,262</b>	<b>13,17,62,620</b>
Issued / Reduced during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,31,76,262</b>	<b>13,17,62,620</b>	<b>1,31,76,262</b>	<b>13,17,62,620</b>

**(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 (₹ 3) 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 a subsidiary of Jaya Hind Investments Private Limited, which holds 51.98% (68,48,497 shares) in the Company w.e.f. 17th February, 2014.

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

	31st March, 2014		31st March, 2013	
	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	68,48,497	51.98	<b>62,17,358</b>	<b>47.19</b>
2. Bajaj Holdings & Investment Limited	25,66,661	19.48	<b>25,66,661</b>	<b>19.48</b>

**3. RESERVES AND SURPLUS**

		As at 31st March, 2014	As at 31st March, 2013
<b>(a) Capital Reserve</b>		25,00,000	<b>25,00,000</b>
<b>(b) Securities Premium</b>		59,19,77,215	<b>59,19,77,215</b>
<b>(c) General Reserve</b>			
Balance as per the last Financial Statements	338,51,85,037		<b>337,09,06,283</b>
<b>Add : Transferred from the Statement of Profit and Loss</b>	<u>7,76,94,281</u>		<u><b>1,42,78,754</b></u>
<b>Closing Balance</b>		346,28,79,318	<u><b>338,51,85,037</b></u>
<b>(d) Surplus</b>			
Balance as per last Financial Statements	741,80,42,355		<b>733,57,80,277</b>
Profit for the year	<u>77,69,42,803</u>		<u><b>14,27,87,536</b></u>
		819,49,85,158	<b>747,85,67,813</b>
<b>Less : Appropriations</b>			
Proposed Equity Dividend	3,95,28,786		<b>3,95,28,786</b>
Tax on proposed Equity Dividend	67,17,918		<b>67,17,918</b>
Transfer to General Reserve	<u>7,76,94,281</u>		<u><b>1,42,78,754</b></u>
<b>Total Appropriations</b>		12,39,40,985	<b>6,05,25,458</b>
<b>Net Surplus</b>		<u>807,10,44,173</u>	<u><b>741,80,42,355</b></u>
<b>Reserves and Surplus</b>	Total	<u><u>1212,84,00,706</u></u>	<u><u><b>1139,77,04,607</b></u></u>

Securities Premium represents premium received on issue of Equity Shares.

**4. LONG-TERM BORROWINGS**

		As at 31st March, 2014	As at 31st March, 2013
Deposits (Unsecured)		20,38,25,000	<b>41,98,70,000</b>
	Total	<u><u>20,38,25,000</u></u>	<u><u><b>41,98,70,000</b></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. 40)

		As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilities		40,25,80,253	<b>40,25,80,253</b>
<b>Less : Deferred Tax Assets</b>		33,63,92,817	<b>18,33,10,754</b>
<b>Net Deferred Tax Liabilities</b>	Total	<u><u>6,61,87,436</u></u>	<u><u><b>21,92,69,499</b></u></u>

**6. OTHER LONG-TERM LIABILITIES**

		As at 31st March, 2014	As at 31st March, 2013
Deposits received from lessee		3,96,00,000	<b>3,96,00,000</b>
	Total	<u><u>3,96,00,000</u></u>	<u><u><b>3,96,00,000</b></u></u>

**7. LONG-TERM PROVISIONS**

	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for Employee Benefits (Refer Note No. 37)	19,70,22,131	25,66,99,503
(b) Provision for Product Warranties and Service Charges (Refer Note No. 39)	95,92,512	1,96,41,466
<b>Total</b>	<u>20,66,14,643</u>	<u>27,63,40,969</u>

**8. OTHER CURRENT LIABILITIES**

	As at 31st March, 2014	As at 31st March, 2013
(a) Deposits (unsecured)	32,15,40,000	26,93,60,000
(b) Deposits matured but not claimed (unsecured)	35,05,000	4,95,000
(c) Interest accrued but not due	3,29,87,213	3,58,21,333
(d) Interest accrued and due on unclaimed deposits	3,72,964	54,378
(e) Creditors for Capital goods	54,68,86,412	46,50,85,595
(f) Advances and deposits against orders	44,12,25,773	57,87,50,673
(g) Unclaimed dividend	10,61,193	3,74,003
(h) Statutory Dues	28,83,81,869	23,83,35,606
(i) Other payables	5,30,77,065	25,75,56,920
<b>Total</b>	<u>168,90,37,489</u>	<u>184,58,33,508</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, 2014	As at 31st March, 2013
(a) Provisions for employee benefits (Refer Note No. 37)	14,14,12,576	14,16,00,027
(b) Provision for Product Warranties & Service Charges (Refer Note No. 39)	6,62,10,388	3,44,68,719
(c) <b>Provision for Taxation :</b>		
Taxation provision for the earlier years	207,47,47,305	219,72,60,305
Taxation provision for the year	13,29,30,000	4,70,56,000
	<u>220,76,77,305</u>	<u>224,43,16,305</u>
<b>Less :</b> (i) Advance payment of tax	227,00,51,703	242,00,54,099
(ii) MAT Credit Entitlement	34,75,07,010	21,55,27,010
[Contra Refer Note 17-d]	<u>(40,98,81,408)</u>	<u>(39,12,64,804)</u>
(d) Provision for Proposed equity dividend	3,95,28,786	3,95,28,786
(e) Provision for Tax on Distributed Profit	67,17,918	67,17,918
	<u>4,62,46,704</u>	<u>4,62,46,704</u>
<b>Total</b>	<u>25,38,69,668</u>	<u>22,23,15,450</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 March, 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
Additions	1,54,320	--	3,18,13,113	113,06,56,701	43,86,769	3,68,08,839	19,81,229	--	120,58,00,971	238,59,93,705
Disposals	--	--	--	4,11,13,510	4,95,911	3,11,75,974	15,32,168	23,29,89,999	30,73,07,562	2,74,50,039
As at 31st March, 2014	7,94,12,385	1,60,53,256	115,03,49,366	1167,54,34,588	9,02,90,898	30,69,46,645	5,44,70,179	144,80,55,156	1482,10,12,473	1392,25,19,064
Depreciation As at 31st March, 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
For the Year	--	4,29,835	3,51,90,122	67,19,02,319	41,08,425	2,26,40,212	27,65,239	8,24,34,505	81,94,70,657	67,19,90,494
Disposals	--	--	--	3,31,45,829	1,36,802	2,65,35,111	10,83,763	9,55,50,156	15,64,51,661	2,15,96,050
As at 31st March, 2014	--	32,30,815	42,77,93,170	758,10,51,855	5,69,76,932	14,96,84,692	3,75,56,853	16,49,49,323	842,12,43,640	775,82,24,644
Net Block As at 31st March, 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
Net Block As at 31st March, 2014	7,94,12,385	1,28,22,441	72,25,56,196	409,43,82,733	3,33,13,966	15,72,61,953	1,69,13,326	128,31,05,833	639,97,68,833	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. 36.

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

**Aparna G. Lambore**  
 Company Secretary

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

Place : Pune  
 Date : 24th May, 2014

Place : Pune  
 Date : 24th May, 2014

**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						
<b>As at 31st March, 2013</b>	<b>13,04,32,814</b>	<b>20,45,05,354</b>	<b>8,22,00,834</b>	<b>9,23,39,718</b>	<b>50,94,78,720</b>	<b>47,93,24,563</b>
Additions	64,96,786	40,00,000	--	--	1,04,96,786	3,01,54,157
Disposals	--	--	--	--	--	--
As at 31st March, 2014	13,69,29,600	20,85,05,354	8,22,00,834	9,23,39,718	51,99,75,506	50,94,78,720
Amortization	--	--	--	--	--	--
<b>As at 31st March, 2013</b>	<b>10,03,83,334</b>	<b>18,29,70,193</b>	<b>8,22,00,834</b>	<b>9,23,39,718</b>	<b>45,78,94,079</b>	<b>42,83,18,046</b>
For the Year *	1,00,60,308	1,88,53,959	--	--	2,89,14,267	2,95,76,033
Deductions	--	--	--	--	--	--
As at 31st March, 2014	11,04,43,642	20,18,24,152	8,22,00,834	9,23,39,718	48,68,08,346	45,78,94,079
<b>Net Block</b>						
<b>As at 31st March, 2013</b>	<b>3,00,49,480</b>	<b>2,15,35,161</b>	<b>--</b>	<b>--</b>	<b>5,15,84,641</b>	<b>5,10,06,517</b>
Net Block						
As at 31st March, 2014	2,64,85,958	66,81,202	--	--	3,31,67,160	5,15,84,641
Useful Life	5 Years	6 Years	6 Years	6 Years		

**Note :**

\* Amortisation Charges for one year

As per our separate report of even date.

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

**Prasan Firodia** Managing Director

**Sudhir Mehta** Director

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

**Aparna G. Lambore**  
 Company Secretary

Place : Pune  
 Date : 24th May, 2014

Place : Pune  
 Date : 24th May, 2014

**12. NON-CURRENT INVESTMENTS**

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Trade Investments (Valued at cost)</b>		
<b>Unquoted</b>		
8,80,200 <b>(8,80,200)</b> Equity Shares of ` 10 each, fully paid in Tempo Finance (West) Private Limited	88,56,854	<b>88,56,854</b>
25,000 <b>(25,000)</b> Equity Shares of ` 10 each, fully paid in Tempo Finance (North) Private Limited	2,50,000	<b>2,50,000</b>
1 <b>(1)</b> Equity Share of ` 10 each, fully paid in MAN Trucks India Private Limited	10	<b>10</b>
50,000 <b>(Nil)</b> equity share of ` 10 each, fully paid in Pithampur Auto Cluster Ltd.	5,00,000	--
<b>Quoted</b>		
63,125 <b>(63,125)</b> Equity Shares of ` 10 each fully paid in ICICI Bank Limited	26,96,250	<b>26,96,250</b>
<b>(b) Other Investments (Valued at cost)</b>		
<b>Unquoted</b>		
5 <b>(5)</b> Equity Shares of ` 50 each fully paid in Mittal Tower Premises Co-Operative Society Limited.	250	<b>250</b>
Total	1,23,03,364	<b>1,18,03,364</b>

**Aggregate amount of quoted investments :**

	As on 31st March, 2014		As on 31st March, 2013	
	Cost	Market Value	Cost	Market Value
Quoted	26,96,250	7,85,93,781	<b>26,96,250</b>	<b>6,59,87,719</b>
Unquoted	96,07,114	--	<b>91,07,114</b>	--

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

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Capital Advances (Unsecured)</b>		
Considered good	65,83,16,696	<b>67,84,12,232</b>
<b>(b) Security Deposits (Unsecured)</b>		
Considered good	10,39,04,415	<b>7,69,92,180</b>
<b>(c) Other Loans &amp; Advances (Unsecured)</b>		
Considered good	4,84,738	<b>80,036</b>
Considered doubtful	9,90,083	<b>14,13,299</b>
	14,74,821	<b>14,93,335</b>
<b>Less : Provision for doubtful advances</b>	9,90,083	<b>14,13,299</b>
Total	4,84,738	<b>80,036</b>
	76,27,05,849	<b>75,54,84,448</b>

**14. INVENTORIES**

	As at 31st March, 2014	As at 31st March, 2013
(a) Raw Materials and Components [Includes in transit ` 37,81,95,874 (` 20,84,45,562)]	199,49,76,404	<b>193,04,31,750</b>
(b) Finished goods (Refer Note 22)	94,48,51,577	<b>98,55,49,934</b>
(c) Work-in-progress (Refer Note 22)	55,56,38,748	<b>53,46,57,870</b>
(d) Excise Duty on Inventory of Finished Goods	10,31,67,672	<b>15,48,09,204</b>
(e) Stores and Spares	17,38,81,853	<b>21,08,15,379</b>
Total	<u>377,25,16,254</u>	<u><b>381,62,64,137</b></u>

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

**15. TRADE RECEIVABLES**

	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured</b>		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	11,11,55,763	<b>3,62,17,260</b>
- Considered Doubtful	--	<b>3,62,22,409</b>
	<u>11,11,55,763</u>	<u><b>7,24,39,669</b></u>
- <b>Less</b> : Provision for doubtful receivables	--	<b>3,62,22,409</b>
	11,11,55,763	<b>3,62,17,260</b>
(b) Other receivables		
- Considered good	123,96,87,457	<b>105,18,29,129</b>
Total	<u>135,08,43,220</u>	<u><b>108,80,46,389</b></u>

**16. CASH AND BANK BALANCES**

		As at 31st March, 2014	As at 31st March, 2013
<b>(a) Cash and Cash equivalents</b>			
(i) Balance with Banks	213,54,35,063		224,85,52,243
(ii) Cheques / Drafts on hand	2,22,64,780		1,55,421
(iii) Cash on hand	<u>6,45,956</u>		<u>8,74,181</u>
		215,83,45,799	224,95,81,845
<b>(b) Other bank balances</b>			
(i) Unpaid dividend account	10,61,193		3,74,003
(ii) Margin money deposit	<u>15,00,000</u>		<u>15,00,000</u>
		25,61,193	18,74,003
	Total	<u>216,09,06,992</u>	<u>225,14,55,848</u>

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

		As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured</b>			
<b>(a) Security Deposits</b>			
Considered good		45,31,157	42,15,839
<b>(b) Advances recoverable in cash or kind</b>			
Considered good	72,57,46,826		61,37,62,848
Considered doubtful	<u>1,08,13,700</u>		<u>1,08,13,700</u>
		73,65,60,526	62,45,76,548
<b>Less : Provision for doubtful advances</b>	<u>1,08,13,700</u>		<u>1,08,13,700</u>
		72,57,46,826	61,37,62,848
<b>(c) Other Loans &amp; Advances</b>			
Considered good		98,30,918	86,24,668
<b>(d) Others</b>			
(i) Advance Income-tax	6,23,74,398		17,57,37,794
(ii) MAT Credit Entitlement (net of provision for taxation) [Contra - Refer Note 9-C]	<u>34,75,07,010</u>		<u>21,55,27,010</u>
		40,98,81,408	39,12,64,804
	Total	<u>114,99,90,309</u>	<u>101,78,68,159</u>

**18. OTHER CURRENT ASSETS**

		As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured, considered good</b>			
Interest accrued on deposits with Banks		1,88,09,223	3,16,65,025
	Total	<u>1,88,09,223</u>	<u>3,16,65,025</u>

**19. REVENUE FROM OPERATIONS**

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Revenue from operations</b>		
Sale of products	2275,50,27,936	<b>2220,53,22,925</b>
<b>(b) Other operating revenue</b>		
(i) Service Charges	13,70,573	<b>25,42,58,541</b>
(ii) Others	25,49,79,207	<b>30,39,35,718</b>
<b>Revenue from operations (Gross)</b>	2301,13,77,716	<b>2276,35,17,184</b>
<b>Less : Excise Duty / Service Tax</b>	279,51,10,531	<b>303,62,96,246</b>
<b>Revenue from operations (Net)</b>	Total 2021,62,67,185	<b>1972,72,20,938</b>

**DETAILS OF PRODUCTS SOLD**

	As at 31st March, 2014	As at 31st March, 2013
- Automobiles	1650,18,96,089	<b>1729,70,79,683</b>
- Auto Components	615,88,30,541	<b>490,43,38,475</b>
- Moulds, Dies, Press Tools, Jigs & Fixtures	9,43,01,306	<b>39,04,767</b>
<b>Total</b>	2275,50,27,936	<b>2220,53,22,925</b>

**20. OTHER INCOME**

	As at 31st March, 2014	As at 31st March, 2013
(a) Interest Income	19,75,60,234	<b>38,43,15,937</b>
(b) Dividend Income	12,62,500	<b>10,41,563</b>
(c) Net gain / loss on foreign currency translation and transaction (other than considered as finance cost)	--	<b>55,61,244</b>
(d) Industrial Promotion Incentive	29,15,86,018	--
(e) Lease Rent Received	4,33,20,484	<b>3,96,00,000</b>
(f) Profit on sale of assets	3,42,36,391	<b>15,81,258</b>
(g) Others	3,13,84,879	<b>44,16,283</b>
<b>Total</b>	59,93,50,506	<b>43,65,16,285</b>

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

	As at 31st March, 2014	As at 31st March, 2013
(a) Steel and other metals	94,61,62,696	<b>103,28,48,189</b>
(b) Castings and Forgings	63,30,75,758	<b>73,98,11,238</b>
(c) Components	1256,14,45,873	<b>1261,93,55,005</b>
<b>Total</b>	1414,06,84,327	<b>1439,20,14,432</b>

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

	As at 31st March, 2014	<b>As at 31st March, 2013</b>	(Increase) / Decrease
<b>(a) Inventories at the end of the year</b>			
(i) Finished Goods	94,48,51,577	<b>98,55,49,934</b>	4,06,98,357
(ii) Work-in-progress	55,56,38,748	<b>53,46,57,870</b>	(2,09,80,878)
Total	<u>150,04,90,325</u>	<u><b>152,02,07,804</b></u>	<u>1,97,17,479</u>
<b>(b) Inventories at the beginning of the year</b>			
(i) Finished Goods	98,55,49,934	<b>72,07,76,833</b>	(26,47,73,101)
(ii) Work-in-progress	53,46,57,870	<b>49,49,89,423</b>	(3,96,68,447)
Total	<u>152,02,07,804</u>	<u><b>121,57,66,256</b></u>	<u>(30,44,41,548)</u>

**DETAILS OF INVENTORY**

	As at 31st March, 2014	<b>As at 31st March, 2013</b>
<b>Finished Goods</b>		
(i) On-road automobiles	72,09,66,200	<b>83,89,33,174</b>
(ii) Tractors	6,06,31,881	<b>4,83,57,180</b>
(iii) Engines	1,29,712	<b>2,20,079</b>
(iv) Others	16,31,23,784	<b>9,80,39,501</b>
Total	<u>94,48,51,577</u>	<u><b>98,55,49,934</b></u>
<b>Work-in-progress</b>		
(i) On-road automobiles	10,47,21,303	<b>10,57,03,277</b>
(ii) Engines	6,18,30,688	<b>8,84,25,553</b>
(iii) Others	38,90,86,757	<b>34,05,29,040</b>
Total	<u>55,56,38,748</u>	<u><b>53,46,57,870</b></u>

**23. EMPLOYEE BENEFIT EXPENSE**

	As at 31st March, 2014	<b>As at 31st March, 2013</b>
(a) Salaries, Wages, Bonus, etc.	218,71,50,898	<b>233,61,94,688</b>
(b) Contribution to provident, other funds and schemes	12,71,58,029	<b>18,60,51,620</b>
(c) Staff welfare expenses	9,12,87,850	<b>10,09,85,596</b>
Total	<u>240,55,96,777</u>	<u><b>262,32,31,904</b></u>

**24. FINANCE COSTS**

	As at 31st March, 2014	As at 31st March, 2013
(a) Interest	8,77,30,668	7,94,96,672
(b) Other borrowing cost	40,92,922	29,50,000
<b>Total</b>	<b>9,18,23,590</b>	<b>8,24,46,672</b>

**25. DEPRECIATION AND AMORTIZATION EXPENSE**

	As at 31st March, 2014	As at 31st March, 2013
(a) Depreciation of tangible assets	81,94,70,657	67,19,90,494
(b) Amortization of intangible assets	2,89,14,267	2,95,76,033
<b>Total</b>	<b>84,83,84,924</b>	<b>70,15,66,527</b>

**26. OTHER EXPENSES**

	As at 31st March, 2014	As at 31st March, 2013
(a) Consumption of stores and spares	70,88,89,472	73,82,18,299
(b) Fabrication and Processing Charges	8,21,00,631	10,15,21,177
(c) Power and Fuel	37,94,34,703	37,21,78,599
(d) Forwarding Charges	24,26,87,034	24,46,77,867
(e) Rent	1,14,18,642	70,30,716
(f) Rates and Taxes	8,00,20,750	5,25,49,607
(g) Insurance	4,77,44,145	4,54,65,030
(h) Repairs and Maintenance :		
(i) Plant and Machinery	8,73,14,277	10,04,75,944
(ii) Buildings	3,47,34,194	4,18,44,217
(iii) Others	3,02,30,735	2,22,49,854
(i) Publicity and sales promotion	33,16,40,184	43,54,11,870
(j) Payments to Auditors (Refer details below)	21,04,281	19,88,179
(k) Prior year expenses	34,95,186	44,78,906
(l) Provision for doubtful debts	--	3,62,22,409
(m) Loss on Exchange Fluctuation (Net)	4,72,98,435	--
(n) Donation	1,44,000	1,00,00,000
(o) Miscellaneous Expenses	75,79,66,596	60,59,26,471
<b>Total</b>	<b>284,72,23,265</b>	<b>282,02,39,145</b>

**Payments to Auditors**

	As at 31st March, 2014	As at 31st March, 2013
(a) Audit Fees	16,00,000	16,00,000
(b) Tax Audit Fees	1,00,000	1,00,000
(c) Certification work	3,25,000	2,39,250
(d) Provident Fund Audit fees paid to Associate of Statutory Auditor	15,000	15,000
(e) Reimbursement of expenses	64,281	33,929
<b>Total</b>	<b>21,04,281</b>	<b>19,88,179</b>

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

	As at 31st March, 2014	As at 31st March, 2013
<b>Values used in calculating Earnings Per Share (Basic &amp; Diluted)</b>		
(a) Numerator		
Profit / (Loss) after tax	77,69,42,803	<b>14,27,87,536</b>
(b) Denominator		
Number of Equity Shares	1,31,76,262	<b>1,31,76,262</b>
Weighted average number of Equity Shares	1,31,76,262	<b>1,31,76,262</b>

**28. CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Contingent Liabilities</b>		
(i) Taxes & Duties	29,66,45,603	<b>23,97,54,153</b>
(ii) Others (Court cases pending)	29,19,19,172	<b>26,07,24,115</b>
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	77,94,02,336	<b>91,44,14,860</b>

(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.

29. As of 31st March, 2014, the Company has not received any intimation, except in few cases, as to the status as Micro, Small or Medium Enterprises from suppliers of the Company along with a copy of the Memorandum, filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006 (**the Act**). The proceedings initiated by one of the suppliers, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹ 1,56,61,877 with interest. The Company has not accepted the said liability. The Company has a major counter-claim against the said supplier amounting to about ₹ 9,06,40,899, which being unearned income, is not accounted. The award is challenged by the Company, as per the provisions of the Act and proceedings are pending before the Hon'ble District Judge, Pune, and before the Hon'ble High Court of Judicature at Bombay.

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

			Percentage	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
(a) Imported	417,99,95,394	<b>305,82,38,340</b>	29.56	<b>21.25</b>
(b) Indigenous	996,06,88,933	<b>1133,37,76,092</b>	70.44	<b>78.75</b>
Total	<u>1414,06,84,327</u>	<u><b>1439,20,14,432</b></u>	<u>100.00</u>	<u><b>100.00</b></u>

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

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) C. I. F. Value of Imports</b>		
(i) Raw Materials	10,64,33,490	<b>14,85,89,603</b>
(ii) Components	363,66,30,259	<b>227,15,22,501</b>
(iii) Capital Goods	13,22,12,921	<b>176,45,49,902</b>
(iv) Machinery Spares, Tools & Others	3,47,92,013	<b>4,87,28,680</b>
<b>(b) Expenditure in Foreign Currency :</b>		
(i) Travelling and Other expenses	2,55,23,619	<b>1,23,99,048</b>
(ii) Royalty and Technical know-how fees (net of tax)	80,70,135	<b>6,46,39,309</b>
(iii) Technical services and consultation fees (net of tax)	2,59,11,527	<b>1,82,96,831</b>
<b>(c) Earnings in Foreign Currency :</b>		
Exports on FOB basis	49,16,90,309	<b>35,67,85,680</b>

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

(a) No. of Non-resident shareholders (9 NRI and 5 Foreign Nationals)	(Nos)	14	12
(b) No. of shares held	(Nos)	1,15,643	<b>1,17,417</b>
(c) Amount of dividend remitted (net of taxes)	( ` )	3,46,929	<b>11,74,170</b>
(d) Accounting year to which dividend relates		2012-13	<b>2011-12</b>

33. The amount of net exchange differences included in the Profit / Loss for the year on Revenue account is ` 3,94,14,600 Debit ( ` **38,03,005 Credit**) and on Capital account is ` 78,83,835 Debit ( ` **17,58,239 Credit**).

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

	As at 31st March, 2014	As at 31st March, 2013
(a) Capital Expenditure	47,26,66,591	<b>24,73,12,336</b>
(b) Revenue Expenditure	42,54,72,952	<b>40,25,34,786</b>

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

**35. THE COMPANY'S LIABILITIES AND OBLIGATIONS IN FOREIGN CURRENCY OUTSTANDING AS AT 31ST MARCH, 2014, NET OF RECEIVABLES ARE AS UNDER**

	Hedged by forward cover contracts with bankers		Not hedged by forward cover contracts or other derivative Instruments	
	Foreign Currency	Amount	Foreign Currency	Amount
(a) In US Dollar	-- (--)	-- (--)	-- <b>(26,450)</b>	-- <b>(14,40,743)</b>
(b) In Euro	-- (--)	-- (--)	1,84,026 <b>(24,93,890)</b>	1,52,24,054 <b>(17,36,60,649)</b>

**36. 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 and 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 and Loss.

Category	Gross carrying amount of the portion of assets leased, disclosed in Note No. 10	Accumulated Depreciation	Depreciation recognised in Statement of Profit & Loss
(1) Freehold Land	23,02,671 <b>(23,02,671)</b>	-- <b>(--)</b>	-- <b>(--)</b>
(2) Building	7,71,03,623 <b>(7,71,03,623)</b>	92,16,795 <b>(66,35,221)</b>	25,81,574 <b>(25,81,574)</b>
(3) Plant & Machinery	1,83,04,544 <b>(1,83,04,544)</b>	51,14,008 <b>(36,75,117)</b>	14,38,891 <b>(14,38,891)</b>

The future minimum lease rentals :

Less than one year	4,55,40,000 <b>(4,33,12,500)</b>
Later than one year but not later than five years	20,00,91,375 <b>(19,32,60,375)</b>
Later than five years	7,98,65,781 <b>(13,22,36,781)</b>

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 and Loss.

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

	Gratuity		Leave Entitlement	
	31st March		31st March	
	2014	2013	2014	2013
<b>(A) Amount to be recognised in Balance Sheet</b>				
(i) Present Value of Obligation	40,48,17,171	<b>43,50,46,574</b>	19,70,33,452	<b>21,22,14,067</b>
(a) Current Liability	9,90,18,019	<b>9,60,79,587</b>	4,15,85,243	<b>4,43,33,487</b>
(b) Non-current Liability	30,57,99,152	<b>33,89,66,987</b>	15,54,48,209	<b>16,78,80,580</b>
(ii) Funded Status	26,42,25,230	<b>25,01,48,064</b>	--	--
(iii) Net Asset / (Liability) recognised in Balance Sheet	(14,05,91,941)	<b>(18,48,98,510)</b>	(19,70,33,452)	<b>(21,22,14,067)</b>
<b>(B) Expense recognised in the Statement of Profit &amp; Loss at the end</b>				
(i) Current Service Cost	2,69,02,657	<b>2,99,90,390</b>	2,45,76,448	<b>2,76,24,534</b>
(ii) Interest Cost	3,24,90,140	<b>3,27,00,521</b>	1,60,69,728	<b>1,63,87,803</b>
(iii) Expected Return on Plan Assets	(2,10,26,592)	<b>(2,08,40,425)</b>	--	--
(iv) Net actuarial (gain) / loss recognised in the year	(4,45,21,420)	<b>39,12,110</b>	(3,31,41,860)	<b>(1,66,49,218)</b>
(v) Expenses recognised in the Statement of Profit and Loss	(61,55,215)	<b>4,57,62,596</b>	75,04,316	<b>2,73,63,119</b>
<b>(C) Present value of obligation as at the end</b>				
(i) Present value of obligation as at the beginning	43,50,46,574	<b>40,14,90,524</b>	21,22,14,067	<b>20,07,44,406</b>
(ii) Interest Cost	3,24,90,140	<b>3,27,00,521</b>	1,60,69,728	<b>1,63,87,803</b>
(iii) Current Service Cost	2,69,02,657	<b>2,99,90,390</b>	2,45,76,448	<b>2,76,24,534</b>
(iv) Benefits paid	(5,78,39,656)	<b>(3,35,57,029)</b>	(2,26,84,931)	<b>(1,58,93,458)</b>
(v) Actuarial (gain) / loss on obligation	(3,17,82,544)	<b>44,22,168</b>	(3,31,41,860)	<b>(1,66,49,218)</b>
(vi) Present value of obligation as at the end	40,48,17,171	<b>43,50,46,574</b>	19,70,33,452	<b>21,22,14,067</b>
<b>(D) Actuarial Assumptions :</b>				
(i) Discount Rate	9.10%	<b>8.00%</b>	9.10%	<b>8.00%</b>
(ii) Salary escalation rate	10.00%	<b>10.00%</b>	10.00%	<b>10.00%</b>
(iii) Rate of Return on Plan Assets	8.75%	<b>9.35%</b>	--	--
(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 ₹ 6,23,220 (₹ 11,86,953).

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

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

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

Type of Related party	Nature of Transaction	Volume of Transactions during 2013-14	Amount outstanding as on 31st March, 2014	
			Receivables	Payables
(a) Key Management Personnel :	: Managerial Remuneration	32,58,078 <b>(32,58,065)</b>	-- <b>(--)</b>	24,000 <b>(24,000)</b>
(b) Other Related Parties Jaya Hind Industries Ltd.	: Purchase of Capital Goods	5,72,61,618 <b>(72,12,375)</b>	6,24,23,785 <b>(34,99,800)</b>	-- <b>(--)</b>
	: Purchase of Raw Materials, Components & Others	62,19,71,771 <b>(75,40,34,930)</b>	-- <b>(--)</b>	3,59,74,961 <b>(5,44,57,837)</b>
	: Sundry Sales	1,73,16,413 <b>(1,98,91,145)</b>	46,82,581 <b>(--)</b>	-- <b>(--)</b>
	: Processing Charges recovered	9,83,473 <b>(5,29,787)</b>	20,426 <b>(--)</b>	-- <b>(--)</b>
	: Material given on Loan	2,28,005 <b>(--)</b>	39,72,696 <b>(37,44,691)</b>	-- <b>(--)</b>
	: Machinery given on Loan	2,62,22,440 <b>(1,26,39,639)</b>	39,32,97,985 <b>(36,70,75,545)</b>	-- <b>(--)</b>
	: Expenses recovered	3,15,26,893 <b>(3,02,78,993)</b>	32,67,934 <b>(45,25,737)</b>	-- <b>(--)</b>
	: Expenses reimbursed	17,91,554 <b>(19,93,087)</b>	-- <b>(--)</b>	3,13,102 <b>(--)</b>

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

Class of Provisions and brief description.	Carrying Amount of provisions as at 1st April, 2013	Additional provisions made during the year	Paid during the year against provisions	Amount reversed and written back	Carrying Amount of provisions as at 31st March, 2014
Warranty	2,86,73,774 <b>(5,11,12,844)</b>	2,92,16,598 <b>(2,86,73,774)</b>	2,86,73,774 <b>(5,11,12,844)</b>	-- <b>(--)</b>	2,92,16,598 <b>(2,86,73,774)</b>
Free Service Coupons	2,54,36,411 <b>(4,80,37,212)</b>	4,65,86,302 <b>(2,54,36,411)</b>	2,54,36,411 <b>(4,80,37,212)</b>	-- <b>(--)</b>	4,65,86,302 <b>(2,54,36,411)</b>

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

	As at 31st March, 2014	As at 31st March, 2013
<b>A) Nature of Timing difference</b>		
(i) Difference between accounting and tax depreciation (cumulative)	(66,09,30,262)	<b>(49,55,47,342)</b>
(ii) Other Timing differences	59,47,42,826	<b>27,62,77,843</b>
Total	<u>(6,61,87,436)</u>	<u><b>(21,92,69,499)</b></u>
<b>B) Current Tax</b>		
Current Tax (MAT)	13,19,80,000	<b>4,61,00,000</b>
<b>Less : MAT Credit entitlement</b>	<u>13,19,80,000</u>	<u><b>2,95,78,271</b></u>
Net Current Tax	<u>--</u>	<u><b>1,65,21,729</b></u>

41. 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 2013-14, the Company has not utilised any fund based limits.

42. All amounts which became due, for transfer to the Credit of Investor Education and Protection Fund, as of 31st March, 2014, have been transferred to that fund, except a sum of ₹ 60,000 being amount of 5 (five) fixed deposits and interest thereon amounting to ₹ 25,051. In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

43. As per the Accounting Standard AS 26 - Intangible Assets, the Company has recognised Intangible Assets arising out of in-house Research and Development activities of the Company amounting to ₹ 11,73,96,866 (₹ 6,65,42,452), in the development phase of a new model Multipurpose Vehicles, Monocoque Bus (Project T2) and TD 2650 CRDI BS IV version of the SUV. As the development activity is continued, the said asset is considered as Capital Work-in-progress, and will be amortized over the period of its life, after completion of the development phase.

44. During the year under report the eligibility and method of availing, various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, being clarified, the Company recognised a sum of ₹ 29,15,86,018 in the Statement of Profit & Loss as "Industrial Investment Promotion Assistance". These incentives are now accounted on accrual basis. These incentives are available as per the Industrial Promotion Policy of the Government of Madhya Pradesh, based on the investment made by the Company, in eligible assets, for eligible products, in the State of Madhya Pradesh. These incentives are monetary incentives.

45. The Company 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 : 24th May, 2014

Place : Pune  
Date : 24th May, 2014

**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, 2014.	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, 2014	` 15,31,754
		(ii) For the previous Financial Year of the Subsidiary Company	` 14,31,714
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, 2014.	` Nil
		(ii) For the previous Financial Year of the Subsidiary Company	` Nil

As per our separate report of even date attached

**Aparna G. Lambore**  
Company Secretary

**Prasan Firodia** Managing Director  
**Sudhir Mehta** Director

Place : Pune  
Date : 24th May, 2014

Place : Pune  
Date : 24th May, 2014



**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, 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. 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, 2014;
- (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.

Place : Pune  
Date : 24th May, 2014

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

**Sanjay Athavale**  
Partner  
Membership Number 83374



**Consolidated Statement of Profit and Loss for the year ended 31st March, 2014**

	Notes		For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>III INCOME :</b>				
(a) Revenue from Operations (Gross)	19	2301,47,56,082		<b>2276,67,08,984</b>
<b>Less : Excise Duty / Service Tax</b>		<b>279,51,10,531</b>		<b>303,62,96,246</b>
Revenue from Operations (Net)			2021,96,45,551	<b>1973,04,12,738</b>
(b) Other Income	20		59,93,50,506	<b>43,65,16,285</b>
<b>(c) Total Revenue (a) + (b)</b>			<b>2081,89,96,057</b>	<b>2016,69,29,023</b>
<b>IV EXPENSES :</b>				
(a) Cost of Raw Materials and Components consumed	21	1414,06,84,327		<b>1439,20,14,432</b>
(b) Change in Inventories of Finished Goods and Work-in-progress	22	1,97,17,479		<b>(30,44,41,548)</b>
(c) Employee Benefits expense	23	240,55,96,777		<b>262,32,31,904</b>
(d) Finance Costs	24	9,18,23,590		<b>8,24,58,789</b>
(e) Depreciation and Amortization expense	25	84,83,84,924		<b>70,15,66,527</b>
(f) Other expenses	26	284,72,60,647		<b>282,02,87,177</b>
		2035,34,67,744		<b>2031,51,17,281</b>
<b>Less : Expenditure included in the above items capitalized</b>		<b>16,40,82,347</b>		<b>34,26,36,521</b>
<b>Total Expenses</b>			<b>2018,93,85,397</b>	<b>1997,24,80,760</b>
<b>V Profit before exceptional and extra-ordinary items and tax (III) - (IV)</b>			62,96,10,660	<b>19,44,48,263</b>
<b>VI Exceptional Items</b>			--	--
<b>VII Profit before extra-ordinary items and tax (V + VI)</b>			62,96,10,660	<b>19,44,48,263</b>
<b>VIII Extra-ordinary items</b>			--	--
<b>IX Profit Before Tax (VII - VIII)</b>			62,96,10,660	<b>19,44,48,263</b>
<b>X Tax Expenses :</b>				
(a) Current Tax		10,35,000		<b>1,74,98,729</b>
(b) Deferred Tax		(15,30,82,063)		<b>2,77,89,323</b>
(c) Taxation Provision in respect of earlier years		24,08,936		<b>42,17,297</b>
<b>Total Tax Expenses</b>			(14,96,38,127)	<b>4,95,05,349</b>
<b>XI Less : Profit for the year attributable to Minority Interest</b>			7,74,230	<b>7,23,664</b>
<b>XII Profit for the year</b>			<b>77,84,74,557</b>	<b>14,42,19,250</b>
<b>XIII Basic and Diluted Earnings per equity share</b>	27		59.08	10.95
[Nominal value per share ` 10]				
<b>Summary of Significant Accounting Policies.</b>	1			

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

As per our separate report of even date.

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

**Prasan Firodia** Managing Director  
**Sudhir Mehta** Director

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

**Aparna G. Lambore**  
Company Secretary

Place : Pune  
Date : 24th May, 2014

Place : Pune  
Date : 24th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,	2014	2013
<b>(A) Cash flow from Operating Activities :</b>		
Net Profit / (Loss) before tax and extraordinary items	62,96,10,660	19,44,48,263
<b>Adjustments for :</b>		
Depreciation	84,83,84,924	70,15,66,527
Foreign exchange loss / (gain)	(5,81,816)	(28,88,854)
Interest Income on bank deposits & others	(14,72,51,457)	(34,01,61,791)
Dividend / Income from trade investments	(12,62,500)	(10,41,563)
Loss / (Profit) on sale of assets	1,22,94,451	18,167
Interest expense	9,18,23,590	8,24,46,672
Provision for bad, doubtful debts and debit balances	--	3,62,22,409
<b>Operating Profit before Working Capital Changes</b>	<b>143,30,17,852</b>	<b>67,06,09,830</b>
(Increase) / Decrease in trade receivables, loans & advances & other current assets	(38,80,63,052)	18,11,50,398
(Increase) / Decrease in Inventories	4,37,47,884	(19,23,07,855)
Decrease in trade payables and other payables	14,56,22,512	30,72,36,187
<b>Cash generated from operations</b>	<b>123,43,25,196</b>	<b>96,66,88,560</b>
Direct Taxes paid	(2,22,02,911)	(10,70,53,967)
<b>Net Cash flow from Operating Activities</b> (A)	<b>121,21,22,285</b>	<b>85,96,34,593</b>
<b>(B) Cash flow from Investing Activities :</b>		
Purchase of fixed assets	(128,22,71,111)	(338,57,92,329)
Proceeds from sale of assets / equipments	13,85,61,452	58,35,822
Interest received	14,72,51,457	34,01,61,791
Investment in shares of subsidiary	(5,00,000)	(23,27,805)
Dividend / Income from trade investments	12,62,500	10,41,563
<b>Net Cash flow from Investing Activities</b> (B)	<b>(99,56,95,702)</b>	<b>(304,10,80,958)</b>
<b>(C) Cash flow from Financing Activities :</b>		
Proceeds of long-term borrowing	(21,60,45,000)	(17,70,35,000)
Proceeds of short-term borrowing	5,51,90,000	23,26,04,000
Interest paid	(9,47,12,087)	(6,34,64,150)
Dividend paid (Including Tax thereon)	(4,62,46,704)	(15,31,37,811)
<b>Net Cash flow from Financing Activities</b> (C)	<b>(30,18,13,791)</b>	<b>(16,10,32,961)</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b> (A+B+C)	<b>(8,53,87,208)</b>	<b>(234,24,79,326)</b>
Cash and Cash equivalents as at 01-04-2013	227,91,22,286	462,16,01,612
Cash and Cash equivalents as at 31-03-2014 (excluding unrealised exchange fluctuation gain)	219,37,35,078	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 : 24th May, 2014

Place : Pune  
Date : 24th May, 2014

**Notes to Financial Statements for the year ended 31st March, 2014.**
**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 to 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 Companies (Accounting Standard) Rules, 2006.

**H. Leases :**
**(a) Where the Group is the Lessee :**

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

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

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

**I. Incentives :**

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

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

(b) Directions and guidelines issued by the Reserve Bank of India in respect of income recognition, asset classification and provision for bad and doubtful debts have been followed.

**2. SHARE CAPITAL**

	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised Share Capital :</b>		
2,00,00,000 <b>(2,00,00,000)</b> Equity Shares of ₹ 10 each	20,00,00,000	<b>20,00,00,000</b>
<b>Issued Share Capital :</b>		
1,32,13,802 <b>(1,32,13,802)</b> Equity Shares of ₹ 10 each	13,21,38,020	<b>13,21,38,020</b>
<b>Subscribed and paid-up Share Capital :</b>		
1,31,76,262 <b>(1,31,76,262)</b> Equity Shares of ₹ 10 each fully paid up	13,17,62,620	<b>13,17,62,620</b>
	27,763	<b>27,763</b>
<b>Total</b>	<b>13,17,90,383</b>	<b>13,17,90,383</b>

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

[These allotments were made before earlier financial year and not in the period of five years preceding 31st March, 2014 or 31st March, 2013]

**Add :** Amount paid on Forfeited Shares

**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, 2014		31st March, 2013	
	No.	₹	No.	₹
At the beginning of the period	1,31,76,262	13,17,62,620	<b>1,31,76,262</b>	<b>13,17,62,620</b>
Issued / Reduced during the period	--	--	--	--
<b>Outstanding at the end of the period</b>	<b>1,31,76,262</b>	<b>13,17,62,620</b>	<b>1,31,76,262</b>	<b>13,17,62,620</b>

- (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 **(1,30,32,914)** equity shares are quoted equity shares with no restriction on transfer of shares. 27,600 **(27,600)** equity shares are 'A' equity shares which are transferrable only to permanent employees of the Group. 1,15,748 **(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 (₹ 3) 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 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, 2014		31st March, 2013	
	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	68,48,497	51.98	<b>62,17,358</b>	<b>47.19</b>
2. Bajaj Holdings & Investment Limited	25,66,661	19.48	<b>25,66,661</b>	<b>19.48</b>

**3. RESERVES AND SURPLUS**

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Capital Reserve</b>	25,00,000	<b>25,00,000</b>
<b>(b) Securities Premium</b>	59,19,77,215	<b>59,19,77,215</b>
<b>(c) General Reserve</b>		
Balance as per the last Financial Statements	338,55,53,440	<b>337,12,74,686</b>
<b>Add</b> : Transferred from the Statement of Profit and Loss	7,76,94,281	<b>1,42,78,754</b>
<b>Less</b> : Minority Interest	1,23,691	<b>1,23,691</b>
<b>Closing Balance</b>	<u>346,31,24,030</u>	<u><b>338,54,29,749</b></u>
<b>(d) General Reserve II</b>		
Balance as per the last Financial Statements	53,12,500	<b>47,72,500</b>
<b>Add</b> : Transferred from the Statement of Profit and Loss	5,77,000	<b>5,40,000</b>
<b>Less</b> : Minority Interest	19,77,389	<b>17,83,663</b>
<b>Closing Balance</b>	<u>39,12,111</u>	<u><b>35,28,837</b></u>
<b>(e) Surplus</b>		
Balance as per last Financial Statements	743,52,43,563	<b>735,13,66,107</b>
Profit for the year	77,92,48,787	<b>14,49,42,914</b>
	<u>821,44,92,350</u>	<u><b>749,63,09,021</b></u>
<b>Less : Appropriations</b>		
Proposed Equity Dividend	3,95,28,786	<b>3,95,28,786</b>
Tax on proposed Equity Dividend	67,17,918	<b>67,17,918</b>
Transfer to General Reserve	7,82,71,281	<b>1,48,18,754</b>
<b>Total Appropriations</b>	<u>12,45,17,985</u>	<u><b>6,10,65,458</b></u>
<b>Sub-Total</b>	<u><b>808,99,74,365</b></u>	<u><b>743,52,43,563</b></u>
<b>Less</b> : Minority Interest	63,55,779	<b>57,75,275</b>
<b>Net Surplus</b>	<u>808.36,18,586</u>	<u><b>742,94,68,288</b></u>
<b>Total</b>	<u><u>1214,51,31,942</u></u>	<u><u><b>1141,29,04,089</b></u></u>

Securities Premium represents premium received on issue of Equity Shares.

**4. LONG-TERM BORROWINGS**

	As at 31st March, 2014	As at 31st March, 2013
Deposits (Unsecured)	20,38,25,000	<b>41,98,70,000</b>
<b>Total</b>	<u><u>20,38,25,000</u></u>	<u><u><b>41,98,70,000</b></u></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. 36)

	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilities	40,25,80,253	<b>40,25,80,253</b>
<b>Less</b> : Deferred Tax Assets	33,63,92,817	<b>18,33,10,754</b>
<b>Total</b>	<u><u>6,61,87,436</u></u>	<u><u><b>21,92,69,499</b></u></u>

**6. OTHER LONG-TERM LIABILITIES**

	As at 31st March, 2014	As at 31st March, 2013
Deposits received from lessee	3,96,00,000	<b>3,96,00,000</b>
<b>Total</b>	<u><u>3,96,00,000</u></u>	<u><u><b>3,96,00,000</b></u></u>

**7. LONG-TERM PROVISIONS**

	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for Employee Benefits	19,70,22,131	25,66,99,503
(b) Provision for Product Warranties and Service Charges	95,92,512	1,96,41,466
Total	<u>20,66,14,643</u>	<u>27,63,40,969</u>

**8. OTHER CURRENT LIABILITIES**

	As at 31st March, 2014	As at 31st March, 2013
(a) Deposits (unsecured)	32,15,40,000	26,93,60,000
(b) Deposits matured but not claimed (unsecured)	35,05,000	4,95,000
(c) Interest accrued but not due	3,29,87,213	3,58,21,333
(d) Interest accrued and due on unclaimed deposits	3,72,964	54,378
(e) Creditors for Capital goods	54,68,86,412	46,50,85,595
(f) Advances and deposits against orders	44,12,25,773	57,87,50,673
(g) Unclaimed dividend	10,61,193	3,74,003
(h) Statutory Dues	28,83,81,869	23,83,42,055
(i) Other payables	5,31,17,155	25,75,97,009
Total	<u>168,90,77,579</u>	<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, 2014	As at 31st March, 2013
(a) Provisions for employee benefits	14,14,12,576	14,16,00,027
(b) Provision for Product Warranties & Service Charges (Refer Note No. 35)	6,62,10,388	3,44,68,719
(c) <b>Provision for Taxation :</b>		
Taxation provision for the earlier years	207,72,44,305	219,87,80,305
Taxation provision for the year	13,39,65,000	4,80,33,000
	<u>221,12,09,305</u>	<u>224,68,13,305</u>
<b>Less :</b> (i) Advance payment of tax	227,40,50,932	242,28,75,957
(ii) MAT Credit Entitlement	34,75,07,010	21,55,27,010
[Contra Refer Note 17-d]	<u>(41,03,48,637)</u>	<u>(39,15,89,662)</u>
(d) Provision for Proposed equity dividend	3,95,28,786	3,95,28,786
(e) Provision for Tax on Distributed Profit	67,17,918	67,17,918
	<u>4,62,46,704</u>	<u>4,62,46,704</u>
Total	<u>25,38,69,668</u>	<u>22,23,15,450</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 March, 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
Additions	1,54,320	--	3,18,13,113	113,06,56,701	43,86,769	3,68,08,839	19,81,229	--	120,58,00,971	238,59,93,705
Disposals	--	--	--	4,11,13,510	4,95,911	3,11,75,974	15,32,168	23,29,89,999	30,73,07,562	2,74,50,039
As at 31st March, 2014	7,94,12,385	1,60,53,256	115,03,49,366	1167,54,34,588	9,02,90,898	30,69,46,645	5,44,70,179	144,80,55,156	1482,10,12,473	1392,25,19,064
Depreciation As at 31st March, 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
For the Year	--	** 4,29,835	3,51,90,122	67,19,02,319	41,08,425	2,26,40,212	27,65,239	8,24,34,505	81,94,70,657	67,19,90,494
Disposals	--	--	--	3,31,45,829	1,36,802	2,65,35,111	10,83,763	9,55,50,156	15,64,51,661	2,15,96,050
As at 31st March, 2014	--	32,30,815	42,77,93,170	758,10,51,855	5,69,76,932	14,96,84,692	3,75,56,853	16,49,49,323	842,12,43,640	775,82,24,644
Net Block As at 31st March, 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
Net Block As at 31st March, 2014	7,94,12,385	1,28,22,441	72,25,56,196	409,43,82,733	3,33,13,966	15,72,61,953	1,69,13,326	128,31,05,833	639,97,68,833	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

**Prasan Firodia** Managing Director  
**Sudhir Mehta** Director

**Aparna G. Lambore**  
 Company Secretary

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

Place : Pune  
 Date : 24th May, 2014

Place : Pune  
 Date : 24th May, 2014

**11. INTANGIBLE ASSETS**

Fixed Assets	Software	Technical Know-how acquired on or after 1-4-2003	Technical Know-how acquired upto 1-4-2003	Technical Know-how internally generated	Total	Previous Year Total
Gross Block						
As at 31st March, 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
Additions	64,96,786	40,00,000	--	--	1,04,96,786	3,01,54,157
Disposals	--	--	--	--	--	--
As at 31st March, 2014	13,69,29,600	20,85,05,354	8,22,00,834	9,23,39,718	51,99,75,506	50,94,78,720
Amortization	--	--	--	--	--	--
As at 31st March, 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
For the Year *	1,00,60,308	1,88,53,959	--	--	2,89,14,267	2,95,76,033
Deductions	--	--	--	--	--	--
As at 31st March, 2014	11,04,43,642	20,18,24,152	8,22,00,834	9,23,39,718	48,68,08,346	45,78,94,079
Net Block						
As at 31st March, 2014	2,64,85,958	66,81,202	--	--	3,31,67,160	5,15,84,641
Add : Goodwill arising out of consolidation of accounts	--	--	--	--	54,854	54,854
Net Block including goodwill As at 31st March, 2014	2,64,85,958	66,81,202	--	--	3,32,22,014	5,16,39,495
Useful Life	5 Years	6 Years	6 Years	6 Years		

**Note :**

\* Amortisation Charges for one year

As per our separate report of even date.

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

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

Place : Pune  
 Date : 24th May, 2014

**Aparna G. Lambore**  
 Company Secretary

**Prasan Firodia** Managing Director

**Sudhir Mehta** Director

Place : Pune  
 Date : 24th May, 2014

**12. NON-CURRENT INVESTMENTS**

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Trade Investments (Valued at cost)</b>		
<b>Unquoted</b>		
25,000 <b>(25,000)</b> Equity Shares of ` 10 each, fully paid in Tempo Finance (North) Private Limited	2,50,000	<b>2,50,000</b>
1 <b>(1)</b> Equity Share of ` 10 each, fully paid in MAN Trucks India Private Limited	10	<b>10</b>
50,000 <b>(Nil)</b> Equity Shares of ` 10 each, fully paid in Pithampur Auto Cluster Ltd.	5,00,000	--
<b>Quoted</b>		
63,125 <b>(63,125)</b> Equity Shares of ` 10 each fully paid in ICICI Bank Limited	26,96,250	<b>26,96,250</b>
<b>(b) Other Investments (Valued at cost)</b>		
<b>Unquoted</b>		
5 <b>(5)</b> Equity Shares of ` 50 each fully paid in Mittal Tower Premises Co-Operative Society Limited.	250	<b>250</b>
Total	<u>34,46,510</u>	<u><b>29,46,510</b></u>

**Aggregate amount of quoted investments :**

	As on 31st March, 2014		As on 31st March, 2013	
	Cost	Market Value	Cost	Market Value
Quoted	26,96,250	7,85,93,781	<b>26,96,250</b>	<b>6,59,87,719</b>
Unquoted	7,50,260	--	<b>2,50,260</b>	--

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

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Capital Advances (Unsecured)</b>		
Considered good	65,83,16,696	<b>67,84,12,232</b>
<b>(b) Security Deposits (Unsecured)</b>		
Considered good	10,39,04,415	<b>7,69,92,180</b>
<b>(c) Other Loans &amp; Advances (Unsecured)</b>		
Considered good	29,84,738	<b>25,80,036</b>
Considered doubtful	9,90,083	<b>14,13,299</b>
	<u>39,74,821</u>	<u><b>39,93,335</b></u>
<b>Less : Provision for doubtful advances</b>	9,90,083	<b>14,13,299</b>
	29,84,738	<b>25,80,036</b>
Total	<u>76,52,05,849</u>	<u><b>75,79,84,448</b></u>

**14. INVENTORIES**

	As at 31st March, 2014	As at 31st March, 2013
(a) Raw Materials and Components [Includes in transit ` 37,81,95,874 (` 20,84,45,562)]	199,49,76,404	193,04,31,750
(b) Finished goods (Refer Note 22)	94,48,51,577	98,55,49,934
(c) Work-in-progress (Refer Note 22)	55,56,38,748	53,46,57,870
(d) Excise Duty on Inventory of Finished Goods	10,31,67,672	15,48,09,204
(e) Stores and Spares	17,38,81,853	21,08,15,379
Total	<u>377,25,16,254</u>	<u>381,62,64,137</u>

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

**15. TRADE RECEIVABLES**

	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured</b>		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	11,11,55,763	3,62,17,260
- Considered Doubtful	--	3,62,22,409
	<u>11,11,55,763</u>	<u>7,24,39,669</u>
- <b>Less</b> : Provision for doubtful receivables	--	3,62,22,409
	11,11,55,763	3,62,17,260
(b) Other receivables		
- Considered good	123,96,87,457	105,18,29,129
Total	<u>135,08,43,220</u>	<u>108,80,46,389</u>

**16. CASH AND BANK BALANCES**

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Cash and Cash equivalents</b>		
(i) Balance with Banks	217,05,45,420	227,82,16,965
(ii) Cheques / Drafts on hand	2,22,64,780	1,55,421
(iii) Cash on hand	6,46,041	8,74,266
	<u>219,34,56,241</u>	<u>227,92,46,652</u>
<b>(b) Other Bank balances</b>		
(i) Unpaid dividend account	10,61,193	3,74,003
(ii) Margin money deposit	15,00,000	15,00,000
	25,61,193	18,74,003
Total	<u>219,60,17,434</u>	<u>228,11,20,655</u>

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

	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured</b>		
<b>(a) Security Deposits</b>		
Considered good	45,31,157	42,15,839
<b>(b) Advances recoverable in cash or kind</b>		
Considered good	72,57,46,826	61,37,62,848
Considered doubtful	1,08,13,700	1,08,13,700
	<u>73,65,60,526</u>	<u>62,45,76,548</u>
<b>Less : Provision for doubtful advances</b>	<u>1,08,13,700</u>	<u>1,08,13,700</u>
	72,57,46,826	61,37,62,848
<b>(c) Other Loans &amp; Advances</b>		
Considered good	98,30,918	86,24,668
<b>(d) Others</b>		
(i) Advance Income-tax	6,28,41,627	17,60,62,652
(ii) MAT Credit Entitlement (net of provision for taxation) [Contra - Refer Note 9-c]	<u>34,75,07,010</u>	<u>21,55,27,010</u>
	41,03,48,637	39,15,89,662
	<u>115,04,57,538</u>	<u>101,81,93,017</u>
Total	<u>115,04,57,538</u>	<u>101,81,93,017</u>

**18. OTHER CURRENT ASSETS**

	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured, considered good</b>		
Interest accrued on deposits with Banks	1,90,23,211	3,51,67,483
Interest accrued on deposits with Others	2,70,000	2,70,000
	<u>1,92,93,211</u>	<u>3,54,37,483</u>
Total	<u>1,92,93,211</u>	<u>3,54,37,483</u>

**19. REVENUE FROM OPERATIONS**

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Revenue from operations</b>		
(i) Sale of products	2275,50,27,936	<b>2220,53,22,925</b>
(ii) Interest	33,78,366	<b>31,91,800</b>
<b>(b) Other operating revenue</b>		
(i) Service Charges	13,70,573	<b>25,42,58,541</b>
(ii) Others	25,49,79,207	<b>30,39,35,718</b>
<b>Revenue from operations (Gross)</b>	2301,47,56,082	<b>2276,67,08,984</b>
<b>Less : Excise Duty / Service Tax</b>	279,51,10,531	<b>303,62,96,246</b>
<b>Revenue from operations (Net)</b>	Total 2021,96,45,551	<b>1973,04,12,738</b>

**DETAILS OF PRODUCTS SOLD**

	As at 31st March, 2014	As at 31st March, 2013
- Automobiles	1650,18,96,089	<b>1729,70,79,683</b>
- Auto Components	615,88,30,541	<b>490,43,38,475</b>
- Moulds, Dies, Press Tools, Jigs & Fixtures	9,43,01,306	<b>39,04,767</b>
<b>Total</b>	2275,50,27,936	<b>2220,53,22,925</b>

**20. OTHER INCOME**

	As at 31st March, 2014	As at 31st March, 2013
(a) Interest Income	19,75,60,234	<b>38,43,15,937</b>
(b) Dividend Income	12,62,500	<b>10,41,563</b>
(c) Net gain / loss on foreign currency translation and transaction (other than considered as finance cost)	--	<b>55,61,244</b>
(d) Industrial Promotion Incentive	29,15,86,018	--
(e) Lease Rent received	4,33,20,484	<b>3,96,00,000</b>
(f) Profit on sale of assets	3,42,36,391	<b>15,81,258</b>
(g) Others	3,13,84,879	<b>44,16,283</b>
<b>Total</b>	59,93,50,506	<b>43,65,16,285</b>

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

	As at 31st March, 2014	As at 31st March, 2013
(a) Steel and other metals	94,61,62,696	<b>103,28,48,189</b>
(b) Castings and Forgings	63,30,75,758	<b>73,98,11,238</b>
(c) Components	1256,14,45,873	<b>1261,93,55,005</b>
<b>Total</b>	1414,06,84,327	<b>1439,20,14,432</b>

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

	As at 31st March, 2014	As at 31st March, 2013	(Increase) / Decrease
<b>(a) Inventories at the end of the year</b>			
(i) Finished Goods	94,48,51,577	<b>98,55,49,934</b>	4,06,98,357
(ii) Work-in-progress	55,56,38,748	<b>53,46,57,870</b>	(2,09,80,878)
Total	<u>150,04,90,325</u>	<u><b>152,02,07,804</b></u>	<u>1,97,17,479</u>
<b>(b) Inventories at the beginning of the year</b>			
(i) Finished Goods	98,55,49,934	<b>72,07,76,833</b>	(26,47,73,101)
(ii) Work-in-progress	53,46,57,870	<b>49,49,89,423</b>	(3,96,68,447)
Total	<u>152,02,07,804</u>	<u><b>121,57,66,256</b></u>	<u><b>(30,44,41,548)</b></u>

**DETAILS OF INVENTORY**

	As at 31st March, 2014	As at 31st March, 2013
<b>Finished Goods</b>		
(i) On-road automobiles	72,09,66,200	<b>83,89,33,174</b>
(ii) Tractors	6,06,31,881	<b>4,83,57,180</b>
(iii) Engines	1,29,712	<b>2,20,079</b>
(iv) Others	16,31,23,784	<b>9,80,39,501</b>
Total	<u>94,48,51,577</u>	<u><b>98,55,49,934</b></u>
<b>Work- in-progress</b>		
(i) On-road automobiles	10,47,21,303	<b>10,57,03,277</b>
(ii) Engines	6,18,30,688	<b>8,84,25,553</b>
(iii) Others	38,90,86,757	<b>34,05,29,040</b>
Total	<u>55,56,38,748</u>	<u><b>53,46,57,870</b></u>

**23. EMPLOYEE BENEFIT EXPENSE**

	As at 31st March, 2014	As at 31st March, 2013
(a) Salaries, Wages, Bonus, etc.	218,71,50,898	<b>233,61,94,688</b>
(b) Contribution to provident, other funds and schemes	12,71,58,029	<b>18,60,51,620</b>
(c) Staff welfare expenses	9,12,87,850	<b>10,09,85,596</b>
Total	<u>240,55,96,777</u>	<u><b>262,32,31,904</b></u>

**24. FINANCE COSTS**

	As at 31st March, 2014	As at 31st March, 2013
(a) Interest	8,77,30,668	7,95,08,789
(b) Other borrowing cost	40,92,922	29,50,000

Total	9,18,23,590	8,24,58,789
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**25. DEPRECIATION AND AMORTIZATION EXPENSE**

	As at 31st March, 2014	As at 31st March, 2013
(a) Depreciation of tangible assets	81,94,70,657	67,19,90,494
(b) Amortization of intangible assets	2,89,14,267	2,95,76,033

Total	84,83,84,924	70,15,66,527
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**26. OTHER EXPENSES**

	As at 31st March, 2014	As at 31st March, 2013
(a) Consumption of stores and spares	70,88,89,472	73,82,18,299
(b) Fabrication and Processing Charges	8,21,00,631	10,15,21,177
(c) Power and Fuel	37,94,34,703	37,21,78,599
(d) Forwarding Charges	24,26,87,034	24,46,77,867
(e) Rent	1,14,18,642	70,30,716
(f) Rates and Taxes	8,00,23,250	5,25,52,107
(g) Insurance	4,77,44,145	4,54,65,030
(h) Repairs and Maintenance :		
(i) Plant and Machinery	8,73,14,277	10,04,75,944
(ii) Buildings	3,47,34,194	4,18,44,217
(iii) Others	3,02,30,735	2,22,49,854
(i) Publicity and sales promotion	33,16,40,184	43,54,11,870
(j) Payments to auditors (Refer details below)	21,20,584	20,02,336
(k) Prior year expenses	34,95,186	44,94,174
(l) Provision for doubtful debts	--	3,62,22,409
(m) Loss on Exchange Fluctuation (Net)	4,72,98,435	--
(n) Donation	1,44,000	1,00,00,000
(o) Miscellaneous Expenses	75,79,85,175	60,59,42,578

Total	284,72,60,647	282,02,87,177
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**Payments to Auditors**

	As at 31st March, 2014	As at 31st March, 2013
(a) Audit Fees	16,13,483	16,13,483
(b) Tax Audit Fees	1,00,000	1,00,000
(c) Certification work	3,27,246	2,39,924
(d) Provident Fund Audit fees paid to Associate of Statutory Auditor	15,000	15,000
(e) Reimbursement of expenses	64,855	33,929

Total	21,20,584	20,02,336
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**27. EARNINGS PER SHARE (EPS)**

	As at 31st March, 2014	As at 31st March, 2013
<b>Values used in calculating Earnings Per Share (Basic &amp; Diluted)</b>		
(a) Numerator		
Profit / (Loss) after tax	77,84,74,557	<b>14,42,19,250</b>
(b) Denominator		
Number of Equity Shares	1,31,76,262	<b>1,31,76,262</b>
Weighted average number of Equity Shares	1,31,76,262	<b>1,31,76,262</b>

**28. CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

	As at 31st March, 2014	As at 31st March, 2013
<b>(a) Contingent Liabilities</b>		
(i) Taxes & Duties	29,74,95,932	<b>24,06,04,482</b>
(ii) Others (Court cases pending)	29,19,19,172	<b>26,07,24,115</b>
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	77,94,02,336	<b>91,44,14,860</b>

(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.

29. As of 31st March, 2014, the Group has not received any intimation, except in few cases, as to the status as Micro, Small or Medium Enterprises from suppliers of the Group along with a copy of the Memorandum, filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006 (**the Act**). The proceedings initiated by one of the suppliers, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹ 1,56,61,877 with interest. The Group has not accepted the said liability. The Group has a major counter-claim against the said supplier amounting to about ₹ 9,06,40,899, which being unearned income, is not accounted. The award is challenged by the Group, as per the provisions of the Act and proceedings are pending before the Hon'ble District Judge, Pune, and before the Hon'ble High Court of Judicature at Bombay.

30. The amount of net exchange differences included in the Statement of Profit / Loss for the year on Revenue account is ₹ 3,94,14,600 Debit (₹ **38,03,005 Credit**) and on Capital account is ₹ 78,83,835 Debit (₹ **17,58,239 Credit**).

**31. THE GROUP'S LIABILITIES AND OBLIGATIONS IN FOREIGN CURRENCY OUTSTANDING AS AT 31ST MARCH, 2014, NET OF RECEIVABLES ARE AS UNDER**

	Hedged by forward cover contracts with bankers		Not hedged by forward cover contracts or other derivative Instruments	
	Foreign Currency	Amount ₹	Foreign Currency	Amount ₹
(a) In US Dollar	-- (--)	-- (--)	-- <b>(26,450)</b>	-- <b>(14,40,743)</b>
(b) In Euro	-- (--)	-- (--)	1,84,026 <b>(24,93,890)</b>	1,52,24,054 <b>(17,36,60,649)</b>



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

	Gratuity ( ` )		Leave Entitlement ( ` )	
	31st March		31st March	
	2014	2013	2014	2013
<b>(A) Amount to be recognised in Balance Sheet</b>				
(i) Present Value of obligation	40,48,17,171	<b>43,50,46,574</b>	19,70,33,452	<b>21,22,14,067</b>
(a) Current Liability	9,90,18,019	<b>9,60,79,587</b>	4,15,85,243	<b>4,43,33,487</b>
(b) Non-current Liability	30,57,99,152	<b>33,89,66,987</b>	15,54,48,209	<b>16,78,80,580</b>
(ii) Funded Status	26,42,25,230	<b>25,01,48,064</b>	--	--
(iii) Net Asset / (Liability) recognised in Balance Sheet	(14,05,91,941)	<b>(18,48,98,510)</b>	(19,70,33,452)	<b>(21,22,14,067)</b>
<b>(B) Expense recognised in the Statement of Profit and Loss at the end</b>				
(i) Current Service Cost	2,69,02,657	<b>2,99,90,390</b>	2,45,76,448	<b>2,76,24,534</b>
(ii) Interest Cost	3,24,90,140	<b>3,27,00,521</b>	1,60,69,728	<b>1,63,87,803</b>
(iii) Expected Return on Plan Assets	(2,10,26,592)	<b>(2,08,40,425)</b>	--	--
(iv) Net actuarial (gain) / loss recognised in the year	(4,45,21,420)	<b>39,12,110</b>	(3,31,41,860)	<b>(1,66,49,218)</b>
(v) Expenses recognised in the Statement of Profit and Loss	(61,55,215)	<b>4,57,62,596</b>	75,04,316	<b>2,73,63,119</b>
<b>(C) Present value of obligation as at the end</b>				
(i) Present value of obligation as at the beginning	43,50,46,574	<b>40,14,90,524</b>	21,22,14,067	<b>20,07,44,406</b>
(ii) Interest Cost	3,24,90,140	<b>3,27,00,521</b>	1,60,69,728	<b>1,63,87,803</b>
(iii) Current Service Cost	2,69,02,657	<b>2,99,90,390</b>	2,45,76,448	<b>2,76,24,534</b>
(iv) Benefits paid	(5,78,39,656)	<b>(3,35,57,029)</b>	(2,26,84,931)	<b>(1,58,93,458)</b>
(v) Actuarial (gain) / loss on obligation	(3,17,82,544)	<b>44,22,168</b>	(3,31,41,860)	<b>(1,66,49,218)</b>
(vi) Present value of obligation as at the end	40,48,17,171	<b>43,50,46,574</b>	19,70,33,452	<b>21,22,14,067</b>
<b>(D) Actuarial Assumptions:</b>				
(i) Discount Rate	9.10%	<b>8.00%</b>	9.10%	<b>8.00%</b>
(ii) Salary escalation rate	10.00%	<b>10.00%</b>	10.00%	<b>10.00%</b>
(iii) Rate of Return on Plan Assets	8.75%	<b>9.35%</b>	--	--
(iv) Mortality Rate				

As per standard table of LIC (1994-95)

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

The Liability for Earned Leave, for Temporary Employees (short term) has been provided on actual basis, amounting to ` 6,23,220 ( ` 11,86,953).

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

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

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

Type of Related party	Nature of Transaction	Volume of Transactions during 2013-14	Amount outstanding as on 31st March, 2014	
			Receivables	Payables
(a) Key Management Personnel :	: Managerial Remuneration	32,58,078 <b>(32,58,065)</b>	-- <b>(--)</b>	24,000 <b>(24,000)</b>
(b) Other Related Parties Jaya Hind Industries Ltd.	: Purchase of Capital Goods	5,72,61,618 <b>(72,12,375)</b>	6,24,23,785 <b>(34,99,800)</b>	-- <b>(--)</b>
	: Purchase of Raw Materials, Components & Others	62,19,71,771 <b>(75,40,34,930)</b>	-- <b>(--)</b>	3,59,74,961 <b>(5,44,57,837)</b>
	: Sundry Sales	1,73,16,413 <b>(1,98,91,145)</b>	46,82,581 <b>(--)</b>	-- <b>(--)</b>
	: Processing Charges recovered	9,83,473 <b>(5,29,787)</b>	20,426 <b>(--)</b>	-- <b>(--)</b>
	: Material given on Loan	2,28,005 <b>(--)</b>	39,72,696 <b>(37,44,691)</b>	-- <b>(--)</b>
	: Machinery given on Loan	2,62,22,440 <b>(1,26,39,639)</b>	39,32,97,985 <b>(36,70,75,545)</b>	-- <b>(--)</b>
	: Expenses recovered	3,15,26,893 <b>(3,02,78,993)</b>	32,67,934 <b>(45,25,737)</b>	-- <b>(--)</b>
	: Expenses reimbursed	17,91,554 <b>(19,93,087)</b>	-- <b>(--)</b>	3,13,102 <b>(--)</b>

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

Class of Provisions and brief description.	Carrying Amount of provisions as at 1st April, 2013	Additional provisions made during the year	Paid during the year against provisions	Amount reversed and written back	Carrying Amount of provisions as at 31st March, 2014
Warranty	2,86,73,774 <b>(5,11,12,844)</b>	2,92,16,596 <b>(2,86,73,774)</b>	2,86,73,774 <b>(5,11,12,844)</b>	-- <b>(--)</b>	2,92,16,596 <b>(2,86,73,774)</b>
Free Service Coupons	2,54,36,411 <b>(4,80,37,212)</b>	4,65,86,301 <b>(2,54,36,411)</b>	2,54,36,411 <b>(4,80,37,212)</b>	-- <b>(--)</b>	4,65,86,301 <b>(2,54,36,411)</b>



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

	As at 31st March, 2014	As at 31st March, 2013
<b>Nature of Timing difference</b>		
(a) Difference between accounting and tax depreciation (cumulative)	(66,09,30,262)	<b>(49,55,47,342)</b>
(b) Other Timing differences	59,47,42,826	<b>27,62,77,843</b>
Total	<u>(6,61,87,436)</u>	<u><b>(21,92,69,499)</b></u>

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

Name of the Company	Registered Office	% of voting power held by holding Company as at 31st March, 2014
Tempo Finance (West) Pvt. Ltd.	Mumbai Pune Road, Akurdi, Pune - 411 035.	66.43 <b>(66.43)</b>

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

The fund based limits, if utilised, are payable on demand to the Banks. During the year 2013-14, the Group has not utilised any fund based limits.

**39.** All amounts which became due, for transfer to the credit of Investor Education and Protection Fund, as of 31st March, 2014, have been transferred to that fund, except a sum of ₹ 60,000. Being amount of 5 (Five) fixed deposits and interest thereon amount in to ₹ 25,051. In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

**40.** As per Accounting Standard AS 26 - Intangible Assets, the Group has recognised Intangible Assets arising out of in-house Research and Development activities of the Group amounting to ₹ 11,73,96,866 (₹ **6,65,42,452**), in the development phase of a new model Multipurpose Vehicles, Monocoque Bus (Project T2) and TD-2650 CRDI BS-IV version of the SUV. As the development activity is continued, the said asset is considered as Capital Work-in-progress, and will be amortised over the period of its life, after completion of the development phase.

**41.** During the year under report the eligibility and method of availing, various incentives, granted by the Government of Madhya Pradesh, as per the Industrial Promotion Policy, being clarified, the Group recognised a sum of ₹ 29,15,86,018 in the Statement of Profit and Loss as "Industrial Investment Promotion Assistance". These incentives are now accounted on accrual basis. These incentives are available as per the Industrial Promotion Policy of the Government of Madhya Pradesh, based on the investment made by the Group, in eligible assets, for eligible products, in the State of Madhya Pradesh. These incentives are monetary incentives.

**42.** 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 : 24th May, 2014

Place : Pune  
Date : 24th May, 2014



**FORCE MOTORS LIMITED**  
(CIN L34102PN1958PLC011172)  
Registered office:  
Mumbai - Pune Road, Akurdi,  
Pune 411 035 Maharashtra, INDIA

# BALLOT FORM

(In lieu of E-voting)

55th Annual General Meeting to be held on 20th September 2014.  
Notice dated 11th August 2014.

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

Web : [www.forcemotors.com](http://www.forcemotors.com) / [www.forceone.co.in](http://www.forceone.co.in) / [www.forcegurkha.co.in](http://www.forcegurkha.co.in)

Phone : (Board) +91 20 2747 6381

1)	Name of the First Named Shareholder (In block letters)	
2)	Name(s) of the Joint Named Shareholder (If any)	
3)	Postal address	
4)	Registered Folio No. /*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
5)	Class of Share	Equity
6)	No. of shares	

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of the 55th Annual General Meeting of the Company dated 11th August 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Item no.	Description	No. of equity shares held	I / We assent to the resolution (For)	I / We dissent to the resolution (Against)
1)	Adoption of Financial Statements for the year ended 31st March 2014 and the Directors' and Auditors' Report thereon.			
2)	To declare a dividend.			
3)	Re-appointment of Mr. Sudhir Mehta, who retires by rotation.			
4)	Re-appointment of Mr. R. B. Bhandari, who retires by rotation.			
5)	Appointment of M/s. P. G. Bhagwat, Chartered Accountants, as Auditors and to fix their remuneration for the year 2014-15.			
6)	Resolution relating to permission to contribute to charitable and other funds.			
7)	Amendment to the Articles of Association-Insertion of new Article 139 A.			
8)	To fix remuneration of M/s. Joshi Apte & Associates, the Cost Auditors.			
9)	Appointment of Mr. Abhaykumar Firodia as Managing Director of the Company, to be designated as the Chairman.			
10)	Re-appointment of Mr. Prasan Firodia as Managing Director.			
11)	Appointment of Mr. Nitin Desai as an Independent Director.			
12)	Appointment of Dr. Indira Parikh as an Independent Director.			
13)	Appointment of Mr. Pratap Pawar as an Independent Director.			
14)	Appointment of Mr. S. Padmanabhan as an Independent Director.			
15)	Appointment of Mr. Arun Sheth as an Independent Director.			
16)	Amendment of Article 118 of the Articles of Association of the Company.			
17)	Resolution permitting acceptance of deposits.			

Place : \_\_\_\_\_

Date : \_\_\_\_\_

\_\_\_\_\_  
(Signature of the shareholder)

**NOTE** : Kindly read the instructions printed overleaf before filling the form. Only valid Ballot Forms received by the Scrutinizer by 5.00 p.m. on 16th September 2014 shall be considered.

## **INSTRUCTIONS**

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. Sanjay Athavale, Chartered Accountant in Practice, c/o. Force Motors Limited, Mumbai-Pune Road, Akurdi, Pune - 411 035 so as to reach by 5.00 p.m. on 16th September 2014. Ballot Form received thereafter will strictly be treated as if not received. The envelope should be marked as confidential. The name of the Scrutinizer should be written in full.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in demat form is verified with the specimen signatures furnished by NSDL/ CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Link Intime India Private Limited). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio / DP ID-Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholder. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/ trust / society, etc. a certified copy of the relevant authorisation/ Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company.