

# 65<sup>TH</sup> ANNUAL REPORT

2023-2024



**FORCE MOTORS LIMITED**

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

**BOARD OF DIRECTORS**

Abhaykumar Navalmal Firodia, Chairman  
Prasan Abhaykumar Firodia, Managing Director  
Vallabh Bhanshali  
Mukesh Patel  
Lt. Gen. Dr. D. B. Shekatkar (Retd.)  
Arvind Mahajan  
Sonia Prashar  
Prashant V. Inamdar, Executive Director (Operations)

**CHIEF FINANCIAL OFFICER**

Sanjay Kumar Bohra

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

Rohan Sampat

**AUDITORS****Statutory Auditor**

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

**Secretarial Auditor**

SIUT & Co. LLP  
Practising Company Secretaries  
Pune.

**Internal Auditors**

M/s. Capri Assurance and Advisory Services  
Chennai.

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

**COST ACCOUNTANTS**

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

**REGISTERED OFFICE**

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

**WORKS**

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



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## NOTICE

**NOTICE** is hereby given that the 65th Annual General Meeting (the 'AGM') of the Members of Force Motors Limited (the 'Company') will be held on **Wednesday, the 4th day of September 2024 at 3:00 p.m. through Video Conference ('VC') / Other Audio Visual Means ('OAVM')**, to transact the following business :

### ORDINARY BUSINESS

- To consider and adopt the audited standalone and consolidated Financial Statements of the Company, for the Financial Year ended on 31st March, 2024, together with the Board's Report and Auditors' Report thereon.
- To declare dividend for the Financial Year ended on 31st March, 2024.
- To appoint a Director in place of Mr. Prashant V. Inamdar (DIN : 07071502), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4. Contribution to bona fide charitable and other funds.

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

**"RESOLVED THAT** pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for contributing to bona fide charitable and other funds, a sum up to ₹ 25,00,00,000/- during the Financial Year 2024-25."

#### 5. Ratification of remuneration to be paid to Cost Accountants.

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

**"RESOLVED THAT** M/s. Joshi Apte & Associates, Cost Accountants, Pune, who are appointed by the Board of Directors of the Company, to verify and review the cost records of the Company for the Financial Year ending on 31st March, 2025, be paid remuneration of ₹ 2,75,000/- plus travelling and out of pocket expenses with taxes, if any."

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

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, if any, the **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations)**, the Articles of Association of the Company and as per the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the Company be and is hereby accorded for the re-appointment of Mr. Abhaykumar Navalmal Firodia (DIN: 00025179) as a Managing Director of the Company, to be designated as the Chairman, whose current tenure is liable to expire on 19th September, 2024, for a period of five years with effect from 20th September, 2024, on the terms and conditions, as set out in this resolution and he shall not be liable to retire by rotation:

- Mr. Abhaykumar Navalmal Firodia shall be designated as the Chairman.
- Mr. Abhaykumar Navalmal 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.

- Mr. Abhaykumar Navalmal Firodia, as the Chairman, would not draw any remuneration, except provision of car by the Company for the Company's business or for personal use and free telephone facility at residence with a mobile phone facility.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate substantial powers of management to Mr. Abhaykumar Navalmal Firodia, Chairman of the Company, to be exercised by him and may grant Power of Attorney in his favour for vesting the specific powers of management in him and to change or substitute such a power of attorney granted, from time to time, as may be deemed fit by the Board.

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

#### 7. Re-appointment of Mr. Prasan Abhaykumar Firodia as a Managing Director of the Company.

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, **the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations)** and in accordance with provisions of the Articles of Association of the Company and as per the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the Company be and is hereby accorded for the re-appointment of Mr. Prasan Abhaykumar Firodia, (DIN : 00029664) as a Managing Director of the Company, whose current tenure will expire on 5th November, 2024, for a period of five years with effect from 6th November, 2024, on the terms and conditions including remuneration as set out in this resolution, and he shall not be liable to retire by rotation:

### REMUNERATION :

- Salary of ₹ 50,00,000/- per month and Annual Merit-based Increments as may be decided by the Board on recommendation of the Nomination and Remuneration Committee, without any further reference to the Members of the Company, in a general meeting, during his tenure.
- 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.
- Perquisites :**
  - Provision of car for use on Company's business and for personal purposes.
  - Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
  - Personal Accident and Medical Insurance Policies for an amount, the annual premium for which shall not exceed ₹ 1,00,000/-.
  - Reimbursement of medical expenses incurred for self and family.
  - Free telephone facility at the residence and a mobile phone facility.

- (vi) Fees of three 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 in force from time to time.
- (vii) Contribution to Provident Fund and Superannuation Fund, to the extent not taxable under the Income-tax Act, 1961, as prevalent or in force 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 total remuneration, for a financial year, 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.

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

**RESOLVED FURTHER THAT** the approval of the payment of minimum remuneration is granted for a period of 3 years with effect from 6th November, 2024.

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

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate substantial powers of management to Mr. Prasan Abhaykumar Firodia (DIN : 00029664), Managing Director of the Company by a power of attorney and to change or substitute such a Power of Attorney granted, from time to time, as may be deemed fit by the Board.

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

**8. Re-appointment of Mr. Prashant V. Inamdar as Executive Director (Operations) of the Company.**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Regulations) and in accordance with provisions of the Articles of Association of the Company and as per the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the Company be and is hereby accorded for the re-appointment of Mr. Prashant V. Inamdar (DIN : 07071502) as the Whole-time Director to be designated as Executive Director (Operations) of the Company, whose existing term expires on 15th January, 2025, for a period of five years with effect from 16th January, 2025, on the terms and conditions including remuneration as set out in this resolution:

**REMUNERATION :**

- (A) Salary including allowances of ₹ 14,61,017/- per Month and Annual Merit-based Increments as may be decided by the Board on recommendation of the Nomination and Remuneration Committee, without any further reference to the Members of the Company in general meeting, during his tenure.
- (B) Commission of such an amount as may be approved by the Nomination and Remuneration Committee and the Board of Directors of the Company for each financial year.
- (C) **Perquisites :**
- Provision of car for use on Company's business and for personal purposes.
  - Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
  - Personal Accident and Medical Insurance Policies for self and family for an amount, the annual premium for which shall not exceed ₹1,00,000/-.
  - Reimbursement of medical expenses incurred for self and family as per the scheme of the Company.
  - Free telephone facility at residence and a mobile phone facility.
  - Benefit of furniture, perquisites as per the scheme of the Company.

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

- Contribution to Provident Fund and Superannuation Fund to the extent not taxable under the Income-tax Act, 1961, as prevalent or in force from time to time.
- Gratuity at the rate of half a month's salary for each completed year of service, as per the rules of the Company.
- Encashment of leave, at the end of the tenure, as per the rules of the Company.

Provided that the total remuneration, for a financial year, 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.

Provided further that the remuneration aforesaid, including all perquisites, benefits and amenities shall be allowed as a minimum remuneration in any year in the event of absence or inadequacy of profits for that year, excluding cost of perquisites/benefits mentioned at Serial Nos. 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 16th January, 2025.

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

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

**9. Payment of commission to Mr. Prashant V. Inamdar as Executive Director (Operations) of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, Regulation 17(6)(a) and all other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) and in accordance with provisions of the Articles of Association of the Company, pursuant to the recommendations of the Audit Committee and the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the Company be and is hereby accorded to pay commission of ₹1,00,00,000/- to Mr. Prashant V. Inamdar (DIN: 07071502), Whole-time Director of the Company for the Financial Year 2023-24.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission."

**10. Payment of commission to Non-Executive Independent Directors of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 197 and 198 read with Schedule V of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 17(6)(a) and all other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) or any other law for the time being in force and in accordance with provisions of the Articles of Association of the Company, pursuant to the recommendations of the Audit Committee and the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals as may be required in this regard, the approval of the Company be and is hereby accorded to pay remuneration by way of commission to Non-Executive Independent Directors for the Financial Year 2023-24 up to limits of 1% per annum of the net profits of the Company and as may be decided.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fees payable to the Director(s) for attending the

meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission."

**NOTES :**

1. Pursuant to General Circular No. 20 / 2020 dated 5th May, 2020, 14 / 2020 dated 8th April 2020, 02 / 2022 dated 5th May, 2022, 03 / 2022 dated 5th May, 2022, 10 / 2022 dated 28th December, 2022, 11 / 2022 dated 28th December, 2022 and 09 / 2023 dated 25th September, 2023 (collectively referred to as '**MCA Circulars**') issued by the Ministry of Corporate Affairs ('**MCA**') and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 (referred to as '**SEBI Circular**') issued by the Securities and Exchange Board of India ('**SEBI**'), companies are allowed to hold AGM through VC, without the physical presence of Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with the National Securities Depository Limited (**NSDL**) for facilitating voting through electronic means, as the authorized agency.
2. Pursuant to the provisions of the Companies Act, 2013 (the 'Act'), a Member is entitled to attend and vote at the AGM through a proxy and a proxy need not be a Member. However, the facility to appoint proxy to attend and cast vote for the Members will not be available for this AGM as physical attendance of Members has been dispensed with pursuant to the 'MCA Circulars'. Hence, the Proxy Form, Attendance Slips and route map are not annexed to this Notice. However, the bodies corporate are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
3. The facility for joining the AGM through VC/OAVM will be open 15 minutes before and 15 minutes after the scheduled time of the commencement of the AGM and the Members can join the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first serve basis. This will not include large shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee and the Auditors of the Company.
4. The Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In line with the MCA and SEBI Circulars, the Notice for calling the AGM and the Annual Report for FY 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/depository participant(s). The Notice and the Annual Report for FY 2023-24, are available on the website of the Company at [www.forcemotors.com](http://www.forcemotors.com), on the website of BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and on the website of National Stock Exchange of India Limited (NSE) at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also available on the website of the NSDL (agency for providing the e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).

6. The Statement, setting out the material facts, pursuant to Section 102 of the Act concerning the Special Businesses mentioned in the Notice, is annexed hereto. The Board of Directors at its meeting held on 30th July, 2024 has decided that the special businesses set out under item nos. 4 to 10, being considered 'unavoidable', be transacted at this AGM held through VC / OAVM. All documents referred to in the item nos. 4 to 10, are available for inspection on the website of the Company viz. [www.forcemotors.com](http://www.forcemotors.com).
7. Brief details of the Directors, who are seeking appointment / re-appointment, are annexed as Annexure I to this Notice hereto as per requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**LODR Regulations**).
8. Pursuant to the provisions of Section 91 of the Act, The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 29th August, 2024 to Wednesday 4th September, 2024 (Both days inclusive) for the purpose of AGM. The Company has fixed Wednesday, 28th August, 2024 as the Record Date to ascertain entitlement for payment of final dividend, if declared. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made, subject to deduction of tax at source (TDS), within 30 days from the date of AGM as under :
  - (a) to all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited (both collectively referred to as 'Depositories') as of the close of business hours on Wednesday, 28th August, 2024;
  - (b) to all those shareholders holding shares in physical form, as per the details provided by Registrar and Transfer Agent (RTA) of the Company i.e. Link Intime India Private Limited to the Company, as of or before the closing hours on Wednesday, 28th August, 2024.
9. 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 at [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com), so as to reach at least 10 days prior to the meeting; so that the information required may be made available at the Meeting or by e-mail.  
Further, please note that as the meeting will be held through VC, there will be limited opportunity for Members to interact with the Management of the Company. Hence, the Members are requested to send all their queries to the Company in advance, so that the same are suitably answered at the AGM, subject to the first part of this note.  
Members, who would like to express their views/have questions at the AGM, may register themselves as Speakers by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio no., PAN, Mobile Number at [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com) at least 10 days prior to the meeting. Those Members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
10. In case a person has become a Member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., Wednesday, 28th August, 2024 such person may obtain the User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com) or to the RTA at [sandip.pawar@linkintime.co.in](mailto:sandip.pawar@linkintime.co.in).
11. Pursuant to the provisions of Section 72 of the Act read with the SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14th December, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17th November, 2023), the Members holding shares in physical form, are advised to file nomination in the prescribed Form SH-13 or Form ISR-3 (Declaration to Opt-out). The forms can be downloaded from the Company's website at [www.forcemotors.com](http://www.forcemotors.com) and is also available on the website of the RTA at <https://linkintime.co.in/downloads.html>. In respect of shares held in electronic / demat form, the Members may please contact their respective Depository Participant ('DP').
12. SEBI vide its circular dated 25th January, 2022, has mandated listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition etc. Accordingly, Members who still hold quoted equity shares of the Company in physical form are advised to dematerialise their holdings.
13. SEBI through relevant circulars, has mandated furnishing of PAN, KYC and nomination details by all shareholders holding shares in physical form. In view of which, we urge the shareholders holding shares in physical form to submit the Investor Service Request form(s) along with the supporting documents to the Company's RTA, Link Intime India Private Limited. The forms for updating the same can be downloaded from the website of the Company at <https://www.forcemotors.com/investors.php> and website of RTA at <https://linkintime.co.in/downloads.html>. Shareholders who hold shares in dematerialised form and wish to update their PAN, KYC and nomination details are requested to contact their respective Depository Participants. Further to mitigate unintended challenges on account of freezing of folios, SEBI through relevant Circulars, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details. Company has also sent communication dated 10th June, 2024 to Shareholders for updating KYC details.
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
15. Non-Resident Indian Members are requested to inform the Company's RTA immediately of :
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
  - **For shares held in electronic form** : to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA to provide efficient and better service to the Members.



- **For shares held in physical form :** to the Company's RTA in prescribed Form ISR -1 and other forms pursuant to relevant SEBI Circulars, as per instructions mentioned in the form. The said form can be downloaded from the Company's website at <https://www.forcemotors.com/investors.php> and is also available on the website of the RTA at <https://linkintime.co.in/downloads.html>.

**OTHER MATTERS :**

17. The Members who have so far not claimed the dividends declared for the Financial Years 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 are requested to make their claim with the Company immediately. The details of such shareholders are available on the website of the Company at [www.forcemotors.com](http://www.forcemotors.com) and also on the website of the MCA at [www.mca.gov.in](http://www.mca.gov.in). Further, the Members who have not encashed dividend in previous seven consecutive years, are requested to approach the Company / RTA for claiming the same as early as possible, to avoid transfer of the relevant shares, dividend to the IEPF. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.mca.gov.in](http://www.mca.gov.in).
18. Effective 1st April, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details viz., PAN, Contact details including Mobile Number, Bank Account details and specimen Signature, shall be eligible to get dividend only in electronic mode. Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars.
19. The Board of Directors has appointed Mr. Parag Pansare, Chartered Accountant as scrutinizer to scrutinize the voting at the AGM and remote e-Voting process, in a fair and transparent manner.
20. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
21. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the Meeting and thereafter, unblock the votes cast through remote e-Voting, in the presence of at least two witnesses not in the employment of the Company and make, within two working days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
22. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.forcemotors.com](http://www.forcemotors.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to BSE and NSE, where the Company's Equity Shares are listed and be made available on their respective websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
23. SEBI vide its various circulars has introduced a common Online Dispute Resolution Mechanism ('ODR') which harnesses online conciliation and online arbitration for resolution of disputes between shareholders and Company. Shareholders, post exhausting the option to resolve their grievances with the RTA / Company directly and through existing SCORES platform, the

shareholders can initiate dispute resolution through the ODR Portal. The link to access the ODR portal is also available on the Company's website and can be accessed through <https://www.forcemotors.com/investors.php>

**24. INFORMATION ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND**

In accordance with the provisions of the Income-tax Act, 1961, (the "IT Act") as amended by the Finance Act, 2020, effective 1st April, 2020, dividend declared and paid by a Company is taxable in the hands of the Members. The Company is required to deduct tax at source (TDS) at the rates applicable to each category of Members. The rates of TDS for various categories of Members and the required documents are provided below:

**Resident Members :**

- (a) Tax shall not be deducted for resident individual Members, if the aggregate amount of dividend to be paid during the FY 2024-25 does not exceed ₹ 5,000/-.
- (b) Where, Permanent Account Number (PAN) is made available to the Company and is valid,
  - Tax shall be deducted at source in accordance with Section 194 of the IT Act @ 10%.
  - Tax at source shall not be deducted on the dividend payable in cases where the Individual shareholder provides duly completed and signed Form 15G or Form 15H (applicable to an individual above the age of 60 years), provided that all the eligibility conditions are met.
  - The tax shall be deductible at a lower / Nil rate on submission of self-attested copy of the Certificate issued under section 197 of the IT Act.
- (c) Where PAN is either not available or is invalid, tax shall be deducted at source @ 20% under Section 206AA of the IT Act.
- (d) In order to provide exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:
  - Insurance Companies: A declaration that they are beneficial owners of the shares held;
  - Mutual Funds: A declaration that they are governed by the provisions of Section 10(23D) of the IT Act along with copy of registration documents (self-attested);
  - Corporation established by or under a Central Act which is under any law for the time being in force, exempt from income- tax on its income - Documentary evidence that the person is covered under section 196 of the IT Act.

**Non-Resident Members :**

- (a) Tax is required to be deducted in accordance with the provisions of Section 195 of the IT Act and Section 196D of the IT Act at applicable rates in force. Accordingly, tax @ 20% (plus applicable surcharge and health and education cess) shall be deducted on the amount of dividend payable. The tax shall be deducted at a lower / Nil rate on submission of self-attested copy of the certificate issued under section 195(3) of the IT Act.
- (b) However, pursuant to Section 90(2) of the IT Act, non-resident Shareholders have an option to be governed by the provisions of Double Taxation Avoidance Agreement (DTAA) between India and the country of tax residence of the Member, if such DTAA provisions are more beneficial to them.

To avail DTAA benefits, the non-resident shareholder shall furnish the following documents not later than 5.00 p.m. (IST) on **Wednesday, 28th August, 2024**, to Link Intime India Private Limited (LIPL), RTA of the Company : -

- Self-attested copy of PAN allotted by the Indian income tax authorities;
- Self-attested Tax Residency Certificate (TRC) issued by the tax/competent authority of the country of residency, evidencing and certifying tax residency status in that country for the FY 2024-25;
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, self -attested copy of SEBI registration certificate.
- Duly completed and the signed Form 10F; and
- Self-declaration by the non-resident shareholder

The above documents are in a language other than English, a duly notarized and apostilled copy thereof, translated in English language would have to be provided.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and satisfactory review by the Company.

The tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the IT Act.

#### 25. For all Shareholders :

Shareholders holding shares under multiple accounts/folios under different status/category under single PAN, are requested to note that higher of the tax rate as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

Duly completed and signed documents are required to be uploaded through the link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> submitted to the RTA, Link Intime India Private Limited on or before 5.00 p.m. (IST) on **Wednesday, 28th August, 2024**, in order to enable the Company to determine and deduct appropriate TDS/ withholding tax.

On clicking the above link, the user will be prompted to select/share the following information to register their request :-

- (1) Select the company (Dropdown)
- (2) Folio No./DP-Client ID
- (3) PAN
- (4) Financial year (Dropdown)
- (5) Form selection
- (6) Document attachment - 1 (PAN)
- (7) Document attachment - 2 (Forms)
- (8) Document attachment - 3 (Any other supporting document)

26. Please note that no communication on tax determination/deduction shall be entertained after 5.00 p.m. (IST) on **Wednesday, 28th August, 2024**. Documents received through any other modes viz. email or hand delivery will not be considered to determine/deduct TDS/withholding tax. Shareholders who have uploaded exemption forms (valid in all respect) on the portal are also required to forward the original form to the Company. For ease of reference, the Form 15G / Form 15H/ Form 10F / Self-Declaration are attached separately to the mail, through which Company is sending the Annual Report for the Financial Year 2023-24 to the shareholders.

Shareholders are requested to note that in case tax on dividend is deducted at a higher rate on account of non-receipt or insufficiency of requisite documents, they can claim refund at the time of filing income tax return. No claim shall lie against the Company for such tax deducted.

Shareholders may view the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://www.incometax.gov.in/iec/foportal/>

Shareholders are requested to update their PAN and email address with their Depository Participants (for shares held in demat mode) and with LIPL (for shares held in physical mode), if not already done.

TDS to be deducted at Higher rate in case of non-filers of Return of Income (Section 206AB of the IT Act):

The Finance Act, 2021, has, inter alia, inserted the provisions of Section 206AB of the Act with effect from 1st July, 2021. The provisions of Section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/credited to 'specified person':

- (i) At twice the rate specified in the relevant provision of the Act; or
- (ii) At twice the rates or rates in force; or
- (iii) At the rate of 5%

The 'specified person' means a person who has :

- (a) not filed return of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of Section 139 has expired; and
- (b) subjected to tax deduction and collection at source in aggregate amounting to ₹ 50,000/- or more in each of such two immediate previous years.

The non-resident who does not have the permanent establishment in India is excluded from the scope of a specified person.

In order to identify such non-filers, Central Board of Direct Taxes ("CBDT") has introduced a new utility 'Compliance Check for Section 206AB & 206CCA'. The Company will check for each of its Members as to whether they qualify as a specified person or not as per Section 206AB of the Income-tax Act. Based on the report generated from the government utility, the Company will apply higher withholding tax rate on such specified Members.

**Disclaimer :** This Communication shall not be treated as an advice from the Company or its affiliates or by Link Intime India Private Limited. Members should obtain the tax advice related to their tax matters from a tax professional.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER :

The remote e-voting will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting 09:00 A.M. (IST) on Saturday, 31st August, 2024

End of remote e-voting 05:00 P.M. (IST) on Tuesday, 3rd September, 2024.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Wednesday, 28th August, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 28th August, 2024.

How do I vote electronically using NSDL e-Voting system?


The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

**(A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below :

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="491 510 1474 745">Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see <b>e-Voting</b> services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="491 750 1474 835">If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="491 840 1474 1099">Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="491 1104 1474 1368">Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.   </li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li data-bbox="491 1373 1474 1491">Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li data-bbox="491 1496 1474 1666">After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li data-bbox="491 1671 1474 1756">If the user is not registered for Easi / Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li data-bbox="491 1760 1474 1906">Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note :** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at +91 22 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 2109911

**(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below :
  - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - (c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password :
  - (a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.



**Step 2 : Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [parag.pansare@kirtanepandit.com](mailto:parag.pansare@kirtanepandit.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre (022-2499 4545) or Mr. Amit Vishal (022-2499 4360) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice :**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com) or [sandip.pawar@linkintime.co.in](mailto:sandip.pawar@linkintime.co.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement,

PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com) or [sandip.pawar@linkintime.co.in](mailto:sandip.pawar@linkintime.co.in).

If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, the shareholder / Member may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER :**

1. The procedure for e-Voting on the day of the AGM is same as per the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
27. The Directors Identification Number (DIN) of the Directors are as follows :

Sr. No.	Name of Director	DIN
1	Mr. Abhaykumar Navalmal Firodia	00025179
2	Mr. Prasan Abhaykumar Firodia	00029664
3	Mr. Vallabh Bhanshali	07553144
4	Mr. Mukesh Patel	02676828
5	Lt. General Dr. D.B. Shekatkar (Retd.)	00184775
6	Mr. Arvind Mahajan	00053892
7	Ms. Sonia Prashar	06477222
8	Mr. Prashant V. Inamdar	07071502

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

**Rohan Sampat**

Pune, 31st July, 2024. Company Secretary & Compliance Officer

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

CIN : L34102PN1958PLC011172  
Website: [www.forcemotors.com](http://www.forcemotors.com)  
Phone : (Board) +91 20 2747 6381  
E-mail : [compliance-officer@forcemotors.com](mailto:compliance-officer@forcemotors.com)



## ANNEXURE TO THE NOTICE CONVENING 65TH ANNUAL GENERAL MEETING

Statement setting out all the material facts relating to the Special Businesses as mentioned in the Notice as per the provisions of Section 102 of the Companies Act, 2013 (the 'Act').

### Item No. 3 (Ordinary Business)

#### Appointment of Mr. Prashant V. Inamdar (DIN : 07071502) as a Executive Director (Operations).

Mr. Prashant V. Inamdar (DIN: 07071502), aged 59 years, is a diploma holder in Mechanical Engineering. At present, Mr. Prashant V. Inamdar is Executive Director (Operations) of the Company and responsible for operations of all the Plants of the Company.

Mr. Prashant V. Inamdar is also a Director on the Board of Force MTU Power Systems Private Limited.

He is not related to any Director of the Company. He does not hold any shares in the Company. Mr. Prashant V. Inamdar is not disqualified from being appointed as Director in terms of Section 164 of the Act and being eligible, offers himself for re-appointment.

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

Brief details of Mr. Prashant V. Inamdar as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) are provided as **Annexure I** to this Notice.

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

### Item No. 4

#### Contribution to bona fide charitable and other funds.

As per the provisions of Section 181 of the Act, prior permission of the Company, in general meeting, is required to contribute to bona fide charitable and other funds, if the aggregate amounts, in any financial year exceeds 5% of the Company's average net profits for immediately preceding three financial years. Considering the Company's financial 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/- to bona fide charitable and other funds during the Financial Year 2024-25.

The details of the limits calculated as per Section 181 of the Act and amount donated are as under:

Financial Year	Net Profit (₹ in Lakh)	Amount Donated other than Corporate Social Responsibility expenditure (₹ in Lakh)
2021-22	(7,460.00)	16.00
2022-23	15,205.00	1.00
2023-24	40,169.00	8.00
Average Net Profit for past 3 years	15,971.00	--
5% of the average Net Profit for past 3 years	798.00	--

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

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

### Item No.5

#### Consent for payment of remuneration to the Cost Accountant.

The Board, after considering the recommendation of the Audit Committee, has approved the appointment and remuneration to M/s. Joshi Apte & Associates, Cost Accountants, Pune, to conduct verification and review of the cost records of the Company for the Financial Year ending 31st March, 2025 on a remuneration of ₹ 2,75,000/- plus travelling and out of pocket expenses and taxes, if any.

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

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

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

### Item No. 6

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

Mr. Abhaykumar Navalmal Firodia (DIN: 00025179), was appointed as the Managing Director and designated as 'Chairman' of the Company with effect from 20th September, 2019 till 19th September, 2024. The Board in its meeting held on 30th July, 2024 on the recommendation of the Nomination and Remuneration Committee has, subject to the approval of Members of the Company, re-appointed Mr. Abhaykumar Navalmal Firodia, as a Managing Director designated as 'Chairman', for a period of five years from 20th September, 2024.

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

Considering the various projects being undertaken by the Company and the market situation requiring band width at the highest level of the Management, the Board requested Mr. Abhaykumar Navalmal Firodia to assist the Company in the management of the Company.

In order to ensure the compliance of the provisions of the Act and the Rules made there under, the Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015 (LODR Regulations), if any, the proposal to re-appoint Mr. Abhaykumar Navalmal Firodia as Managing Director to be designated as Chairman and enabling the Board to delegate substantial powers of the management to him is being placed before the Members of the Company for approval. No formal contract, except the resolution passed by the Board of Directors and resolution to be passed by the Members in their ensuing Annual General Meeting, are expected to be executed with the Chairman. As any other Director, the Chairman shall be entitled to resign from the services by submitting his resignation.

Except Mr. Abhaykumar Navalmal Firodia and Mr. Prasan Abhaykumar Firodia, being son of Mr. Abhaykumar Navalmal Firodia, none of the Directors or key managerial person or their relatives, is concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

Brief details of Mr. Abhaykumar Navalmal Firodia as per Regulation 36(3) of the LODR Regulations are provided as **Annexure I** to this Notice.

The Board recommends this resolution as set out in Item No. 6 for the approval by the Members of the Company.

**Item No. 7**

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

Mr. Prasan Abhaykumar Firodia (DIN : 00029664) was appointed as a Managing Director, for a period of five years with effect from 6th November, 2019 till 5th November, 2024.

The Board in its meeting held on 30th July, 2024 on the recommendation of the Nomination and Remuneration Committee has, subject to the approval of Members of the Company, re-appointed Mr. Prasan Abhaykumar Firodia, as a Managing Director of the Company, for a period of five years from 6th November, 2024.

It is proposed to seek the members' approval for the re-appointment and for payment of remuneration to Mr. Prasan Abhaykumar Firodia as the Managing Director, in terms of the applicable provisions of the Act and the Rules made there under and as per the Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015 (LODR Regulations), if any.

He is also the Managing Director of Jaya Hind Industries Private Limited, the Holding Company of this Company. Mr. Prasan Abhaykumar Firodia shall not draw any remuneration as the Managing Director from Jaya Hind Industries Private Limited.

No formal contract, except the resolution passed by the Board of Directors and of the resolution, to be passed in the General Meeting, is 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.

The Company has not made any default in respect of repayment of any debt, including but not limited to, public deposits, debentures, interest thereon or dues to banks or financial institutions. The Company is not having any investment from any collaborator in its equity share capital.

The proposed remuneration is as indicated in the Resolution. Considering the other Companies operating in the automobile industry and similar area, the managerial remuneration is normally accounted for 0.01% to 1% of the turnover. The Company has not announced or offered any employees' stock option scheme and the remuneration to be paid to Mr. Prasan Abhaykumar Firodia includes the elements in the Resolution only.

Considering his vast experience, qualification and performance over the years, the Board of Directors and the Nomination and Remuneration Committee are of the opinion that Mr. Prasan Abhaykumar Firodia, being a Managing Director representing the Promoters of the Company, is suitable for the post. All components of remuneration, payable to Mr. Prasan Abhaykumar Firodia as Managing Director of the Company and indicated in the resolution Item No.7 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 subject to applicable regulatory provisions, in force, from time to time.

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

Except Mr. Prasan Abhaykumar Firodia and Mr. Abhaykumar Navalmal Firodia, none of the Directors or Key Managerial Person or their relatives, is concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

Brief details of Mr. Prasan Abhaykumar Firodia as per Regulation 36(3) of the LODR Regulations are provided as **Annexure I** to this Notice.

The Board recommends this resolution as set out in Item No. 7 for the approval by the Members of the Company.

**Item No. 8**

**Re-appointment of Mr. Prashant V. Inamdar as Executive Director (Operations) of the Company**

Mr. Prashant V. Inamdar (DIN : 07071502) was appointed as Executive Director (Operations), for a period of five years with effect from 16th January, 2020 till 15th January, 2025.

The Board in its meeting held on 30th July, 2024 on the recommendation of the Nomination and Remuneration Committee has, subject to the approval of Members of the Company, re-appointed Mr. Prashant V. Inamdar, as the Executive Director (Operations) of the Company, for a period of five years from 16th January, 2025.

It is proposed to seek the Members approval for the re-appointment and payment of remuneration to Mr. Prashant V. Inamdar to be designated as the Executive Director (Operations), in terms of the applicable provisions of the Act. The Company has not announced or offered any employees' stock option scheme and the remuneration to be paid to Mr. Prashant V. Inamdar includes the elements in the resolution only.

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

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

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

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

Brief details of Mr. Prashant V. Inamdar as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015 (LODR Regulations), are provided as **Annexure I** to this Notice.

The Board recommends this resolution as set out in Item No. 8 for the approval by the Members of the Company.

**Item No. 9**
**Approval for payment of commission to Mr. Prashant V. Inamdar as the Executive Director (Operations) of the Company.**

Mr. Prashant V. Inamdar (DIN: 07071502) is the Executive Director (Operations) of the Company and responsible for operations of all the Plants of the Company. He is also a Director on the Board of Force MTU Power Systems Private Limited, a subsidiary and Joint Venture of the Company with Rolls-Royce Solutions GmbH (erstwhile MTU Friedrichshafen GmbH).

He is playing vital role in heading operations of all the plants of the Company located across India. He has been instrumental in growing and expanding the Company's manufacturing facilities, and in bringing a paradigm shift in product quality, delivery and development processes and also played a significant role in elevating the Company's business performance.

In order to adequately compensate the continuous contribution of Mr. Inamdar in the success of the Company over the years, the Nomination and Remuneration Committee and the Board of Directors of the Company proposed to pay a commission of ₹1,00,00,000/- to him for the financial year 2023-24 in addition to his regular remuneration as approved by the Members, Board of Directors and the Nomination and Remuneration Committee of the Company from time to time.

None of the Directors or Key Managerial Person or their relatives, except Mr. Prashant V. Inamdar, is concerned or interested, in any way, in this resolution.

The Board recommends this resolution as set out in Item No. 9 for the approval by the Members of the Company.

**Item No. 10**
**Approval for payment of commission to Non-Executive Independent Directors of the Company.**

The Company has a blend of proficient Executive Directors and Non-Executive Directors on its Board, each of whom adds value and brings diverse view in the decision-making process. The Board comprises of 3 Executive Directors and 5 Non-Executive Independent Directors.

Considering the regulatory requirements about corporate governance, strengthened norms made under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) with key emphasis on effective governance, risk management, statutory compliances and thereby placing increased accountability on the Board. The role and responsibilities of the Board particularly the Non-Executive Independent Directors have increased manifold and require greater time commitments and attention. Contribution of the Directors of the Company is reflected in the financial performance of the Company.

The threshold limit prescribed for commission under Section 197 of the Act is 1% of the net profits of the Company if there is a Managing Director. However, sitting fees paid to the Non-Executive Directors are outside the purview of the above limits. At present, sitting fees being paid to

Non-Executive Directors is paid, as per the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made under the Act.

It may also be emphasised that remuneration to Non-Executive Independent Directors is linked to the factors like chairmanship of committees, membership of committees and considering the rich experience and expertise brought into the Board by the Independent Directors, the time commitment, guidance and oversight provided by them.

The Board has at its meeting held on 26th April, 2024, on recommendation of the Nomination and Remuneration Committee, subject to the approval of the Members, approved payment of commission not exceeding in aggregate, 1% per annum of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013 to the Non-Executive Independent Directors of the Company for FY 2023-24. The profit for the Financial Year 2023-24 calculated as per the provisions of Section 198 of the Act is ₹ 63,805 Lakhs and thus, the recommended commission to be paid to Non-Executive Directors together being ₹ 75 Lakhs is 0.11% of the said net profit of the Company.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

Non-Executive Independent Directors along with their relatives are deemed to be concerned or interested, financially or otherwise in the Resolution at Item No.10 of the Notice to the extent of the share of commission that may be received by them. The Chairman, the Managing Director, the Executive Director and other Key Managerial Personnel of the Company and their relatives are not interested in this resolution. Disclosure required under Schedule V to the Companies Act, 2013 is given in **Annexure II** to this Notice.

The Board recommends this resolution as set out in Item No. 10 for the approval by the Members of the Company.

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

**Rohan Sampat**

Pune, 31st July, 2024. Company Secretary & Compliance Officer

**Registered Office :**

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

CIN : L34102PN1958PLC011172

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

Phone : (Board) +91 20 2747 6381

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

**Annexure - I**  
**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING**

**[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]**

Name of the Director	Mr. Abhaykumar Navalmal Firodia, Chairman*	Mr. Prasan Abhaykumar Firodia, Managing Director*	Mr. Prashant V. Inamdar, Executive Director (Operations)*
<b>Director Identification Number</b>	00025179	00029664	07071502
<b>Date of Birth (Age)</b>	5th November, 1944 (79 years)	16th February, 1979 (45 years)	25th January, 1965 (59 years)
<b>Date of first appointment on the Board</b>	23rd July, 1975	17th December, 2003	16th January, 2015
<b>Educational Qualification</b>	Bachelor of Arts (Hons.)	Bachelor in Business Administration	Diploma in Mechanical Engineering
<b>Experience (including expertise in specific functional areas) / Brief Resume</b>	<p>Mr. Abhaykumar Navalmal Firodia has over 50 years of experience and has been leading the group companies since 1975. Under his able guidance, Force Motors Limited (the Company), has created a strong engineering infrastructure and Research and Development facility. His leadership continues to guide the Company in manufacture of utilitarian, cost effective and quality products especially suited for Indian economy and rural conditions. Under his leadership the Company have active technological collaborations with foreign automobile pioneers.</p> <p>He has been the President of the Indo-German Chamber of Commerce (IGCC), the President of the Society of Indian Automobile Manufacturers (SIAM), President of the Automotive Research Association of India (ARAI) and also the President of the Automotive Component Manufacturers Association of India (ACMA). He is currently serving as Executive Committee Member of The Maharashtra Chamber of Commerce, Industries and Agriculture and Director of Indo-German Chamber of Commerce (IGCC).</p>	<p>Mr. Prasan Abhaykumar Firodia has over 15 years of rich experience in automotive industry and is heading the Company. He is the Managing Director of the Company since 6th November, 2009. Under his able leadership the Company has successfully navigated through tough business environment. Mr. Prasan Abhaykumar Firodia chartered a new path for a Company in operation for 6 decades by re-orienting its focus from being a product-centric Company to a market focused one. His management skills the Company to strengthen engineering, infrastructure and manufacturing capabilities. He is the trustee and president of the Aluminium Casters Association (ALUCAST), India and is also on the executive committee of Society of Indian Automobile Manufacturers (SIAM).</p>	<p>Mr. Prashant V. Inamdar started his career at the Company as a Junior Engineer in year 1984. Since then, he has worked and proven his mettle in different areas. During his tenure of 40 years, he worked in Industrial Engineering, Management Information Systems, Industrial Relations, Human Resource Development, Civil Projects and in SAP Implementation in a Corporate function. Special highlights in his career include the setting up of Engine Shop for MAN Trucks at Pithampur (Madhya Pradesh) and Plants in Chennai and in Chakan (Pune) for manufacturing Engines for BMW &amp; MBIL respectively. He contributed in building Industrial Relations in all the Plants, Legal Compliance Management and Industrial Engineering.</p>
<b>Directorships held in other listed companies (excluding foreign companies)</b>	NIL	Sona BLW Precision Forgings Limited	NIL



Name of the Director	Mr. Abhaykumar Navalmal Firodia, Chairman*		Mr. Prasan Abhaykumar Firodia, Managing Director*		Mr. Prashant V. Inamdar, Executive Director, Operations*	
	Name of the Company	Name of the Committee	Member / Chairman	Name of the Company	Name of the Committee	Member / Chairman
Memberships / Chairmanships of Committees across companies (excluding foreign companies)	Force Motors Limited	Risk Management Committee	Chairperson	Force Motors Limited	Audit Committee	Member
		Stakeholders Relationship Committee	Member		Stakeholders Relationship Committee	Member
		Corporate Social Responsibility Committee	Member		Risk Management Committee	
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company				Sona BLW Precision Forgings Limited	Stakeholders Relationship Committee	Chairperson
					Corporate Social Responsibility Committee	Chairperson
No. of shares held in the Company either by self or as a beneficial owner	2,64,351				Audit Committee	Member
Terms and Conditions of appointment / re-appointment	As per the Special Resolution set forth in Item No. 6 of this Notice.				Nomination and Remuneration Committee	Member
In case of independent director, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	N.A.					
Name of listed entities from which the person has resigned in the past three years (excluding foreign Companies)	NIL					
* For other details such as number of meetings of the Board attended during the year; remuneration last drawn etc. kindly refer to the Corporate Governance Report which is a part of the Annual Report.						



**Annexure - II**

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:

**1. General Information :**

1. Nature of Industry	Automobile Company engaged in the manufacturing of Light Commercial Vehicles, Small Commercial Vehicles, Utility Vehicles and High Technology Automotive Aggregates.
2. Date or expected date of commencement of commercial production.	The Company is in commercial production since the year 1958.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable.
4. Financial Performance on key indicators	<b>Standalone Financial Performance</b>
	₹ in lakhs
	<b>FY 2023-24</b> FY 2022-23      FY 2021-22
	Revenue from operations and Other income <b>7,03,075</b> 5,09,062      3,29,192
	Total expenses <b>6,41,232</b> 5,00,831      3,40,527
	Profit/(loss) before tax (continuing operations) <b>61,843</b> 29,063      (11,335)
	Profit/(loss) after tax (continuing operations) <b>40,169</b> 15,205      (7,460)
	<b>Consolidated Financial Performance</b>
	₹ in lakhs
	<b>FY 2023-24</b> FY 2022-23      FY 2021-22
	Revenue from operations and Other income <b>7,03,123</b> 5,09,101      3,29,230
	Total expenses <b>6,41,233</b> 5,00,831      3,40,527
Profit/(loss) before tax (continuing operations) <b>60,507</b> 27,242      (12,964)	
Profit/(loss) after tax (continuing operations) <b>38,821</b> 13,374      (9,099)	
5. Foreign Investment or Collaborators, if any.	There is no direct foreign investment in the Company except to the extent shares held by Foreign Institutional Investors (FII) acquired through secondary market. There is no foreign collaboration in the Company.

**2. Information about the Director(s)**

Sr. No.	Particulars	<b>Mr. Abhaykumar Navalmal Firodia,</b> Chairman	<b>Mr. Prasan Abhaykumar Firodia,</b> Managing Director
1.	Background details	Bachelor of Arts (Hons.)	Bachelor in Business Administration
2.	Past Remuneration	The details of payments done to Mr. Abhaykumar Navalmal Firodia during last three financial years are as below	The details of payments done to Mr. Prasan Abhaykumar Firodia during last three financial years are as below
		₹ in Lakhs	₹ in Lakhs
		Financial Year      Remuneration	Financial Year      Remuneration
		FY 2023-24      NIL	FY 2023-24      1,671.13*
		FY 2022-23      NIL	FY 2022-23      451.05
FY 2021-22      NIL	FY 2021-22      94.88		
3.	Recognition or Awards	Jain Ratna Award by then Hon'ble Prime Minister, Shri Atal Bihari Vajpayee Cross of the Order of Merit of the Federal Republic of Germany Doctor of Science by the Rajiv Gandhi Technological University, Madhya Pradesh Doctor of Literature by the Tilak Maharashtra Vidyapeeth, Pune Doctor of Literature by Dr. D Y Patil University, Pune Ernst & Young – Entrepreneur of the Year Award 2016, in the Business Transformation Category.	Listed in the Top 100 CEOs in 2016 by Business Today Magazine Most Influential Young Leader for 2021-22 by Asia One Magazine.

\*Includes commission for FY 2023-24.

Sr. No.	Particulars	<b>Mr. Abhaykumar Navalmal Firodia</b> Chairman	<b>Mr. Prasan Abhaykumar Firodia,</b> Managing Director
4.	Job profile and his / her suitability	Mr. Abhaykumar Navalmal Firodia has over 50 years of experience and has been leading the group companies since 1975. Under his able guidance, Force Motors Limited, (the Company), has created a strong engineering infrastructure and Research and Development facility. His leadership continues to guide the Company in manufacture of utilitarian, cost effective and quality products especially suited for Indian economy and rural conditions. Under his leadership the Company have active technological collaborations with foreign automobile pioneers. He has been the President of the Indo-German Chamber of Commerce (IGCC), the President of the Society of Indian Automobile Manufacturers (SIAM), President of the Automotive Research Association of India (ARAI) and also the President of the Automotive Component Manufacturers Association of India (ACMA). He is currently serving as Executive Committee Member of The Mahratta Chamber of Commerce, Industries and Agriculture and Director of the Indo-German Chamber of Commerce (IGCC).	Mr. Prasan Abhaykumar Firodia has over 15 years of rich experience in automotive industry and is heading the Company. He is the Managing Director of the Company since 6th November, 2009. Under his able leadership the Company has successfully navigated through tough business environment. Mr. Prasan Abhaykumar Firodia chartered a new path for a company in operation for 6 decades by re-orienting its focus from being a product-centric Company to a market focused one. His management skills help the Company to strengthen engineering, infrastructure and manufacturing capabilities. He is the trustee and president of the Aluminium Casters' Association (ALUCAST), India and is also on the executive committee of Society of Indian Automobile Manufacturers (SIAM).
5.	Remuneration proposed	As per the Special Resolution set forth in Item No. 6 of the Notice of the 65th AGM.	As per the Special Resolution set forth in Item No. 7 of the Notice of the 65th AGM.
6.	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Mr. Abhaykumar Navalmal Firodia, as the Chairman, shall not draw any remuneration, except provision of car by the Company for the Company's business or for personal use and free telephone facility at residence with a mobile phone facility.	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.
7.	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel, if any.	Mr. Abhaykumar Navalmal Firodia is holding 264351 shares of the Company. Mr. Prasan Abhaykumar Firodia, Managing Director of the Company is the son of Mr. Abhaykumar Navalmal Firodia. No other Director/Key Managerial Personnel of the Company is related to Mr. Abhaykumar Navalmal Firodia.	Mr. Prasan Abhaykumar Firodia is holding 220763 shares of the Company. Mr. Prasan Abhaykumar Firodia, Managing Director of the Company is the son of Mr. Abhaykumar Navalmal Firodia. No other Director/Key Managerial Personnel of the Company is related to Mr. Prasan Abhaykumar Firodia.

Sr. No.	Particulars	<b>Mr. Prashant V. Inamdar,</b> Executive Director (Operations)	<b>Mr. Arvind Mahajan,</b> Independent Director
1.	Background details	Diploma in Mechanical Engineering	Bachelor of Commerce (Hons.) and Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad.
2.	Past Remuneration	The details of payments done to Mr. Prashant V. Inamdar during last three financial years are as below	Sitting fees for attending the meetings of Board and Committee thereof are as follows:
		₹ in Lakhs	₹ in Lakhs
		Financial Year      Remuneration	Financial Year      Sitting Fees
		FY 2023-24      287.50*	FY 2023-24      8.00
		FY 2022-23      173.97	FY 2022-23      5.50
		FY 2021-22      148.64	FY 2021-22      4.00

\*Includes commission for FY 2023-24 which will be paid subject to approval of shareholders.

Sr. No.	Particulars	<b>Mr. Prashant V. Inamdar,</b> Executive Director (Operations)	<b>Mr. Arvind Mahajan,</b> Independent Director
3.	Recognition or Awards	Mr. Prashant V. Inamdar, during his span of 40 years at Force Motors Limited has been recognised on several occasions by the Management for his various achievements, he was specially awarded for his contribution in setting up world-class manufacturing facilities for HCV plant at Pithampur (Madhya Pradesh & plants in Chennai & Chakan).	Rated as among Top 50 Tech Influencers on Twitter (X) Winner, Best Advisor in Infrastructure Sector-Infrastructure Excellence Awards
4.	Job profile and his / her suitability	Mr. Prashant V. Inamdar started his career at the Company as a Junior Engineer in year 1984. Since then, he has worked and proven his mettle in different areas. During his tenure of 40 years, he worked in Industrial Engineering, Management Information Systems, Industrial Relations, Human Resource Development, Civil Projects and in SAP Implementation in a Corporate function.  Special highlights in his career include the setting up of Engine Shop for MAN Trucks at Pithampur (Madhya Pradesh) and Plants in Chennai and in Chakan (Pune) for manufacturing Engines for BMW & MBIL respectively. He contributed in building Industrial Relations in all the Plants, Legal Compliance Management and Industrial Engineering.	Mr. Arvind Mahajan is having over all experience of 40 years in the areas of management consulting and industry and expertise in finance and accounting.
5.	Remuneration proposed	As per the Special Resolution set forth in Item No. 8 of the Notice of the 65th AGM.	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2023-24. For the year FY 2023-24 the proposal is to pay an amount of ₹ 20 lakhs to him.
6.	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.	
7.	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel, if any.	Mr. Inamdar is not holding any shares of the Company. Except as stated above, there is no other pecuniary relationship with the Company or the Managerial Personnel.	Mr. Mahajan is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.

Sr. No.	Particulars	<b>Mr. Mukesh Patel,</b> Independent Director	<b>Mr. Vallabh Bhanshali,</b> Independent Director
1.	Background details	Bachelor of Commerce and LLB	LLB and Chartered Accountant
2.	Past Remuneration	The details of payments done to Mr. Mukesh Patel during last three financial years are as below :	Sitting fees for attending the meetings of Board and Committee thereof, are as follows :
		₹ in Lakhs	₹ in Lakhs
		Financial Year    Professional Fees    Sitting Fees	Financial Year    Sitting Fees
		FY 2023-24    11.00    8.00	FY 2023-24    3.50
		FY 2022-23    5.00    3.50	FY 2022-23    2.00
		FY 2021-22    N.A.    N.A.	FY 2021-22    N.A.
3.	Recognition or Awards	'Champion of Tax Payer Education' at the All-India Tax Congress in 2022.	CA Hall of Fame – The Institute of Chartered Accountants of India  Appreciation of the valuable services rendered as a Trustee – BSE, The Stock Exchange

Sr. No.	Particulars	<b>Mr. Mukesh Patel,</b> Independent Director	<b>Mr. Vallabh Bhanshali,</b> Independent Director
4.	Job profile and his / her suitability	Mr. Mukesh Patel is an eminent Advocate and International Tax expert enjoying 46 years' experience as a veteran in the legal profession, during which he has also been passionately committed to the causes of Teaching Law and promoting Tax Payer Education, both through print and electronic media. He was appointed by the Government of India to serve as a member of the Justice Easwar Committee for simplification of the Income-tax Act, Rules and Procedures and as an expert on the Six Member Task Force entrusted with the key assignment of the drafting of a New Income Tax Law. Closely involved with the analysis of Union Budgets since 1977, his studies and thought-provoking annual presentations are eagerly looked forward to.	Mr. Vallabh Bhanshali is a well-known thought leader, mentor, visionary investor businessman of India. He is a co-founder of ENAM Holdings Private Limited, a reputed Investment Banking and Investment Group, which in 2010 merged its celebrated advisory business with Axis Bank Limited. Since then, he has devoted his life mainly on social, national and spiritual fields. He has served on the Board of Reserve Bank of India and on several policy making advisory committees.
5.	Remuneration proposed	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2023-24. For the year FY 2023-24 the proposal is to pay an amount of ₹ 20 lakhs to him.	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2023-24. For the year FY 2023-24 the proposal is to pay an amount of ₹ 20 lakhs to him.
6.	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.	
7.	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel, if any.	Mr. Patel is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.	Mr. Bhanshali is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.

Sr. No.	Particulars	<b>Lt. Gen. Dr. D. B. Shekatkar (Retd.),</b> Independent Director	<b>Ms. Sonia Prashar,</b> Independent Director
1.	Background details.	B.Com, M.A. in Strategic Studies, M.Sc. and M.Phil. in Defence Studies, Ph.D. in Psychological Warfare in 21st Century and Role of Social Media, Ph.D. in Defence & Strategic Studies, Post Graduate Diploma in Ecology and Environment, Post Graduate Diploma in Weapons and Equipment Management.	Bachelor in Science and Education, Diploma Holder in German Language, MBA Essentials from LSE (London School of Economics and Political Science) - Business, International Relations and the Political Economy from LSE.
2.	Past Remuneration	Sitting fees for attending the meetings of Board and Committee thereof, are as follows :  ₹ in Lakhs	Sitting fees for attending the meetings of Board are as follows :  ₹ in Lakhs
		Financial Year      Sitting Fees	Financial Year      Sitting Fees
		FY 2023-24      5.00	FY 2023-24      4.00
		FY 2022-23      3.00	FY 2022-23      1.50
		FY 2021-22      3.00	FY 2021-22      N.A.

Sr. No.	Particulars	Lt. Gen. Dr. D. B. Shekatkar (Retd.), Independent Director	Ms. Sonia Prashar, Independent Director
3.	Recognition or Awards	Param Vishisht Seva Medal – Military Award of India Ati Vishisht Seva Medal - Military Award of India Vishisht Seva Medal - Indian Armed Forces	The German Order of Merit by the President of Federal Republic of Germany (Bundesverdienstkreuz am Bande. March 2024)
4.	Job profile and his / her suitability	Lt. Gen. Dr. D. B. Shekatkar (Retd.) has served in the Indian Army for 4 decades and has participated in India- Pakistan war in 1965 in Kashmir and in 1971 in Western Theatre. During the Kargil War in 1999 he was in charge of entire China front in Arunachal Pradesh. He has served in Operation Blue Star in Punjab. During his association with the Indian Army, he was posted extensively in North East combating insurgencies (Internal Revolt) in Assam, Nagaland, Manipur, Mizoram, Tripura and other areas.  His work didn't stop after retirement too; he served as Chair Professor in Department of Defence and Strategic Studies, University of Pune. He is also a National President of Forum for Integrated Security of India. He is National Convener of SAMARTH BHARAT VYASPEETH. He is associated with Large Number of Academic Institutions in Advisory Council and Governing Councils. He devotes his time and energy to prepare the young generation to face challenges of 21st Century. Mr. Shekatkar has also co-authored books on various topics like Security, Terrorism, Internal Security and Intelligence.	Ms. Sonia Prashar is an experienced professional with a demonstrated history of working in international trade and development for more than twenty-five years. She is skilled in forging constructive collaborations, Strategic Business Relationships, Merger and Acquisitions. She joined the Indo-German Chamber of Commerce in 1996 and currently holds the position of Deputy Director General at its New Delhi Office. She is actively involved in the Indian Trade shows in all regions, promoting "Trade Fairs" as an effective tool for marketing. She has handled the German participation of large, small and medium sized companies at more than 250 shows. She is the Chairperson of NuernbergMesse India Pvt. Ltd., subsidiary of NuernbergMesse, one of the 20 largest exhibition companies in the world and a Board Member of EXPONOVA.
5.	Remuneration proposed	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2023-24. For the year FY 2023-24 the proposal is to pay an amount of ₹ 7.50 lakhs to him.	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2023-24. For the year FY 2023-24 the proposal is to pay an amount of ₹ 7.50 lakhs to her.
6.	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.	
7.	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel, if any.	Lt. Gen. Dr. D. B. Shekatkar (Retd.) is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.	Ms. Prashar is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.

**3. Other Information :**

Reasons of loss or inadequate profits, Steps taken or proposed to be taken for improvement, Expected increase in productivity and profits in measurable terms:

The Company is a profit earning company.

The Company intends to pay commission up to 1% of net profits only. However minimum remuneration in the event of inadequate profits is being proposed as an abundant caution.

**4. Other Disclosures :**

The necessary disclosures required under Part IV of Section II of Part II of Schedule V to the Companies Act, 2013 are disclosed in the Corporate Governance Report, to the extent applicable.



## BOARD'S REPORT

To

The Members,

The Directors are pleased to present the 65th Annual Report, together with the audited standalone and consolidated Financial Statements for the Financial Year ended on 31st March, 2024.

### 1. Financial Results

(₹ in Lakh)  
Standalone

Particulars	2023-24	2022-23
Revenue from Operations	<b>6,99,165</b>	5,02,859
Other Income	<b>3,910</b>	6,203
Profit / (Loss) before Depreciation, Exceptional Items & Taxes	<b>88,518</b>	32,305
Depreciation	<b>26,675</b>	24,074
Profit / (Loss) before Exceptional Items and Tax	<b>61,843</b>	8,231
Exceptional Items	--	20,832
Profit / (Loss) Before Tax	<b>61,843</b>	29,063
Provision for Taxation	<b>21,674</b>	13,858
Profit / (Loss) After Tax	<b>40,169</b>	15,205
Other Comprehensive Income	<b>517</b>	664
Comprehensive Income for the year	<b>40,686</b>	15,869
Equity Dividend	<b>1,318</b>	1,318
Balance in Retained Earnings	<b>1,87,277</b>	1,48,572

(₹ in Lakh)  
Consolidated

Particulars	2023-24	2022-23
Revenue from Operations	<b>6,99,213</b>	5,02,898
Other Income	<b>3,910</b>	6,203
Profit / (Loss) before Depreciation, Exceptional Items & Taxes	<b>88,565</b>	32,344
Depreciation	<b>26,675</b>	24,074
Share of Profit/(Loss) of Joint Venture	<b>(1,383)</b>	(1,860)
Profit / (Loss) before Exceptional Items and Tax	<b>60,507</b>	6,410
Exceptional Items	--	20,832
Profit / (Loss) Before Tax	<b>60,507</b>	27,242
Provision for Taxation	<b>21,686</b>	13,868
Profit / (Loss) After Tax	<b>38,821</b>	13,374
Other Comprehensive Income	<b>520</b>	669
Comprehensive Income for the year	<b>39,341</b>	14,043
<b>Attributable to :</b>		
(a) Equity holders of the Company	<b>39,329</b>	14,033
(b) Non-controlling Interest	<b>12</b>	10
Net Transfer to General Reserve	<b>5</b>	5
Equity Dividend	<b>1,318</b>	1,318
Balance in Retained Earnings	<b>1,80,092</b>	1,42,749

No transfer of any amount to general reserve is proposed.

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

It is heartening to note that the Company achieved very good growth in turnover (39.03%), and profitability (164.18%), as the economy returned to normalcy. After years of stress, segments such as Tour and Travel, School Buses, and buses for Commuting Professionals - all saw growth in demand, signifying proper recovery of these segments.

Due to stagnation of the Company's Tractor business, it was decided to exit that activity in a planned and smooth manner. Accordingly, by end of the year under consideration, the tractor production and marketing activity have been discontinued. Company only will cater spare parts required for maintenance.

The significantly updated and improved well proven products of the Company, such as the Traveller range as also the exciting new products like the Urbania, the Gurkha, as also then 33-seater Traveller Monobus - registered excellent penetration in the market, and received good reports.

Improvement in topline on a consolidated basis is from ₹ 5,02,898 Lakhs to ₹ 6,99,213 Lakhs. The EBITDA achieved is 13.67%. Going forward, every effort is being made to maintain and improve upon these figures.

The component business of supply of engines, etc. to Mercedes Benz India Pvt. Ltd. and BMW India Pvt. Ltd. continues to be a significant and robust part of business. Numbers fluctuate from year-to-year, on account of introduction of new products and other factors by these high-end, world-class, vehicle manufacturers.

Generally, India is steadily moving towards being a product economy, as home-grown products today do dominate the market.

Finally, while looking today at the future outlook, the Company Management Team feels more confident about the prospects of the Indian economy, and thereby of the essential manufacturing industry over the next several years. The energy in the economy is higher than before. Steadiness of demand and increasing opportunities to enter new segments, and introduce world class products, is a matter which enthuses the Company's Management Team.

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

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

### 4. Dividend

The Board recommended a dividend of ₹ 20/- per share for the year under review, at its Meeting held on 26th April 2024. The same will be paid subject to the approval of Members at the ensuing Annual General Meeting (AGM) of the Company.

The total payout w.r.t. the dividend recommended for the Financial Year 2023-24 will be ₹ 2,636 Lakhs as against ₹ 1,318 Lakhs for the previous financial year.

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

**5. Share Capital**

The paid-up equity share capital as on 31st March, 2024 was ₹ 1,318 Lakhs. The Company did not issue any shares by way of public issue, rights issue, bonus issue or preferential issue or otherwise during the year under review. The Company has not issued any shares with differential voting rights or granted stock options or sweat equity, during the year under review.

**6. Annual Return**

The Annual Return as on 31st March, 2024, pursuant to the provisions of Section 92 of the Act and the Rules made thereunder, is available on the website of the Company at <https://www.forcemotors.com/investors.php>

**7. Number of Meetings of the Board of Directors**

The Board met seven times during the financial year. Details of these meetings are provided in the Report on Corporate Governance Report that forms part of this Annual Report.

**8. Particulars of Loans, Guarantees or Investments**

The Company has not made any investments, given any loans, guarantees under Section 186 of the Companies Act, 2013 ("the Act") during the year under review. Particulars of investments made by the Company up to the period under report are provided in the Financial Statement attached to this Report.

**9. Particulars of Contracts or Arrangements with Related Party**

During the Financial Year 2023-24, pursuant to Section 177 of the Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI (LODR) Regulations, 2015'), all Related Party Transactions (RPTs) were placed before the Audit Committee for its approval.

During the year under review, the Company has not entered into RPTs in excess of the limits specified under Regulation 23 of the SEBI (LODR) Regulations, 2015.

All RPTs entered during the year were entered in the ordinary course of business and on arm's length basis. As required under the Act, the prescribed Form AOC-2 is a part of this Annual Report.

**10. Explanation / Comments on any Qualification of the Auditors**

There are no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Secretarial Auditor in their respective audit reports.

**11. Material Changes and Commitments**

There have been no material changes and commitments affecting the financial position of the Company, which have occurred after the end of the period under review.

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

The Company has continued its efforts to ensure incremental improvements in energy conservation across plant locations, and use of various equipment by acquiring and by use of improved technological solutions. Increasing use of solar power has enabled the Company to reduce its dependence on normal power supply, utilising the large areas offered by factory roofing in various plants. The Company has rooftop Solar Power Panels with capacity of 842 KW at Akurdi plant, 480 KW at Chennai plant and 750 KW at Chakan facility. Steady efforts to enhance use of solar energy are important part of the focus of the Company. The total Solar Power now installed at various facilities of the company enable a capacity of over 2.14 Megawatt. Total solar energy produced and consumed

across the plants is 19,19,328 KWH. The resultant total energy savings is about ₹ 255.35 Lakhs and total emission savings is 1374.24 tCO<sub>2</sub>e.

The Company has also entered into Power Purchase Agreement with Tata Power Renewable Energy Limited, Mumbai in respect of procurement of Solar Power from a specific Solar Plant, under Open Access Mode.

Efforts such as Rain Water Harvesting, storing and using condensation water, using aerators in hand wash areas, using solar water heater in canteens, preventing compressed air leakages, using compressors with optimum capacity and their periodic preventive maintenance, auto cut off systems, localized switches, large scale switchover to LED lamps and such other efforts have continued across all the facilities of the Company.

**Technology Absorption & Development**

The Company's efforts at new product development, new process developments continue enthusiastically. Detailed data of Research & Development expenses are as follows:

Particulars	2023-24 (₹ in Lakh)	2022-23 (₹ in Lakh)
Capital Expenditure on R & D	7,836	11,931
Revenue Expenditure on R & D	17,081	14,497
<b>Total R&amp;D Expenditure</b>	<b>24,917</b>	<b>26,428</b>
<b>Revenue from Operations</b>	<b>6,99,165</b>	<b>5,02,859</b>
% of total R&D Expenditure to Revenue from Operations	<b>3.56%</b>	5.26%

Company has embarked on a strong drive on sustainability. This has implications on the product and process technologies employed, as also on operating practices. This is a move towards greater environment friendliness, of the Company's operations. Ambitious targets are fixed in this regard.

**Foreign Exchange Earnings and Outgo**

The foreign exchange earned by the Company during the year under review was of ₹16,695 Lakhs as against ₹8,148 Lakhs during the previous year.

Total foreign exchange outflow during the year under review was ₹1,06,365 Lakhs as compared to ₹1,98,479 Lakhs during the previous year.

**13. Subsidiaries**

The Company has two subsidiaries, viz., Force MTU Power Systems Private Limited (FMTU) and Tempo Finance (West) Private Limited.

Company's subsidiary FMTU, though now stabilized in production and making progress in significant localization, has not registered a positive bottom-line, due to weak demand from the foreign market, and cost increases for supplies still required to be imported. Efforts are being made and discussions, with our partner Rolls Royce Power Systems, to address this issue effectively and continuing.

During the year under review, FMTU achieved a top line of ₹ 26,229.03 Lakhs as compared to top line of ₹23,160.69 Lakhs during the Financial Year 2022-23. It recorded net loss of ₹2,711.89 Lakhs during the Financial Year 2023-24, as compared to the loss of ₹ 3,646.79 Lakhs, during the previous Financial Year.

Tempo Finance (West) Private Limited achieved a top line of ₹ 47.05 Lakhs as compared to top line of ₹ 39.32 Lakhs during the Financial Year 2022-23. It recorded net profit of ₹ 34.87 Lakhs during the Financial Year 2023-24, as compared to the net profit of ₹ 28.79 Lakhs, during the previous Financial Year.

The Company does not have any other subsidiaries, joint ventures and associate companies. During the year under review there was no change in the subsidiaries of the Company. As per Section 129 of the Act, the Company has prepared the Consolidated Financial Statement of the Company, which forms part of this Annual Report. A statement containing the salient features of the Financial Statement of subsidiaries in the prescribed format AOC-1, forms part of the Audited Financial Statements of the Company.

The Audited Financial Statements of the above-mentioned subsidiaries are available on the website of the Company at [www.forcemotors.com](http://www.forcemotors.com), for inspection by any Member of the Company.

The policy for 'Determining Material Subsidiaries & its Governance Framework' is also available on the Company's website at [www.forcemotors.com](http://www.forcemotors.com).

#### 14. Risk Management

The Company has in place a comprehensive Risk Management Framework, to identify, monitor, review and take all necessary steps towards mitigation of any risk elements which can impact the business health of the Company, on a periodic basis.

All the identified risks are managed through continuous review of business parameters by the Management and the Risk Management Committee. The Board of Directors is also informed of the risks and concerns from time to time.

The details of composition and meetings of the Risk Management Committee held during the financial year are covered in the Report on Corporate Governance.

#### 15. Changes in the Directors and Key Managerial Personnel

During the year under review, the Members of the Company approved re-appointment of Mr. Prashant V. Inamdar (DIN: 07071502), the Executive Director (Operations) of the Company, who was liable to retire by rotation.

Further, Mr. Gaurav Deshmukh, Company Secretary of the Company resigned from the office effective from closing of business hours on 13th May 2023 and consequent upon his cessation, Mr. Nikhil Deshpande, was appointed as Company Secretary and Compliance Officer of the Company effective from 29th May, 2023 and further he resigned as Company Secretary and Compliance Officer with effect from 30th July, 2024. Consequent upon his cessation, Mr. Rohan Sampat was appointed as Company Secretary and Compliance Officer with effect from 31st July, 2024.

Apart from above, there was no other change in the Directors and Key Managerial Personnel during the period under review.

#### 16. Declaration of Independent Directors

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

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

There was no significant and material order passed by any regulator or court or tribunal impacting the going concern status of

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

#### 18. Adequacy of Internal Financial Controls

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

#### 19. Fixed Deposits

The Company currently has no Fixed Deposit Scheme in place. The details of earlier deposits are furnished hereunder :

Sr. No.	Particulars	Nos.	Amount (₹ in Lakh)
a)	Accepted or renewed during the year	0	0
b)	Remained unpaid or unclaimed as at the end of the year (31st March 2024)*	05	0.60
c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved.		
	(i) at the beginning of the year	0	0
	(ii) maximum during the year	0	0
	(iii) at the end of the year	0	0

\* The deposits are matured, claimed but have been withheld on the instructions of the Statutory Authorities (CBI) and will be repaid upon their approval.

#### 20. Corporate Social Responsibility (CSR)

The Annual Report on the CSR activities of the Company, pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed to this Report.

#### 21. Audit Committee

The Audit Committee of the Board consists of 3 members. Details of composition of the Audit Committee are covered in the Corporate Governance Report. During the year, all recommendations made by the Audit Committee were accepted by the Board.

The Company has established a vigil mechanism, formulated a Whistleblower Policy and this Committee oversees the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and/or Directors who express their concerns. The mechanism provides direct access to the Chairman of the Audit Committee in exceptional cases. The details of the mechanism / policy are disclosed on the website of the Company <https://www.forcemotors.com/assets/Others/Whistle-Blower-Policy.pdf>

#### 22. Policy on Directors Appointment and Remuneration

The Remuneration Policy of the Company and other related matters as provided under Section 178 (3) read with Section 178(4) of the Act are available on the website of the Company <https://www.forcemotors.com/assets/Others/Remuneration-Policy-New.pdf> The Policy covers criteria for recommending and approving the remuneration of Non-Executive and Executive Directors, Key Managerial Persons as well as senior management employees of the Company.



**23. Formal Annual Evaluation of the Performance of Board / Committees and Directors**

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

**24. Corporate Governance**

The Company has taken all necessary steps to implement the provisions of the SEBI (LODR) Regulations, 2015 and a detailed report on the various matters, including the Auditors' Certificate on Corporate Governance, is annexed to this Report.

**25. Business Responsibility and Sustainability Report**

In terms of the Regulation 34(2) of the SEBI (LODR) Regulations, 2015, the Business Responsibility and Sustainability Report (BRSR) forms part of the Annual Report.

**26. Details of Directors and Employees' Remuneration**

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

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

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

The Company has adopted Anti-Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All employees, as defined under the said Act, are covered under this policy. Awareness programs were carried out against sexual harassment. There were no complaints received during the year under review. Further, there are no complaints pending as on 31st March, 2024.

**28. Details of Frauds Reported by Auditors**

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

**29. Directors' Responsibility Statement**

The Directors of your Company to the best of their knowledge and belief and according to the information and explanations obtained by them, make the following statements in terms of Section 134 (3)(c) of the Act:

- (a) in the preparation of the Annual Financial Statements for the year ended 31st March 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) for the Financial Year ended 31st March 2024, such accounting policies as mentioned in the Notes to the Financial Statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the year ended 31st March 2024;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Financial Statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

**30. Secretarial Standards of the ICSI**

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

**31. Statutory Auditor**

The Members, at 63rd AGM held on 28th September 2022, have appointed M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration No. 105215W / W100057), Pune, as the Statutory Auditors of the Company for the second term of period of five years, i.e. up to the conclusion of the 68th AGM to be held in the year 2027, with an authority to the Board to decide / revise remuneration of the Statutory Auditors from time to time during their term.

**32. Cost Accountant**

The Board of Directors of the Company had appointed M/s. Joshi Apte & Associates, Cost Accountants, Pune, for verification and review of the Cost Records of the Company, for the Financial Year 2023-24. M/s. Joshi Apte & Associates, Cost Accountants, Pune, have verified and reviewed the said records for the Financial Year 2023-24.

Further, the provisions of Section 148 of the Act relating to maintenance of cost records are applicable to the Company.



**33. Secretarial Audit Report**

SIUT & Co LLP, Practicing Firm of Company Secretaries having Registration No. LLPIN: ABA-6960, was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2023-24, as required under Section 204 of the Act and Rules made thereunder. The Secretarial Audit Report, in Form MR-3, for the Financial Year 2023-24, is annexed to this report.

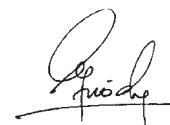
**34. Industrial Relations**

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

**35. Appreciation**

The Directors express their gratitude to the Dealers, Suppliers and Banks for their support, and express their warm appreciation for the sincere co-operation and dedicated work by the employees of the Company.

For and on behalf of the Board of Directors  
**Force Motors Limited**



**Abhaykumar Navalmal Firodia**  
Chairman  
DIN: 00025179

Pune, 30th July, 2024

**Registered Office :**

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

CIN: L34102PN1958PLC011172

Website : www.forcemotors.com

Phone : (Board) +91 20 2747 6381

E-mail : compliance-officer@forcemotors.com

**ANNEXURE TO THE BOARD'S REPORT**

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

- The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year 2023-24 and increase in the remuneration in the Financial Year 2023-24 :

Sl. No.	Name	Ratio of Remuneration to each Director/ to median remuneration of employees	% Increase / Decrease in the Financial Year
<b>(A)</b>	<b>Whole-time Director / Managerial Personnel</b>		
1.	Mr. Prasan Abhaykumar Firodia, Managing Director	249.68	270.50*
2.	Mr. Prashant V. Inamdar, Executive Director (Operations)	42.95	65.26**
<b>(B)</b>	<b>Non-Executive Directors#</b>		
3.	Mr. Arvind Mahajan	4.18	409.09
4.	Lt. Gen. Dr. D. B. Shekatkar (Retd.)	1.87	316.67
5.	Mr. Vallabh Bhanshali	3.51	1075.00
6.	Mr. Mukesh Patel	4.18	700.00
7.	Ms. Sonia Prashar	1.72	666.67
<b>(C)</b>	<b>Key Managerial Personnel</b>		
8.	Mr. Sanjay Kumar Bohra, Chief Financial Officer	NA	10.22
9.	Mr. Gaurav Deshmukh, Company Secretary (Upto 13.05.2023)	NA	NA
10.	Mr. Nikhil Deshpande (From 29.05.2023)	NA	NA

- Mr. Abhaykumar Navalmal Firodia, Chairman of the Company, has not drawn any remuneration from the Company during the year under review.
- The percentage increase in the median remuneration of employees is 24% for the Financial Year 2023-24.
- There were 4,473 permanent employees excluding trainees and contractual employees on the rolls of the Company as on 31st March, 2024.
- The average percentage increase in the salaries of employees other than the managerial personnel in the Financial Year 2023-24 was 26%, whereas, average percentage increase in the managerial remuneration was 115% for the same Financial Year.
- It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**Note :** The % increase in remuneration is provided only for those directors and KMP who have drawn remuneration from the Company for full FY 2024 and full FY 2023. The ratio of remuneration to median remuneration is provided only for those directors and KMP who have drawn remuneration from the Company for the full FY 2024.

\* The % increase is due to proposed payment of Commission on the net profits of the Company for the FY 2023-24.

\*\* Considering Commission payable to Mr. Prashant V. Inamdar for the FY 2023-24, subject to approval of Members of the Company at the ensuing Annual General Meeting.

# Non-Executive Directors are paid sitting fees during the FY 2023-24 and includes commission which will be paid post approval of share holders in AGM.

Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2024**

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

TO,  
THE MEMBERS,  
**FORCE MOTORS LIMITED**

MUMBAI-PUNE ROAD, AKURDI, PUNE MH 411035 IN.

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

Based on our verification of the **FORCE MOTORS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2024 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable** to the Company during the Audit Period
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable** to the Company during the Audit Period
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - **Not applicable** to the Company during the Audit Period
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not applicable** to the Company during the Audit Period
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable** to the Company during the Audit Period
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **Not applicable** to the Company during the Audit Period
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable** to the Company during the Audit Period

- (vi) The listing agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

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

**We further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the period under review, Mr. Gaurav Rajiv Deshmukh, Company Secretary and Compliance Officer resigned w.e.f 13th May 2023 and Mr. Nikhil Pramod Deshpande appointed as Company Secretary and Compliance Officer w.e.f. 29th May, 2023.

Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Shorter notice consent was taken wherever needed and the system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Date : 25 / 04 / 2024

Place : Pune

For **SIUT & Co LLP**  
Company Secretaries  
(Unique code: L2021MH011500)  
**CS I U Thakur**  
Partner  
FCS: 2298  
C. P. Number: 1402  
Peer Review No: 5460/2024  
UDIN: F002298F000244540

report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

**'Annexure A'**

TO,  
THE MEMBERS  
**FORCE MOTORS LIMITED**  
MUMBAI-PUNE ROAD, AKURDI, PUNE MH 411035 IN.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Date : 25 / 04 / 2024

Place : Pune

For **SIUT & Co LLP**  
Company Secretaries  
(Unique code: L2021MH011500)  
**CS I U Thakur**  
Partner  
FCS: 2298  
C. P. Number: 1402  
Peer Review No: 5460/2024  
UDIN: F002298F000244540

**ANNUAL REPORT ON CSR ACTIVITIES 2023-24**
**1. Brief outline on CSR Policy of the Company:**

- The Corporate Social Responsibility (CSR) Policy of the Company covers the causes that Company may pursue as its CSR.
- Based on the profit for each financial year, the Chief Financial Officer shall indicate the amount to be spent during the year.
- The procedure for approval of the project(s), investment / incurring costs and monitoring is also laid down in the policy.

**2. Composition of CSR Committee :**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Mukesh Patel, Chairman	Independent Director	1	1
2.	Mr. Abhaykumar Navalmal Firodia, Member	Chairman and Managing Director	1	1
3.	Mr. Prasan Abhaykumar Firodia, Member	Managing Director	1	1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company is <https://www.forcemotors.com/investors.php>

4. The details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any, are as under.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2022-23	--	--
2.	2021-22	22,23,908	1,91,046
3.	2020-21	5,13,184	5,13,184

6. Average net profit / (loss) of the Company as per Section 135(5) : ₹ **352 Lakh**

7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ **7.04 Lakh**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : ₹ **27.38 Lakh**

(c) Amount required to be set off for the financial year, if any : ₹ **7.04 Lakh**

(d) Total CSR obligation for the financial year (7a + 7b - 7c) : **NIL**

8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (in ₹)	Amount unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount Transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
<b>46,90,974</b>	NIL	NA	NA	NA	NA



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(b) Details of CSR amount spent against ongoing projects for the financial year: **NA**

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the Current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
<b>TOTAL</b>		<b>NA</b>										

(c) Details of CSR amount spent against other than ongoing projects for the financial year :

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount Spent for the Project (₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing agency	
				State	District			Name	CSR Registration No.
1.	<b>Udaan the Leap of Dreams Foundation</b> (to support its activity of providing primary education to children from low-income communities by providing them with the desired knowledge, skills, values and support to achieve their true potential)	Promoting education	Yes	Maharashtra	Pune	21,25,000	Direct	NA	NA
2.	Providing Ambulance to Environmental Forum of India (EFOI) (to support its activity of health care)	Promoting health care	Yes	Maharashtra	Pune	25,65,974	Direct	NA	NA
<b>TOTAL</b>						<b>46,90,974</b>			

(d) Amount spent in Administrative Overheads : **NIL**

(e) Amount spent on Impact Assessment, if applicable : **NA**

(f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e): **₹ 47 Lakhs**

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	7,04,230
(ii)	Total amount spent for the Financial Year	46,90,974
(iii)	Excess amount spent for the financial year	46,90,974
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	20,32,860
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	67,23,834

9. (a) Details of Unspent CSR amount for the preceding three financial years : **NA**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
<b>TOTAL</b>		NA					

 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : **Not Applicable**

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
<b>TOTAL</b>		NA						

 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – **NA**
**(Asset-wise details)**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **NA**

**Mukesh Patel**  
Chairman, CSR Committee  
DIN : 00053892

**Prasan Abhaykumar Firodia**  
Managing Director  
DIN : 00029664

Pune, 26th April 2024

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**
**SECTION A : GENERAL DISCLOSURES**
**I. Details of The Listed Entity**

1. Corporate Identity Number (CIN) of the Listed Entity : L34102PN1958PLC011172
2. Name of the Listed Entity : Force Motors Limited
3. Year of incorporation : 1958
4. Registered office address : Mumbai-Pune Road, Akurdi, Pune - 411 035.
5. Corporate Address : Mumbai-Pune Road, Akurdi, Pune - 411 035.
6. E-mail : compliance-officer@forcemotors.com
7. Telephone : +91 20 27476381
8. Website : www.forcemotors.com
9. Financial year for which reporting is being done : 1st April 2023 - 31st March 2024
10. Name of the Stock Exchange(s) where shares are listed : BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
11. Paid-up Capital : ₹ 1,318 Lakhs
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report  
Name : Mr. Sanjay Kumar Bohra  
Designation : Chief Financial Officer (CFO)  
Contact No. : +91 20 27476381  
E-mail : sbohra@forcemotors.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).  
Disclosures made in this report are on a Standalone basis. #
14. Name of assurance provider --
15. Type of assurance obtained --

**II. Products / Services**

16. Details of business activities (accounting for 90.0% of the turnover) :

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Automobile Manufacturing	Manufacturing of light commercial vehicles, small commercial vehicles, utility vehicles, agricultural tractors, and high technology automotive aggregates	100.0%

17. Products/Services sold by the entity (accounting for 90.0% of the entity's Turnover):

Sr. No.	Product / Service	NIC Code	% of total Turnover contributed
1.	Commercial Vehicles	29,102	55.7%
2.	Motor Vehicle Engines	29,104	33.8%
3.	Diverse parts and accessories for motor vehicles such as brakes, gearboxes, axles, road wheels, suspension shock absorbers, radiators, silencers, exhaust pipes, catalysers, clutches, steering wheels, steering columns, and steering boxes etc.	29,301	5.05%
4.	Tractors used in Agriculture and Forestry	28,211	1.2%

**III. Operations**

18. Number of locations where plants and/or operations/offices of the entity are situated :

Location	Number of plants	Number of offices	Total
National	4	1	5
International	0	0	0

19. Markets served by the entity:

**a. Number of Locations**

Locations	Number
National (No. of States)	28 States + 8 Union Territories
International (No. of Countries)	16

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.72% (Total turnover of the Company for the FY 2023-24 stood at ₹ 6,99,165 lakhs, out of which exports sales are at ₹ 19,042 lakhs)

- c. A brief on types of customers

Force Motors is a leading Indian automotive manufacturer that primarily produces commercial passenger vehicles. The company's customer base includes several industries and sectors, including government agencies, public transportation, and logistics.

**IV. EMPLOYEES**
**20. Details as at the end of Financial Year:**
**a. Employees and workers (including differently abled) :**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	4,028	3,909	97.0%	119	3.0%
2.	Other than Permanent (E)	1,701	1,606	94.4%	95	5.6%
3.	Total employees (D + E)	5,729	5,515	96.3%	214	3.7%
<b>WORKERS</b>						
4.	Permanent (F)	445	445	100.0%	0	0.0%
5.	Other than Permanent (G)	1,546	1,546	100.0%	0	0.0%
6.	Total workers (F + G)	1,991	1,991	100.0%	0	0.0%

**b. Differently abled Employees and workers :**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	2	2	100%	0	0.0%
2.	Other than Permanent (E)	0	0	0.0%	0	0.0%
3.	Total differently abled employees (D + E)	2	2	100%	0	0.0%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	1	1	100%	0	0.0%
5.	Other than permanent (G)	0	0	0.0%	0	0.0%
6.	Total differently abled workers (F + G)	1	1	100.0%	0	0.0%

**21. Participation / Inclusion / Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	2*	0	0.0%

\* KMPs other than Managing Director

**22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2023-24 (Turnover rate in Current FY)			FY 2022-23 (Turnover rate in Previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.7%	22.2%	11.0%	14.9%	34.5%	15.3%	14.5%	44.9%	15.2%
Permanent Workers	10.2%	--	10.2%	5.9%	--	5.9%	8.2%	--	8.2%



**V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**
**23. a. Names of holding / subsidiary / associate companies / joint ventures**

Sr. No.	Name of the holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Jaya Hind Industries Private Limited	Holding	N/A	No
2.	Tempo Finance (West) Pvt. Ltd.	Subsidiary	66.4%	No
3.	Force MTU Power Systems Pvt. Ltd.	Subsidiary	51.0%	No

**VI. CSR DETAILS**

24. Sr. No.	CSR Details	Response
(i)	Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No)	Yes
(ii)	Turnover (in ₹)	6,99,165 lakh
(iii)	Net worth (in ₹)	2,32,613 lakh

**VII. TRANSPARENCY AND DISCLOSURES COMPLIANCE**
**25. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct :**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	Current Financial Year (FY 2023-24)			Previous Financial Year (FY 2022-23)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	NIL	NIL	NA	NIL	NIL	NA
Investors (other than shareholders)	Yes <a href="https://forcemotors.com/investor.php">https://forcemotors.com/investor.php</a>	NIL	NIL	NA	NIL	NIL	NA
Shareholders	Yes <a href="https://forcemotors.com/investor.php">https://forcemotors.com/investor.php</a>	8	0	Complaints were resolved	13	0	Complaints were resolved
Employees and Workers	Yes <a href="https://www.forcemotors.com/assets/Others/Whistle-Blower-Policy.pdf">https://www.forcemotors.com/assets/Others/Whistle-Blower-Policy.pdf</a>	NIL	NIL	NA	NIL	NIL	NA
Customers	Yes All the company's touch points like owner manuals, website etc. It is mentioned to connect on the registered customer care email id and telephone number for any feedback.	31	29	Consumer complaints (Cases are pending in respective Courts)	30	20	Consumer complaints (Cases are pending in respective Courts)
Value Chain Partners	Yes Grievances are mailed by value chain partners to respective station heads or functional heads by suppliers. In addition to this there is open access for the stake holders to reach our senior management by mailing to Corporate Communication mail id.  The stakeholders can send emails for escalation on any grievances at <a href="mailto:corporatematerial@forcemotors.com">corporatematerial@forcemotors.com</a> if any issue is not resolved by the concerned responsible officer.  Additionally, the stakeholders can reach out to Senior Management by sending an email to Corporate Communication at <a href="mailto:corporatecommunications@forcemotors.com">corporatecommunications@forcemotors.com</a>	NIL	NIL	NA	NIL	NIL	Any difference of opinion on issues related to supplies / price / quality / payments / schedules are discussed following the escalation matrix and amicably settled as per process.
Others (please specify)	NA						

**26. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Water and Effluent Management	Risk	Effluent discharge affects quality of surface and groundwater. Excessive use of water results in generation of effluents which contains pollutants such as chemicals, dissolved and suspended solids. This discharge, if untreated and disposed directly into water, reduces water quality and harms aquatic flora and fauna. A predicted growth in the automotive industry would lead to an increase in the amount of water needed for various processes in various operations such as Paintshop etc. Overuse of water can deplete aquifers, leading to increased water stress and negative impacts on ecosystems.	1. Investing in technology for water recycling and treatment to reduce water wastage and enhance efficiency. 2. Increase in rainwater harvesting initiatives within and outside the boundaries.	<b>Negative</b> : Initial capital expenditure for implementing water treatment and recycling technologies is high. Non-compliance with environmental regulations can result in significant fines and legal costs. Moreover, inefficient water management practices can lead to higher operational costs for water procurement, and potential production downtime due to water shortages can further strain financial resources.
2.	Greenhouse Gas Emissions and Climate Change Management	Risk	The automotive sector is a major contributor to worldwide greenhouse gas (GHG) emissions. This industry is a significant source of greenhouse gas (GHG) emissions, primarily due to the extensive material consumption in the form of steel and aluminum, painting, welding, and assembly processes. Stricter mandates across the world for a reduction in emissions pose a risk of increased operational costs, potential penalties for non-compliance, and reputational damage.	1. Initiatives focused on renewable energy investments, adapting to best practices for emission reduction and complying with environmental standards. 2. Generation of on-site clean energy through roof top solar.	<b>Negative</b> : There is a significant need for capital to adopt new technologies and prepare for upcoming mandates. Any non-compliance with these mandates can increase the risk of penalties and legal expenses, damaging the company's reputation and financial stability.
3.	Energy Management	Opportunity	Energy-intensive activities like welding, painting, and assembly are crucial in the production of automobiles, resulting in substantial operational expenses. Developing renewable and energy-efficient technologies presents a significant chance to lower energy expenses and improve operational sustainability. Transitioning from fossil fuels to renewable energy sources can result in considerable long-term savings and a decreased environmental footprint.	Not applicable	<b>Positive</b> : Non-Renewable to renewable energy substitution and energy efficiency helps in reducing long-term energy costs. Reduced emissions also save carbon taxes and related regulatory fees. Sustainability credentials are improved, thus improving the brand reputation towards environmentally conscious consumers and investors seeking market competitiveness. Long-term operational savings and potential subsidies or incentives for renewable energy adoption can offset initial investments.

Sr. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Biodiversity	Risk	Extraction of raw materials for manufacturing, such as metals and minerals, can disrupt and destroy habitats. There has been an increased demand for EVs, and the mining of associated minerals like lithium and cobalt escalates this issue. These activities catalyze biodiversity loss, attracting regulatory bodies' attention and leading to operational and reputational risks.	1. Tree plantation across plants in the last two years to maintain the ecosystem.	<b>Negative</b> : High costs are required in biodiversity restoration projects and sustainable procurement initiatives. Failure to address these issues can result in huge fines, legal issues, and reputational risks, potentially leading to decreased investor and customer trust. Non-compliance can lead to operational disruption and increased financial burden.
5.	Waste Management	Risk	A significant amount of waste is produced in automotive manufacturing, such as machine lubricants, solvents, paints, scrap metals, and plastics. Improper disposal of these materials can result in groundwater pollution and the release of greenhouse gases. The growing number of waste management regulations has made the process more complex and costly.	1. Implementation of recycling programs, putting in measures to increase employee/worker awareness on waste management. 2. Implementation of proper waste reduction strategies and following proper disposal methods.	<b>Negative</b> : Implementing effective waste management and recycling programs requires significant investment. Non-compliance with waste disposal regulations can result in hefty fines, legal costs, and environmental cleanup expenses. Poor waste management practices can also lead to reputational damage, affecting customer and investor relations and potentially losing business opportunities.
6.	Materials and Circular Economy	Risk and Opportunity	<b>Risk</b> : The automotive industry heavily relies on rare earth materials and other vital materials and minerals, and these materials have few alternatives/substitutes. Increased competition for these materials can lead to supply chain disruptions and higher procurement costs. Additionally, reliance on these materials poses a significant risk if supply becomes restricted. <b>Opportunity</b> : Using recycled materials in the manufacturing process can reduce the consumption of raw materials, leading to lower production costs. Other advantages associated with recycling include natural energy conservation and reduction of greenhouse gas emissions.	1. Product remanufacturing and re-use can significantly reduce material waste. 2. Collaboration with suppliers and optimised material use throughout the lifecycle of the product.	<b>Negative</b> : Supply chain disruptions can increase overall cost, primarily in production. If critical materials are unavailable, operational delays may occur, leading to a stoppage in production and a loss of revenue. <b>Positive</b> : Reduction in cost due to lesser raw material being used and procured. Long-term benefits such as reduced material consumption and resource conservation lead to a positive environmental image, increasing eco-conscious customers and enhancing brand image.
7.	Employee Well-being and Development	Opportunity	Investing in employee well-being, development, and training leads to skill enhancement, improved job satisfaction, and reduced turnover rates. This leads to a more efficient and motivated workforce, driving overall business performance.	Not applicable	<b>Positive</b> : Recruitment and training costs are reduced when there is a decrease in the employee turnover rate. Enhanced productivity and job satisfaction contribute to better business performance and customer service. Positive employee relations and a solid organisational culture attract top talent, further supporting the company's growth and competitive advantage.

Sr. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Diversity, Equity and Inclusion	Opportunity	Embracing diversity and fostering an inclusive workplace can bring significant benefits. It attracts a variety of talented individuals, enhancing innovation and creativity. A culture where everyone has equal opportunities boosts competitiveness and success. Furthermore, promoting gender equality and fair employment policies supports social stability and economic growth.	Not applicable	<b>Positive</b> : A company has a competitive advantage on account of diverse workforce. A diverse workforce improves a company's reputation, making it easier to attract top talent. Higher employee engagement and lower turnover rates reduce recruitment costs.
9.	Occupational Health and Safety	Risk	Poor health and safety practices can result in workplace accidents, negatively impacting employee morale and productivity. This also poses a risk to the company's reputation and can lead to significant fines and legal liabilities.	1.Demonstration of a commitment to employee safety and well-being, taking initiatives by providing protective equipment, safety training programs, safety audits, feedback on safety practices and establishment of safety protocols will ensure a safe work place.	<b>Negative</b> : There can be legal liabilities and substantial fines in case of an accident involving the company. A bad/poor safety record can lead to higher insurance premiums and difficulty retaining and attracting talent due to fear of safety.
10.	Training and Development	Opportunity	In a complex global business environment, having skilled employees is crucial for success. Offering training and development opportunities helps keep employees engaged and productive while reducing turnover rates and associated costs.	Not applicable	<b>Positive</b> : A better employee retention rate leads to lower turnover costs. If the employees are satisfied, employee retention and lower turnover costs exist. Increased productivity and job satisfaction lead to improved business performance. Well-trained employees contribute to innovation and operational efficiency, enhancing long-term profitability. Training programs reduce errors and ensure compliance with industry standards.
11.	Customer Centricity	Risk and Opportunity	<b>Risk</b> : Defective vehicles can cause accidents, leading to injuries, fatalities, and costly recalls. This negatively impacts sales and the company's reputation. <b>Opportunity</b> : High customer satisfaction fosters loyalty, leading to repeat purchases and positive reviews in the market.	1.Implementation of customer feedback channels, providing efficient customer service, both pre and post-sale will help in an increased customer repeat rate. 2.Engagements with customers through different channels, feedback analysis for product improvement shows that the company is for the masses.	<b>Negative</b> : There can be a potential loss of sales due to product recalls and the legal liabilities attached to them. Reputational damage due to this can decrease customer trust and market share. <b>Positive</b> : Higher customer loyalty and repeat business boost sales. Positive customer reviews reduce marketing expenses and attract new customers, improving profitability.
12.	Corporate Governance	Opportunity	Strong governance practices ensure the company makes decisions that benefit all stakeholders, building long-term trust and stability. This is essential for maintaining a positive reputation and sustainable growth.	Not applicable	<b>Positive</b> : Robust and strong governance practices help build trust with investors and stakeholders, leading to increased investment and lower capital costs. It also helps prevent legal and regulatory issues, reducing the likelihood of incurring fines and penalties. These practices enhance reputation, attract business opportunities and partnerships, and help achieve strategic outcomes and sustainability.





Sr. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13.	Business Ethics	Risk and Opportunity	<p><b>Risk</b> : Corruption and unethical behavior can lead to resource misallocation, environmental damage, and human rights abuses, damaging the company's reputation</p> <p><b>Opportunity</b> : Transparency in disclosures helps the rating agencies to assess the organisations. Transparently disclosing organisational aspects helps improve the organisation's ESG scores. The organisation's clear policies and practices aid in building the trust of the company stakeholders.</p>	<p>1.Ethics training within different employee teams, creation of ethics code within the organisation and conducting regular ethics audits will ensure business ethics being seriously followed within the organisation.</p> <p>2.Promoting a culture of accountability within the organisation, serious consequences for violations and encouragement of ethical decision making at all levels of the firm.</p>	<p><b>Negative</b> : Legal penalties and reputational damage from ethical breaches can result in business loss and reduced investor confidence. Audit and compliance programs are expensive.</p> <p><b>Positive</b> : Higher ESG ratings attract responsible investors. A competitive edge is gained due to an ethical reputation, which strengthens customer and stakeholder loyalty. Transparency and accountability reduce the risk of fraud and inefficiency.</p>
14.	Research Development and Innovation	Opportunity	Investing in technological innovation can boost efficiency, reduce costs, and lower emissions. This helps the company stay competitive in rapidly evolving markets like electric and hydrogen vehicles.	Not applicable	<p><b>Positive</b> : New products and technologies drive revenue growth and market share. Innovative processes enhance efficiency and profitability. Staying ahead of industry trends attracts customers and investors. Sustainable innovations improve regulatory compliance and brand reputation.</p>
15.	Sustainable Supply Chain Management	Risk and Opportunity	<p><b>Risk</b> : Supply chain practices have significant environmental impacts, including emissions, water usage, and biodiversity. Mismanagement can lead to regulatory fines and damage human health.</p> <p><b>Opportunity</b> : Integration of ESG aspects in supply chain directly reduces operational risk, lowers the cost and helps in reducing the overall ESG footprint.</p>	<p>1.Compliance with the supplier code of conduct to minimise the risks.</p> <p>2.Supplier screening and assessment on various parameters and providing mitigating actions.</p>	<p><b>Negative</b> : Ensuring compliance and implementing sustainable practices throughout the supply chain increases costs. Disruptions and environmental violations can lead to fines, production delays, and operational costs.</p> <p><b>Positive</b> : Improved supply chain resilience and efficiency through sustainable practices can reduce costs and enhance profitability. Better risk management and visibility can prevent disruptions and ensure continuity. Sustainable supply chain practices can improve brand reputation and attract eco-conscious consumers and investors, driving long-term growth.</p>
16.	Data Privacy and cybersecurity	Risk	The increase in data and cybersecurity breaches poses significant risks, especially with online transactions and cloud computing. Protecting customer data is essential to avoid operational disruptions and reputational damage.	1. Implementation of advanced threat detection, security audits on a regular basis, having a dedicated IT team working towards protecting customer information and data should be stationed.	<p><b>Negative</b> : High costs for cybersecurity measures and compliance with data protection regulations. A data breach can result in fines, legal fees, and compensation. Reputational damage leads to customer trust loss and reduced market share. Long-term disruptions from cyber-attacks strain resources.</p>

# We have restated FY 2022-23 data due to changes in data consolidation approach and methodology. These restatements would enable consistency and comparability of information for the current and previous year.

**SECTION B : MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and Management Processes</b>									
1. (a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Has the policy been approved by the Board? (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c) Web Link of the Policies, if available	<a href="https://www.forcemotors.com/investors.php">https://www.forcemotors.com/investors.php</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes / No)	No								
4. Name of the national and international codes/certifications/labels/ standards (e.g., Foresat Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle..	All our plants are certified for ISO 14001:2015, ISO 45001:2018 and IATF 16949.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>FML has set the following goals and targets # -</p> <p><b>Greenhouse Gas Emissions and Climate Change Management –</b></p> <ul style="list-style-type: none"> <li>FML is committed to achieve Net Zero GHG emissions in the operations by 2050</li> <li>50% reduction of Scope 1 &amp; 2 emission intensity by 2030</li> <li>50% renewable energy consumption in the operations by 2026</li> <li>13% reduction of CO2 emissions (direct use phase emissions) by 2033 for light commercial vehicles</li> <li>Net Zero Carbon emissions (direct use phase emissions) by 2050 for light and medium commercial vehicles</li> </ul> <p><b>Water and Effluent Management –</b></p> <ul style="list-style-type: none"> <li>To achieve water neutrality in own operations by 2035 and reduce y-o-y 5% of net freshwater consumption.</li> </ul> <p><b>Waste Management</b></p> <ul style="list-style-type: none"> <li>To achieve zero waste to landfill by 2030.</li> </ul> <p><b>Biodiversity</b></p> <ul style="list-style-type: none"> <li>To plant 5,000 trees annually.</li> </ul> <p><b>Diversity, Equity and Inclusion</b></p> <ul style="list-style-type: none"> <li>To increase share of permanent women employees and workers to 10% by 2027.</li> </ul> <p><b>Training and Development</b></p> <ul style="list-style-type: none"> <li>To increase average training hours per employee to 32 hours by 2030.</li> </ul> <p><b>Employee Wellbeing and Development</b></p> <ul style="list-style-type: none"> <li>To conduct employee engagement survey annually</li> </ul> <p><b>Occupational Health &amp; Safety</b></p> <ul style="list-style-type: none"> <li>To achieve zero harm for all employees and workers in the operations.</li> </ul> <p><b>Human Rights</b></p> <ul style="list-style-type: none"> <li>To develop Human Rights Risk Assessment framework by 2027.</li> </ul> <p><b>Customer Centricity</b></p> <ul style="list-style-type: none"> <li>To conduct satisfaction survey annually.</li> </ul> <p><b>Sustainable Supply Chain Management</b></p> <ul style="list-style-type: none"> <li>Implement 100% screening of all new suppliers on ESG criteria by 2027.</li> <li>Assessment of all the critical suppliers on ESG criteria by 2027.</li> </ul>								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	FML has set the goals and targets in FY 2023-24. Performance against these goals and targets will be tracked and reported in the subsequent years.								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									

At Force Motors Limited, we have an unwavering commitment to creating a sustainable future for all our stakeholders: our customers, our employees, our suppliers, our shareholders, the society and community that we are part of, and the earth we inhabit. As part of this commitment, we have launched several initiatives on sustainability, and have put in dedicated teams to rigorously pursue the sustainability targets, some of which are outlined here.

Achieving Net Zero emissions by 2050, is a focus area of our sustainability commitment. This initiative will involve transitioning to 50% renewable energy by 2026, while taking significant steps to reduce our carbon footprint as we traverse the sustainability roadmap. Our resource conservation efforts will aim at achieving water neutrality and elimination of landfill waste by 2035. Fostering diversity and inclusivity at workplace is critically important, and we will increase female representation in our workforce to 10% by 2027. Safeguarding the well-being and safety of all employees in our organization will also be an ongoing focus area. By 2027, we will ensure assessment of all our critical and new suppliers on ESG requirements, ensuring that our partners also align with our sustainability values. Our governance strategy is designed to drive continuous improvement and innovation in all aspects of our value chain.

With these sustainability initiatives, we aim to set a high standard for a sustainable, responsible, and resilient future for all our stakeholders.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Prasan Abhaykumar Firodia, Managing Director
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	All the sustainability related issues are overseen by Mr. Prasan Abhaykumar Firodia (Managing Director), who is a Board Member. The Corporate Social Responsibility Committee reviews CSR activities as per the Annual plan.  Mr. Sanjay Kumar Bohra, Chief Financial Officer is the head of Sustainability Activities.

10. Details of Review of NGRBCs by the Company :

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	All the policies are being reviewed periodically or on need basis and being monitored by the Board of Directors as and when required. In the assessment, the efficacy of policies is also being reviewed and necessary changes are incorporated from time to time									Periodically or on need basis								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 6	P 7	P 8	P 9					
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes - The company complies with all applicable laws of the land it operates in.																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Processes and Policies of the Company are reviewed and evaluated from time to time by respective departments internally and are updated whenever required. The Board considers suggestions, recommendations of the management before approving these policies. We intent to conduct an independent assessment of our policies in due course.								

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated :

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

# The forward-looking statement presented in this report outlines Force Motors Limited, Estimates and expectations based on reasonable assumptions and past performance. However, these projections are subject to change due to factors such as sectoral shifts, regional market conditions, government regulations and other incidental considerations. It is important to note that these statements should not be considered as guarantee of future performance.

**SECTION C : PRINCIPLE WISE PERFORMANCE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

**PRINCIPLE - 1 : BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.**

**ESSENTIAL INDICATORS**
**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	07	Familiarization programmes, Business presentation on quarterly basis aiming for awareness of business structure, Industrial developments, company business of its product line. Further, updates on business of its subsidiaries and joint ventures. Continuous updates on regulatory changes and changing roles and responsibilities of Board Members especially Independent Directors.	100.0%
Key Management Personnel	07	Focus on keeping the Key Managerial Personnel well informed on the matters relating to our governing norms, risk metrics, Code of Conduct, and Insider Trading Code and other related matter.	100.0%
Employees other than BoD and KMPs	02	Employees and Workers are provided with various awareness and learning interventions both online and offline on topics of Code of Conduct, Wellness facilities and policies, EOHS, Human Rights, Posh and Sustainability etc. on continuous basis.	100.0%
Workers	02		100.0%

**2. Details of fines / penalties /punishment/ award / compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format : (Note : the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil				
Punishment					

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed. :**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NIL	NIL
NIL	NIL

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the company has an anti-corruption and anti-bribery policy that covers bribery, gifts and hospitality, facilitation payments, political contributions, and charitable contributions. The policy applies to all employees, consultants, contractors, trainees, retainers, workers, third parties, and the Board of Directors. It covers ways to raise a concern, training and communication, and the monitoring and review mechanism of the policy. Anti\_Bribery\_Anti\_Corruption\_Policy.pdf (forcemotors.com)

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption :**

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs		
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest :**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of Complaints received in relations to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of Complaints received in relations to issues of Conflict of Interest of the KMPs				

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable since there were no cases of corruption and conflicts in FY 2023-24.

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format :**

	FY 2023-24	FY 2022-23
Number of days of accounts payable	43	50

**9. Open-ness of business. Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format :**

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of purchases	a. Purchases from trading houses as a % of total purchases	0.42%	0.58%
	b. Number of trading houses where purchases are made from	620	602
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	27.18%	43.0%
Concentration of sales	a. Sales to dealers/ distributors as % of total sales	55.72%	52.64%
	b. Number of dealers / distributors to whom sales are made	604	614
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	23.08%	23.93%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	6.49%	5.97%
	b. Sales (Sales to related parties / Total Sales)	0.09%	2.54%
	c. Loans & Advances (Loans & Advances given to related parties / Total Loans & Advances)	0	0
	d. Investments (Investments in related parties / Total Investments)	0	0



**PRINCIPLE 2 :**
**BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE**
**ESSENTIAL INDICATORS**
**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R & D	45.0%	41.0%	a. Development of vehicles with lower emission, CNG-based models, and electric vehicles. b. Development of safety features like Electronic Stability Program (ESP), Airbags, ABS, etc. c. New Ambulance Models and disaster management vehicles
Capex	12.4%	13.7%	

**2. A. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. The Company has well-defined approach to engage with suppliers in ethical, responsible, fair, transparent, legal, and sustainable manner. The Company's input materials and services are sourced from suppliers adhering to internal sustainability standards. Our PO terms and conditions mention that vendor has to fulfill the ISO 14001 & OHSAS 18001 requirements along with compliance to the notification of Environment department for ban of plastics used in packaging material.

The supplier code of conduct defines the requirements that a supplier needs to adhere to. It covers parameters such as Human Rights, Health and Safety, bribery, resource & energy consumption, water quality, consumption and management, air quality, responsible chemical management, waste reduction, reuse and recycling, animal welfare biodiversity, land use and deforestation, responsible sourcing of raw materials and business ethics.

**B. If yes, what percentage of inputs were sourced sustainably ?**

38.0%

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

**Plastic waste** - Plastic waste is generated during the manufacturing and packaging materials used in our products. Currently, we are in the process of developing a waste collection plan in line with EPR guidelines.

**E-waste** - As we are in the automobile manufacturing sector, this is not applicable. All the e-waste generated at the manufacturing facilities is disposed of through authorized facilities.

**Hazardous waste** - As we are in the automobile manufacturing sector, this is not applicable. All hazardous waste generated from manufacturing facilities is safely disposed of through authorized facilities.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

We are subject to Extended Producer Responsibility (EPR) regulations under the Plastic Waste Management and Handling Rules, 2016 (as amended), and fall within the category of 'producer' or 'brand owner'. We are in the process of developing a waste collection plan in line with EPR guidelines for submission to the Central Pollution Control Board (CPCB).

**PRINCIPLE - 3**
**BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**
**ESSENTIAL INDICATORS**
**1. (a) Details of measures for the well-being of employees :**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	3,909	3,092	79.1%	3,903	99.8%	0	0.0%	0	0.0%	0	0.0%
Female	119	112	94.1%	110	92.4%	119	100.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>4,028</b>	<b>3,204</b>	<b>79.5%</b>	<b>4,013</b>	<b>99.6%</b>	<b>119</b>	<b>3.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Other than Permanent employees</b>											
Male	1,606	0	0.0%	340	21.2%	0	0.0%	0	0.0%	0	0.0%
Female	95	0	0.0%	2	2.1%	95	100.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>1,701</b>	<b>0</b>	<b>0.0%</b>	<b>342</b>	<b>20.1%</b>	<b>95</b>	<b>5.6%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

**(b) Details of measures for the well-being of workers :**

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	445	445	100.0%	445	100.0%	0	0.0%	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>445</b>	<b>445</b>	<b>100.0%</b>	<b>445</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Other than Permanent Workers</b>											
Male	1,546	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>1,546</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

**(c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.**

	FY 2023-24	FY 2022-23
Cost incurred on wellbeing measures as a % of total revenue of the company	0.18%	0.23%

**2. Details of retirement benefits, for Current FY and Previous FY :**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	70.3%	100.0%	Yes	67.3%	100.0%	Yes
Gratuity	70.3%	22.4%	Yes	67.3%	31.7%	Yes
ESI	32.7%	77.6%	Yes	30.0%	68.3%	Yes
Others- please specify	NIL	NIL	NA	NIL	NIL	NA

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. FML is committed to providing equal opportunities in employment and creating an inclusive work environment and the guidelines are laid in the FML Group's Code of Conduct.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	33.3%	0.0%	NA	NA
Total	33.3%	0.0%	NA	NA

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	<b>Yes / No (If Yes, then give details of the mechanism in brief)</b>
<b>Permanent Workers Other than Permanent Workers</b>	Yes, the Company has a Whistle-blower Policy and Prevention of Sexual Harassment at Workplace (POSH) Policy. The grievances related to sexual harassment are resolved as per the POSH policy.  For all other grievances the Site Human Resource Personnel is the grievance redressal officer. The workers and employees can submit their grievances to the officer. The officer discusses and resolves the grievances every month.
<b>Permanent Employees</b>	
<b>Other than Permanent Employees</b>	

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity :**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of Employees / Workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	4,028	0	0.0%	3,651	0	0.0%
Male	3,909	0	0.0%	3,564	0	0.0%
Female	119	0	0.0%	87	0	0.0%
Total Permanent Workers*	445	418	94.0%	495	467	94.0%
Male	445	418	94.0%	495	467	94.0%
Female	0	0	0.0%	0	0	0.0%

\* As made available to Company

**8. Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / A)
<b>Employees</b>										
Male	5,515	5,515	100.0%	2,777	50.4%	5,289	5,289	100.0%	1,926	32.2%
Female	214	214	100.0%	141	65.9%	135	135	100.0%	76	44.2%
<b>Total</b>	<b>5,729</b>	<b>5,729</b>	<b>100.0%</b>	<b>2,918</b>	<b>50.9%</b>	<b>5,424</b>	<b>5,424</b>	<b>100.0%</b>	<b>2,002</b>	<b>32.5%</b>
<b>Workers</b>										
Male	1,991	1,991	100.0%	19	1.0%	1,560	1,560	100.0%	32	2.2%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
<b>Total</b>	<b>1,991</b>	<b>1,991</b>	<b>100.0%</b>	<b>19</b>	<b>1.0%</b>	<b>1,560</b>	<b>1,560</b>	<b>100.0%</b>	<b>32</b>	<b>2.2%</b>

**9. Details of performance and career development reviews of employees and worker :**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	5,515	3,866	70.1%	5,289	4,149	78.4%
Female	214	112	52.3%	135	115	85.2%
<b>Total</b>	<b>5,729</b>	<b>3,978</b>	<b>69.4%</b>	<b>5,424</b>	<b>4,264</b>	<b>78.6%</b>
<b>Workers</b>						
Male	1,991	0	0.0%	1,560	0	0.0%
Female	0	0	0.0%	0	0	0.0%
<b>Total</b>	<b>1,991</b>	<b>0</b>	<b>0.0%</b>	<b>1,560</b>	<b>0</b>	<b>0.0%</b>

**10. Health and safety management system :**

- (a) **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**
- (b) **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**
- (c) **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**
- (d) **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, we have implemented occupational health and safety management system. Three out of four plants are ISO 45001: 2018 certified and one plant is undergoing certification which will be completed by FY 2025.

To identify work related hazards, we have conducted Hazard Identification and Risk Assessment (HIRA) across all the plants as per the requirements of ISO 45001: 2018. We have developed a site emergency plan and conduct mock drills regularly.

A Shop safety committee meeting is conducted regularly at all the shop floors. All the employees and workers participate in the meeting and can report work-related hazards to eliminate the risks. In addition, they can communicate about the hazards to the Safety head directly, as and when required.

All the workers and employees have access to non-occupational medical and healthcare services.

**11. Details of safety related incidents, in the following format :**

Safety Incident / Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.15	0.08
	Workers	3.5	2.2
Total recordable work-related injuries	Employees	2	1
	Workers	25	13
No. of fatalities	Employees	0	1
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*including the contract workforce

**12. Describe the measures taken by the entity to ensure a safe and healthy work place :**

We continuously take measures to ensure a safe and healthy workplace. Some of them are as follows -

1. Forklifts to lift heavy objects and materials
2. PPE kits to all employees as per requirement
3. Round the clock supervision
4. Displays around the shop for high lighting unsafe working conditions or acts
5. Regular checks of lifting tackles/ pressure vessels as per statutory requirements through competent person

**13. Number of Complaints on the following made by employees and workers :**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	NA	0	0	NA
Health and Safety	0	0	NA	0	0	NA

**14. Assessments for the year :**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.0%
Working conditions	100.0%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

The Company has conducted Electrical Safety audit by External Competent person and has complied with the observations. Further, the company is conducting Annual Safety Campaign since 2021 to increase Awareness among the employees.



**PRINCIPLE - 4**
**BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.**
**1. Describe the process for identifying key stakeholder groups of the entity.**

FML has formulated a Stakeholder Engagement Process to develop long-term relationships and create value for the stakeholders. The Company identifies individuals or group of individuals as their stakeholders, both external and internal, who are impacted by the Company's products, services and business operations. Our key stakeholders include but are not limited to Shareholders, Employees and Workers, Customers and Dealers, Vendors and Suppliers, Government and Regulatory authorities, Industry associations, Media and Community.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as vulnerable and marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (annually, half yearly, quarterly, others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	- General meetings/Postal Ballot Communication/ Annual Reports - Written Communications via emails/ letters - Newspaper - Dissemination of Information on website of Stock Exchanges - Press Releases	Regular/need basis	• Dissemination of information having a bearing on the performance / operations of the Company including price sensitive information, updating Shareholders on various statutory requirements with respect to their shareholding in the Company, addressing shareholders, addressing them at the General Meetings.
Employees and Workers	No	- Employee newsletters - Intranet Portal - Cultural events - Trainings and performance management system - Functional and cross-functional committees - Emails, written communication	Daily	• Training and skill development • Employee well-being and development • Health and Safety • Rewards and recognition
Customers, Dealers and Service Centers	No	- Direct consumer calls - Customer satisfaction surveys - Complaint handling & feedback - Marketing and Advertising - Email Communication - Conference	Continuous	• Understanding the expectations of the customers
Regulator / Government / Civil Societies / Policy Maker	No	- Annual reports - Communications with regulatory bodies - Formal dialogues - Chamber Meetings - In-person and virtual meetings	As and when required	• Compliance with laws and regulations
NGOs and Communities	Yes	- Donations and Philanthropy Work - CSR interventions and initiatives - Community development through various events	Continuous	• Understand the impact of the operations, grievances, and initiatives to be taken under CSR activities
Suppliers / service providers	No	- Contractor and Supplier meets - Regular interaction through phone, e-mail and in person - Supplier Audits	Continuous	• Understand the challenges and uninterrupted raw material supply
Experts/Academic and Research Institutions	No	- Email Communication - Meetings	As and when required	• Understand the improvement areas for the products manufactured. • Collaboration for research and development
Media	No	- Press Conference - Written communication	As and when required	• Communication of progress through press releases and interviews
Industry Associations	No	- Meetings - Email Communication	As and when required	• Sharing of leading industry practices • Participation in meetings, conferences, etc.

**PRINCIPLE - 5**
**BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**
**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	4,028	4,028	100.0%	3,651	3,651	100.0%
Other than permanent	1,701	1,701	100.0%	1,773	1,773	100.0%
<b>Total Employees</b>	<b>5,729</b>	<b>5,729</b>	<b>100.0%</b>	<b>5,424</b>	<b>5,424</b>	<b>100.0%</b>
<b>Workers</b>						
Permanent	445	445	100.0%	495	495	100.0%
Other than permanent	1,546	1,546	100.0%	1,065	1,065	100.0%
<b>Total Workers</b>	<b>1,991</b>	<b>1,991</b>	<b>100.0%</b>	<b>1,560</b>	<b>1,560</b>	<b>100.0%</b>

**2. Details of minimum wages paid to employees and workers, in the following format :**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	<b>4,028</b>	<b>0</b>	<b>0.0%</b>	<b>4,028</b>	<b>100.0%</b>	<b>3,651</b>	<b>0</b>	<b>0.0%</b>	<b>3,651</b>	<b>100.0%</b>
Male	3,909	0	0.0%	3,909	100.0%	3,564	0	0.0%	3,564	100.0%
Female	119	0	0.0%	119	100.0%	87	0	0.0%	87	100.0%
<b>Other than Permanent</b>	<b>1,701</b>	<b>0</b>	<b>0.0%</b>	<b>1,701</b>	<b>100.0%</b>	<b>1,773</b>	<b>0</b>	<b>0.0%</b>	<b>1,773</b>	<b>100.0%</b>
Male	1,606	0	0.0%	1,606	100.0%	1,725	0	0.0%	1,725	100.0%
Female	95	0	0.0%	95	100.0%	48	0	0.0%	48	100.0%
<b>Workers</b>										
<b>Permanent</b>	<b>445</b>	<b>0</b>	<b>0.0%</b>	<b>445</b>	<b>100.0%</b>	<b>495</b>	<b>0</b>	<b>0.0%</b>	<b>495</b>	<b>100.0%</b>
Male	445	0	0.0%	445	100.0%	495	0	0.0%	495	100.0%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
<b>Other than Permanent</b>	<b>1,546</b>	<b>0</b>	<b>0.0%</b>	<b>1,546</b>	<b>100.0%</b>	<b>1,065</b>	<b>0</b>	<b>0.0%</b>	<b>1,065</b>	<b>100.0%</b>
Male	895	0	0.0%	895	100.0%	1,065	0	0.0%	1,065	100.0%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%

**3. Details of remuneration/salary/wages, in the following format :**
**a. Median remuneration / wages :**

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	7	28,00,000	1	11,50,000
Key Management Personnel	2	1,22,53,984	0	-
Employees other than BoD and KMP	5,515	4,89,744	214	1,89,495
Workers	1,991	54,145	0	0

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format :**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	2.1%	1.7%

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has a Whistleblower policy and POSH policy which is available to the employees and workers on the intranet. The Site Human Resource Personnel is the grievance redressal officer. The workers and employees can submit their grievances related to human rights to the officer. The officer discusses and resolves the grievances every month.

**6. Number of Complaints on the following made by employees and workers :**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NA	NIL	NIL	NA
Discrimination at workplace	NIL	NIL	NA	NIL	NIL	NA
Child Labour	NIL	NIL	NA	NIL	NIL	NA
Forced Labour/ Involuntary Labour	NIL	NIL	NA	NIL	NIL	NA
Wages	NIL	NIL	NA	NIL	NIL	NA
Other human rights related issues	NIL	NIL	NA	NIL	NIL	NA

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format :**

	FY 2023-24	FY 2022-23
Total complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employee/ workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

We have Anti-discrimination and Anti-harassment policy that prohibits discrimination and harassment at workplace. We also have policies such as Human Rights, POSH and Code of Conduct to prevent discrimination and harassment at workplace. All the employees and workers can report to the Site Human Resource Personnel in the event of such cases and actions are taken to resolve the complaints.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, as per the Supplier Code of Conduct suppliers are expected to keep their workplaces free of forced labor, child labor, harassment harsh treatment, violence, intimidation, corporal punishment, physically abusive disciplinary practices, and discrimination. Suppliers are expected to respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms, which means working constructively with recognized employee representatives to promote the interests of its employees and, in locations where employees are not represented by unions, providing opportunities for employee concerns to be heard.

**10. Assessments for the year :**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)*
Child labour	100.0%
Forced/involuntary labour	100.0%
Sexual harassment	100.0%
Discrimination at workplace	100.0%
Wages	100.0%
Others – please specify	100.0%

\* assessed by entity

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

The assessment was conducted by the entity and no significant risks/ concerns were identified.

**PRINCIPLE 6**
**BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**
**ESSENTIAL INDICATORS**
**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format :**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>From renewable sources</b>			
Total electricity consumption (A)	GJ	6,910	3,137
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	6,910	3,137
<b>From non-renewable sources</b>			
Total electricity consumption (D)	GJ	207,129	192,397
Total fuel consumption (E)	GJ	114,045	103,414
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	GJ	321,173	295,811
Total energy consumed (A+B+C+D+E+F)	GJ	328,083	298,948
Energy intensity per rupee of turnover (Total energy consumption/ revenue from operations)	GJ/INR in lakhs	0.47	0.59
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption/ revenue from operations adjusted for PPP)	GJ/USD in million	1.05	1.32
Energy intensity in terms of physical output	GJ/number of vehicles manufactured	9.76	10.60

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**No, independent assessment/ evaluation/ assurance has not been carried out.**

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

The Performance, Achieve and Trade (PAT) Scheme is not applicable for FML.

**3. Provide details of the following disclosures related to water, in the following format :**

Parameter	Unit	FY 2023-24	FY 2022-23
Water withdrawal by source			
(i) Surface water	kl	6,571	5,600
(ii) Groundwater	kl	-	-
(iii) Third party water	kl	473,083	473,361
(iv) Seawater / desalinated water	kl	-	-
(v) Others	kl	-	-
Total volume of water withdrawal (i + ii + iii + iv + v)	kl	479,654	478,961
Total volume of water consumption	kl	477,997	478,575
Water intensity per rupee of turnover (Water consumed / revenue from operations)	kl/INR in lakhs	0.68	0.95
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Water consumed / revenue from operations adjusted for PPP)	kl/USD in million	1.53	2.11
Water intensity in terms of physical output	kl/number of vehicles manufactured	14.16	16.92

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**No, independent assessment/ evaluation/assurance has not been carried out by an external agency.**

**4. Provide the following details related to water discharged :**

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	-	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	-	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) To Produced water	-	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Sent to third-parties#	1,658	387
- No treatment	1,658	387
- With treatment – please specify level of treatment	0	0
(vi) Others	-	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>1,658</b>	<b>387</b>

# Effluent is discharged to Mahindra World City (Common treatment plant), at Chennai plant.

**Note :** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**No, independent assessment / evaluation / assurance has not been carried out by an external agency.**



**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, Three out of four plants have Zero Liquid Discharge. The Company has installed effluent and sewage treatment plants and the recycled water is used in toilets, for gardening and horticulture purposes.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	kg	2,179	1,437
Sox	kg	1,466	1,311
Particulate matter (PM)	kg	5,329	2,693
Persistent organic pollutants (POP)	kg	-	-
Volatile organic compounds (VOC)	kg	-	-
Hazardous air pollutants (HAP)	kg	-	-
Others – please specify	-	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**No, independent assessment/ evaluation/assurance has not been carried out by an external agency.**

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format :**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	14,278	9,094
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	41,736	38,266
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover</b> (Total scope 1 and scope 2 GHG emissions / revenue from operations)	MT CO <sub>2</sub> e / ₹ in lakhs	0.08	0.09
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity</b> (Total scope 1 and scope 2 GHG emissions / revenue from operations adjusted for PPP)	MT CO <sub>2</sub> e / USD in million	0.18	0.21
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MT CO <sub>2</sub> e/number of vehicles manufactured	1.66	1.67
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

**Note :** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**No, independent assessment/ evaluation/assurance has not been carried out by an external agency.**

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes. Force Motors consumed 3.3% of the electricity from renewable sources and avoided 1,374 tCO<sub>2</sub>e emissions, which could have been due to non-renewable electricity consumption. Other initiatives taken are installation of energy efficient air compressors, replacement of old conventional lights to LED lights, elimination of the idle running of machines, installation of VFD and energy efficient motors in cooling towers, VFD installation in cooling tower pumps and installation of chillers which helped in reducing the energy consumption and GHG emissions. The Company has also entered into Power Purchase Agreement with Tata Power Renewable Energy Limited, Mumbai in respect of procurement of Solar Power from a specific Solar Plant, under Open Access Mode.

**9. Provide details related to waste management by the entity, in the following format :**

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	522.5	372.4
E-waste (B)	5.7	7.5
Bio-medical waste (C)	0.01	--
Construction and demolition waste (D)	--	--
Battery waste (E)	10.7	13.3
Radioactive waste (F)	--	--
Other Hazardous waste. Please specify, if any. (G)	563.8	437.3
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	14,633.5	12,215.7
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>15,736.2</b>	<b>13,046.2</b>
Waste intensity per rupee of turnover (Total waste generated / revenue from operations)	0.03	0.02
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ revenue from operations adjusted for PPP)	0.07	0.04
Waste intensity in terms of physical output	0.47	0.46
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
<b>Category of waste</b>		
(i) Recycled	1,974	2,766
(ii) Re-used	12,547	9,031
(iii) Other recovery operations	20	22
<b>Total</b>	<b>14,541</b>	<b>11,819</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
<b>Category of waste</b>		
(i) Incineration (with energy recovery)	244	179
Incineration (without energy recovery)	48	30
(ii) Landfilling	75	56
(iii) Other disposal operations	43	-
<b>Total</b>	<b>410</b>	<b>265</b>

**Note :** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**No, independent assessment/ evaluation/assurance has not been carried out by an external agency.**

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

All the waste is collected at the source of generation from each department and segregated into different categories- Hazardous waste and Non-hazardous waste at the designated sites till disposal.

We follow applicable rule and regulations for disposing hazardous waste whereas the non-hazardous waste is sold to authorized vendors. The waste management practices are regulated as per the requirement of MPCB/CPCB.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format :**

Sr. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
None of our operations are located around the ecologically sensitive areas.			

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
There were no new establishments or expansion of existing projects in the financial year and hence environmental impact assessments were not conducted.					

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format :**

Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the company is compliant with all the applicable environmental law/regulations.			

**PRINCIPLE - 7**

**BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.**

**ESSENTIAL INDICATORS**
**1. A. Number of affiliations with trade and industry chambers/ associations.**

Six

**B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Automotive Research Association of India	National
2	Mahratta Chamber of Commerce, Industries and Agriculture	State
3	Indo German Chamber of Commerce	National
4	Society of Indian Automobile Manufacturers	National
5	Confederation of Indian Industry	National
6	Tractor Manufacturers Association	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NIL	-	-
NIL	-	-

**PRINCIPLE - 8**
**BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.**
**ESSENTIAL INDICATORS**
**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	ESA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
During the FY 2023-24, we were not required to conduct any Social Impact Assessments (SIA) for any of the projects					

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format :**

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable					

**3. Describe the mechanisms to receive and redress grievances of the community.**

Community stakeholders may use any of the available channels of communication to raise grievances. As a Company that values social responsibility, FML has been engaged with various CSR initiatives that benefit the communities at large. These initiatives have covered a broad range of areas for benefit of the communities.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers :**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	7.4%	5.0%
Directly from within India	58.0%	60.0%

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost :**

Location	FY 2023-24	FY 2022-23
Rural	FML is in the process of tracking this data and plans to report in the next financial year.	
Semi urban		
Urban		
Metropolitan		

(Place to be categorized as per RBI Classification System - rural/ semi-urban/ urban/ metropolitan)

**PRINCIPLE - 9**
**BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER.**
**ESSENTIAL INDICATORS**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The consumer complaint monitoring mechanism is a part of the IATF manual.

**(a) Complaints reported at Call Centre :** Consumer complaints are received at Force Motors' Call center, which is available for 24x7 and in multiple languages, viz, English, Hindi, Marathi, Tamil, Malayalam, Kannada & Telugu.

- The complaint received through Toll Free Number is registered by call center and a complaint number is allotted. It is escalated to respective dealer with copy to respective Territory Service Manager (TSM), Regional Service Manager (RSM) and copy is marked to Head Office (HO) Service, for information.
- Customer complaint is directly attended by dealer and Territory Service Manager (TSM) & Regional Service Manager (RSM) co-ordinate for closure.
- These complaints are monitored at Head Office (HO) Service for expediting closure on daily basis by following up with Territory Service Manager (TSM) & Regional Service Manager (RSM)s.
- On monthly basis region wise Management Information System (MIS) is prepared based on response time, resolution time and customer complaint details.
- After the closure of complaint, the dealer / Territory Service Manager (TSM) / Regional Service Manager (RSM) communicate to Call center for closure in records.

**(b) Written Complaints –** Complaints received other than call center i.e., through letter / email / telephonic call at Head Office (HO) are compiled.

- The customer complaints are recorded in excel sheet.
- The complaint is studied and referred to respective field staff / dealer for complete totality report after vehicle inspection.
- After receiving respective field staff /dealer vehicle inspection report, corrective actions are taken to resolve the complaint.
- After the complaint is resolved the concerned field staff / dealer obtains customer satisfaction note and sends it to the Head Office (HO)-service for closing the same.
- In case of any technical help required, Territory Service Manager (TSM) / Regional Service Manager (RSM) raise Product Complaint Report (PCR) and takes up with Head Office (HO) Service.

**(c) Comments on social media handles -** Facebook, Instagram & LinkedIn (responses made by social media agency and passed onto HO team for further action)

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about :**

	% As a percentage to total turnover
Environmental and social parameters relevant to the product	100.0%
Safe and responsible usage	100.0%
Recycling and/or safe disposal	NIL

**3. Number of consumer complaints in respect of the following :**

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber Security	NIL	NIL	-	NIL	NIL	-
Delivery of essential services*	31	29	Consumer Complaints (Cases are pending in respective Courts)	30	20	Consumer Complaints (Cases are pending in respective Courts)
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Other	NIL	NIL	-	NIL	NIL	-

\* Consumer forum complaints



**4. Details of instances of product recalls on account of safety issues :**

	Number	Reasons for recall
Voluntary recalls	NIL	NIL
Forced recalls	NIL	NIL

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, we have an internal policy to manage the cybersecurity and risks related to the data privacy.

Force\_Motor\_ISMS\_Information\_Security\_Policy.pdf (forcemotors.com)

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

NIL

**7. Provide the following information relating to data breaches :**

- (a) Number of instances of data breaches
- (b) Percentage of data breaches involving personally identifiable information of customers
- (c) Impact, if any, of the data breaches

There were no records of data breaches in the reporting year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Automotive Industry, both in terms of vehicle technology demanded by the market, and in terms of the technology of the componentry required - is evolving rapidly.

It is clear that the latest generation of Diesel Vehicles meeting BS 6.2 standard, will have validity and demand for several years ahead. We are required to continue to make continuous efforts to improve the Diesel and CNG Engines as we go along. The diesel fuel will survive for longer than recently predicted. We have well established and highly acclaimed diesel engines and drivelines, which is a cause for satisfaction.

The pressure from environmental concerns, technology evolution, market tectonics has pushed the automobile industry into needing to cope with the accelerated changes. Economic considerations arising both out of health of the economy are also changing customer expectations define broadly the background, on which the industry has to function.

It is clear that conventional fuels like diesel are not disappearing in a hurry. There may be significant demand for fossil fuel vehicles. Some of the manufacturers on the global scale have announced their decision to step away from electric vehicles, and stay with fossil fuel vehicles albeit of improved variety and versatility. The indications are that, besides pure battery electric vehicles, an opportunity may arise for hybrid electric vehicles going forward in India, such type of vehicles so far was not promoted by regulations.

Hydrogen electric vehicles, where hydrogen fuel cell, which produces electric energy for propulsion - using intermediate batteries and finally electric motor, etc. It is possible that Hydrogen Gas would directly be used as a fuel, to be combusted, in place of fossil fuel like diesel, petrol, etc. The technical capability to produce hydrogen combustion engines is getting well established. Thus, in future, there will be a variety of vehicles in different economies. Also in any given economy, for different applications where the proportion of vehicles operating on fossil fuel, or hydrogen, or electric energy, or organic fuels like ethanol, methanol, etc. would play appropriate roles depending on regulatory environment. The supply situation for different fuels, the energy efficiency and performance in each type of fuel used, must meet customer expectations. It is likely that emphasis by different companies on different types of fuels for propulsion will be significantly different.

It is already obvious that electric vehicle quantity requirement in 2-wheelers and 3-wheelers has reached significant proportions, whereas for haulage trucks or other commercial applications, particularly in medium or heavy vehicles, this is evolving only slowly.

The picture is unclear, and depending on the market segment of the vehicles, the regulatory framework, the availability of various fuels and their prices, a better picture will emerge over the next decade of which fuels will be preferred. The requirement will be for vehicle makers, to make intelligent choices and work to meet all challenges and opportunities.

It has to be noted that currently with the mandated emission standards in India, the air that BS 6.2 diesel engines breathe is not as pure as the exhaust that these vehicles emit after proper processing. Thus, the environmental hazard part is greatly addressed. Yet the world is inexorably moving towards exploring alternative fuels very seriously.

The factors of production, such as land remain very cumbersome and expensive to purchase and manage, given the plethora of laws, rules, etc. involving layer upon layer of bureaucracy and obstructions. Price for industrial land in India is unusually high in international comparison. If new plants in new locations have to be set up, it would help greatly if this aspect is also reformed by the Government, as effectively as Industrial Licensing and Permit License regime was reformed.

Taxation levels on Vans, for reasons best known to the decision makers that be in the authorities, remain extremely adverse, particularly for Vans in the 10 to 13 seats capacity. This is an anomaly which refuses to go away.

The Indian Automotive Industry's global competitiveness can hugely improve if the overall taxation level on passenger vehicles is reduced. The earnings of the industry are only 20 per cent of the earnings of the Government from the same product. On the sale of a vehicle, for every 20 rupees that the industry earns, the Government extracts approximately 50 rupees from the automobile, by way of applied taxes. This must be the highest taxation skew applied to the Automobile Industry anywhere.

The Automobile Industry in India is now very much mature, has scale, experience, competence and drive. The global footprint of vehicles made in India can be rapidly improved to impressive levels, provided the taxation levels are brought within control and the industry is enabled to plough back the profits. Schemes like "Investment Allowance", etc. need to be looked at again, to build up the capital base, and fiduciary strength of companies.

### II. PERFORMANCE OF THE COMPANY

**Operational Performance :** The number of vehicles sold during the Financial Year under report was 32,991 compared to 26,461 vehicles sold in the Financial Year 2022-23. During the year under report, the Company achieved a top line of ₹ 6,99,165 Lakhs. The sales turnover stood at ₹ 6,93,229 Lakhs compared to the previous year's turnover of ₹ 4,98,096 Lakhs.

**Financial Performance :** As stated above, the Company sold 32,991 vehicles during the Financial Year 2023-24 compared to 26,461 vehicles in the previous Financial Year 2022-23. The Profit before Depreciation, Exceptional Items and Taxes, from operations for the year under report was ₹ 88,518 Lakhs as compared to operating profit for the previous Financial Year 2022-23 amounting to ₹ 32,305 Lakhs. The Net Profit after Depreciation, Exceptional Items and Taxes was ₹ 40,169 Lakhs for the Financial Year 2023-24. The Reserves and Surplus of the Company as on 31st March 2024 stood at ₹ 2,31,295 Lakhs.

**Key Financial Ratios :** In accordance with the SEBI (LODR) Regulations, 2015, the following are the key financial ratios along with the explanation where changes are more than 25%, as compared to previous financial year.

Sr. No.	Ratios	FY 2023-24	FY 2022-23	% change	Reason for change in the ratios by more than 25%
(i)	Current Ratio	1.25	1.03	21%	--
(ii)	Debt-Equity Ratio	0.23	0.49	54%	Improvement in ratio is attributable to improved financial performance and considerable reduction in overall debts.
(iii)	Debt Service Coverage Ratio	2.34	1.28	84%	Improvement in ratio is due to better financial performance and reduction in debts as a result of overall improvement in sales and profitability.
(iv)	Return On Equity	0.29	0.04	556%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
(v)	Inventory Turnover Ratio	6.97	6.81	2%	--
(vi)	Debtors Turnover Ratio	46.08	25.79	79%	Improvement in ratio is attributable to overall improvement in sales, better collection efforts and credit management processes.
(vii)	Operating Profit Margin (%)	13.67%	7.86%	74%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
(viii)	Net Profit Margin (%)	5.80%	1.04%	458%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.

### III. OUTLOOK

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

### IV. SUBSIDIARY

The Company is a subsidiary of Jaya Hind Industries Private Limited, which holds 57.38% stake in the Company.

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

The Company has a joint venture with Rolls Royce Solutions GmbH, a Company of the Rolls Royce Group. The Company holds 51% stake in Force MTU Power Systems Private Limited (FMTU) by virtue of which FMTU has become a subsidiary of the Company.

### V. OPPORTUNITIES, THREATS AND RISK FACTORS

The opportunity in India for successfully enlarging the Tour and Travel Hospitality Sector is a very substantial possibility to achieve high economic gains. The improving roadway infrastructure in India, the focus on connecting attractive pilgrimage centers, and tourist sites to the large and efficient grid of express ways and highways, will yield impressive results in the future. This is a special opportunity, given the emerging enhanced stature of India, as the country to travel to.

There is still a tendency to restrict Diesel vehicles in a number of inner cities even though they meet the mandated stringent regulations which are equal to internationally the best regulation. This is a damper on the image and sale of diesel passenger vehicles, particularly mass transport vehicles, such as Vans and Buses.

### VI. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

### VII. HUMAN RESOURCE DEVELOPMENT

The Company has continued its programme for training and skill development in its plants, for employees at various levels, who are provided training both in hard and soft skills. A large number of executives in the Sales & Marketing arm of the Company and in our dealer, network spread all over India, are also provided continuous upgradation, training in selling skills, product familiarization, customer service aspects - in a well-structured and extensive programme. The Company had 4,473 employees as on 31st March, 2024.

### VIII. CAUTIONARY STATEMENT

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

**ANNUAL REPORT DISCLOSURES AS SPECIFIED UNDER REGULATION 34 AND SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LODR) REGULATIONS, 2015**
**A. RELATED PARTY DISCLOSURE**

The disclosure in compliance with the Accounting Standard is provided in the Financial Statement as Note No. 36.

**B. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis is provided in the Annual Report. Necessary disclosures relating to the Accounting Treatment as prescribed in the Accounting Standards are provided in the Board's Report and the Financial Statements.

**C. REPORT ON CORPORATE GOVERNANCE**
**1. Company's philosophy on Corporate Governance**

The Company's decision-making process and operational methods are guided by the philosophy of "creating low cost, hi-tech products, which are suitable for Indian markets". Simplicity, self-reliance, social responsibility, trust and transparency in dealings with all stakeholders, the ethos on which this business was started by Late Shri N. K. Firodia, the founder of the Company, continues to be the guiding principles for the Organization, in arranging the activities. The Company's philosophy on the 'Code of Governance' is based on compliance of applicable provisions and requires exchange of relevant information and appropriate disclosures to each group of stakeholders, connected with the area of common interest/ stake between the Company and the stakeholder.

**2. Board of Directors**
**• Composition**

As on 31st March, 2024, the Board comprises of 8 Directors. 3 Directors are Executive Directors, while remaining 5 Directors are Non-Executive Independent Directors. The Company's Board did not consist of any Nominee Director appointed by lender(s) or a group of equity investor(s) during the year under review. Mr. Abhaykumar Navalmal Firodia, Chairman and Mr. Prasan Abhaykumar Firodia, Managing Director; of the Company; are also the Promoters of the Company.

**• Directorships / Committee Positions**

The details of directorships/ committee positions held by the Directors (as of 31st March, 2024) of the Company in other Companies are as under :

Name of the Director	Number of other companies in which directorships held*		Committee positions in listed and unlisted public companies#		Details of directorships held in other listed entities	
	Director	Chairman	Member	Chairman	Name of the entity	Category of directorship
Mr. Abhaykumar Navalmal Firodia	05	01	--	--	--	--
Mr. Prasan Abhaykumar Firodia	05	--	02	01	Sona BLW Precision Forgings Limited	Independent Director
Mr. Arvind Mahajan	03	--	02	--	--	--
Lt. Gen. Dr. D.B. Shekatkar (Retd.)	--	--	--	--	--	--
Mr. Vallabh Bhanshali	11	--	--	--	--	--
Mr. Mukesh Patel	06	--	04	03	Zydus Lifesciences Limited	Non-Executive Non-Independent Director
Ms. Sonia Prashar	03	--	01	--	INSILCO Limited	Independent Director
Mr. Prashant V. Inamdar	01	--	--	--	--	--

\* includes directorship in private companies and bodies corporate.

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

- **Attendance**

During the Financial Year 2023-24, seven meetings of the Board were held on 29th May 2023, 09th August 2023, 28th September 2023, 09th November 2023, 12th December 2023, 12th February 2024 and 29th March 2024. The details of attendance of Directors during the Financial Year 2023-24 for Board Meetings and the AGM are as under :

Name of the Director	Number of Board Meetings attended	Whether present at the last AGM held on 28th September 2023
Mr. Abhaykumar Navalmal Firodia	07	Yes
Mr. Prasan Abhaykumar Firodia	06	Yes
Mr. Arvind Mahajan	06	No
Lt. Gen. Dr. D.B. Shekatkar (Retd.)	07	Yes
Mr. Vallabh Bhanshali	06	Yes
Mr. Mukesh Patel	07	Yes
Ms. Sonia Prashar	07	Yes
Mr. Prashant V. Inamdar	05	No

- **Inter-se Relation of Directors**

Mr. Abhaykumar Navalmal Firodia and Mr. Prasan Abhaykumar Firodia are related to each other. None of the other Directors are related to any other Director of the Company as defined under the Act, including the relevant Rules thereof.

- **Information supplied to the Board**

The Board is presented with all the relevant information in various matters affecting the working of the Company and which requires deliberation at the highest level. Besides key operational and financial information, the Board is presented with information relevant to strategy formulation, for deliberations. This includes information as per Part A of Schedule II of the SEBI (LODR) Regulations, 2015.

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. The assessments of the strategic and technological issues enabling a discussion on the strategy, projects, and tactics employed in the management of the Company's affairs are also presented. In the meetings, the presentations are also made by the Senior Management Officials and Internal Auditors of the Company, covering different functions and areas of the business of the Company.

The Directors have made disclosures as per the requirements of the Act, from time to time, to the Board regarding their financial interest, if any, in the transactions with the Company. The Directors have also informed the Company about the Committee positions occupied by them in other Companies and changes therein.

The related party disclosure forms part of the Notes to Financial Statements as per the disclosure requirement of the Indian Accounting Standard 24 issued by the Institute of Chartered Accountants of India.

- **Independent Directors' Meeting**

In our opinion, the Independent Directors of the Company

fulfill the conditions specified in the Act and the SEBI (LODR) Regulations, 2015 and are independent of the Management. The Independent Directors held their separate Meeting on 28th February 2024, as mandated by the provisions of the Act and the SEBI (LODR) Regulations, 2015. The details of the familiarization programme for the Independent Directors of the Company can be accessed at the web link: <https://www.forcemotors.com/assets/Others/other.pdf>

- **Performance Evaluation**

Pursuant to the provisions of the Act and the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, including the Chairman, as well as evaluation of the working of its Committees on the basis of criteria set for Performance Evaluation of Directors through a structured questionnaire and taking into consideration inputs received from the Director which covered aspects of Boards functioning.

- **Remuneration to Executive Directors**

The details of remuneration paid to the Executive Directors during the Financial Year 2023-24 are as follows :

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Abhaykumar Navalmal Firodia	Mr. Prasan Abhaykumar Firodia	Mr. Prashant V. Inamdar
1.	Gross Salary	Nil	1,49,10,222	1,68,59,192
2.	Commission	Nil	15,00,00,000*	1,00,00,000**
3.	Others	Nil	22,03,063	18,91,030
	<b>Total</b>	<b>Nil</b>	<b>16,71,13,285</b>	<b>2,87,50,222</b>

\* Commission payable to Mr. Prasan Abhaykumar Firodia for the Financial Year 2023-24 is in line with Shareholders Resolution passed by the Members of the Company at the time of his appointment and as recommended by the NRC and approved by the Board of Directors on 26th April 2024.

\*\* Commission payable to Mr. Prashant V. Inamdar for the Financial Year 2023-24 is subject to approval of Members of the Company at the ensuing Annual General Meeting based on the recommendation of the NRC and the Board of Directors of the Company.

- **Remuneration, pecuniary transactions with Non-Executive Directors and Shareholding details**

The details of remuneration paid to the Non-Executive Directors during the Financial Year 2023-24 are as follows :

(Amount in ₹)

Sr. No.	Name of the Directors	Sitting Fees (A)	Commission (B)*	Total (A + B)	No. of Equity Shares Held
1.	Mr. Arvind Mahajan	8,00,000	20,00,000	28,00,000	Nil
2.	Lt. Gen. Dr. D.B. Shekatkar (Retd.)	5,00,000	7,50,000	12,50,000	Nil
3.	Mr. Vallabh Bhanshali	3,50,000	20,00,000	23,50,000	Nil
4.	Mr. Mukesh Patel	8,00,000	20,00,000	28,00,000	Nil
5.	Ms. Sonia Prashar	4,00,000	7,50,000	11,50,000	Nil
	<b>Total</b>	<b>28,50,000</b>	<b>75,00,000</b>	<b>1,03,50,000</b>	

\* Commission payable to Non-Executive Independent Directors for the Financial Year 2023-24 is subject to approval of Members of the Company at the ensuing Annual General Meeting based on the recommendation of the NRC and the Board of Directors of the Company and the total Commission payable is not exceeding in aggregate 1% per annum of the net profits of the Company as per Schedule V of the Companies Act, 2013.

- **Stock Options to Directors**

The Company does not have any stock options.

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

Pursuant to the SEBI (LODR) Regulations, 2015, the Board of Directors have identified core skills / expertise / competencies of each Director, which are vital in the context of the business of the Company.



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

Sr. No.	Name of Director	Leadership	Research & Development	Management & Strategy	Operations & Engineering	Supply Chain Management	Sales & Marketing	Finance, Banking & Investment	Audit & Risk Management	CSR, Sustainability & Philanthropy	Information Technology	Human Resources & Industrial Relations	Legal and Corporate Governance
1.	Mr. Abhaykumar Navalmal Firodia	√	√	√	√		√			√		√	√
2.	Mr. Prasan Abhaykumar Firodia	√	√	√	√	√	√					√	√
3.	Mr. Arvind Mahajan	√		√		√		√			√		
4.	Mr. Vallabh Bhanshali	√		√				√		√			√
5.	Mr. Mukesh Patel			√				√	√	√			√
6.	Lt. Gen. Dr. D. B. Shekatkar (Retd.)	√		√						√			
7.	Ms. Sonia Prashar			√	√		√						√
8.	Mr. Prashant V. Inamdar	√	√		√	√					√	√	

• **Transactions with Promoter / Promoter Group**

Pursuant to the SEBI (LODR) Regulations, 2015, the details of transactions entered by the Company with Jaya Hind Industries Private Limited, which belongs to the Promoter / Promoter Group and holds more than 10% shareholding in the Company, are provided under Note No. 36 to the Financial Statement.

**3. Committees**

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprised of 03 Directors as on 31st March 2024 :

- Mr. Arvind Mahajan, Chairman of the Committee, Independent Director
- Mr. Mukesh Patel, Member, Independent Director
- Lt. General Dr. D. B. Shekatkar (Retd.), Member, Independent Director

The Committee met two times during the Financial Year 2023-24. The details of attendance of the members in the Committee meetings, are as follows :

Name of the Member	Date of Nomination and Remuneration Committee meetings and details of attendance	
	29.05.2023	12.02.2024
Mr. Arvind Mahajan	P	P
Mr. Mukesh Patel	P	P
Lt. Gen. Dr. D. B. Shekatkar (Retd.)	P	P

Terms of reference of Nomination and Remuneration Committee include :

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

- (ii) Formulation of criteria for evaluation of Independent Directors and the Board.
- (iii) Devising a policy on Board diversity.
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- (v) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (vi) Recommend to the Board, all remuneration, in whatever form, payable to the senior management.

On recommendation of the Nomination and Remuneration Committee, the Board has adopted the policy on appointment of Directors, Independent Directors and Key Managerial Personnel and remuneration payable to them. As mandated, the said policy is posted on the website of the Company <https://www.forcemotors.com/assets/Others/Remuneration-Policy-New.pdf>

**Audit Committee**

The Audit Committee comprised of 03 Directors as on 31st March, 2024 :

- Mr. Mukesh Patel, Chairman of the Committee, Independent Director
- Mr. Arvind Mahajan, Member, Independent Director
- Mr. Prasan Abhaykumar Firodia, Member, Managing Director

The Committee met five times during the Financial Year 2023-24. The details of attendance of the members in the Committee meetings, are as follows :

Name of the Member	Date of Audit Committee meetings and details of attendance				
	29.05.2023	09.08.2023	09.11.2023	12.12.2023	12.02.2024
Mr. Mukesh Patel	P	P	P	P	P
Mr. Arvind Mahajan	P	P	P	P	P
Mr. Prasan Abhaykumar Firodia	--	P	P	P	P

The terms of reference of the Audit Committee include :

- (i) Oversight of Company's reporting processes and financial information, review of Financial Statements, both audited and unaudited.
- (ii) Review of accounting policies and practices, review of compliance with accounting standards, discussion with Statutory Auditors before the Audit commences and post audit, review of auditors' independence and performance.
- (iii) Recommendation of appointment and remuneration of Statutory Auditors and Cost Accountants, Internal Auditors, approval of appointment of Chief Financial Officer.
- (iv) Review and approval of related party transaction(s), decide the principles for grant of omnibus approval for related party transaction(s).
- (v) Oversee the vigil mechanism, evaluation of internal financial controls and risk management systems.
- (vi) Review of utilization of loans / advances / investments made by the Company and its subsidiaries.
- (vii) Other areas indicated in the SEBI (LODR) Regulations, 2015 and as per the provisions of Section 177 of the Act.

The Audit Committee reviewed the Unaudited Financial Results (Provisional) for the first three quarters in its Meetings held on 09th August 2023, 09th November 2023 and 12th February 2024 respectively; and Audited Financial Accounts for the Financial Year ended 31st March 2024 in its meeting held on 26th April 2024. During the year under report, the Audit Committee interacted with the Statutory Auditors and Internal Auditors of the Company regarding internal control systems, discussed the financial results / cost accounting records, and also held a post statutory audit verification of the financial / cost accounts.

The Committee also interacted with the executives of the Company on finance related matters. The Committee reviewed the risk management policies, insurance covers taken by the Company, purchase procedures of raw materials and components for manufacture of various types of motor vehicles and also the foreign exchange exposure of various transactions.

The remuneration of the Auditors was decided in consultation with the Audit Committee. Extensive data / details connected with the financial management of the Company and on other related aspects were submitted to the Committee in each of the meetings.

The Certificate as per Regulation 33(2)(a) of the SEBI (LODR) Regulations, 2015 from the Managing Director and the Chief Financial Officer was also submitted to the Audit Committee and to the Board. The Audit Committee is empowered to require presence of any of the employee of the Company. No employee has sought access to the Audit Committee during the year under report.

#### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprised of 03 Directors as on 31st March 2024 :

- Lt. Gen. Dr. D. B. Shekatkar (Retd.), Chairman of the Committee, Independent Director
- Mr. Abhaykumar Navalmal Firodia, Member
- Mr. Prasan Abhaykumar Firodia, Member

The Committee met from time to time for approving requests for the issue of duplicate share certificates and to deal with other matters.

Name of the Member	Date of Stakeholders Relationship Committee meeting and details of attendance
	25.04.2023
Lt. Gen. Dr. D. B. Shekatkar (Retd.)	P
Mr. Abhaykumar Navalmal Firodia	P
Mr. Prasan Abhaykumar Firodia	P

During the year under report, 8 shareholders' complaints were received and all these complaints were resolved to the satisfaction of the concerned Shareholders. As of 31st March 2024, no complaint was pending to be resolved.

#### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprised of 03 Directors as on 31st March, 2024 :

- Mr. Mukesh Patel, Chairman of the Committee, Independent Director
- Mr. Abhaykumar Navalmal Firodia, Member
- Mr. Prasan Abhaykumar Firodia, Member

The Committee met once during the Financial Year 2023-24. The details of attendance of the members in the Committee meetings, are as follows :

Name of the Member	Date of CSR Committee meeting and details of attendance
	09.08.2023
Mr. Mukesh Patel, Chairman	P
Mr. Abhaykumar Navalmal Firodia, Member	P
Mr. Prasan Abhaykumar Firodia, Member	P

The Committee recommends Corporate Social Responsibility ('CSR') activities to the Board, approves the CSR activities to be undertaken and amounts to be spent over the same. The Committee also monitors the CSR activities of the Company and is entrusted to formulate mechanism for transparent implementation of the same. The Committee reviews and ensures compliance with the requirement of the provisions of the Act and the CSR Rules.

#### Risk Management Committee

The Risk Management Committee comprises of 04 Directors of the Company as on 31st March 2024 :

- Mr. Abhaykumar Navalmal Firodia, Chairman of the Committee and the Board
- Mr. Prasan Abhaykumar Firodia, Member, Managing Director
- Mr. Arvind Mahajan, Member, Independent Director
- Mr. Prashant V. Inamdar, Member, Executive Director (Operations)

The Committee met twice during the Financial Year 2023-24. The details of attendance of the members in the Committee meetings, are as follows :

Name of the Member	Date of Risk Management Committee meetings and details of attendance	
	11.09.2023	07.03.2024
Mr. Abhaykumar Navalmal Firodia	P	P
Mr. Prasan Abhaykumar Firodia	P	P
Mr. Arvind Mahajan	P	P
Mr. Prashant V. Inamdar	P	P

The terms of reference of the Risk Management Committee are as under :

- (i) To formulate a detailed risk management policy which shall include :
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (v) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (vi) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee will coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors.

#### Senior Management Personnel ('SMP')

As on the date of this Report, the particulars of SMP are as follows :

Name	Designation
Mr. Sanjay Kumar Bohra	Chief Financial Officer
Mr. Rakesh Maru	President- Sales & Marketing
Mr. Praveen C. Karnavat	President- Strategic Sourcing & International Business
Mr. Makarand P. Kanade	President- Engineering & Corporate Quality
Mr. Pradeep S. Dhadiwal	Sr. Vice President - Projects & BPR
Mr. Ajai Kumar Sharma	Vice President- Operations
Mr. Nikhil Deshpande*	Company Secretary & Compliance Officer

\*Resigned as Company Secretary & Compliance Officer  
w.e.f. 30th July, 2024

#### 4. General Body Meetings / Postal Ballots

The details of the last three Annual General Meetings and resolutions passed through Postal Ballots are as under :

Annual General Meeting / Postal Ballot held on	Time	Location	Number of Special Resolutions	Subject of Special Resolution
Postal Ballot on 10th February 2021	NA	NA	02	1. Authorization to offer, issue and allot Non-convertible Debentures (NCD's) on private placement basis aggregating upto ₹ 500 crore. 2. Fixing of borrowing limits and creation of charge, mortgage or hypothecation on the assets of the Company in connection with the borrowings.
28th September 2021	3.00 p.m.	Through Video Conferencing	02	1. Re-appointment of Mr. Anant Talaulicar as an Independent Director 2. Re-appointment of Lt. Gen. Dr. D B Shekatkar (Retd.) as an Independent Director
28th September 2022	3.00 p.m.	Through Video Conferencing	04	1. Appointment of Mr. Vallabh Bhanshali (DIN: 00184775) as a Director and as an Independent Director. 2. Appointment of Mr. Mukesh Patel (DIN: 00053892) as a Director and as an Independent Director. 3. Approval for payment of minimum remuneration to Mr. Prasan Abhaykumar Firodia, Managing Director (DIN: 00029664). 4. Approval for payment of minimum remuneration to Mr. Prashant V. Inamdar, Executive Director (DIN: 07071502).
Postal Ballot on 25th December 2022	NA	NA	01	1. Appointment of Ms. Sonia Prashar (DIN: 06477222) as a Director and as an Independent Director of the Company.
28th September 2023	3.00 p.m.	Through Video Conferencing	--	--

**5. Means of Communication**

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

The quarterly, half-yearly and the annual financial results of the Company are published in the leading newspapers 'Financial Express', 'Business Standard' (English newspapers) and 'Loksatta' (Marathi newspaper).

The quarterly results of the Company are available on the Company's website at [www.forcemotors.com](http://www.forcemotors.com)

No presentation was made to any institutional investor or analyst during the Financial Year 2023-24.

**6. Policies as mandated under the SEBI (LODR) Regulations, 2015**
**• Archival Policy**

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

**• Dividend Distribution Policy**

The 'Dividend Distribution Policy' as approved by the Board of Directors of the Company can be accessed from the Company's website at <https://www.forcemotors.com/assets/Others/Dividend-Distribution-Policy.pdf>

**• Whistle Blower Policy / Vigil Mechanism**

The Whistle Blower Policy / Vigil Mechanism addresses complaints w.r.t. leakage of unpublished price sensitive information in relation to the Company and prescribe the manner in which such cases shall be investigated. The Audit Committee oversees the genuine concerns expressed by the employees and Directors. The Company has also provided adequate safeguards against the victimization of employees and Directors who express their concerns. The details of the mechanism / policy are disclosed on the website of the Company at <https://www.forcemotors.com/assets/Others/Whistle-Blower-Policy.pdf>

**• Policy on materiality of Related Party Transactions**

The Board has formulated a policy on materiality of the Related Party Transactions (RPTs) pursuant to the SEBI (LODR) Regulations, 2015. The policy has been revised pursuant to the amendments in the said Regulations from time to time. Web link for the policy is [https://www.forcemotors.com/assets/Others/Policy\\_on\\_Materiality\\_of\\_Related\\_Party\\_Transactions.pdf](https://www.forcemotors.com/assets/Others/Policy_on_Materiality_of_Related_Party_Transactions.pdf)

**• Policy for determining Material Subsidiaries & its Governance Framework**

The Board has formulated a policy for determining 'material' subsidiaries pursuant to the SEBI (LODR) Regulations, 2015. Web link for the policy is <https://www.forcemotors.com/assets/Others/Policy-for-determining-Material-Subsidiaries-&-its-Governance-Framework.pdf>

**• Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of**
**Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons**

The Company has a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (the 'Code for UPSI') and also a 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons' (the 'Code of Conduct') in pursuance to the Regulation 8 and Regulation 9, respectively of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The above Codes can be accessed at <https://www.forcemotors.com/assets/Others/Code-of-conduct-as-per-Insider-Trading-Regulations.pdf>

**7. Other Disclosures**
**• Materially significant related party transactions**

During the year under review, there were no material RPTs entered into by the Company as per the threshold limits set out in Company's Policy on Materiality of the Related Party Transactions.

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

The Company has been compliant of the provisions w.r.t. Corporate Governance. No penalties were imposed by the Stock Exchange(s) or the SEBI on the Company in any matter related to capital market(s) during the last three years.

**• Utilization of funds raised through preferential allotment or qualified institutional placement**

Not applicable as no funds were raised by the Company through preferential allotment or issue of securities to qualified institutional investors.

**• Commodity Price Risk and Commodity Hedging Activities**

The details of Commodity Price Risk and Hedging Activities related to the same have been covered in Note No. 39 of the Financial Statement relating to Financial Risk Management.

**• Credit ratings**

During the year under report, the Company obtained the following credit ratings for its bank loan facilities and Non-Convertible Debentures issued :

Credit rating agency	Type of facilities rated	Rating assigned (Previous rating)
CRISIL	₹ 79.16 Crores Secured Non-Convertible Debentures	CRISIL AA / Stable (Reaffirmed)
	Bank Loan facilities amounting to ₹ 1,378 Crores :	
	Long Term	CRISIL AA / Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
	Short Term	CRISIL A1+ (Reaffirmed)



- **Total fees paid to the Auditors**

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

None of the subsidiaries of the Company made any payment to the Auditors of the Company, during the period under review.

- **Loans and advances to firms/entities where the directors are interested**

During the year under review, no loans or advances in the nature of loan were given by the Company or its subsidiaries to the firms/entities where the Directors or any of them are/is interested.

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

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

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

The Company has complied with the requirements w.r.t. Corporate Governance Report, as specified in the Schedule V of the SEBI (LODR) Regulations, 2015. During the Financial Year the Company has submitted quarterly compliance report on Corporate Governance to the Stock Exchange within prescribed timelines. The Company has complied with mandatory requirements of the SEBI (LODR) Regulations, 2015.

The Company has complied with the discretionary requirements as specified in Part E of Schedule II as under :

- **The Board**

The Chairman of the Company is also an Executive Director; hence there is nothing to report under this heading.

- **Shareholder Rights**

The quarterly / half-yearly / annual results, after they are taken on record by the Board of Directors, are sent forthwith to BSE Limited & National Stock Exchange of India Limited respectively. The results, in the prescribed format are published in the newspapers as per the requirements under the SEBI (LODR) Regulations, 2015.

- **Modified opinion(s) in Audit Report**

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

- **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

Mr. Abhaykumar Navalmal Firodia, Chairman, is also the Managing Director of the Company. He is also related to Mr. Prasan Abhaykumar Firodia, the Managing Director.

- **Reporting of Internal Auditor**

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

**9. General Shareholders' Information**

- **Scheduled AGM**

The 65th AGM of the Members of the Company will be held on Wednesday, 4th September, 2024.

- **Financial Year**

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

- **Financial Calendar**

Unaudited Financial Results will be published on or before :

For Quarter 1 : 14th August

For Quarter 2 : 14th November

For Quarter 3 : 14th February

Audited Results : 30th May

- **Payment of Dividend**

The Board in its Meeting held on 26th April, 2024; has recommended a final dividend of ₹ 20/- (200%) per equity share on 1,31,76,262 equity shares, for the Financial Year ended 31st March, 2024. The dividend, if declared by the Members of the Company, will be paid within 30 days from the date of the 65th AGM.

- **Record Date**

The details of Record Date forms part of the Notice of the 65th AGM.

- **Listing on Stock Exchange**

Shares of the Company are listed on the BSE Limited and NSE Limited (with effect from 14.02.2024). Annual Listing fee for the Financial Year 2024-25 has been paid to BSE Limited and NSE Limited.

- **Stock Code / Symbol**

The Stock Code allotted by BSE Limited is 500033 and the symbol allotted by NSE Limited is FORCEMOT.



**Market Price Data**
**Monthly highs and lows of Company's shares in FY 2023-24 (₹ vis-à-vis BSE Sensex and Nifty 50)**

Month	FML Share Price on BSE		FML Share Price on NSE		BSE Sensex		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Apr-23	1348.00	1162.00	1349.95	1166.00	61209.46	58793.08	18089.15	17312.75
May-23	1862.80	1298.00	1858.90	1299.00	63036.12	61002.17	18662.45	18042.4
Jun-23	2778.75	1787.80	2776.95	1788.00	64768.58	62359.14	19201.70	18464.55
Jul-23	2846.90	2463.80	2849.00	2450.05	67619.17	64836.16	19991.85	19234.40
Aug-23	3655.00	2397.70	3663.00	2400.10	66658.12	64723.63	19795.60	19229.70
Sep-23	4005.60	3408.05	4001.85	3395.00	67927.23	64818.37	20222.45	19255.70
Oct-23*	4173.95	3181.40	4173.00	3352.35	66592.16	63092.98	19843.30	18837.85
Nov-23*	4468.00	3380.00	--	--	67069.89	63550.46	20158.70	18973.70
Dec-23*	4250.00	3563.05	--	--	72484.34	67149.07	21801.45	20183.70
Jan-24*	4010.00	3333.00	--	--	73427.59	70001.6	22124.15	21137.20
Feb-24*	6810.00	3808.65	6810.00	4250.10	73413.93	70809.84	22297.50	21530.20
Mar-24	7387.95	5815.00	7390.00	5822.95	74245.17	71674.42	22526.60	21710.20

\*The equity Shares of the Company were listed on NSE with effect from 14th February 2024.

- Distribution of Shareholding** : Distribution of shareholding as on 31st March, 2024 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	47,861	97.72	17,06,105	12.95
501 to 1000	539	1.10	3,98,278	3.02
1001 to 2000	288	0.59	4,14,581	3.15
2001 to 3000	84	0.17	2,13,514	1.62
3001 to 4000	50	0.10	1,74,490	1.32
4001 to 5000	37	0.08	1,75,154	1.33
5001 to 10000	63	0.13	4,54,325	3.45
10001 & above	57	0.12	96,39,815	73.16
Total	48,979	100.00	1,31,76,262	100.00

- Share Transfer Agent**

The Company's Registrar and Share Transfer Agent (RTA) is Link Intime India Private Limited, situated at Block No. 202, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411001, who handles the demat and physical share transfers as well as other shares related activities of the Company.

- Share Transfer System**

Applications for transfers, transmission are received by the Company at its Registered Office or at the office of its RTA and are processed by the RTA on regular basis. The requests for transfer of shares are approved only in dematerialized form and the same are duly processed by National Securities Depository Limited / Central Depository Services (India) Limited in the electronic form through the respective depository participants. As on the date of report, no transfer and transmission request of shares held in physical form is pending. During the year under report, the Company processed 32 transmissions and 86 requests for dematerialization. There was no request for re-materialization of shares.

- Dematerialization / Rematerialisation of Shares**

The shares of the Company are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number ('ISIN') code allotted to the shares of the Company is INE451A01017.

As on 31st March 2024, 98.01% of the Company's shares were held in dematerialized form and 1.99% in physical form (in which 1.08% are unquoted equity shares and 0.91 % are quoted equity shares).

- The Company has not issued any GDR, ADR or Warrants or Convertible Instruments.**

- CIN**

The Corporate Identity Number allotted to the Company is L34102PN1958PLC011172.

- Registered Office**

The Company's registered office address is Mumbai-Pune Road, Akurdi, Pune - 411 035, Maharashtra.

- Plant locations**

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

- Mumbai - Pune Road, Akurdi, Pune - 411035, Maharashtra.
- Plot No.3, Sector No.1, Industrial Area, Pithampur, District Dhar - 454 775, Madhya Pradesh.
- Gat no. 330 (P), 331, 332, 312 / 5 / 6 / 7 and 355 Village Nanekarwadi, Chakan, Taluka Khed, District Pune - 410 505, Maharashtra.
- Mahindra World City, Panchayat Anjur, Taluka Chengalpattu, District Kancheepuram - 603 004, Tamilnadu.

The address for correspondence is :

- Mr. Rohan Sampat**

Company Secretary & Compliance Officer

- Force Motors Limited**

Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra  
Phone : +91 20 27476381

e-mail : compliance-officer@forcemotors.com or

- Mr. Sandip Pawar**

- Link Intime India Private Limited**

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

Phone : +91 20 26161629 / 26160084

Telefax No. : +91 20 26163503

e-mail : pune@linkintime.co.in

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

The certificate obtained from the Statutory Auditors of the Company regarding compliance of conditions on Corporate Governance, as per the provisions of the SEBI (LODR) Regulations, 2015 is annexed to the Report. The Code of Conduct approved by the Board of Directors of the Company is available on the website of the Company. The confirmation about compliance of the code is being obtained on annual basis. A declaration signed by the Managing Director to that effect is obtained. The Company has complied with the mandatory requirements prescribed under the SEBI (LODR) Regulations, 2015.

**E. UNPAID/UNCLAIMED DIVIDEND**

In terms of the provisions of Section 124 of the Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven consecutive years from the date of transfer to Unpaid Dividend Account, to be credited to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

Accordingly, during the year under review unclaimed/unpaid dividend of ₹ 9,96,439/- was transferred to IEPF.

Members are hereby informed that the seven years period for payment of the dividend pertaining to the financial years as given below will expire on respective dates and thereafter the amount standing to the credit in the said account will be transferred to the IEPF. Members are therefore requested to encash the dividend at the earliest.

**Dates for transfer of Unclaimed Dividend to the fund :**

Sr. No.	Financial Year	Date of Dividend Declaration	Date on which Dividend become Due for Transfer to IEPF
1.	2016-17	13-Sep-2017	12-Oct-2024
2.	2017-18	11-Sep-2018	12-Oct-2025
3.	2018-19	19-Sep-2019	22-Oct-2026
4.	2019-20	29-Sep-2020	03-Nov-2027
5.	2020-21	28-Sep-2021	03-Nov-2028
6.	2021-22	28-Sep-2022	31-Oct-2029
7.	2022-23	28-Sep-2023	31-Oct-2030

**F. TRANSFER OF SHARES TO IEPF**

During the year, the Company has transferred 1,964 shares on 9th May 2023 to the IEPF. The shares were transferred on account of dividends unclaimed for seven consecutive years.

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

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

**G. UNCLAIMED SHARE CERTIFICATES AND SUSPENSE ACCOUNT**

Share certificates in respect of 2,612 shares earlier issued as right shares or bonus shares were returned undelivered. The Company had intimated this fact to the concerned Members from time to time including reminders issued as per the requirement. These unclaimed shares were transferred to the 'Force Motors Limited - Unclaimed Securities Suspense Account'.

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

As per the SEBI (LODR) Regulations, 2015, all corporate benefits in terms of securities accruing on these shares, shall be credited to the 'Force Motors Limited-Unclaimed Securities Suspense Account' (for 200 shares) and to the demat account of IEPF (for 2,151 shares).

**The details of the above shares are as given below :**

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 200 Equity Shares of ₹ 10/- each of 01 shareholder.
- Number of shareholders who approached the Company for transfer of shares from suspense account during the year : Nil.
- Number of shareholders to whom shares were transferred from suspense account during the year: Nil.
- Aggregate number of shareholder and the outstanding shares in the suspense account lying at the end of the year: 200 Equity Shares of ₹ 10/- each of 01 shareholder.
- Voting rights on these shares shall remain frozen till the rightful owner of these shares presents a claim for the same.

**H. MD AND CFO CERTIFICATION**

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

**I. DECLARATION BY THE MANAGING DIRECTOR FOR COMPLIANCE WITH CODE OF CONDUCT**

To  
The Members of Force Motors Limited  
I, Prasan Abhaykumar Firodia, Managing Director of Force Motors Limited declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2024.

Pune, 16th April, 2024

**Prasan Abhaykumar Firodia**  
Managing Director  
DIN : 00029664

**J. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Force Motors Limited having CIN : L34102PN1958PLC011172 and having registered office at Mumbai Pune Road , Akurdi, Pune - 411035, MH (hereinafter referred to as "the Company"), produced before us by the Company & its officers for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para - C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as a director of companies by the Securities and Exchange Board of India, and/or the Ministry of Corporate Affairs, Government of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Abhaykumar Navalmal Firodia	00025179	01/07/2002
2.	Mr. Prasan Abhaykumar Firodia	00029664	30/09/2006
3.	Mr. Arvind Rajinderth Mahajan	07553144	30/07/2016
4.	Mr. Dattatray Balajirao Shekatkar	02676828	13/02/2019
5.	Mr. Vallabh Roopchand Bhanshali	00184775	13/08/2022
6.	Mr. Mukesh Mangalbhai Patel	00053892	13/08/2022
7.	Ms. Sonia Prashar	06477222	28/09/2022
8.	Mr. Prashant Vijay Inamdar	07071502	16/01/2015

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

Place : Pune  
Date : 25th April 2024

For **SIUT & Co LLP**  
Company Secretaries  
(Unique code: L2021MH011500)

**CS I U Thakur**  
Partner  
FCS: 2298  
C. P. Number: 1402  
Peer Review No: 5460/2024  
UDIN: F002298F000244595

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
Force Motors Limited

1. We have examined the compliance of conditions of corporate governance by Force Motors Limited ('the Company') for the year ended 31st March 2024 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the abovementioned Listing Regulations.
8. 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.
9. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

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

Pune, April 26, 2024

**Suhas Deshpande**  
Partner  
Membership No. 031787  
UDIN No. : 24031787BKHIAA5450

## INDEPENDENT AUDITORS' REPORT

To the Members of Force Motors Limited

### Report on the audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Force Motors Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p><b>Contingent Liability</b></p> <p>The Company has in duties and taxes litigations that are pending with various tax authorities. Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, it is considered to be a key audit matter. (Refer Note 31(a) to standalone financial statements)</p>	<p>Our procedures included, but were not limited to, the following :</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.</li> <li>• Assessed management's discussions held with their legal consultants and understanding precedents in similar cases;</li> <li>• Our own teams of tax experts assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.</li> </ul>
2.	<p><b>Intangible assets</b></p> <p>Product development costs incurred on new vehicle platforms; engines are recognised as intangible assets only when technical feasibility has been established. The costs capitalised during the year include technical know-how expenses, materials, direct Labour, inspecting and testing charges, designing and other direct expenses incurred on respective projects, up to the date the intangible asset is capitalised. The capitalisation of product development cost</p>	



Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	<p>is considered to be a key audit matter given that the assessment of the capitalisation criteria set out in Ind AS 38 Intangible Assets is made at an early stage of product development and there are inherent challenges with accurately predicting the future economic benefit, which must be assessed as probable for capitalisation to commence.</p> <p>(Refer Note No. 2{f} and Note No. 5 of the standalone financial statements)</p>	<p>Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness around initiation of capitalisation of the product development cost including management’s validation of relevant data elements and benchmarking the assumptions;</p> <p>The audit procedures included :</p> <ul style="list-style-type: none"> <li>• Obtained the list of approved project wise details and verify the completeness and accuracy of cost data with respect to various system generated reports.</li> <li>• Inspected the respective approvals for initiation of capitalisation including government approvals (DSIR) where applicable;</li> <li>• Reviewed the cost allocation for the year and determined that costs capitalised are directly attributable.</li> <li>• Tested on sample basis costs incurred towards projects i.e. in respect of manpower cost, we verified hours booked on respective projects, hourly rates for respective persons and sample vouchers / invoices for directly attributable expenses.</li> <li>• We reviewed judgments used by the Management for expected probable economic benefits and associated expenditures, and their assessment of feasibility of the projects, including appropriateness of past / present useful life applied in calculation of amortization.</li> <li>• After carrying out above audit procedures, we concluded that relevant criteria for capitalisation have been met.</li> </ul>

#### **Information other than the Standalone Financial Statements and Auditor’s Report thereon**

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Business Responsibility Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Management’s Responsibility for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor’s Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors for the year ended March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31(a) to the standalone financial statements
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note No. 42 to standalone financial statements.
    - (iv) With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended
      - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("**Intermediaries**"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("**Ultimate Beneficiaries**") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- (v) The final dividend paid by the Company during the year in respect for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend  
As stated in Note No. 45 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- (vi) With respect to clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, the requirement under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 of mandatory audit trail in the Company accounting software, based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of audit trail feature being tampered with.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

Place : Pune  
Date : 26th April 2024

**Suhas Deshpande**  
Partner  
Membership No. : 031787  
UDIN : 24031787BKHIAB6904

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **FORCE MOTORS LIMITED** (“**the Company**”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted

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

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

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

that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No. 105215W/W100057

Place : Pune

Date : 26th April 2024

**Suhas Deshpande**

Partner

Membership No. : 031787

UDIN : 24031787BKHIAB6904

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **FORCE MOTORS LIMITED** of even date)

- (i) (a) In Respect of records of property, plant and equipment and intangible assets
- A The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- B The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, the property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of property, plant and equipment is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as reported in Note No. 3 of financial statements are held in the name of the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its property plant and equipment during the year. Accordingly, Clause 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us by management, No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, Clause 3(i)(e) of the Order is not applicable.
- (ii) (a) As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) As informed to us during the year, the Company has been sanctioned working capital limits in excess of five crore rupees, from banks on the basis of security of current assets; the quarterly statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) Company has not provided any guarantee or security or granted any loans other than loans and advances to employees as per Company's policy or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, paragraphs 3(iii)(a), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f) of the Order is not applicable.
- With respect to reporting under 3(iii)(b) in respect of loans and advances given to employees as per company's policy does not prima facie appears to prejudicial to the interest of the Company. Further as informed to us the Company has not made investment, not provided any guarantees or not provided security in connection with the loan during the year. Accordingly, reporting with respect to Loans, Guarantees, Securities in connection with the loan 3(iii)(b) of the Order is not applicable
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments and loans and advances given to employees as per Company's policy. Further the Company has not given any guarantee or security in connection with a loan to any other body corporate or person. Further Company has not given any loan to directors as per section 185 of the Act.
- (v) In our opinion and according to the information and explanations given to us, in respect of deposits or amounts which are deemed to be deposits, the Company has complied with the directives of the Reserve Bank of India and the provision of Sections 73 to 76 of the Companies Act 2013, and the rules framed there under, wherever applicable. As informed to us, no order has been passed against the Company, by the Company Law Board, the National Company Law Tribunal, RBI, or any court or any tribunal.



- (vi) The Central Government has specified maintenance of cost records under Sub-Section (1) of Section 148 of the Act and we are of the opinion that prima facie such records are made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues :
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) Details of disputed amounts of statutory dues referred to in sub-clause (a) which have not been deposited as at March 31, 2024 on account of dispute are given below :

Sr No.	Name of the Statute	Nature of the Dues	Amount* (Rs in Lakhs)	Period(s) to which the amount relates (Various year covering the period)	Forum where such dispute is pending
1	Central Excise Act, 1944	Excise Duty	566.35	1987-1991, 1990-1991, 1998-2000, 2008-2009, 2009-2013, 2014-2015, 2016-2017, 2017-2018	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
			0.23	1995-1996	Appellate Authority upto Commissioner's level
2	Sales Tax Laws	Sales Tax	21.09	1997-1998, 2016-2017, 2017-2018, 2003-2004	Appellate Authority upto Commissioner's level
			6.38	2003-2004	Commercial Tax Appellate Board
3	Custom Act, 1962	Custom Duty	16.89	2004-2005, 2012-2013	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)

\* amounts are as per demand orders including penalty wherever quantified in the Order.

- (viii) In our opinion and according to the information and explanations given to us, there are no transactions which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly reporting under paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) (a) In our opinion and according to the information and explanations given to us by the management, Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) In our opinion and according to the information and explanations given to us by the management, Company is not declared as wilful defaulter by bank or financial institution or other lender
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained
- (d) In our opinion and according to the information and explanations given to us by the management, funds raised on short term basis have not been utilised for long term purposes
- (e) In our opinion and according to the information and explanations given to us by the management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us by the management, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) As per information and explanations given to us, no fraud by the Company or on the Company been noticed or reported during the year nor have we been informed of any such case by the Management. Accordingly reporting under paragraph 3(xi)(a) of the Order is not applicable to the Company.
- (b) As per information and explanations given to us, No report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business
- (b) We have considered the internal audit reports of the company, for the year, issued till date, the period covered till 31st March 2024.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.



- (xvi) (a) According to the information and explanations given to us, and based on our examination of the records of the Company, Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) and (b) of the Order are not applicable
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion, and according to the information and explanation given to us, in the group no companies forming part of the promoter/promoter group of the Company which are CICs
- (xvii) According to the information and explanations given to us, Company has not incurred cash losses in the current financial year and in the immediately preceding financial year accordingly, reporting under paragraph 3 (xvii) of the Order is not applicable.
- (xviii) There is no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable.
- (xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, and our knowledge of the Board of Directors and management plans we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year

from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There is no unspent amount which was required to be transferred to a Fund specified in Schedule VII Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable to the Company.
- (b) There is no unspent amount under sub-section (5) of Section 135 of the Companies Act pursuant to any ongoing project which was required to be transferred to special account in compliance with sub-section (6) of Section 135 of the Companies Act. Accordingly, reporting under paragraph 3(xx)(b) of the Order is not applicable to the Company.

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

Place : Pune  
Date : 26th April 2024

**Suhas Deshpande**  
Partner  
Membership No. : 031787  
UDIN : 24031787BKHIAB6904

**Balance Sheet as at 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
<b>I ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Property, Plant and Equipment	3	1,57,110	1,60,424
(b) Capital Work-in-progress	3	2,579	3,866
(c) Investment Property	4	686	668
(d) Other Intangible Assets	5	45,345	48,306
(e) Intangible Assets under development	5	14,506	11,501
(f) Financial Assets			
(i) Investments	6	16,639	15,890
(ii) Other Financial Assets	13	1,388	1,904
(g) Deferred Tax Assets (Net)	8	--	585
(h) Other Non-current Assets	9	6,154	7,834
<b>Total Non-current Assets</b>		<b>2,44,407</b>	<b>2,50,978</b>
<b>2. Current Assets</b>			
(a) Inventories	10	1,16,319	82,655
(b) Financial Assets			
(i) Trade Receivables	11	10,406	19,684
(ii) Cash and Cash equivalents	12	44,176	13,723
(iii) Bank Balance other than (ii) above	12	60	97
(iv) Loans and Advances	7	2	38
(v) Other Financial Assets	13	20,237	25,303
(c) Current Tax Assets (Net)	8	568	--
(d) Other Current Assets	9	12,171	14,394
<b>Total Current Assets</b>		<b>2,03,939</b>	<b>1,55,894</b>
<b>Total Assets</b>		<b>4,48,346</b>	<b>4,06,872</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	14	1,318	1,318
(b) Other Equity	15	2,31,295	1,91,927
<b>Total Equity</b>		<b>2,32,613</b>	<b>1,93,245</b>
<b>2. Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	38,177	59,497
(ii) Other Financial Liabilities	17	169	169
(b) Deferred Tax Liabilities (Net)	8	10,315	--
(c) Other Non-current Liabilities	20	221	176
(d) Provisions	18	3,257	2,846
<b>Total Non-current Liabilities</b>		<b>52,139</b>	<b>62,688</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	14,273	35,979
(ii) Trade Payables	19		
- Total outstanding dues of Micro and Small Enterprises		2,686	1,031
- Total outstanding dues other than Micro and Small Enterprises		82,743	73,464
(iii) Other Financial Liabilities	17	3,472	3,627
(b) Other Current Liabilities	20	41,250	19,519
(c) Current Tax Liabilities (Net)	8	--	3,828
(d) Provisions	18	19,170	13,491
<b>Total Current Liabilities</b>		<b>1,63,594</b>	<b>1,50,939</b>
<b>Total Liabilities</b>		<b>2,15,733</b>	<b>2,13,627</b>
<b>Total Equity and Liabilities</b>		<b>4,48,346</b>	<b>4,06,872</b>

See accompanying notes forming part of the Financial Statements

As per our separate report of even date.

For Kirtane &amp; Pandit LLP

Chartered Accountants

[FRN : 105215W/W100057]

**Suhas Deshpande**

Partner

Membership No. : 031787

Place : Pune

Date : 26th April 2024

**Sanjay Kumar Bohra**

Chief Financial Officer

**Nikhil Deshpande**

Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**

Chairman

DIN : 00025179

Place : Pune

Date : 26th April 2024

**Statement of Profit and Loss for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>I INCOME</b>			
(a) Revenue from Operations	21	<b>6,99,165</b>	5,02,859
(b) Other Income	22	<b>3,910</b>	6,203
<b>Total Income</b>		<b>7,03,075</b>	5,09,062
<b>II EXPENSES</b>			
(a) Cost of Materials consumed		<b>5,23,150</b>	3,92,805
(b) Changes in Inventories of Finished Goods and Work-in-progress	23	<b>(10,703)</b>	(788)
(c) Employee benefits expense	24	<b>53,334</b>	42,244
(d) Finance costs	25	<b>6,214</b>	6,840
(e) Depreciation and Amortization expense	26	<b>26,675</b>	24,074
(f) Other expenses	27	<b>50,799</b>	41,545
(g) Expenditure included in the above items capitalised		<b>(8,237)</b>	(5,889)
<b>Total Expenses</b>		<b>6,41,232</b>	5,00,831
<b>III Profit / (Loss) before exceptional items and tax</b>		<b>61,843</b>	8,231
<b>IV Exceptional Items (Net)</b>	28	--	20,832
<b>V Profit / (Loss) Before Tax</b>		<b>61,843</b>	29,063
<b>VI Tax Expense</b>	8		
(a) Current Tax		<b>11,510</b>	5,187
(b) Deferred Tax		<b>10,157</b>	8,649
(c) Taxation in respect of earlier years		<b>7</b>	22
<b>Total Tax Expense</b>		<b>21,674</b>	13,858
<b>VII Profit / (Loss) for the year</b>		<b>40,169</b>	15,205
<b>VIII Other Comprehensive Income</b>			
(a) Items that will not be reclassified to Profit or Loss			
(i) Re-measurements of net defined benefit liability		<b>(224)</b>	328
(ii) Equity instrument through Other Comprehensive Income		<b>750</b>	510
		<b>526</b>	838
(b) Income tax relating to items that will not be reclassified to Profit or Loss			
(i) Taxes on re-measurements of net defined benefit liability		<b>78</b>	(115)
(ii) Taxes on Equity instrument through Other Comprehensive Income		<b>(87)</b>	(59)
		<b>(9)</b>	(174)
<b>Total Other Comprehensive Income</b>		<b>517</b>	664
<b>IX Total Comprehensive Income for the year [comprising Profit / (Loss) and Other Comprehensive Income for the year]</b>		<b>40,686</b>	15,869
<b>X Basic and Diluted Earnings per Equity Share</b>	29	<b>304.86</b>	115.40
[Nominal value per share ₹ 10/-] ₹			

See accompanying notes forming part of the Financial Statements 1-47

As per our separate report of even date.

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

**Suhas Deshpande**  
 Partner  
 Membership No. : 031787

 Place : Pune  
 Date : 26th April 2024

**Sanjay Kumar Bohra**  
 Chief Financial Officer

**Nikhil Deshpande**  
 Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
 Chairman  
 DIN : 00025179

 Place : Pune  
 Date : 26th April 2024

**Statement of Changes in Equity for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**A. Equity Share Capital**

Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2022	Changes in Equity Share Capital during the year	Balance as at 31st March 2023
1,318	--	1,318	--	1,318
Balance as at 1st April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2023	Changes in Equity Share Capital during the year	<b>Balance as at 31st March 2024</b>
1,318	--	1,318	--	<b>1,318</b>

**B. Other Equity**

Particulars	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April 2022	5,920	34,629	1,34,472	2,355	1,77,376
Profit / (Loss) for the year	--	--	15,205	--	15,205
Other Comprehensive Income (Net of tax)	--	--	213	451	664
Dividends	--	--	(1,318)	--	(1,318)
Balance as at 31st March 2023	5,920	34,629	1,48,572	2,806	1,91,927
Balance as at 1st April 2023	5,920	34,629	1,48,572	2,806	1,91,927
Profit / (Loss) for the year	--	--	40,169	--	40,169
Other Comprehensive Income (Net of tax)	--	--	(146)	663	517
Dividends	--	--	(1,318)	--	(1,318)
<b>Balance as at 31st March 2024</b>	<b>5,920</b>	<b>34,629</b>	<b>1,87,277</b>	<b>3,469</b>	<b>2,31,295</b>

As per our separate report of even date.

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

**Suhas Deshpande**  
 Partner  
 Membership No. : 031787

 Place : Pune  
 Date : 26th April 2024

**Sanjay Kumar Bohra**  
 Chief Financial Officer

**Nikhil Deshpande**  
 Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
 Chairman  
 DIN : 00025179

 Place : Pune  
 Date : 26th April 2024

**Statement of Cash Flows for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>A. Cash flow from Operating Activities</b>		
Profit / (Loss) before tax	61,843	29,063
<b>Adjustments for</b>		
Depreciation and Amortization expense	26,675	24,074
Net exchange differences (unrealised)	71	1,178
Interest Income	(734)	(75)
Dividend income on Equity Securities	(28)	(17)
Loss / (Gain) on disposal of Property, Plant and Equipment	127	113
Finance Costs	6,214	6,840
Write off - Capital WIP & Intangible Assets under development	--	9,999
Write off - Advances & Other receivables	--	666
Inventory write down	11	765
<b>Operating Profit before Working Capital adjustments</b>	<b>94,179</b>	<b>72,606</b>
<b>Working Capital adjustments</b>		
<b>Increase / Decrease in</b>		
Trade Receivables	9,280	(746)
Inventories	(33,675)	(19,707)
Other Financial Assets	5,681	(25,507)
Other Non-financial Assets	2,223	(5,844)
Trade Payables	10,918	22,414
Financial Liabilities	50	164
Non-financial Liabilities	21,776	8,941
Provisions	5,866	1,157
<b>Cash generated from Operations</b>	<b>1,16,298</b>	<b>53,478</b>
Income Tax (paid) / Refund (Net)	(15,179)	(332)
<b>Net Cash flow from / (used in) Operating Activities</b>	<b>1,01,119</b>	<b>53,146</b>
<b>B. Cash flow from Investing Activities</b>		
Payments for Property, Plant and Equipment and Intangible Assets	(20,838)	(25,952)
Proceeds from sale of Property, Plant and Equipment and Intangible Assets	351	201
Interest received	709	87
Dividends received	28	17
<b>Net Cash flow from / (used in) Investing Activities</b>	<b>(19,750)</b>	<b>(25,647)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from / (Repayment of) borrowings (Net)	(43,086)	(12,126)
Interest paid	(6,515)	(7,241)
Dividends paid	(1,318)	(1,318)
<b>Net Cash flow from / (used in) Financing Activities</b>	<b>(50,919)</b>	<b>(20,685)</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>30,450</b>	<b>6,814</b>
Cash and Cash equivalents at beginning of the financial year	13,725	6,911
Cash and Cash equivalents at end of the financial year	44,175	13,725
Cash and Cash equivalents as per Note No. 12	44,176	13,723
Effects of exchange rate fluctuations on Cash and Cash equivalents held	(1)	2
	<b>44,175</b>	<b>13,725</b>

As per our separate report of even date.

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

**Suhas Deshpande**  
 Partner  
 Membership No. : 031787

 Place : Pune  
 Date : 26th April 2024

**Sanjay Kumar Bohra**  
 Chief Financial Officer

**Nikhil Deshpande**  
 Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
 Chairman  
 DIN : 00025179

 Place : Pune  
 Date : 26th April 2024



## Notes to Financial Statements for the year ended 31st March 2024

### 1. THE CORPORATE INFORMATION

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

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

### 2. SIGNIFICANT AND MATERIAL ACCOUNTING POLICY INFORMATION

The Company has disclosed accounting policy information material to its financial statements in accordance with amendments in Ind AS 1 as notified in the Companies (Indian Accounting Standards) Amendment Rules, 2023.

#### (a) Statement of Compliance

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("**the Act**") [the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2023] and other relevant provisions of the Act.

#### (b) Basis of Preparation

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

All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act.

These standalone financial statements were approved by the Board of Directors and authorised for issue, on 26 April, 2024.

#### (c) Revenue Recognition

##### (i) Sales

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

Trade Receivables that do not contain a significant financing component are measured at transaction price.

##### (ii) Other Incomes

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

##### (iii) Cost Recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalised where appropriate internally generated capital items (tangible and intangible assets) and various product development projects undertaken by the Company, for the introduction of new products and development of Engines and existing product variants.

#### (d) Inventories

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

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

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

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

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

#### (e) Property, Plant and Equipment

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

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

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

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

#### (f) Intangible Assets

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

##### Intangible Assets internally generated

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

#### (g) Investment Property

Investment property is measured at cost less accumulated depreciation.

**Notes to Financial Statements for the year ended 31st March 2024**

- (h) **Impairment of assets**  
Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
- (i) **Depreciation & Amortization**
- (i) **Property, Plant and Equipment**
- The Depreciation on Property, Plant and Equipment is provided on straight-line method and as per Schedule-II to the Companies Act, 2013.
  - Leasehold land is amortized over the period of lease.
- (ii) **Intangible Assets**
- Software and their implementation costs are written off over the period of 5 years.
  - Technical Know-how acquired and internally generated is amortized over the useful life of the assets, not exceeding 10 years.
- (j) **Borrowing Costs**  
Cost of borrowings incurred for acquisition, construction or production of qualifying asset is capitalized.
- (k) **Research and Development Expenses**  
Revenue expenditure on Research and Development is charged off as an expense in the year in which incurred and capital expenditure is grouped with Assets under appropriate heads and depreciation is provided as per rates applicable.
- (l) **Leases**
- (i) **Where the Company is the Lessee**
- The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
  - The right-of-use asset is subsequently depreciated using the straight-line method over the useful life of the right-of-use asset or the end of the lease term.
- Short-term leases and leases of low-value assets**
- The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.
- (ii) **Where the Company is the Lessor**  
Lease rentals are recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.
- (m) **Investment in Subsidiary and Joint Venture**  
The Company has elected to recognize its investments in Joint Venture at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.
- (n) **Cash and Cash Equivalents**  
Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
- (o) **Earnings per Share**  
Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the period.
- (p) **Foreign currency transactions**
- Transactions and balances**
- (i) Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.
  - (ii) Monetary items of Assets and Liabilities booked in foreign currency are translated in to rupee at the exchange rate prevailing at the Balance Sheet date.
  - (iii) Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognized in the Statement of Profit and Loss.
  - (iv) Exchange difference arising on translation of foreign currency liabilities for acquisition of Property, Plant and Equipments are adjusted to the Statement of Profit and Loss.
  - (v) The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance.
- (q) **Functional and presentation currency**  
These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs, unless otherwise stated.
- (r) **Employee Benefits**
- Defined benefit plans**
- (i) The accruing liability of Gratuity is covered by Employees Group Gratuity Scheme of Life Insurance Corporation of India (LIC) and the premium is accounted for in the year of accrual. The additional liability, if any, due to deficit in the Plan assets managed by LIC as compared to the present value of accrued liability on the basis of actuarial valuation, is recognized and provided for.
  - (ii) Provident fund contributions are made to Company's Provident Fund Trust. The contributions are accounted for as defined benefit plans and are recognized as employee benefits expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Company.
  - (iii) Current service cost and net interest on defined benefit obligation are directly recognized in the Statement of Profit and Loss.
  - (iv) Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

**Notes to Financial Statements for the year ended 31st March 2024**
**Defined contribution plans**

- (i) The Company's superannuation scheme is a defined contribution plan. The contributions are recognized as employee benefit expense when they are due.
- (ii) Benefits in respect of compensated absence payable after 12 months are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.
- (iii) Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority and recognized as expense as and when due.

**(s) Taxation**

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

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

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

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

**(t) Provisions and Contingent Liabilities**
**(i) Provision**

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

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

**(ii) Contingent liability**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or liabilities, which are frivolous claims, but required disclosure, are disclosed considering the relevant Accounting Standards.

**(u) Incentives**

Incentives are considered / recorded on the basis of sanction order received from the Government Authority.

**(v) Financial instruments**
**Equity investments at fair value through other comprehensive income**

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss, when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

**(w) Fair value measurement**

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

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

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

**(x) Use of estimates and judgements**

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

- (i) Estimation of defined benefit obligation – refer Note No.37.
- (ii) Estimation of provision for warranty claims – refer Note No.18.
- (iii) Estimated useful life and residual value of property, plant and equipments - refer Note No. 2(i) (i) above.
- (iv) Estimated useful life of intangible assets- refer Note No.2(i) (ii) above.
- (v) Estimation of provision for Tax expenses - refer Note No.2(s) above.

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

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CURRENT YEAR)**

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Aircrafts	Total	Capital Work-in-Progress
	Freehold	Leasehold								
<b>Gross carrying amount</b>										
Balance as at 1st April 2023	868	2,553	34,442	2,89,810	2,106	5,715	1,344	4,668	3,41,506	3,866
Additions	--	--	411	14,860	55	1,051	61	--	16,438	2,092
Disposals / Adjustments	--	--	--	398	3	524	13	--	938	3,379
<b>Balance as at 31st March 2024</b>	<b>868</b>	<b>2,553</b>	<b>34,853</b>	<b>3,04,272</b>	<b>2,158</b>	<b>6,242</b>	<b>1,392</b>	<b>4,668</b>	<b>3,57,006</b>	<b>2,579</b>
<b>Accumulated depreciation</b>										
Balance as at 1st April 2023	--	219	13,427	1,60,079	1,516	3,056	1,129	1,656	1,81,082	
Depreciation for the year	--	32	1,222	17,085	121	521	69	222	19,272	
Disposals / Adjustments	--	--	(2)	171	2	275	12	--	458	
<b>Balance as at 31st March 2024</b>	<b>--</b>	<b>251</b>	<b>14,651</b>	<b>1,76,993</b>	<b>1,635</b>	<b>3,302</b>	<b>1,186</b>	<b>1,878</b>	<b>1,99,896</b>	
<b>Carrying amounts (Net)</b>										
<b>As at 31st March 2024</b>	<b>868</b>	<b>2,302</b>	<b>20,202</b>	<b>1,27,279</b>	<b>523</b>	<b>2,940</b>	<b>206</b>	<b>2,790</b>	<b>1,57,110</b>	<b>2,579</b>
As at 31st March 2023	868	2,334	21,015	1,29,731	590	2,659	215	3,012	1,60,424	3,866

**Notes :**

- Refer Note No. 35 for Lease.
- Refer Note No. 31(b) for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- Capital Work-in-progress mainly comprises Plant & Equipment.
- The Title Deeds of Immovable Properties are held in name of the Company.
- The Company has not revalued its Property, Plant and Equipment as at 31st March 2024.
- Please refer Note No. 5(a)(i) for ageing schedule of Capital Work-in-Progress.

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (PREVIOUS YEAR)**

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Aircrafts	Total	Capital Work-in-Progress
	Freehold	Leasehold								
<b>Gross carrying amount</b>										
Balance as at 1st April 2022	868	2,553	33,445	2,71,188	2,072	5,219	1,298	4,668	3,21,311	15,565
Additions	--	--	997	18,940	37	1,152	55	--	21,181	2,327
Disposals / Adjustments	--	--	--*	318	3	656	9	--	986	6,430
Write off (Refer Note No. 28 (b))	--	--	--	--	--	--	--	--	--	7,596
<b>Balance as at 31st March 2023</b>	<b>868</b>	<b>2,553</b>	<b>34,442</b>	<b>2,89,810</b>	<b>2,106</b>	<b>5,715</b>	<b>1,344</b>	<b>4,668</b>	<b>3,41,506</b>	<b>3,866</b>
<b>Accumulated depreciation</b>										
Balance as at 1st April 2022	--	187	12,223	1,45,154	1,384	2,988	1,056	1,434	1,64,426	
Depreciation for the year	--	32	1,204	15,208	134	448	81	222	17,329	
Disposals / Adjustments	--	--	--*	283	2	380	8	--	673	
<b>Balance as at 31st March 2023</b>	<b>--</b>	<b>219</b>	<b>13,427</b>	<b>1,60,079</b>	<b>1,516</b>	<b>3,056</b>	<b>1,129</b>	<b>1,656</b>	<b>1,81,082</b>	
<b>Carrying amounts (Net)</b>										
<b>As at 31st March 2023</b>	<b>868</b>	<b>2,334</b>	<b>21,015</b>	<b>1,29,731</b>	<b>590</b>	<b>2,659</b>	<b>215</b>	<b>3,012</b>	<b>1,60,424</b>	<b>3,866</b>
As at 31st March 2022	868	2,366	21,222	1,26,034	688	2,231	242	3,234	1,56,885	15,565

**Notes :**

- Refer Note No. 35 for Lease.
- Refer Note No. 31 (b) for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- Capital Work-in-progress mainly comprises Plant & Equipment.
- The Title Deeds of Immovable Properties are held in name of the Company.
- The Company has not revalued its Property, Plant and Equipment as at 31st March 2023.
- Please refer Note No. 5(a)(i) for ageing schedule of Capital Work-in-Progress.

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



**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**4. INVESTMENT PROPERTY**

Particulars of Industrial Shed	As at 31st March 2024	As at 31st March 2023
<b>Gross Carrying amount</b>		
Opening Balance	<b>985</b>	794
Additions	<b>50</b>	191
Disposals / Adjustment	--	--
<b>Closing Balance</b>	<b>1,035</b>	985
<b>Accumulated depreciation</b>		
Opening Balance	<b>317</b>	288
Depreciation for the year	<b>34</b>	29
Disposals / Adjustments	<b>2</b>	--
<b>Closing Balance</b>	<b>349</b>	317
<b>Carrying Amount (Net)</b>	<b>686</b>	668

**Information regarding income and expenditure of Investment Property :**

Particulars	As at 31st March 2024	As at 31st March 2023
Rental income derived from investment property	<b>353</b>	268
Direct operating expenses (including repairs and maintenance) generating rental income	<b>5</b>	20
Income arising from investment property before depreciation and indirect expenses	<b>348</b>	248
<b>Less : Depreciation</b>	<b>34</b>	29
Income from investment property	<b>314</b>	219

**Leasing arrangements**

The Company's investment property consists of industrial property situated at Chakan, Pune. Refer Note No. 35 (a).

**Fair Value**

The Company's investment property is at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties and Ready Recknor rates for the relevant survey numbers in those locations instead of valuation by a registered valuer, and consequently classified as a Level-2 valuation.

Particulars	As at 31st March 2024	As at 31st March 2023
Industrial Property	<b>2,902</b>	2,902

**Reconciliation of fair value**

Particulars	Industrial Property
Opening Balance	2,902
Change in fair value	--
<b>Closing Balance</b>	<b>2,902</b>

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**5. INTANGIBLE ASSETS (CURRENT YEAR)**

Particulars	Software	Technical Know-how acquired	Technical Know-how internally generated	Total	Intangible Assets under development
<b>Gross carrying amount</b>					
Balance as at 1st April 2023	5,891	16,019	56,656	78,566	11,501
Additions	191	2,141	2,076	4,408	4,420
Disposals / Adjustments	--	--	--	--	1,415
<b>Balance as at 31st March 2024</b>	<b>6,082</b>	<b>18,160</b>	<b>58,732</b>	<b>82,974</b>	<b>14,506</b>
<b>Accumulated amortization</b>					
Balance as at 1st April 2023	5,037	7,244	17,979	30,260	
Amortization for the year	268	1,165	5,936	7,369	
Disposals / Adjustments	--	--	--	--	
<b>Balance as at 31st March 2024</b>	<b>5,305</b>	<b>8,409</b>	<b>23,915</b>	<b>37,629</b>	
<b>Carrying amounts (Net)</b>					
<b>As at 31st March 2024</b>	<b>777</b>	<b>9,751</b>	<b>34,817</b>	<b>45,345</b>	<b>14,506</b>
As at 31st March 2023	854	8,775	38,677	48,306	11,501

- Notes :** (a) Intangible Assets under development mainly comprises internally generated technical know-how.  
 (b) Refer Note No. 31(b) for disclosure of contractual commitments for the acquisition of Intangible Assets.  
 (c) The Company has not revalued its Intangible Assets as at 31st March 2024.  
 (d) Please refer Note No. 5(a)(ii) for ageing schedule of Intangible Assets under Development

**5. INTANGIBLE ASSETS (PREVIOUS YEAR)**

Particulars	Software	Technical Know-how acquired	Technical Know-how internally generated	Total	Intangible Assets under development
<b>Gross carrying amount</b>					
Balance as at 1st April 2022	5,243	12,675	51,538	69,456	14,650
Additions	648	3,344	5,118	9,110	3,606
Disposals / Adjustments	--	--	--	--	2,135
Write off (Refer Note No. 28 (b))	--	--	--	--	4,620
<b>Balance as at 31st March 2023</b>	<b>5,891</b>	<b>16,019</b>	<b>56,656</b>	<b>78,566</b>	<b>11,501</b>
<b>Accumulated amortization</b>					
Balance as at 1st April 2022	4,699	6,418	12,427	23,544	
Amortization for the year	338	826	5,552	6,716	
Disposals / Adjustments	--	--	--	--	
<b>Balance as at 31st March 2023</b>	<b>5,037</b>	<b>7,244</b>	<b>17,979</b>	<b>30,260</b>	
<b>Carrying amounts (Net)</b>					
<b>As at 31st March 2023</b>	<b>854</b>	<b>8,775</b>	<b>38,677</b>	<b>48,306</b>	<b>11,501</b>
As at 31st March 2022	544	6,257	39,111	45,912	14,650

- Notes :** (a) Intangible Assets under development mainly comprises internally generated technical know-how.  
 (b) Refer Note No. 31(b) for disclosure of contractual commitments for the acquisition of Intangible Assets.  
 (c) The Company has not revalued its Intangible Assets as at 31st March 2023.  
 (d) Please refer Note No. 5(a)(ii) for ageing schedule of Intangible Assets under Development

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**5. (a) Ageing Schedule for Capital Work in Progress (CWIP) and Intangible Assets under Development :**
**(i) Ageing Schedule of Capital Work in Progress :**

Sr. No.	CWIP	Amount in CWIP for a period of				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
1	<b>Projects in progress as at 31.03.2024</b>	<b>2,432</b>	<b>89</b>	<b>58</b>	<b>--*</b>	<b>2,579</b>
2	Projects in progress as at 31.03.2023	2,371	1,210	82	203	3,866

**(ii) Ageing Schedule of Intangible Assets under Development :**

Sr. No.	Intangible Assets under Development	Amount in CWIP for a period of				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
1	<b>Projects in progress as at 31.03.2024</b>	<b>3,694</b>	<b>3,048</b>	<b>1,218</b>	<b>6,546</b>	<b>14,506</b>
2	Projects in progress as at 31.03.2023	3,728	1,227	2,914	3,632	11,501

**6. FINANCIAL ASSETS : INVESTMENTS (NON-CURRENT)**

	As at 31st March 2024	As at 31st March 2023
<b>A. Investments at Fair Value through Other Comprehensive Income (FVTOCI)</b>		
<b>(a) Unquoted Equity Shares (fully paid)</b>		
(i) 1 (31st March 2023 : 1) Equity Share of ₹ 10/-, fully paid in MAN Truck & Bus India Pvt. Ltd.	--*	--*
(ii) 50,000 (31st March 2023 : 50,000) Equity Shares of ₹ 10/- each fully paid in Pithampur Auto Cluster Ltd.	5	5
(iii) 5 (31st March 2023 : 5) Equity Shares of ₹ 50/- each, fully paid in Mittal Tower Premises Co-operative Society Ltd.	--*	--*
<b>(b) Quoted Equity Shares (fully paid)</b>		
3,47,187 (31st March 2023 : 3,47,187) Equity Shares of ₹ 2/- each, fully paid in ICICI Bank Ltd.	<b>3,795</b>	3,046
<b>Total FVTOCI Investments</b>	<b>3,800</b>	3,051

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

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

	<u>As at 31st March 2024</u>	<u>As at 31st March 2023</u>
<b>B. Investment at Cost</b>		
<b>Unquoted Equity Shares (fully paid)</b>		
<b>(a) In Subsidiary</b>		
8,80,200 (31st March 2023 : 8,80,200) Equity Shares of ₹ 10/- each, fully paid in Tempo Finance (West) Pvt. Ltd.	89	89
<b>(b) In Joint Venture</b>		
12,75,00,000 (31st March 2023 : 12,75,00,000) Equity Shares of ₹ 10/- each, fully paid in Force MTU Power Systems Pvt. Ltd.	12,750	12,750
<b>Total Investment at Cost</b>	<u>12,839</u>	<u>12,839</u>
<b>Total Investments</b>	<u>16,639</u>	<u>15,890</u>
Aggregate book value of quoted investments	27	27
Aggregate market value of quoted investments	3,795	3,046
Aggregate value of unquoted investments	12,844	12,844
Aggregate amount of impairment in the value of investments	--	--

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

For determination of fair values of quoted equity investments, the investments classified as FVTOCI. Refer Note No. 38.

Investments in subsidiary and joint venture is accounted at cost in accordance with "Ind AS 27" Separate financial statements.

**7. FINANCIAL ASSETS : LOANS AND ADVANCES**

	<u>As at 31st March 2024</u>	<u>As at 31st March 2023</u>
<b>Current</b>		
<b>(a) Other Loans and Advances</b>		
(i) Considered Good - Unsecured	2	38
(ii) Credit impaired (Doubtful)	--	--
<b>Total Current Loans and Advances</b>	<u>2</u>	<u>38</u>
<b>Total Loans and Advances</b>	<u>2</u>	<u>38</u>

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**8. CURRENT AND DEFERRED TAX**

	As at 31st March 2024	As at 31st March 2023
<b>A. Statement of Profit or Loss</b>		
<b>(a) Current Tax</b>		
(i) Current Income Tax charge	11,510	5,187
(ii) Taxation in respect of earlier years	7	22
<b>(b) Deferred Tax</b>		
Relating to origination and reversal of temporary differences	10,157	8,649
<b>Income Tax expense reported in the Statement of Profit or Loss</b>	<b>21,674</b>	<b>13,858</b>
<b>(c) Other Comprehensive Income (OCI)</b>		
<b>Deferred Tax related to items recognized in OCI during the year</b>		
(i) Re-measurements on defined benefit plan	78	(115)
(ii) Quoted Equity Instruments	(87)	(59)
<b>Income Tax recognized in OCI</b>	<b>(9)</b>	<b>(174)</b>
<b>B. Balance Sheet</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
<b>(a) Current Tax Assets</b>		
Advance Income Tax	568	--
<b>Total Current Tax Assets (Net)</b>	<b>568</b>	<b>--</b>
<b>(b) Current Tax Liabilities</b>		
Provision for Income Tax	--	3,828
<b>Total Current Tax Liabilities (Net)</b>	<b>--</b>	<b>3,828</b>
<b>(c) Deferred Tax</b>		
(i) Deferred Tax Assets (DTA)	25,070	35,709
(ii) Deferred Tax Liabilities (DTL)	(35,385)	(35,124)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(10,315)</b>	<b>585</b>

**Reconciliation of tax expense and the accounting profit for the year ended 31st March 2024 and 31st March 2023**

	As at 31st March 2024	As at 31st March 2023
Accounting Profit Before Tax	61,843	29,063
(a) Tax as per Income Tax Act	21,611	10,156
<b>(b) Tax Expense</b>		
(i) Current Tax	11,510	5,187
(ii) Deferred Tax	10,157	8,649
(iii) Taxation in respect of earlier years	7	22
<b>Total Tax Expense</b>	<b>21,674</b>	<b>13,858</b>
(c) Difference (a) - (b)	(63)	(3,702)
<b>(d) Tax Reconciliation</b>		
(i) Permanent Dis-allowances	(82)	(3,709)
(ii) Allowances and accelerated deductions	26	29
(iii) Taxation in respect of earlier years	(7)	(22)
<b>Total</b>	<b>(63)</b>	<b>(3,702)</b>



**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Deferred Tax Assets and Liabilities are as follows :**

	<b>Balance Sheet</b>	
	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
<b>Deferred Tax Assets / (Liabilities) in relation to</b>		
<b>Deferred Tax relates to the following : DTA / (DTL)</b>		
(a) Property, Plant and Equipment	<b>(35,086)</b>	(34,912)
(b) Provision for doubtful advances	<b>38</b>	52
(c) Dis-allowance u/s 43B of the Income Tax Act	<b>1,913</b>	1,680
(d) Carry forward Income tax loss	<b>--</b>	10,149
(e) MAT credit entitlement	<b>23,093</b>	23,828
(f) Others	<b>26</b>	--
(g) Quoted Equity Instrument through Other Comprehensive Income	<b>(299)</b>	(212)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(10,315)</b>	585

**Significant components of net Deferred Tax Assets and Liabilities for the year ended 31st March 2024 are as follows :**

	As at 1st April 2023	Recognized in Profit or Loss during 2023-24	Recognized in Other Comprehensive Income during 2023-24	MAT Credit utilised	<b>As at 31st March 2024</b>
Movement in temporary differences					
Property, Plant and Equipment	(34,912)	(174)	--	--	<b>(35,086)</b>
Provision for doubtful advances	52	(14)	--	--	<b>38</b>
Dis-allowance u/s 43B of the Income Tax Act	1,680	155	78	--	<b>1,913</b>
Carry forward Income tax loss	10,149	(10,149)	--	--	<b>--</b>
MAT credit entitlement	23,828	--	--	(735)	<b>23,093</b>
Others	--	26	--	--	<b>26</b>
Quoted Equity Instrument through Other Comprehensive Income	(212)	--	(87)	--	<b>(299)</b>
	585	(10,156)	(9)	(735)	<b>(10,315)</b>

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**9. OTHER ASSETS**

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
<b>(a) Capital Advances</b>		
Considered Good - Unsecured	3,937	5,617
<b>(b) Others</b>	2,217	2,217
<b>Total Non-current Other Assets</b>	<b>6,154</b>	<b>7,834</b>
<b>Current</b>		
<b>(a) Advances recoverable in cash or kind</b> (includes Taxes, Duties, Refunds, Supplier Advance, etc.)		
(i) Considered Good - Unsecured	11,920	13,630
(ii) Doubtful	108	108
	<b>12,028</b>	<b>13,738</b>
<b>Less : Provision for doubtful advances</b>	<b>108</b>	<b>108</b>
	<b>11,920</b>	<b>13,630</b>
<b>(b) Gratuity Asset</b> (Refer Note No. 37) (excess of funded value over liability)	251	764
<b>Total Current Other Assets</b>	<b>12,171</b>	<b>14,394</b>
<b>Total Other Assets</b>	<b>18,325</b>	<b>22,228</b>

**10. INVENTORIES (CURRENT)**

	As at 31st March 2024	As at 31st March 2023
(a) Raw Materials and Components*	86,024	64,521
(b) Finished Goods	14,743	6,233
(c) Work-in-progress	10,884	8,691
(d) Stores and Spares	4,668	3,210
* [Include Goods in transit : ₹ 28,392 Lakhs (31st March 2023 : ₹ 19,657 Lakhs)]		
<b>Total Inventories</b>	<b>1,16,319</b>	<b>82,655</b>

The write-down of inventories to net realisable value during the year amounted to ₹ 11 lakhs (31st March 2023 : ₹ 765 lakhs). The write-down are included in the cost of material consumed or changes in inventories of finished goods and work-in-progress.

**11. TRADE RECEIVABLES (CURRENT)**

	As at 31st March 2024	As at 31st March 2023
(a) Considered Good - Unsecured	10,406	19,684
(b) Which have significant increase in Credit Risk (Doubtful)	--	40
	<b>10,406</b>	<b>19,724</b>
<b>Less : Provision for Doubtful Receivables</b>	<b>--</b>	<b>40</b>
<b>Total Trade Receivables</b> (Refer Note No. 11 (a) for ageing schedule)	<b>10,406</b>	<b>19,684</b>

Trade Receivables are not credit impaired.

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note No. 11 (a) : Ageing schedule of Trade Receivables :**

<b>As on 31st March 2024</b>											
Sr. No.	Particulars	Total Receivables	Unbilled (net of advance)	Not due	Outstanding for following periods from due date of payment					Total Outstanding	
					Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years		9 = 4 to 8
		1 = 2 + 3 + 9	2	3	4	5	6	7	8		
<b>(a)</b>	<b>Undisputed Trade Receivables</b>										
	(i) considered good	10,406	--	5,093	1,321	2,079	586	666	661	5,313	
	(ii) which have significant increase in credit risk	--	--	--	--	--	--	--	--	--	
	(iii) credit impaired	--	--	--	--	--	--	--	--	--	
<b>(b)</b>	<b>Disputed Trade Receivables</b>										
	(i) considered good	--	--	--	--	--	--	--	--	--	
	(ii) which have significant increase in credit risk	--	--	--	--	--	--	--	--	--	
	(iii) credit impaired	--	--	--	--	--	--	--	--	--	
	<b>Total Trade Receivables</b>	<b>10,406</b>	<b>--</b>	<b>5,093</b>	<b>1,321</b>	<b>2,079</b>	<b>586</b>	<b>666</b>	<b>661</b>	<b>5,313</b>	
<b>As on 31st March 2023</b>											
Sr. No.	Particulars	Total Receivables	Unbilled (net of advance)	Not due	Outstanding for following periods from due date of payment					Total Outstanding	
					Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years		9 = 4 to 8
		1 = 2 + 3 + 9	2	3	4	5	6	7	8		
<b>(a)</b>	<b>Undisputed Trade Receivables</b>										
	(i) considered good	19,684	4,751	6,916	6,151	260	693	767	146	8,017	
	(ii) which have significant increase in credit risk	40	--	--	--	--	--	--	40	40	
	(iii) credit impaired	--	--	--	--	--	--	--	--	--	
<b>(b)</b>	<b>Disputed Trade Receivables</b>										
	(i) considered good	--	--	--	--	--	--	--	--	--	
	(ii) which have significant increase in credit risk	--	--	--	--	--	--	--	--	--	
	(iii) credit impaired	--	--	--	--	--	--	--	--	--	
	<b>Sub Total</b>	<b>19,724</b>	<b>4,751</b>	<b>6,916</b>	<b>6,151</b>	<b>260</b>	<b>693</b>	<b>767</b>	<b>186</b>	<b>8,057</b>	
	<b>Less: Provision for doubtful debts</b>	<b>40</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>40</b>	<b>40</b>	
	<b>Total Trade Receivables</b>	<b>19,684</b>	<b>4,751</b>	<b>6,916</b>	<b>6,151</b>	<b>260</b>	<b>693</b>	<b>767</b>	<b>146</b>	<b>8,017</b>	

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**12. CASH AND CASH EQUIVALENTS (CURRENT)**

	As at 31st March 2024	As at 31st March 2023
<b>(a) Cash and Cash equivalents</b>		
(i) Balances with Banks	7,672	13,718
(ii) Short term deposit with Banks - maturity less than three months	36,500	--
(iii) Cash on hand	4	5
	<b>44,176</b>	<b>13,723</b>
<b>(b) Other Bank balances</b>		
(i) Unpaid Dividend Accounts	60	64
(ii) Margin money and Security deposits (having maturity within 12 months)	--	33
	<b>60</b>	<b>97</b>
<b>Total Cash and Cash equivalents</b>	<b>44,236</b>	<b>13,820</b>

**13. OTHER FINANCIAL ASSETS**

	As at 31st March 2024	As at 31st March 2023
<b>Non-Current</b>		
<b>(a) Security Deposits</b>		
(i) Considered Good - Unsecured	1,370	1,835
(ii) Which have significant increase in Credit Risk (Doubtful)	--	--
<b>(b) Margin Money and Security deposits</b> (having maturity beyond 12 months)	<b>18</b>	<b>69</b>
<b>Total Non-current Other Financial Assets</b>	<b>1,388</b>	<b>1,904</b>
<b>Current</b>		
<b>(a) Security Deposits</b> Considered Good - Unsecured	<b>46</b>	<b>46</b>
<b>(b) Interest accrued on deposits</b>	<b>28</b>	<b>3</b>
<b>(c) Government Incentives</b>	<b>20,163</b>	<b>25,254</b>
<b>Total Current Other Financial Assets</b>	<b>20,237</b>	<b>25,303</b>
<b>Total Other Financial Assets</b>	<b>21,625</b>	<b>27,207</b>

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**14. EQUITY SHARE CAPITAL**

	As at 31st March 2024	As at 31st March 2023
<b>Authorised</b>		
2,00,00,000 (31st March 2023 : 2,00,00,000) Equity Shares of ₹10/- each	<b>2,000</b>	2,000
<b>Issued</b>		
1,32,13,802 (31st March 2023 : 1,32,13,802) Equity Shares of ₹10/- each	<b>1,321</b>	1,321
<b>Subscribed and Paid-up</b>		
1,31,76,262 (31st March 2023 : 1,31,76,262) Equity Shares of ₹10/- each fully paid up	<b>1,318</b>	1,318
[of the above 2,00,918 (31st March 2023 : 2,00,918) Equity Shares are allotted as fully paid shares pursuant to a contract without payment being received in cash and 57,29,934 (31st March 2023 : 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 2024 or 31st March 2023].		
<b>Add:</b> Amount paid for Forfeited shares	--*	--*
<b>Total Equity Share Capital</b>	<b>1,318</b>	1,318

**Note :** Offer on Rights basis for 17,932 (31st March 2023 : 17,932) Equity Shares of ₹ 10/- each is kept in abeyance as per the provisions of Section 126 of the Act.

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,31,76,262	1,318	1,31,76,262	1,318
Issued / Reduction during the year	--	--	--	--
Shares outstanding at the end of the year	1,31,76,262	1,318	1,31,76,262	1,318

**(b) Terms / rights attached to Equity Shares**

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

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

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

The Company is a subsidiary of Jaya Hind Industries Private Limited, which holds 57.38% (31st March 2023 : 57.38%), 75,59,928 (31st March 2023 : 75,59,928) shares in the Company.

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

Name of Shareholder	As at 31st March 2024		As at 31st March 2023	
	No. of Shares of ₹10/- each fully paid	% of Holding	No. of Shares of ₹ 10/- each fully paid	% of Holding
Jaya Hind Industries Private Limited	75,59,928	57.38%	75,59,928	57.38%

**(f) Shareholding of Promoters**

Sr. No.	Promoter Name	Shares held by Promoters at the end of the year				% change during the year ended 31st March 2024
		As at 31st March 2024		As at 31st March 2023		
		No. of shares	% of total shares	No. of shares	% of total shares	
1.	Jaya Hind Industries Pvt. Ltd.	75,59,928	57.38%	75,59,928	57.38%	--
2.	Mr. Abhaykumar Navalmal Firodia	2,64,351	2.01%	2,64,351	2.01%	--
3.	Mr. Prasan Abhaykumar Firodia	2,20,763	1.68%	2,20,763	1.68%	--

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



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### Notes to Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

#### 15. OTHER EQUITY

	As at 31st March 2024	As at 31st March 2023
<b>I. Reserves and Surplus</b>		
(a) Securities Premium	5,920	5,920
(b) General Reserve	34,629	34,629
(c) Retained Earnings		
(i) Opening balance	1,48,572	1,34,472
(ii) Net Profit / (Loss) for the year	40,169	15,205
(iii) Comprehensive income for the year	(146)	213
	<b>1,88,595</b>	<b>1,49,890</b>
<b>Adjustments</b>		
Equity Dividend	1,318	1,318
	<b>1,318</b>	<b>1,318</b>
<b>Closing Balance</b>	<b>1,87,277</b>	<b>1,48,572</b>
<b>II. Equity instruments through Other Comprehensive Income</b>		
Opening Balance	2,806	2,355
<b>Adjustments</b>		
FVTOCI Equity Investments - change in fair value	663	451
<b>Closing Balance</b>	<b>3,469</b>	<b>2,806</b>
<b>Total Other Equity</b>	<b>2,31,295</b>	<b>1,91,927</b>

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

#### 16. FINANCIAL LIABILITIES : BORROWINGS

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
(a) Loans from Bank (Secured)	23,177	38,163
(b) Loans and advances from related parties (Inter Corporate Deposits) - (Unsecured)	15,000	15,000
(c) Non-convertible Debentures (Secured)	--	6,334
<b>Total Non-current Borrowings</b>	<b>38,177</b>	<b>59,497</b>
<b>Current</b>		
(a) Loans repayable on demand		
(i) Working Capital Loan from Banks (Secured)	--	9,500
(b) Current maturities of Non-current Borrowings		
(i) Loans from Banks (Secured)	7,940	20,146
(ii) Non-convertible Debentures (Secured)	6,333	6,333
Total Current maturities of Non-current Borrowings	<b>14,273</b>	<b>26,479</b>
<b>Total Current Borrowings</b>	<b>14,273</b>	<b>35,979</b>
<b>Total Borrowings</b> [Refer Note No. 39(b) for maturity pattern of Borrowings]	<b>52,450</b>	<b>95,476</b>

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

- **Term Loans** are secured by hypothecation, by way of exclusive first charge on specific Plant and Machinery, being movable properties, secured as a continuing security for the repayment of Term Loans together with interest. The term loans are repayable in quarterly instalments over a period upto six years, including moratorium. Term Loans include foreign currency loan.
- **Non-Convertible Debentures** : The Company has issued 190 (5.85%) Secured unlisted rated redeemable non-convertible debentures of ₹ 100 lakhs each, total amounting to ₹ 19,000 lakhs, on 15th February 2021. The debentures are secured by way of first ranking exclusive charge over the specific movable fixed assets. The debentures are redeemable over a period of four years (including moratorium) maturing in February 2025.
- For the block of Financial Years 2022-2024, 25% of incremental borrowing through issue of the debt securities, as per applicable SEBI Circulars, was not raised, since the Company's profitability and internal accruals improved substantially.
- **Working Capital Loans** are secured by hypothecation of Company's stock of raw materials, work-in-progress, finished goods, consumable stores, spares, bills receivable and book debts, both present and future. The Fund Based Limits are payable on demand to the Banks.
- **Inter corporate deposits** from Holding Company are unsecured and are repayable in January 2026.
- The Company has used the borrowed funds for the specific purpose for which it was taken as at the balance sheet date.
- The quarterly returns or statements, of current assets, filed by the Company with Banks or financial institutions are in agreement with the Books of accounts of the Company.

**17. OTHER FINANCIAL LIABILITIES**

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
Security Deposits	169	169
<b>Total Non-current Other Financial Liabilities</b>	<b>169</b>	<b>169</b>
<b>Current</b>		
(a) Deposits matured but not claimed	1	1
(b) Interest on Borrowings		
(i) Accrued but not due on Loans	198	416
(ii) Accrued but not due on NCD	42	82
(iii) Accrued and due on unclaimed deposits	--*	--*
(c) Unclaimed dividend	59	64
(d) Creditors for Capital Goods	2,424	2,410
(e) Security deposits	330	310
(f) Other payables	418	344
<b>Total Current Other Financial Liabilities</b>	<b>3,472</b>	<b>3,627</b>
<b>Total Other Financial Liabilities</b>	<b>3,641</b>	<b>3,796</b>

**18. PROVISIONS**

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
(a) Provision for Employee benefits (Refer Note No. 37)	3,167	2,803
(b) Provision for Product Warranties	90	43
<b>Total Non-current Provisions</b>	<b>3,257</b>	<b>2,846</b>
<b>Current</b>		
(a) Provision for Employee benefits (Refer Note No. 37)	862	765
(b) Provision for Product Warranties	410	218
(c) Provision for Other expenses	17,898	12,508
<b>Total Current Provisions</b>	<b>19,170</b>	<b>13,491</b>
<b>Total Provisions</b>	<b>22,427</b>	<b>16,337</b>

Provisions for Post Retirement benefits include Gratuity, Leave Encashment, etc.

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

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

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Movement in Product Warranties**

	As at 31st March 2024	As at 31st March 2023
<b>Product Warranties</b>		
(a) Opening balance	261	229
(b) Additional provision made during the year	448	215
(c) Amount paid during the year	(203)	(127)
(d) Amount written back	(6)	(56)
<b>Closing balance</b>	<b>500</b>	<b>261</b>

**19. TRADE PAYABLES**

	As at 31st March 2024	As at 31st March 2023
(a) Total outstanding dues of Micro and Small Enterprises	2,686	1,031
(b) Total outstanding dues other than Micro and Small Enterprises [Includes payable for Goods in transit : ₹ 28,392 lakhs (31st March 2023 : ₹ 19,657 lakhs) and liability towards bills discounted with Bank.]	82,743	73,464
<b>Total Trade Payables</b>	<b>85,429</b>	<b>74,495</b>

**Trade Payables Ageing Schedule :**

As on 31st March 2024						
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	2,646	--	--	--	--	2,646
(b) Others	81,214	1,511	1	--*	17	82,743
(c) Disputed dues - MSME	--	--	--	--	40	40
(d) Disputed dues - Others	--	--	--	--	--	--
<b>TOTAL</b>	<b>83,860</b>	<b>1,511</b>	<b>1</b>	<b>--*</b>	<b>57</b>	<b>85,429</b>

As on 31st March 2023						
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	991	--	--	--	--	991
(b) Others	62,559	10,388	298	59	160	73,464
(c) Disputed dues - MSME	--	--	--	--	40	40
(d) Disputed dues - Others	--	--	--	--	--	--
<b>TOTAL</b>	<b>63,550</b>	<b>10,388</b>	<b>298</b>	<b>59</b>	<b>200</b>	<b>74,495</b>

Refer Note No. 32 for disputed dues.

**20. OTHER LIABILITIES**

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
Service Coupon Liability	221	176
<b>Total Non-current Other Liabilities</b>	<b>221</b>	<b>176</b>

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

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Current**

	As at 31st March 2024	As at 31st March 2023
(a) Advances against order and deposits	32,980	15,204
(b) Statutory dues	7,783	3,860
(c) Service Coupon Liability	487	455
<b>Total Current Other Liabilities</b>	<b>41,250</b>	<b>19,519</b>
<b>Total Other Liabilities</b>	<b>41,471</b>	<b>19,695</b>

**Movement in Service Coupon Liability**

	As at 31st March 2024	As at 31st March 2023
<b>Free Service Coupons</b>		
(a) Opening balance	631	437
(b) Additional provisions made during the year	586	543
(c) Amount paid during the year	(290)	(304)
(d) Amount written back	(219)	(45)
<b>Closing balance</b>	<b>708</b>	<b>631</b>

**21. REVENUE FROM OPERATIONS**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Sale of Products	6,93,229	4,98,096
(b) Other Operating Revenue		
(i) Service charges	194	311
(ii) Others	5,742	4,452
<b>Total Revenue from Operations</b>	<b>6,99,165</b>	<b>5,02,859</b>

**22. OTHER INCOME**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Interest income	924	196
(b) Dividend income from Equity Investments designated at FVTOCI	28	17
(c) Gain on Exchange fluctuation (Net)	670	--
(d) Industrial Promotion Incentive	--	4,415
(e) Lease / Rental income	1,094	906
(f) Profit on sale of assets	43	88
(g) Others	1,151	581
<b>Total Other Income</b>	<b>3,910</b>	<b>6,203</b>

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

	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Opening Stock</b>		
(a) Finished Goods	6,233	7,414
(b) Work-in- progress	8,691	6,722
	<b>14,924</b>	<b>14,136</b>
<b>Closing Stock</b>		
(a) Finished Goods	14,743	6,233
(b) Work-in- progress	10,884	8,691
	<b>25,627</b>	<b>14,924</b>
<b>Total Changes in Inventories of Finished Goods and Work-in-progress</b>	<b>(10,703)</b>	<b>(788)</b>

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**24. EMPLOYEE BENEFITS EXPENSE**

	<b>For the year ended 31st March 2024</b>	<b>For the year ended 31st March 2023</b>
(a) Salaries, Wages and Bonus	48,949	38,427
(b) Contribution to Provident, Other Funds and Schemes	3,128	2,695
(c) Staff welfare expenses	1,257	1,122
<b>Total Employee Benefits Expense</b>	<b>53,334</b>	<b>42,244</b>

**25. FINANCE COSTS**

	<b>For the year ended 31st March 2024</b>	<b>For the year ended 31st March 2023</b>
(a) Interest expense	6,113	6,831
(b) Other borrowing costs	101	9
<b>Total Finance Costs</b>	<b>6,214</b>	<b>6,840</b>

Borrowing cost of ₹ 83 lakhs, (31st March 2023 : ₹ 517 lakhs) at the actual borrowing rates, has been capitalised during the current financial year.

**26. DEPRECIATION AND AMORTIZATION EXPENSE**

	<b>For the year ended 31st March 2024</b>	<b>For the year ended 31st March 2023</b>
(a) Depreciation on Property, Plant and Equipment	19,272	17,329
(b) Amortization of Intangible Assets	7,369	6,716
(c) Depreciation on Investment Property	34	29
<b>Total Depreciation and Amortization Expense</b>	<b>26,675</b>	<b>24,074</b>

**27. OTHER EXPENSES**

	<b>For the year ended 31st March 2024</b>	<b>For the year ended 31st March 2023</b>
(a) Consumption of Stores and Spares	13,422	9,216
(b) Fabrication and Processing charges	4,556	4,320
(c) Power and Fuel	5,731	5,369
(d) Forwarding charges	5,628	4,132
(e) Lease / Rent	1,590	829
(f) Rates and Taxes	226	197
(g) Insurance	1,094	989
(h) Repairs and Maintenance:		
(i) Plant and Machinery	2,745	2,410
(ii) Buildings	426	177
(iii) Others	201	158
(i) Publicity and Sales promotion	2,222	1,535
(j) Payments to Auditors (Refer details below)	40	32
(k) Commission to Non-executive Directors	75	--
(l) Loss on Exchange Fluctuation (Net)	--	1,105
(m) Donation [Includes donation under Section 182 of the Companies Act 2013: ₹ 560 Lakhs (31st March 2023 : ₹ Nil)]	568	1
(n) Expenditure on Corporate Social Responsibility (Refer Note No. 43)	47	--
(o) Loss on sale of assets	171	200
(p) Other / Miscellaneous Expenses	12,057	10,875
<b>Total Other Expenses</b>	<b>50,799</b>	<b>41,545</b>



**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Details of payments to Auditors**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Audit fees	20	24
(b) Taxation matters	1	1
(c) Limited review and Certification work	18	6
(d) Reimbursement of expenses	1	1
<b>Total payments to Auditors</b>	<b>40</b>	<b>32</b>

**28. EXCEPTIONAL ITEMS**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Government Incentives	--	30,831
(b) Write off - Intangible Assets under development & Capital Work in progress (net of estimated realisable value)	--	(9,999)
<b>Total Exceptional Items</b>	<b>--</b>	<b>20,832</b>

Exceptional Items of previous year ended 31st March, 2023 amounting to ₹ 20,832 Lakhs consists of (a) **Government Incentives** of ₹ 30,831 Lakhs, granted by the Government of Madhya Pradesh as per the Madhya Pradesh Industrial Investment Promotion Assistance Scheme, 2010; being "Exceptional Item" of income and (b) **Write off - Intangible Assets under development & Capital Work in progress** (net of estimated realisable value) amounting to ₹ -9,999 Lakhs, being "Exceptional Item" of Expense.

**29. EARNINGS PER SHARE**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Profit / (Loss) attributable to Equity Shareholders	40,169	15,205
(b) Weighted average number of Equity Shares used as Denominator	1,31,76,262	1,31,76,262
(c) Basic and Diluted Earnings Per Share of nominal value of ₹ 10/- each : ₹	<b>304.86</b>	115.40

**30. EXPENDITURE CAPITALISED**

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

**31. CONTINGENT LIABILITIES AND COMMITMENTS**

	As at 31st March 2024	As at 31st March 2023
<b>(a) Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts		
(i) Taxes and Duties	7,492	7,782
(ii) Others (including Court cases pending)	3,237	3,325
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	10,456	9,405
<b>(c)</b> As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Company has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Company. The Company has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Company and the developments in respect thereof. Moreover, considering the period lapsed since the conclusion of the said legal proceedings, the Company does not expect any impact of this litigation on its financial position.		
<b>(d)</b> The Company has initiated arbitration proceedings, against an entity, in relation to an agreement relating to transfer of technology. In the said arbitration, the Company has claimed various reliefs. The Respondent therein has also claimed various reliefs, by way of a counterclaim. The Company denies each and every allegation of such entity including but not limited to the counterclaim and the Company shall deal with / defend the said allegations / counterclaim appropriately.		

The Board of Directors is of the opinion that the said allegations / counterclaim of the entity can be successfully resisted by the Company.

This note / disclosure is made as a matter of caution and without prejudice to the rights of the Company or without the Company, in any way admitting the said allegations / counterclaim or any part thereof. The information, which is usually required to be disclosed, as per Ind AS 37 (Provisions Contingent Liabilities and Contingent Assets) is not disclosed, as such disclosure may prejudice seriously, the outcome of the litigation (said arbitration proceedings.)

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

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

On the basis of information received as to the status as Micro, Small and Medium Enterprises, from suppliers of the Company along with a copy of the Memorandum filed by the said suppliers, as per the provisions of Section 8 of the Micro, Small and Medium Enterprises Development Act, 2006 (the Act), dues to Micro, Small and Medium Enterprises are as under :

	As at 31st March 2024	As at 31st March 2023
(a) The amounts remaining unpaid to Micro and Small Enterprises as at the end of the year		
(i) Principal	2,686	1,031
(ii) Interest	--	--
(b) Amount of interest - paid by the Company, accrued and remaining unpaid and amount of further interest remaining due and payable in the succeeding years until such date when the interest dues above are actually paid.	--	--

The proceedings initiated by one of the suppliers, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹ 157 Lakhs with interest. The Company has not accepted the said liability. The Company has a major counter-claim against the said supplier amounting to about ₹ 906 Lakhs, which being unearned income, is not accounted. The award is challenged by the Company, as per the provisions of the Act and proceedings are pending before the Hon'ble District Judge, Pune, and before the Hon'ble High Court of Judicature at Bombay.

**33. FOREIGN EXCHANGE DIFFERENCES**

The amount of net exchange differences included in the Profit / Loss for the year on Revenue account is ₹ 649 lakhs Credit (31st March 2023 : ₹ 985 lakhs Debit) and on Capital account is ₹ 21 lakhs Credit (31st March 2023 : ₹ 119 lakhs Debit).

**34. EXPENDITURE ON RESEARCH AND DEVELOPMENT**

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

	As at 31st March 2024	As at 31st March 2023
(a) Capital Expenditure	7,836	11,931
(b) Revenue Expenditure	17,081	14,497

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

As per the Indian Accounting Standard (Ind AS 38) - Intangible Assets, the Company has recognized Intangible Assets, arising out of in-house Research and Development activities of the Company, by capitalising the revenue expenditure, amounting to ₹ 4,996 lakhs (31st March 2023 : ₹ 6,561 lakhs).

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

**35. LEASES**
**Operating Leases**
**As a Lessor**
**(a) Industrial Shed at Chakan**

The Company has entered into a Lease Agreement for Industrial shed at Chakan, Pune, for a period of 10 years. The Lease Agreement provides for a refundable interest free deposit of ₹ 169 lakhs, clause for escalation of lease rental and a non-terminable lock-in period of 36 months. The Lease income has been recognized in the Statement of Profit and Loss.

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

Future minimum lease rentals receivable as at the Balance Sheet date is as under :

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Not later than one year	370	353
(b) Later than one year but not later than five years	1,677	1,597
(c) Later than five years	1,578	2,028
<b>Total</b>	<b>3,625</b>	<b>3,978</b>

**(b) Freehold Land**
**Out of the freehold land at Akurdi, Pune**

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

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

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

**As a Lessee**
**Leasehold land**

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

**36. RELATED PARTY DISCLOSURES (as required by Ind AS 24)**
**I. Names of the related party and nature of relationship where control exists**

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

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

<u>Name of the Related Party</u>	<u>Nature of relationship</u>
<b>A. Key Management Personnel (KMP)</b>	
(a) Abhaykumar Navalmal Firodia	Chairman
(b) Prasan Abhaykumar Firodia	Managing Director
(c) Arvind Mahajan	Director
(d) Lt. Gen. (Retd.) (Dr.) D. B. Shekatkar	Director
(e) Vallabh R. Bhanshali	Director
(f) Mukesh M. Patel	Director
(g) Sonia Prashar	Director
(h) Prashant V. Inamdar	Executive Director (Operations)
(i) Sanjay Kumar Bohra	Chief Financial Officer
(j) Gaurav Deshmukh (upto 13.05.2023)	Company Secretary
(k) Nikhil Deshpande (w.e.f. 29.05.2023)	Company Secretary
<b>B. Other Entities</b>	
(a) Pinnacle Industries Limited	Entity controlled by KMP of Parent Company
(b) VDL Pinnacle Engineering India Private Limited	Entity controlled by KMP of Parent Company
(c) Kider (India) Private Limited	Entity controlled by KMP of Parent Company
(d) Bajaj Tempo Limited Provident Fund	Post employment benefit Trust
(e) Navalmal Firodia Memorial Hospital Trust	Entity controlled by KMP of Company
(f) Veerayatan	Entity controlled by KMP of Company

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**III. Transactions with Related Parties (Amounts including taxes)**

Name of Related Party	31st March 2024		31st March 2023	
	Amount of transaction during the year	Balance as at 31st March 2024 Receivables / (Payables)	Amount of transaction during the year	Balance as at 31st March 2023 Receivables / (Payables)
<b>A. Holding Company</b>				
<b>Jaya Hind Industries Pvt. Ltd.</b>				
(a) Purchase of Capital Goods	272		334	
(b) Purchase of Raw Materials, Components & Others	15,449		11,457	
(c) Sundry Sales	688		674	
(d) Sale of Fixed Assets	2		--	
(e) Service Charges recovered	106	(656)	94	(326)
(f) Processing Charges recovered	57	244	123	430
(g) Dividend paid	756		756	
(h) Lease / Rent recovered	712		628	
(i) Expenses recovered	4		3	
(j) Inter Corporate Deposits (ICDs)	--	(15,000)	--	(15,000)
(k) Interest on ICDs	1,354		1,158	
<b>B. Joint Venture Company</b>				
<b>Force MTU Power Systems Pvt. Ltd.</b>				
(a) Service charges/Expenses recovered	544		248	
(b) Royalty for use of Trademark	--*	2,149	--*	1,657
(c) Reimbursement of expenses	--*		--	
<b>C. Key Management Personnel</b>				
<b>(a) Remuneration</b>				
(i) Short term employee benefits (including Commission)	2,098		738	
(ii) Post employment benefits	38	(1,643)	39	(320)
(iii) Other long-term benefits	53		49	
<b>(b) Others</b>				
(i) Dividend paid	49	--	49	--
(ii) Sitting fees	29	--	26	--
(iii) Professional Fees	11	--	5	--
(iv) Commission	75	(75)	--	--
<b>D. Other Entities</b>				
<b>(a) Pinnacle Industries Ltd.</b>				
(i) Purchase of Capital Goods	371		82	
(ii) Purchase of Raw Materials, Components & Others	28,728		18,676	
(iii) Sales	88	(1,050)	15,830	(685)
(iv) Lease / Rent recovered	217	262	173	1,803
(v) Reimbursement of Expenses	--		--*	
(vi) Processing Charges recovered	1		4	
<b>(b) Kider (India) Pvt. Ltd.</b>				
Purchase of Raw Materials, Components & Others	596	(27)	447	(47)
<b>(c) VDL Pinnacle Engineering India Pvt. Ltd.</b>				
Purchase of Capital Goods	6	(11)	12	(6)
<b>(d) Bajaj Tempo Limited Provident Fund</b>				
Contribution to Provident Fund	1,035	(91)	799	(72)
<b>(e) Navalmal Firodia Memorial Hospital Trust</b>				
Lease / Rent recovered	--*	--	--*	--
<b>(f) Veerayatan</b>				
Service Charges recovered	1	--	--	--

**Note :** All transactions are at arms length in line with the Related Party Transaction Policy of the Company.

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

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**37. EMPLOYEE BENEFITS**
**A. Defined Contribution Plans**

An amount of ₹ 582 lakhs (31st March 2023 : ₹ 488 lakhs) is recognized as an expense and included in "Employees Benefits Expense" in the Statement of Profit and Loss.

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

	As at 31st March 2024		As at 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
<b>(i) Amount to be recognized in Balance Sheet</b>				
Present value of defined benefit obligation	7,593	33,441	6,987	30,589
<b>Less</b> : Fair value of plan assets	7,844	34,360	7,751	31,905
Amount to be recognized as Liability or (Asset)	<u>(251)</u>	<u>(919)</u>	<u>(764)</u>	<u>(1,316)</u>
<b>(ii) Amount to be reflected in Balance Sheet</b>				
Liabilities	(251)	(919)	(764)	(1,316)
Assets	--	--	--	--
<b>Net Liability / (Asset)</b>	<u>(251)</u>	<u>(919)</u>	<u>(764)</u>	<u>(1,316)</u>

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

**(b) The amounts recognized in the Statement of Profit and Loss are as follows**

	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
<b>(i) Employee Benefits Expense</b>				
Current service cost	569	1,082	536	835
<b>(ii) Acquisition (Gain) / Loss</b>	--	--	--	--
<b>(iii) Finance cost</b>				
Net Interest (Income) / Expense	(64)	(202)	(51)	(156)
Transfer in / (out)	(11)	--	(17)	--
<b>Net periodic benefit cost recognized in the Statement of Profit and Loss</b>	<u>494</u>	<u>880</u>	<u>468</u>	<u>679</u>

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

**(c) The amounts recognized in the Statement of Other Comprehensive Income (OCI)**

	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Opening amount recognized in OCI outside Statement of Profit and Loss	--	--	--	--
(ii) Re-measurements for the year - obligation (Gain) / Loss	178	321	(307)	3,862
(iii) Re-measurements for the year - plan asset (Gain) / Loss	46	228	(21)	(3,937)
(iv) Total re-measurements cost / (credit) for the year recognized in OCI	224	549	(328)	(75)
(v) <b>Less</b> : Accumulated balances transferred to retained earnings	224	549	(328)	(75)
<b>Closing balances [re-measurements (Gain) / Loss recognized in OCI]</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

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



**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows**

	As at 31st March 2024		As at 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Present value of obligation as at the beginning of the year	6,987	30,589	6,775	25,139
(ii) Acquisition adjustment	--	--	--	--
(iii) Transfer in / (out)	(11)	46	2	(594)
(iv) Interest cost	494	2,169	451	1,672
(v) Past service cost	--	--	--	--
(vi) Current service cost	569	1,082	536	835
(vii) Employee Contribution	--	1,788	--	1,496
(viii) Curtailment cost / (credit)	--	--	--	--
(ix) Settlement cost / (credit)	--	--	--	--
(x) Benefits paid	(624)	(2,554)	(470)	(1,821)
(xi) Re-measurements on obligation - (Gain) / Loss	178	321	(307)	3,862
<b>Present value of obligation as at the end of the year</b>	<b>7,593</b>	<b>33,441</b>	<b>6,987</b>	<b>30,589</b>

**(e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows**

	As at 31st March 2024		As at 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Fair value of the plan assets as at beginning of the year	7,751	31,905	7,344	26,259
(ii) Acquisition adjustment	--	--	--	--
(iii) Transfer in / (out)	--*	46	19	(594)
(iv) Interest income	558	2,371	502	1,828
(v) Contributions	227	2,820	235	2,296
(vi) Mortality charges and taxes	(8)	--	(9)	--
(vii) Benefits paid	(638)	(2,554)	(361)	(1,821)
(viii) Amount paid on settlement	--	--	--	--
(ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(46)	(228)	21	3,937
<b>Fair value of plan assets as at the end of the year</b>	<b>7,844</b>	<b>34,360</b>	<b>7,751</b>	<b>31,905</b>
Actual return on plan assets	513		523	

**(f) Net interest (Income) / Expenses**

	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Interest (income) / expense - obligation	494	2,169	451	1,672
(ii) Interest (income) / expense - plan assets	(558)	(2,371)	(502)	(1,828)
<b>Net interest (income) / expense for the year</b>	<b>(64)</b>	<b>(202)</b>	<b>(51)</b>	<b>(156)</b>

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

**Basis used to determine the overall expected return**

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 7.40% has been used for the valuation purpose.

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

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

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

<b>Gratuity</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
(i) Discount rate	<b>7.20%</b>	7.40%
(ii) Expected return on plan assets	<b>7.40%</b>	6.90%
(iii) Salary growth rate *	<b>8%</b>	8%
(iv) Attrition rate - for Bargainable Staff & others	<b>10%</b>	10%
(v) Attrition rate - Workers	<b>2%</b>	2%

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

<b>Provident Fund</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
(i) Discount rate	<b>7.20%</b>	7.40%
(ii) Interest rate	<b>8.25%</b>	8.15%
(iii) Yield spread	<b>0.50%</b>	0.50%
(iv) Attrition rate - for Bargainable Staff & others	<b>10%</b>	10%
(v) Attrition rate - Workers	<b>2%</b>	2%

**Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of Obligation (PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 50/100 basis points (0.50 % / 1%)

<b>(h) Change in assumption</b>	<b>As at 31st March 2024</b>		<b>As at 31st March 2023</b>	
	<b>Gratuity</b>	<b>Provident Fund</b>	<b>Gratuity</b>	<b>Provident Fund</b>
<b>(i) Discount rate</b>				
Increase by 1%	<b>7,213</b>	--	6,634	--
Decrease by 1%	<b>8,013</b>	--	7,378	--
Increase by 0.5%	--	<b>33,109</b>	--	30,422
Decrease by 0.5%	--	<b>33,791</b>	--	30,906
<b>(ii) Salary increase rate</b>				
Increase by 1%	<b>7,935</b>	--	7,308	--
Decrease by 1%	<b>7,277</b>	--	6,692	--
<b>(iii) Withdrawal rate</b>				
Increase by 1%	<b>7,578</b>	--	6,966	--
Decrease by 1%	<b>7,608</b>	--	6,987	--
<b>(iv) Expected future interest rate of Provident Fund</b>				
Increase by 0.5%	--	<b>33,774</b>	--	30,896
Decrease by 0.5%	--	<b>33,110</b>	--	30,422

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**38. FINANCIAL INSTRUMENTS - FAIR VALUES**
**Accounting classifications and fair values**

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

	Carrying Value as at		Fair Value as at	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
<b>Financial Assets</b>				
<b>(a) Fair Value through Other Comprehensive Income (FVTOCI)</b>				
Equity Investments	3,800	3,051	3,800	3,051
<b>(b) Amortized cost</b>				
(i) Trade Receivables	10,406	19,684	10,406	19,684
(ii) Loans	2	38	2	38
(iii) Other Financial Assets	21,625	27,207	21,625	27,207
(iv) Cash and cash equivalents	44,176	13,723	44,176	13,723
(v) Other Bank Balances	60	97	60	97
<b>Total</b>	<b>80,069</b>	<b>63,800</b>	<b>80,069</b>	<b>63,800</b>
<b>Financial Liabilities</b>				
<b>Amortized cost</b>				
(i) Non-current Borrowings	38,177	59,497	38,177	59,497
(ii) Current Borrowing	14,273	35,979	14,273	35,979
(iii) Trade Payable	85,429	74,495	85,429	74,495
(iv) Other Financial Liabilities	3,641	3,796	3,641	3,796
<b>Total</b>	<b>1,41,520</b>	<b>1,73,767</b>	<b>1,41,520</b>	<b>1,73,767</b>

**The following methods and assumptions were used to estimate the fair values :**

The fair values of Trade Payables, Trade Receivables, Cash and Cash equivalents and Other Bank Balances, are reasonable approximation of fair value due to the short-term maturities of these instruments.

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

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

Borrowings represents ICD, Term Loans from Bank and NCD obtained at market rates of interest available for debt on similar terms, credit risk and remaining maturities. As of reporting date, the fair value of borrowings is measured at amortized cost, which is reasonable approximation of fair value.

**Fair value hierarchy and valuation techniques used**
**(a) Financial Assets and Liabilities measured at fair value**

	Level	31st March 2024	31st March 2023
<b>Financial Assets</b>			
(i) FVTOCI Investments - Quoted	Level 1	3,795	3,046
(ii) FVTOCI Investments - Unquoted	Level 3	5	5
<b>Total</b>		<b>3,800</b>	<b>3,051</b>

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

	Level	31st March 2024	31st March 2023
<b>Financial Assets measured at amortized cost</b>			
(i) Loans	Level 2	2	38
(ii) Other Financial Assets	Level 2	21,625	27,207
<b>Total</b>		<b>21,627</b>	<b>27,245</b>

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(c) Financial Liabilities measured at amortized cost**

	Level	31st March 2024	31st March 2023
(i) Non-current Borrowings	Level 2	38,177	59,497
(ii) Current Borrowing	Level 2	14,273	35,979
(iii) Other Financial Liabilities	Level 2	3,641	3,796
<b>Total</b>		<b>56,091</b>	<b>99,272</b>

The fair values disclosed in level 2 category are calculated using discounted cash flow method. These fair values reasonably approximate to the carrying values of financial assets and liabilities measured at amortized cost.

During the year ended 31 March 2024, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

**39. FINANCIAL RISK MANAGEMENT**
**Financial Risk Management Policy and Objectives**

The Company's principal financial liabilities comprise of Borrowings, Trade and Other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade and Other receivables and Cash and Cash equivalents, which are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

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

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, Trade Receivables, Financial Assets measured at amortized cost	Ageing analysis Credit ratings [Refer Note No. 39 (a)]	Diversification of Credit Limits and Letters of Credit, Sales on cash basis and against securities.
Liquidity risk	Borrowings and Other Financial Liabilities	Cash flow forecasts [Refer Note No. 39 (b)]	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized Financial Assets and Liabilities not denominated in Indian Rupee	Cash flow forecasting Sensitivity analysis [Refer Note No. 40]	Company's net forex exposure is covered by natural hedge
Market risk – interest rate	Loans and advances on Cash Credit Account, Term Loan from Bank and NCD.	Cash flow forecasting & Sensitivity analysis	Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements
	As the borrowings were at fixed rate of interest, the Company is not exposed to interest rate risk, except the changes linked to Repo, MCLR, SOFR rates, etc.		
Market risk – equity prices	Investments in Equity Securities	Sensitivity analysis [Refer Note No. 39 (c)]	Portfolio diversification. The overall exposure is not material.
Commodity risk	Procurement of steel and other metals	Budgeted consumption & its impact on finished product.	A well controlled review process is in place for analyzing the price trend and market intelligence and accordingly the procurement strategy is adopted. The overall exposure is not material.

**(a) Credit Risk**

The table summarises ageing of Trade Receivable

	Not due	Less than 1 year	More than 1 year	Total
<b>As at 31st March 2024</b>				
Gross Carrying Amount	5,093	3,400	1,913	10,406
Allowance for doubtful debts	--	--	--	--
<b>Net</b>	<b>5,093</b>	<b>3,400</b>	<b>1,913</b>	<b>10,406</b>
<b>As at 31st March 2023</b>				
Gross Carrying Amount	11,667	6,411	1,646	19,724
Allowance for doubtful debts	--	--	(40)	(40)
<b>Net</b>	<b>11,667</b>	<b>6,411</b>	<b>1,606</b>	<b>19,684</b>

The Cash and Cash equivalents are held with Scheduled Banks. Thus, the Company considers that its Cash and Cash equivalents have low credit risks.

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(b) Liquidity Risk**

The table summarises the maturity profile of Company's financial liabilities based on contractual un-discounted payments.

As at 31st March 2024					
	Carrying amount	On Demand	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	52,450	--	14,273	38,177	<b>52,450</b>
Other Financial Liabilities	3,641	60	3,412	169	<b>3,641</b>
Trade and Other Payables	85,429	--	85,429	--	<b>85,429</b>
As at 31st March 2023					
	Carrying amount	On Demand	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	95,476	9,500	26,479	59,497	95,476
Other Financial Liabilities	3,796	65	3,562	169	3,796
Trade and Other Payables	74,495	--	74,495	--	74,495

**(c) Market Risk : Equity Price Risk**

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

At the reporting date, the exposure to quoted equity securities at fair value was ₹ 3,795 Lakhs. A decrease/increase of 15% on the Bank Nifty market index could have an impact of approximately ₹ 695 Lakhs on the OCI or equity attributable to the Company. These changes would not have an effect on profit or loss.

**40. FOREIGN CURRENCY SENSITIVITY ANALYSIS**

Currency	Net exposure in foreign currency		Net exposure in INR	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
USD	<b>21,43,692</b>	28,06,747	<b>1,796</b>	2,318
EUR	<b>31,53,507</b>	1,73,56,008	<b>2,874</b>	15,738

Currency	Sensitivity %	Impact on profit (strengthening)*		Impact on profit (weakening)*	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
USD	5%	<b>(90)</b>	(116)	<b>90</b>	116
EUR	5%	<b>(144)</b>	(787)	<b>144</b>	787
		<b>(234)</b>	(903)	<b>234</b>	903

(\* Strengthening / weakening of foreign currency)

**41. CAPITAL MANAGEMENT**

The Company's capital includes issued Equity Capital, Share Premium and Free Reserves.

The Company's policy is to meet the financial covenants attached to the interest-bearing borrowings by maintaining a strong capital base. The Company aims to sustain investor, creditor and market confidence so as to leverage such confidence for future capital/debt requirements.

Management monitors the return on capital earned, the capital/debt requirements for various business plans under consideration and determines the level of dividends to equity shareholders.

No changes were made in the objectives, policies or processes for managing capital during the financial years ended on 31st March 2024 and 31st March 2023.

Particulars	As at 31st March 2024	As at 31st March 2023
Total Shareholder's Equity as reported in Balance Sheet	<b>2,32,613</b>	1,93,245
<b>Net Debt :</b>		
Short-term debt	--	9,500
Long-term debt (including current portion of long-term debt)	<b>52,450</b>	85,976
<b>Gross Debt :</b>	<b>52,450</b>	95,476
<b>Less : Cash and Bank Balances</b>	<b>44,236</b>	13,820
<b>Net Debt / (Net Cash and Bank balances)</b>	<b>8,214</b>	81,656



**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**42. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

All amounts which became due, for transfer to the credit of Investor Education and Protection Fund, as of 31st March 2024, have been transferred to that fund, except a sum of ₹ 0.60 Lakh (31st March 2023 : ₹ 0.60 Lakh) being amount of 5 Nos. (31st March 2023 : 5 Nos.) fixed deposits and interest thereon amounting to ₹ 0.25 Lakh (31st March 2023 : ₹ 0.25 Lakh). In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

43. The Company has spent ₹ 47 Lakhs (31st March 2023 : ₹ Nil Lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.27 (n)] to the Notes to Financial Statements.

Sr. No.	Description	For the year ended 31st March 2024	For the year ended 31st March 2023
(a)	Gross amount required to be spent by the Company during the year	7	--
(b)	Amount required to be set-off for the financial year, if any [out of surplus of previous financial years]	7	--
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years (net of set-off)	(20)	(27)
(d)	Total CSR obligation for the financial year	--	--
(e)	Amount of expenditure incurred during the year	47	--
(f)	Shortfall/(Surplus) at the end of the year	(47)	--
(g)	Total of previous years shortfall/(surplus)	(67)	(27)
(h)	Reason for shortfall	NA	NA
(i)	Nature of CSR activities :		
	(i) Promoting education including special education	21	--
	(ii) Eradicating hunger, poverty and malnutrition (promoting health care including preventive health care and sanitation)	26	--
	Total	47	--
(j)	Details of related party transactions, e.g. contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard.	--	--
(k)	Whereas provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	--	--
(l)	Amount available for set off in succeeding financial years	67	27

**44. ADDITIONAL REGULATORY INFORMATION :**
**(a) Loans and Advances in the nature of Loan to Related Parties :**

The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person as on 31st March 2024.

**(b) Relationship with Struck off Companies :**

As per our knowledge, the Company do not have any transactions with struck off companies.

**(c) Registration of charges or satisfaction with Registrar of Companies :**

The Company has no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

**(d) Compliance with number of layers of companies :**

The Company complies with the number of layers prescribed under Clause 87 of Section 2 of the Act, read with the Companies (Restriction on number of layers) Rules, 2017.

**(e) Compliance with approved Scheme (s) of Arrangements Accounted as per Scheme & Ind AS**

Neither the Company has approached to nor any Competent Authority has approved any scheme of arrangements so as to account for in the books of account of the Company, in order to disclose any deviation in that regard.

**(f) Loans, Guarantee, Security given by Company to Intermediary and it is giving to others on behalf of Company :**

The Company has neither advanced nor loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

**(g) Crypto Currency or Virtual Currency :**

The Company has neither traded nor invested in Crypto currency or Virtual currency during the financial year.

**(h) Benami Property :**

The Company does not have any Benami property, and hence no proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(i) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(j) Key Financial Ratios**

Sr. No.	Ratio	Formula used	FY 2023-24	FY 2022-23	% change	Reason for change in the ratio by more than 25%
(i)	Current Ratio	Current Assets	<b>1.25</b>	1.03	21%	
		Current Liabilities				
(ii)	Debt-Equity Ratio	Total Debt	<b>0.23</b>	0.49	54%	Improvement in ratio is attributable to improved financial performance and considerable reduction in overall debts.
		Shareholders equity				
(iii)	Debt Service Coverage Ratio	Earning available for debt service excluding Exceptional items and Non-cash Operating Expenses	<b>2.34</b>	1.28	84%	Improvement in ratio is due to better financial performance and reduction in debts as a result of overall improvement in sales and profitability.
		Debt service				
(iv)	Return On Equity	Net Profit Before Taxes and Exceptional items	<b>0.29</b>	0.04	556%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
		Average Shareholders Equity				
(v)	Inventory Turnover Ratio	Net Sales	<b>6.97</b>	6.81	2%	
		Average Inventory				
(vi)	Trade Receivable Turnover Ratio	Net Sales	<b>46.08</b>	25.79	79%	Improvement in ratio is attributable to overall improvement in sales, better collection efforts and improved credit management processes.
		Average Accounts Receivable				
(vii)	Trade Payable Turnover Ratio	Material consumption	<b>6.54</b>	6.23	5%	
		Average Trade Payables				
(viii)	Net Capital Turnover Ratio	Net Sales	<b>17.18</b>	100.52	83%	Improvement in ratio is attributable to overall improvement in sales and better working capital management.
		Working Capital				
(ix)	Net Profit Ratio	Net Profit Before Exceptional items	<b>0.06</b>	0.01	458%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
		Net Sales				
(x)	Return on Capital Employed	Earning before Interest, Taxes and Exceptional items	<b>0.30</b>	0.07	359%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
		Capital Employed				
(xi)	Return on Investment in Quoted Equity Shares	Return on Trade Investment	<b>0.23</b>	0.19	20%	
		Average fair value of Trade Investment				

**Notes to Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**45. DIVIDEND**

The Board of Directors has recommended payment of Dividend of ₹ 20 per fully paid Equity Shares (31st March 2023 : ₹ 10). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting. This dividend is not recognized in the books of account at the end of the reporting period.

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

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

As per our separate report of even date.

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

**Suhas Deshpande**  
Partner  
Membership No. : 031787

Place : Pune  
Date : 26th April 2024

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
Chairman  
DIN : 00025179

Place : Pune  
Date : 26th April 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

**Form AOC - 1**

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

**Statement containing salient features of the Financial Statement of  
Subsidiaries / Associate Companies / Joint Ventures**
**Part "A" : SUBSIDIARIES**

1.	Sr. No.	1
2.	Name of the subsidiary	Tempo Finance (West) Private Limited
3.	The date since when subsidiary was acquired	14th August 2012
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as per the holding company's reporting period
5.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N. A.
6.	Share Capital	133
7.	Reserves and Surplus	525
8.	Total Assets	657
9.	Total Liabilities	657
10.	Investments	--
11.	Turnover (Total Revenue)	47
12.	Profit before taxation	47
13.	Provision for taxation	12
14.	Profit after taxation	35
15.	Proposed Dividend	--
16.	% of shareholding	66.43%

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

(All amounts in ₹ Lakhs, unless otherwise stated)

**Part "B" : Associates and Joint Ventures**

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

	<b>Name of Joint Venture</b>	<b>Force MTU Power Systems Private Limited</b>
1.	Latest Audited Balance Sheet date	31st March 2024
2.	Shares of Joint Venture held by the Company on the year end	
	(a) No.	12,75,00,000 Equity Shares of ₹ 10/- each
	(b) Amount of Investment in Joint Venture	--
	(c) Extent of Holding %	51 %
3.	Description of how there is significant influence	There is a significant influence by virtue of joint control
4.	Reason why the Joint Venture is not consolidated	N. A.
5.	Net worth attributable to Shareholding as per latest Audited Balance Sheet	5,303
6.	Profit / (Loss) for the year	(2,712)
	(a) Considered in Consolidation	(1,383)
	(b) Not considered in Consolidation	N. A.
1.	Names of Associates or Joint Ventures which are yet to commence operations	N. A.
2.	Names of Associates or Joint Ventures which have been liquidated or sold during the year	N. A.

As per our separate report of even date.

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

**Suhas Deshpande**  
Partner  
Membership No. : 031787

Place : Pune  
Date : 26th April 2024

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
Chairman  
DIN : 00025179

Place : Pune  
Date : 26th April 2024



## INDEPENDENT AUDITOR'S REPORT

To the Members of Force Motors Limited

Report on the audit of Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Force Motors Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and a jointly controlled entity, which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2024, the consolidated profit and total comprehensive income, changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p><b>Contingent Liability</b></p> <p>The Company has in duties and taxes litigations that are pending with various tax authorities. Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, it is considered to be a key audit matter. (Refer Note 32 (a) to consolidated financial statements)</p>	<p>Our procedures included, but were not limited to, the following :</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>• Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.</li> <li>• Assessed management's discussions held with their legal consultants and understanding precedents in similar cases;</li> <li>• Our own teams of tax experts assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.</li> </ul>
2.	<p><b>Intangible assets</b></p> <p>Product development costs incurred on new vehicle platforms; engines are recognised as intangible assets only when technical feasibility has been established. The costs capitalised during the year include technical know-how expenses, materials, direct Labour, inspecting and testing charges, designing and other direct expenses incurred on respective projects, up to the date the intangible asset is capitalised. The capitalisation of product development cost is considered to be a key audit matter given that the assessment of the capitalisation</p>	<p>Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness around initiation of capitalisation of the product development cost including management's validation of relevant data elements and benchmarking the assumptions;</p> <p>The audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtained the list of approved project wise details and verify the completeness and accuracy of cost data with respect to various system generated reports.</li> <li>• Inspected the respective approvals for initiation of capitalisation including government approvals (DSIR) where applicable;</li> </ul>

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	<p>criteria set out in Ind AS 38 Intangible Assets is made at an early stage of product development and there are inherent challenges with accurately predicting the future economic benefit, which must be assessed as probable for capitalisation to commence.</p> <p>(Refer Note No. 2{g} and Note No. 5 of the consolidated financial statements)</p>	<ul style="list-style-type: none"> <li>Reviewed the cost allocation for the year and determined that costs capitalised are directly attributable.</li> <li>Tested on sample basis costs incurred towards projects i.e. in respect of manpower cost, we verified hours booked on respective projects, hourly rates for respective persons and sample vouchers / invoices for directly attributable expenses.</li> <li>We reviewed judgments used by the Management for expected probable economic benefits and associated expenditures, and their assessment of feasibility of the projects, including appropriateness of past / present useful life applied in calculation of amortization.</li> <li>After carrying out above audit procedures, we concluded that relevant criteria for capitalisation have been met.</li> </ul>

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Business Responsibility Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

#### Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

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

#### **Other Matters**

We did not audit the financial statements and other financial information, in respect of a subsidiary, whose financial statements include total assets (net) of ₹ 657 Lakhs as at March 31, 2024, and total revenue of ₹ 47 Lakhs and net cash inflows amounting to ₹ 325 lakhs for the year ended on that date respectively, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors which have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 1,380 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of a joint venture. These financial statements and other financial information have been audited by other auditors which have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiary and joint Venture is based solely on the report of other auditors.

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

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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statement and the other financial information of subsidiary company and joint venture incorporated in India, referred in the Other Matters paragraph above we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the holding Company for the year ended March 31, 2024 taken on record by the Board of Directors of the holding Company and the reports of the statutory auditors of its subsidiary company and joint venture company incorporated in India, none of the directors of the Group and joint venture companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”, which is based on auditors’ reports of the Company, subsidiary company and joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding Company and subsidiary company incorporated in India.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- (i) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 32 (a) to the consolidated financial statements.
  - (ii) The Group did not have any material long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and joint venture incorporated in India. - Refer Note No. 43 to consolidated financial statements.
  - (iv) With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended :
    - (a) The management has represented that, to the best of it’s knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) Management has represented, that, to the best of it’s knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - (v) The final dividend paid by the Company during the year in respect for the previous year is in accordance with Section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.  
 As stated in note 46 to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
  - (vi) With respect to clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, the requirement under proviso to Rule 3(1) of Companies (Accounts) Rules, 2014 of mandatory audit trail in the Company accounting software, based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint ventures/joint operations which are companies incorporated in India whose financial statements have been audited under the Act, the company, subsidiaries, associates and joint ventures/joint operation have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures/joint operations did not come across any instance of audit trail feature being tampered with.
2. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended :
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and entities included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Kirtane & Pandit LLP**  
 Chartered Accountants  
 Firm’s Registration Number : 105215W / W100057

Place : Pune  
 Date : 26th April 2024

**Suhas Deshpande**  
 Partner  
 Membership No. : 031787  
 UDIN : 24031787BKHIAD7548



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of **Force Motors Limited** (hereinafter referred to as “Company”) and its subsidiary company and Joint Venture, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company, its subsidiary company and Joint Venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, Holding Company, its subsidiary company and a joint venture, which are companies incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

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

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

Place : Pune  
Date : 26th April 2024

**Suhas Deshpande**  
Partner  
Membership No. : 031787  
UDIN : 24031787BKHIAD7548



**Consolidated Balance Sheet as at 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
<b>I ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Property, Plant and Equipment	3	1,57,110	1,60,424
(b) Capital Work-in-progress	3	2,579	3,866
(c) Investment Property	4	686	668
(d) Goodwill		1	1
(e) Other Intangible Assets	5	45,345	48,306
(f) Intangible Assets under development	5	14,506	11,501
(g) Financial Assets			
(i) Investments	6	9,103	9,734
(ii) Other Financial Assets	13	1,388	1,904
(h) Deferred Tax Assets (Net)	8	--	585
(i) Other Non-current Assets	9	6,154	7,834
<b>Total Non-current Assets</b>		<b>2,36,872</b>	<b>2,44,823</b>
<b>2. Current Assets</b>			
(a) Inventories	10	1,16,319	82,655
(b) Financial Assets			
(i) Trade Receivables	11	10,406	19,684
(ii) Cash and Cash equivalents	12	44,816	14,037
(iii) Bank Balance other than (ii) above	12	60	97
(iv) Loans and Advances	7	2	38
(v) Other Financial Assets	13	20,255	25,612
(c) Current Tax Assets (Net)	8	568	--
(d) Other Current Assets	9	12,171	14,394
<b>Total Current Assets</b>		<b>2,04,597</b>	<b>1,56,517</b>
<b>Total Assets</b>		<b>4,41,469</b>	<b>4,01,340</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	14	1,318	1,318
(b) Other Equity	15	2,24,196	1,86,185
(c) Equity attributable to owners of the Company		2,25,514	1,87,503
(d) Non-controlling Interest	21	221	209
<b>Total Equity</b>		<b>2,25,735</b>	<b>1,87,712</b>
<b>2. Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	38,177	59,497
(ii) Other Financial Liabilities	17	169	169
(b) Deferred Tax Liabilities (Net)	8	10,315	--
(c) Other Non-current Liabilities	20	221	176
(d) Provisions	18	3,257	2,846
<b>Total Non-current Liabilities</b>		<b>52,139</b>	<b>62,688</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	14,273	35,979
(ii) Trade Payables	19		
- Total outstanding dues of Micro and Small Enterprises		2,686	1,031
- Total outstanding dues other than Micro and Small Enterprises		82,743	73,464
(iii) Other Financial Liabilities	17	3,472	3,627
(b) Other Current Liabilities	20	41,250	19,519
(c) Current Tax Liabilities (Net)	8	--	3,827
(d) Provisions	18	19,171	13,493
<b>Total Current Liabilities</b>		<b>1,63,595</b>	<b>1,50,940</b>
<b>Total Liabilities</b>		<b>2,15,734</b>	<b>2,13,628</b>
<b>Total Equity and Liabilities</b>		<b>4,41,469</b>	<b>4,01,340</b>

See accompanying notes forming part of the Consolidated Financial Statements 1-50

As per our separate report of even date.

 For **Kirtane & Pandit LLP**

Chartered Accountants

[FRN : 105215W/W100057]

**Suhas Deshpande**

Partner

Membership No. : 031787

Place : Pune

Date : 26th April 2024

**Sanjay Kumar Bohra**

Chief Financial Officer

**Nikhil Deshpande**

Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**

Chairman

DIN : 00025179

Place : Pune

Date : 26th April 2024

## Consolidated Statement of Profit and Loss for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>I INCOME</b>			
(a) Revenue from Operations	22	6,99,213	5,02,898
(b) Other Income	23	3,910	6,203
<b>Total Income</b>		<b>7,03,123</b>	<b>5,09,101</b>
<b>II EXPENSES</b>			
(a) Cost of Materials consumed		5,23,150	3,92,805
(b) Changes in Inventories of Finished Goods and Work-in-progress	24	(10,703)	(788)
(c) Employee benefits expense	25	53,334	42,244
(d) Finance costs	26	6,214	6,840
(e) Depreciation and Amortization expense	27	26,675	24,074
(f) Other expenses	28	50,800	41,545
(g) Expenditure included in the above items capitalised		(8,237)	(5,889)
<b>Total Expenses</b>		<b>6,41,233</b>	<b>5,00,831</b>
<b>III Profit / (Loss) before share of Profit / (Loss) of Joint Venture and exceptional items</b>		<b>61,890</b>	<b>8,270</b>
<b>IV Share of Profit / (Loss) of Joint Venture</b>		<b>(1,383)</b>	<b>(1,860)</b>
<b>V Profit / (Loss) before exceptional items and tax</b>		<b>60,507</b>	<b>6,410</b>
<b>VI Exceptional Items (Net)</b>	29	--	20,832
<b>VII Profit / (Loss) Before Tax</b>		<b>60,507</b>	<b>27,242</b>
<b>VIII Tax Expense</b>	8		
(a) Current Tax		11,522	5,197
(b) Deferred Tax		10,157	8,649
(c) Taxation in respect of earlier years		7	22
<b>Total Tax Expense</b>		<b>21,686</b>	<b>13,868</b>
<b>IX Profit / (Loss) for the year</b>		<b>38,821</b>	<b>13,374</b>
<b>X Attributable to</b>			
(a) Owners of the Company		38,809	13,364
(b) Non-controlling interest	21	12	10
		<b>38,821</b>	<b>13,374</b>
<b>XI Other Comprehensive Income</b>			
(a) Items that will not be reclassified to Profit or Loss			
(i) Re-measurements of net defined benefit liability		(224)	328
(ii) Equity instrument through Other Comprehensive Income		750	510
(iii) Share of Other Comprehensive Income of Joint Venture		4	7
		<b>530</b>	<b>845</b>
(b) Income tax relating to items that will not be reclassified to Profit or Loss			
(i) Taxes on re-measurements of net defined benefit liability		78	(115)
(ii) Taxes on Equity instrument through Other Comprehensive Income		(87)	(59)
(iii) Share in taxes on Other Comprehensive Income of Joint Venture		(1)	(2)
		<b>(10)</b>	<b>(176)</b>
<b>Total Other Comprehensive Income</b>		<b>520</b>	<b>669</b>
<b>Total Comprehensive Income for the year (comprising Profit / (Loss) and Other Comprehensive Income for the year)</b>		<b>39,341</b>	<b>14,043</b>
<b>XII Attributable to</b>			
(a) Owners of the Company		39,329	14,033
(b) Non-controlling interest	21	12	10
		<b>39,341</b>	<b>14,043</b>
<b>XIII Basic and Diluted Earnings per Equity Share</b> [Nominal value per share ₹ 10/-] ₹	30	<b>294.54</b>	<b>101.43</b>
See accompanying notes forming part of the Consolidated Financial Statements	1-50		

As per our separate report of even date.

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

**Suhas Deshpande**  
Partner  
Membership No. : 031787

Place : Pune  
Date : 26th April 2024

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
Chairman  
DIN : 00025179

Place : Pune  
Date : 26th April 2024

**Consolidated Statement of Changes in Equity for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**A. Equity Share Capital**

Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2022	Changes in Equity Share Capital during the year	Balance as at 31st March 2023
1,318	--	1,318	--	1,318
Balance as at 1st April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2023	Changes in Equity Share Capital during the year	Balance as at 31st March 2024
1,318	--	1,318	--	<b>1,318</b>

**B. Other Equity**

Particulars	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total	Non-controlling Interest
	Securities Premium	General Reserve	Retained Earnings			
Balance as at 1st April 2022	5,920	34,706	1,30,489	2,354	1,73,469	199
Profit / (Loss) for the year	--	--	13,364	--	13,364	10
Other Comprehensive Income (Net of tax)	--	--	219	451	670	--
Dividends	--	--	(1,318)	--	(1,318)	--
Transfer to General Reserve	--	5	(5)	--	--	--
Balance as at 31st March 2023	5,920	34,711	1,42,749	2,805	1,86,185	209
Balance as at 1st April 2023	5,920	34,711	1,42,749	2,805	1,86,185	209
Profit / (Loss) for the year	--	--	38,809	--	38,809	12
Other Comprehensive Income (Net of tax)	--	--	(143)	663	520	--
Dividends	--	--	(1,318)	--	(1,318)	--
Transfer to General Reserve	--	5	(5)	--	--	--
<b>Balance as at 31st March 2024</b>	<b>5,920</b>	<b>34,716</b>	<b>1,80,092</b>	<b>3,468</b>	<b>2,24,196</b>	<b>221</b>

As per our separate report of even date.

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

**Suhas Deshpande**  
 Partner  
 Membership No. : 031787

 Place : Pune  
 Date : 26th April 2024

**Sanjay Kumar Bohra**  
 Chief Financial Officer

**Nikhil Deshpande**  
 Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
 Chairman  
 DIN : 00025179

 Place : Pune  
 Date : 26th April 2024

## Consolidated Statement of Cash Flows for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>A. Cash flow from Operating Activities</b>		
Profit / (Loss) before tax	60,507	27,242
<b>Adjustments for</b>		
Depreciation and Amortization expense	26,675	24,074
Net exchange differences (unrealised)	71	1,178
Interest Income	(734)	(75)
Dividend income on Equity Securities	(28)	(17)
Loss / (Gain) on disposal of Property, Plant and Equipment	127	113
Finance Costs	6,214	6,840
Write off - Capital WIP & Intangible Assets under development	--	9,999
Write off - Advances & Other receivables	--	666
Inventory write down	11	765
Share of (Profit) / Loss in Joint Venture	1,383	1,860
<b>Operating Profit before Working Capital adjustments</b>	<b>94,226</b>	<b>72,645</b>
<b>Working Capital adjustments</b>		
<b>Increase / Decrease in</b>		
Trade Receivables	9,280	(746)
Inventories	(33,675)	(19,707)
Other Financial Assets	5,972	(25,507)
Other Non-financial Assets	2,223	(5,844)
Trade Payables	10,918	22,414
Financial Liabilities	50	164
Non-financial Liabilities	21,775	8,941
Provisions	5,866	1,157
<b>Cash generated from Operations</b>	<b>1,16,635</b>	<b>53,517</b>
Income Tax (paid) / Refund (Net)	(15,190)	(343)
<b>Net Cash flow from / (used in) Operating Activities</b>	<b>1,01,445</b>	<b>53,174</b>
<b>B. Cash flow from Investing Activities</b>		
Payments for Property, Plant and Equipment and Intangible Assets	(20,838)	(25,952)
Proceeds from sale of Property, Plant and Equipment and Intangible Assets	351	201
Interest received	709	87
Dividends received	28	17
<b>Net Cash flow from / (used in) Investing Activities</b>	<b>(19,750)</b>	<b>(25,647)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from / (Repayment of) borrowings (Net)	(43,086)	(12,126)
Interest paid	(6,515)	(7,241)
Dividends paid	(1,318)	(1,318)
<b>Net Cash flow from / (used in) Financing Activities</b>	<b>(50,919)</b>	<b>(20,685)</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>30,776</b>	<b>6,842</b>
Cash and Cash equivalents at beginning of the financial year	14,039	7,197
Cash and Cash equivalents at end of the financial year	44,815	14,039
Cash and Cash equivalents as per Note No. 12	44,816	14,037
Effects of exchange rate fluctuations on Cash and Cash equivalents held	(1)	2
	<b>44,815</b>	<b>14,039</b>

As per our separate report of even date.

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

**Suhas Deshpande**  
Partner  
Membership No. : 031787

Place : Pune  
Date : 26th April 2024

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
Chairman  
DIN : 00025179

Place : Pune  
Date : 26th April 2024

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

### 1. GROUP INFORMATION

#### Holding Company

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

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

#### Subsidiary Company

**Tempo Finance (West) Private Limited**, a Subsidiary Company of Force Motors Limited, is domiciled and incorporated in India, having its Registered Office at Mumbai-Pune Road, Akurdi, Pune - 411035. The Company is engaged in providing financial services.

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

#### Joint Venture Company

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

### 2. SIGNIFICANT AND MATERIAL ACCOUNTING POLICY INFORMATION

The Company has disclosed accounting policy information material to its financial statements in accordance with amendments in Ind AS 1 as notified in the Companies (Indian Accounting Standards) Amendment Rules, 2023.

#### (a) Statement of Compliance

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("**the Act**") [the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2023] and other relevant provisions of the Act.

#### (b) Basis of Preparation

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

All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act.

#### (c) Basis of Consolidation

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

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

#### Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting in accordance with Ind AS 28 (Investment in Associate and Joint Venture).

#### (d) Revenue Recognition

##### (i) Sales :

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

Trade Receivables that do not contain a significant financing component are measured at transaction price.

##### (ii) Other Incomes :

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

##### (iii) Cost Recognition :

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalised where appropriate internally generated capital items (tangible and intangible assets) and various product development projects undertaken by the Company, for the introduction of new products and development of Engines and existing product variants.

#### (e) Inventories

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

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

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

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

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

#### (f) Property, Plant and Equipment

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

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



## Notes to Consolidated Financial Statements for the year ended 31st March 2024

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

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

**(g) Intangible Assets**

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

**Intangible Assets internally generated**

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

**(h) Investment Property**

Investment property is measured at cost less accumulated depreciation.

**(i) Impairment of assets**

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

**(j) Depreciation & Amortization**

**(i) Property, Plant and Equipment**

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

**(ii) Intangible Assets**

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

**(k) Borrowing Costs**

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

**(l) Research and Development Expenses**

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

**(m) Leases**

**(i) Where the Group is the Lessee**

- The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- The right-of-use asset is subsequently depreciated using the straight-line method over the useful life of the right-of-use asset or the end of the lease term.

**Short-term leases and leases of low-value assets**

- The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(ii) Where the Group is the Lessor**

Lease rentals are recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**(n) Investment in Subsidiary and Joint Venture**

The Company has elected to recognize its investments in Joint Venture at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements.'

**(o) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(p) Earnings per Share**

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

**(q) Foreign currency transactions**

**Transactions and balances**

- (i) Foreign Currency transactions are recorded at the rate of exchange on the date of the transaction.
- (ii) Monetary items of Assets and Liabilities booked in foreign currency are translated in to rupee at the exchange rate prevailing at the Balance Sheet date.
- (iii) Exchange difference resulting from settlement of such transaction and from translation of monetary items of Assets and Liabilities are recognized in the Statement of Profit and Loss.
- (iv) Exchange difference arising on translation of foreign currency liabilities for acquisition of Property, Plant and Equipments are adjusted to the Statement of Profit and Loss.
- (v) The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance.

**(r) Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs, unless otherwise stated.

**(s) Employee Benefits**

**Defined benefit plans**

- (i) The accruing liability of Gratuity is covered by Employees Group Gratuity Scheme of Life Insurance Corporation of India (LIC) and the premium is accounted for in the year of accrual. The additional liability, if any, due to deficit in the Plan assets managed by LIC as compared to the present value of accrued liability on the basis of actuarial valuation, is recognized and provided for.
- (ii) Provident fund contributions are made to Group's Provident Fund Trust. The contributions are accounted for as defined benefit plans and are recognized as employee benefits expense when they are due. Deficits, if any, of the fund as compared to liability on the basis of an independent actuarial valuation is to be additionally contributed by the Group.

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

- (iii) Current service cost and net interest on defined benefit obligation are directly recognized in the Statement of Profit and Loss.
- (iv) Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

### Defined contribution plans

- (i) The Group's superannuation scheme is a defined contribution plan. The contributions are recognized as employee benefit expenses when they are due.
- (ii) Benefits in respect of compensated absence payable after 12 months are provided for, based on valuation, as at the Balance Sheet date, made by independent actuaries.
- (iii) Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority and recognized as expense as and when due.

### (t) Hire Purchase

The Group follows Equated Balance Method for the implicit rate for accounting the income from Hire Purchase. Directions and guidelines issued by the Reserve Bank of India in respect of income recognition, asset classification and provision for bad and doubtful debts have been followed.

### (u) Taxation

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

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

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

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

### (v) Provisions and Contingent Liabilities

#### (i) Provision

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

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

#### (ii) Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or liabilities, which are frivolous claims, but required disclosure, are disclosed considering the relevant Accounting Standards.

### (w) Incentives

Incentives are considered / recorded on the basis of sanction order received from the Government Authority.

### (x) Financial instruments

#### Equity investments at fair value through other comprehensive income

These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss, when the right to receive payment has been established. When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

### (y) Fair value measurement

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

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

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

### (z) Use of estimates and judgements

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

- (i) Estimation of defined benefit obligation – refer Note No.38.
- (ii) Estimation of provision for warranty claims – refer Note No. 18.
- (iii) Estimated useful life and residual value of property, plant and equipments - refer Note No.2(j)(i) above.
- (iv) Estimated useful life of intangible assets- refer Note No.2(j) (ii) above.
- (v) Estimation of provision for Tax expenses - refer Note No.2 (u) above.

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

### Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

#### 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CURRENT YEAR)

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Aircrafts	Total	Capital Work-in-Progress
	Freehold	Leasehold								
<b>Gross carrying amount</b>										
Balance as at 1st April 2023	868	2,553	34,442	2,89,810	2,106	5,715	1,344	4,668	3,41,506	3,866
Additions	--	--	411	14,860	55	1,051	61	--	16,438	2,092
Disposals / Adjustments	--	--	--	398	3	524	13	--	938	3,379
<b>Balance as at 31st March 2024</b>	<b>868</b>	<b>2,553</b>	<b>34,853</b>	<b>3,04,272</b>	<b>2,158</b>	<b>6,242</b>	<b>1,392</b>	<b>4,668</b>	<b>3,57,006</b>	<b>2,579</b>
<b>Accumulated depreciation</b>										
Balance as at 1st April 2023	--	219	13,427	1,60,079	1,516	3,056	1,129	1,656	1,81,082	
Depreciation for the year	--	32	1,222	17,085	121	521	69	222	19,272	
Disposals / Adjustments	--	--	(2)	171	2	275	12	--	458	
<b>Balance as at 31st March 2024</b>	<b>--</b>	<b>251</b>	<b>14,651</b>	<b>1,76,993</b>	<b>1,635</b>	<b>3,302</b>	<b>1,186</b>	<b>1,878</b>	<b>1,99,896</b>	
<b>Carrying amounts (Net)</b>										
<b>As at 31st March 2024</b>	<b>868</b>	<b>2,302</b>	<b>20,202</b>	<b>1,27,279</b>	<b>523</b>	<b>2,940</b>	<b>206</b>	<b>2,790</b>	<b>1,57,110</b>	<b>2,579</b>
As at 31st March 2023	868	2,334	21,015	1,29,731	590	2,659	215	3,012	1,60,424	3,866

#### Notes :

- Refer to Note No. 36 for Lease.
- Refer to Note No. 32(b) for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- Capital Work-in-progress mainly comprises Plant & Equipment.
- The Title Deeds of Immovable Properties are held in name of the Company.
- The Group has not revalued its Property, Plant and Equipment as at 31st March 2024.
- Please refer Note No.5(a)(i) for ageing schedule of Capital Work-in-Progress.

### Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

#### 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (PREVIOUS YEAR)

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Aircrafts	Total	Capital Work-in-Progress
	Freehold	Leasehold								
<b>Gross carrying amount</b>										
Balance as at 1st April 2022	868	2,553	33,445	2,71,188	2,072	5,219	1,298	4,668	3,21,311	15,565
Additions	--	--	997	18,940	37	1,152	55	--	21,181	2,327
Disposals / Adjustments	--	--	--*	318	3	656	9	--	986	6,430
Write off (Refer Note No. 29 (b))	--	--	--	--	--	--	--	--	--	7,596
<b>Balance as at 31st March 2023</b>	<b>868</b>	<b>2,553</b>	<b>34,442</b>	<b>2,89,810</b>	<b>2,106</b>	<b>5,715</b>	<b>1,344</b>	<b>4,668</b>	<b>3,41,506</b>	<b>3,866</b>
<b>Accumulated depreciation</b>										
Balance as at 1st April 2022	--	187	12,223	1,45,154	1,384	2,988	1,056	1,434	1,64,426	
Depreciation for the year	--	32	1,204	15,208	134	448	81	222	17,329	
Disposals / Adjustments	--	--	--*	283	2	380	8	--	673	
<b>Balance as at 31st March 2023</b>	<b>--</b>	<b>219</b>	<b>13,427</b>	<b>1,60,079</b>	<b>1,516</b>	<b>3,056</b>	<b>1,129</b>	<b>1,656</b>	<b>1,81,082</b>	
<b>Carrying amounts (Net)</b>										
<b>As at 31st March 2023</b>	<b>868</b>	<b>2,334</b>	<b>21,015</b>	<b>1,29,731</b>	<b>590</b>	<b>2,659</b>	<b>215</b>	<b>3,012</b>	<b>1,60,424</b>	<b>3,866</b>
As at 31st March 2022	868	2,366	21,222	1,26,034	688	2,231	242	3,234	1,56,885	15,565

#### Notes :

- Refer to Note No. 36 for Lease.
- Refer to Note No. 32(b) for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.
- Capital Work-in-progress mainly comprises Plant & Equipment.
- The Title Deeds of Immovable Properties are held in name of the Company.
- The Group has not revalued its Property, Plant and Equipment as at 31st March 2023.
- Please refer Note No.5(a)(i) for ageing schedule of Capital Work-in-Progress.

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**4. INVESTMENT PROPERTY**

Particulars of Industrial shed	As at 31st March 2024	As at 31st March 2023
<b>Gross carrying amount</b>		
Opening Balance	985	794
Additions	50	191
Disposals / Adjustments	--	--
<b>Closing Balance</b>	<b>1,035</b>	985
<b>Accumulated depreciation</b>		
Opening Balance	317	288
Depreciation for the year	34	29
Disposals / Adjustments	2	--
<b>Closing Balance</b>	<b>349</b>	317
<b>Carrying Amount (Net)</b>	<b>686</b>	668

**Information regarding income and expenditure of Investment Property**

Particulars	As at 31st March 2024	As at 31st March 2023
Rental income derived from investment property	353	268
Direct operating expenses (including repairs and maintenance) generating rental income	5	20
Income arising from investment property before depreciation and indirect expenses	348	248
<b>Less : Depreciation</b>	<b>34</b>	29
Income from investment property	<b>314</b>	219

**Leasing arrangements**

The Group's investment property consists of industrial property situated at Chakan, Pune. Refer Note No. 36 (a).

**Fair Value**

The Group's investment property is at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties and Ready Recknor rates for the relevant survey numbers in those location, instead of valuation by a registered valuer, and consequently classified as a Level-2 valuation.

Particulars	As at 31st March 2024	As at 31st March 2023
Industrial Property	2,902	2,902

**Reconciliation of fair value**

Particulars	Industrial Property
Opening Balance	2,902
Change in fair value	--
<b>Closing Balance</b>	<b>2,902</b>



**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**5. INTANGIBLE ASSETS (CURRENT YEAR)**

Particulars	Software	Technical Know-how acquired	Technical Know-how internally generated	Total	Intangible Assets under development
<b>Gross carrying amount</b>					
Balance as at 1st April 2023	5,891	16,019	56,656	78,566	11,501
Additions	191	2,141	2,076	4,408	4,420
Disposals / Adjustments	--	--	--	--	1,415
<b>Balance as at 31st March 2024</b>	<b>6,082</b>	<b>18,160</b>	<b>58,732</b>	<b>82,974</b>	<b>14,506</b>
<b>Accumulated Amortization</b>					
Balance as at 1st April 2023	5,037	7,244	17,979	30,260	
Amortization for the year	268	1,165	5,936	7,369	
Disposals / Adjustments	--	--	--	--	
<b>Balance as at 31st March 2024</b>	<b>5,305</b>	<b>8,409</b>	<b>23,915</b>	<b>37,629</b>	
<b>Carrying amounts (Net)</b>					
<b>As at 31st March 2024</b>	<b>777</b>	<b>9,751</b>	<b>34,817</b>	<b>45,345</b>	<b>14,506</b>
As at 31st March 2023	854	8,775	38,677	48,306	11,501

**Notes :**

- Intangible Assets under development mainly comprises internally generated technical know-how.
- Refer to Note No. 32(b) for disclosure of contractual commitments for the acquisition of Intangible Assets.
- The Group has not revalued its Intangible Assets as at 31st March 2024.
- Please refer Note No. 5(a) (ii) for ageing schedule of Intangible Assets under Development.

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 5. INTANGIBLE ASSETS (PREVIOUS YEAR)

Particulars	Software	Technical Know-how acquired	Technical Know-how internally generated	Total	Intangible Assets under development
<b>Gross carrying amount</b>					
Balance as at 1st April 2022	5,243	12,675	51,538	69,456	14,650
Additions	648	3,344	5,118	9,110	3,606
Disposals / Adjustments	--	--	--	--	2,135
Write off (Refer Note No. 29 (b))	--	--	--	--	4,620
<b>Balance as at 31st March 2023</b>	<b>5,891</b>	<b>16,019</b>	<b>56,656</b>	<b>78,566</b>	<b>11,501</b>
<b>Accumulated amortization</b>					
Balance as at 1st April 2022	4,699	6,418	12,427	23,544	
Amortization for the year	338	826	5,552	6,716	
Disposals / Adjustments	--	--	--	--	
<b>Balance as at 31st March 2023</b>	<b>5,037</b>	<b>7,244</b>	<b>17,979</b>	<b>30,260</b>	
<b>Carrying amounts (Net)</b>					
<b>As at 31st March 2023</b>	<b>854</b>	<b>8,775</b>	<b>38,677</b>	<b>48,306</b>	<b>11,501</b>
As at 31st March 2022	544	6,257	39,111	45,912	14,650

#### Notes :

- Intangible Assets under development mainly comprises internally generated technical know-how.
- Refer Note No. 32(b) for disclosure of contractual commitments for the acquisition of Intangible Assets.
- The Group has not revalued its Intangible Assets as at 31st March 2023.
- Please refer Note No. 5(a) (ii) for ageing schedule of Intangible Assets under Development.

#### 5(a) Ageing Schedule for Capital Work-in-Progress (CWIP) and Intangible Assets under Development :

##### (i) Ageing schedule of Capital Work-in-Progress :

Sr. No.	CWIP	Amount in CWIP for a period of				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress as at 31.03.2024	2,432	89	58	--*	2,579
2	Projects in progress as at 31.03.2023	2,371	1,210	82	203	3,866

##### (ii) Ageing schedule of Intangible Assets under Development :

Sr. No.	Intangible Assets under Development	Amount in CWIP for a period of				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress as at 31.03.2024	3,694	3,048	1,218	6,546	14,506
2	Projects in progress as at 31.03.2023	3,728	1,227	2,914	3,632	11,501

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**6. FINANCIAL ASSETS : INVESTMENTS (NON-CURRENT)**

	<u>As at 31st March 2024</u>	<u>As at 31st March 2023</u>
<b>A. Investments at fair value through Other Comprehensive Income (FVTOCI)</b>		
<b>(a) Unquoted Equity Shares (fully paid)</b>		
(i) 1 (31st March 2023 : 1) Equity Share of ₹ 10/-, fully paid in MAN Truck & Bus India Pvt. Ltd.	--*	--*
(ii) 50,000 (31st March 2023 : 50,000) Equity Shares of ₹ 10/- each, fully paid in Pithampur Auto Cluster Ltd.	5	5
(iii) 5 (31st March 2023 : 5) Equity Shares of ₹ 50/- each, fully paid in Mittal Tower Premises Co-operative Society Ltd.	--*	--*
<b>(b) Quoted Equity Shares (fully paid)</b>		
3,47,187 (31st March 2023 : 3,47,187) Equity Shares of ₹ 2/- each, fully paid in ICICI Bank Ltd.	3,795	3,046
<b>Total FVTOCI Investments</b>	<u>3,800</u>	<u>3,051</u>
<b>B. Investment at Cost</b>		
<b>Unquoted Equity Shares (fully paid)</b>		
<b>In Joint Venture</b>		
12,75,00,000 (31st March 2023 : 12,75,00,000) Equity Shares of ₹ 10/- each, fully paid in Force MTU Power Systems Pvt. Ltd. (Refer Note No. 48)	5,303	6,683
<b>Total Investments</b>	<u>9,103</u>	<u>9,734</u>
Aggregate book value of quoted investments	27	27
Aggregate market value of quoted investments	3,795	3,046
Aggregate value of unquoted investments	5,308	6,688
Aggregate amount of impairment in the value of investments	--	--

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

For determination of fair values of quoted equity investments, the investments classified as FVTOCI. Refer Note No. 39.

**7. FINANCIAL ASSETS : LOANS AND ADVANCES**

	<u>As at 31st March 2024</u>	<u>As at 31st March 2023</u>
<b>Current</b>		
<b>(a) Other Loans and Advances</b>		
(i) Considered Good - Unsecured	2	38
(ii) Credit Impaired (Doubtful)	--	--
<b>Total Current Loans and Advances</b>	<u>2</u>	<u>38</u>
<b>Total Loans and Advances</b>	<u>2</u>	<u>38</u>

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**8. CURRENT AND DEFERRED TAX**

	As at 31st March 2024	As at 31st March 2023
<b>A. Statement of Profit or Loss</b>		
<b>(a) Current Tax</b>		
(i) Current Income Tax charge	11,522	5,197
(ii) Taxation in respect of earlier years	7	22
<b>(b) Deferred Tax</b>		
Relating to origination and reversal of temporary differences	10,157	8,649
<b>Income Tax expense reported in the Statement of Profit or Loss</b>	<b>21,686</b>	<b>13,868</b>
<b>(c) Other Comprehensive Income (OCI)</b>		
<b>Deferred tax related to items recognized in OCI during the year</b>		
(i) Re-measurements on defined benefit plan	78	(115)
(ii) Quoted Equity Instruments	(87)	(59)
(iii) Share in taxes on Other Comprehensive Income of Joint Venture	(1)	(2)
<b>Income Tax recognized in OCI</b>	<b>(10)</b>	<b>(176)</b>
	As at 31st March 2024	As at 31st March 2023
<b>B. Balance Sheet</b>		
<b>(a) Current Tax Assets</b>		
Advance Income Tax	568	--
<b>Total Current Tax Assets (Net)</b>	<b>568</b>	<b>--</b>
<b>(b) Current Tax Liabilities</b>		
Provision for Income Tax	--	3,827
<b>Total Current Tax Liabilities (Net)</b>	<b>--</b>	<b>3,827</b>
<b>(c) Deferred Tax</b>		
(i) Deferred Tax Assets (DTA)	25,070	35,709
(ii) Deferred Tax Liabilities (DTL)	(35,385)	(35,124)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(10,315)</b>	<b>585</b>

**Reconciliation of tax expense and the accounting profit for the year ended 31st March 2024 and 31st March 2023**

	As at 31st March 2024	As at 31st March 2023
Accounting Profit Before Tax	60,507	27,242
(a) Tax as per Income Tax Act	21,623	10,166
<b>(b) Tax Expense</b>		
(i) Current Tax	11,522	5,197
(ii) Deferred Tax	10,157	8,649
(iii) Taxation in respect of earlier years	7	22
<b>Total Tax Expense</b>	<b>21,686</b>	<b>13,868</b>
(c) Difference (a-b)	(63)	(3,702)
<b>(d) Tax Reconciliation</b>		
(i) Permanent Dis-allowances	(82)	(3,709)
(ii) Allowances and accelerated deductions	26	29
(iii) Taxation in respect of earlier years	(7)	(22)
<b>Total</b>	<b>(63)</b>	<b>(3,702)</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred Tax Assets and Liabilities are as follows :

	Balance Sheet	
	As at 31st March 2024	As at 31st March 2023
<b>Deferred Tax Assets / (Liabilities) in relation to</b>		
<b>Deferred Tax relates to the following : DTA / (DTL)</b>		
(a) Property, Plant and Equipment	<b>(35,086)</b>	(34,912)
(b) Provision for doubtful advances	<b>38</b>	52
(c) Dis-allowance u/s 43B of the Income Tax Act	<b>1,913</b>	1,680
(d) Carry forward Income tax loss	--	10,149
(e) MAT credit entitlement	<b>23,093</b>	23,828
(f) Others	<b>26</b>	--
(g) Quoted Equity Instrument through Other Comprehensive Income	<b>(299)</b>	(153)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(10,315)</b>	644

Significant components of net Deferred Tax Assets and Liabilities for the year ended 31st March 2024 are as follows :

Movement in temporary differences	As at 1st April 2023	Recognized in Profit or Loss during 2023-24	Recognized in Other Comprehensive Income during 2023-24	MAT Credit utilised	As at 31st March 2024
Property, Plant and Equipment	(34,912)	(174)	--	--	<b>(35,086)</b>
Provision for doubtful advances	52	(14)	--	--	<b>38</b>
Dis-allowance u/s 43B of the Income Tax Act	1,680	155	78	--	<b>1,913</b>
Carry forward Income tax loss	10,149	(10,149)	--	--	--
MAT credit entitlement	23,828	--	--	(735)	<b>23,093</b>
Others	--	26	--	--	<b>26</b>
Quoted Equity Instrument through Other Comprehensive Income	(153)	--	(87)	--	<b>(299)</b>
	644	(10,156)	(9)	(735)	<b>(10,315)</b>

The deferred tax liability on taxable temporary difference relating to investment in subsidiary is not provided since the Group is able to control the timing of the reversal of temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. The deferred tax liability of ₹122 lakhs (31st March 2023 : ₹ 114 lakhs) has not been recognized.



**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**9. OTHER ASSETS**

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
<b>(a) Capital Advances</b>		
Considered Good - Unsecured	3,937	5,617
<b>(b) Others</b>	2,217	2,217
<b>Total Non-current Other Assets</b>	<b>6,154</b>	<b>7,834</b>
<b>Current</b>		
<b>(a) Advances recoverable in cash or kind</b> (includes Taxes, Duties, Refunds, Suppliers Advance, etc.)		
(i) Considered Good - Unsecured	11,920	13,630
(ii) Doubtful	108	108
	<b>12,028</b>	<b>13,738</b>
<b>Less : Provision for doubtful advances</b>	<b>108</b>	<b>108</b>
	<b>11,920</b>	<b>13,630</b>
<b>(b) Gratuity Asset (Refer Note No. 38)</b> (excess of funded value over liability)	<b>251</b>	<b>764</b>
<b>Total Current Other Assets</b>	<b>12,171</b>	<b>14,394</b>
<b>Total Other Assets</b>	<b>18,325</b>	<b>22,228</b>

**10. INVENTORIES (CURRENT)**

	As at 31st March 2024	As at 31st March 2023
(a) Raw Materials and Components*	86,024	64,521
(b) Finished Goods	14,743	6,233
(c) Work-in-progress	10,884	8,691
(d) Stores and Spares	4,668	3,210
* [Include Goods in transit : ₹ 28,392 lakhs (31st March 2023 : ₹ 19,657 lakhs)]		
<b>Total Inventories</b>	<b>1,16,319</b>	<b>82,655</b>

The write-down of inventories to net realisable value during the year amounted to ₹ 11 lakhs (31st March 2023 : ₹ 765 lakhs). The write-down are included in the cost of material consumed or changes in inventories of finished goods and work-in-progress.

**11. TRADE RECEIVABLES (CURRENT)**

	As at 31st March 2024	As at 31st March 2023
(a) Considered Good - Unsecured	10,406	19,684
(b) Which have significant increase in Credit Risk (Doubtful)	--	40
	<b>10,406</b>	<b>19,724</b>
<b>Less : Provision for Doubtful Receivables</b>	<b>--</b>	<b>40</b>
<b>Total Trade Receivables (Refer Note No. 11 (a) for ageing schedule)</b>	<b>10,406</b>	<b>19,684</b>

Trade Receivables are not credit impaired.

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note No. 11 (a) : Ageing Schedule of Trade Receivables :**

As on 31st March 2024											
Sr. No.	Particulars	Total Receivables 1 = 2 + 3 + 9	Unbilled (net of advance) 2	Not due 3	Outstanding for following periods from due date of payment					Total Outstanding 9 = 4 to 8	
					Less than 6 months 4	6 months to 1 year 5	1 - 2 years 6	2 - 3 years 7	More than 3 years 8		
<b>(a)</b>	<b>Undisputed Trade Receivables</b>										
	(i) considered good	10,406	--	5,093	1,321	2,079	586	666	661	5,313	
	(ii) which have significant increase in credit risk	--	--	--	--	--	--	--	--	--	
	(iii) credit impaired	--	--	--	--	--	--	--	--	--	
<b>(b)</b>	<b>Disputed Trade Receivables</b>										
	(i) considered good	--	--	--	--	--	--	--	--	--	
	(ii) which have significant increase in credit risk	--	--	--	--	--	--	--	--	--	
	(iii) credit impaired	--	--	--	--	--	--	--	--	--	
	<b>Total Trade Receivables</b>	<b>10,406</b>	<b>--</b>	<b>5,093</b>	<b>1,321</b>	<b>2,079</b>	<b>586</b>	<b>666</b>	<b>661</b>	<b>5,313</b>	

As on 31st March 2023											
Sr. No.	Particulars	Total Receivables 1 = 2 + 3 + 9	Unbilled (net of advance) 2	Not due 3	Outstanding for following periods from due date of payment					Total Outstanding 9 = 4 to 8	
					Less than 6 months 4	6 months to 1 year 5	1 - 2 years 6	2 - 3 years 7	More than 3 years 8		
<b>(a)</b>	<b>Undisputed Trade Receivables</b>										
	(i) considered good	19,684	4,751	6,916	6,151	260	693	767	146	8,017	
	(ii) which have significant increase in credit risk	40	--	--	--	--	--	--	40	40	
	(iii) credit impaired	--	--	--	--	--	--	--	--	--	
<b>(b)</b>	<b>Disputed Trade Receivables</b>										
	(i) considered good	--	--	--	--	--	--	--	--	--	
	(ii) which have significant increase in credit risk	--	--	--	--	--	--	--	--	--	
	(iii) credit impaired	--	--	--	--	--	--	--	--	--	
	<b>Sub Total</b>	<b>19,724</b>	<b>4,751</b>	<b>6,916</b>	<b>6,151</b>	<b>260</b>	<b>693</b>	<b>767</b>	<b>186</b>	<b>8,057</b>	
	<b>Less: Provision for doubtful debts</b>	<b>40</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>40</b>	<b>40</b>	
	<b>Total Trade Receivables</b>	<b>19,684</b>	<b>4,751</b>	<b>6,916</b>	<b>6,151</b>	<b>260</b>	<b>693</b>	<b>767</b>	<b>146</b>	<b>8,017</b>	

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**12. CASH AND CASH EQUIVALENTS (CURRENT)**

	As at 31st March 2024	As at 31st March 2023
<b>(a) Cash and Cash equivalents</b>		
(i) Balances with Banks	7,678	13,738
(ii) Short term deposits with Banks - Maturity less than three months	37,133	294
(iii) Cash on hand	5	5
	<b>44,816</b>	<b>14,037</b>
<b>(b) Other Bank balances</b>		
(i) Unpaid Dividend Accounts	60	64
(ii) Margin money and Security deposits (having maturity within 12 months)	--	33
	<b>60</b>	<b>97</b>
<b>Total Cash and Cash equivalents</b>	<b>44,876</b>	<b>14,134</b>

**13. OTHER FINANCIAL ASSETS**

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
<b>(a) Security Deposits</b>		
(i) Considered Good - Unsecured	1,370	1,835
(ii) Which have significant increase in credit risk (Doubtful)	--	--
<b>(b) Margin Money and Security deposits (having maturity beyond 12 months)</b>	<b>18</b>	<b>69</b>
<b>Total Non-current Other Financial Assets</b>	<b>1,388</b>	<b>1,904</b>
<b>Current</b>		
<b>(a) Security Deposits</b>		
Considered Good - Unsecured	46	46
<b>(b) Interest accrued on deposits</b>	<b>46</b>	<b>12</b>
<b>(c) Government Incentives</b>	<b>20,163</b>	<b>25,254</b>
<b>(d) Corporate Deposits</b>	<b>--</b>	<b>300</b>
<b>Total Current Other Financial Assets</b>	<b>20,255</b>	<b>25,612</b>
<b>Total Other Financial Assets</b>	<b>21,643</b>	<b>27,516</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 14. EQUITY SHARE CAPITAL

	As at 31st March 2024	As at 31st March 2023
<b>Authorised</b>		
2,00,00,000 (31st March 2023 : 2,00,00,000) Equity Shares of ₹ 10/- each	<b>2,000</b>	2,000
<b>Issued</b>		
1,32,13,802 (31st March 2023 : 1,32,13,802) Equity Shares of ₹ 10/- each	<b>1,321</b>	1,321
<b>Subscribed and Paid-up</b>		
1,31,76,262 (31st March 2023 : 1,31,76,262) Equity Shares of ₹ 10/- each fully paid up	<b>1,318</b>	1,318
[of the above 2,00,918 (31st March 2023 : 2,00,918) Equity Shares are allotted as fully paid shares pursuant to a contract without payment being received in cash and 57,29,934 (31st March 2023 : 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 2024 or 31st March 2023].		
<b>Add:</b> Amount paid for Forfeited shares	--*	--*
<b>Total Equity Share Capital</b>	<b>1,318</b>	1,318

**Note:** Offer on Right basis for 17,932 (31st March 2023 : 17,932) Equity Shares of ₹ 10/- each is kept in abeyance as per the provisions of Section 126 of the Act.

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,31,76,262	1,318	1,31,76,262	1,318
Issued / Reduction during the year	--	--	--	--
Shares outstanding at the end of the year	1,31,76,262	1,318	1,31,76,262	1,318

#### (b) Terms / rights attached to Equity Shares

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

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

#### (d) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

The Company is a subsidiary of Jaya Hind Industries Private Limited, which holds 57.38% (31st March 2023 : 57.38%), 75,59,928 (31st March 2023 : 75,59,928) shares in the Company.

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

Name of the Shareholder	As at 31st March 2024		As at 31st March 2023	
	No. of Shares of ₹ 10/- each fully paid	% of Holding	No. of Shares of ₹ 10/- each fully paid	% of Holding
Jaya Hind Industries Private Limited	75,59,928	57.38%	75,59,928	57.38%

#### (f) Shareholding of Promoters

Sr. No.	Promoter Name	Shares held by Promoters at the end of the year				% change during the year ended 31st March 2024
		As at 31st March 2024		As at 31st March 2023		
		No. of shares	% of total shares	No. of shares	% of total shares	
1.	Jaya Hind Industries Pvt. Ltd.	75,59,928	57.38%	75,59,928	57.38%	--
2.	Mr. Abhaykumar Navalmal Firodia	2,64,351	2.01%	2,64,351	2.01%	--
3.	Mr. Prasan Abhaykumar Firodia	2,20,763	1.68%	2,20,763	1.68%	--

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**15. OTHER EQUITY**

	As at 31st March 2024	As at 31st March 2023
<b>I. Reserves and Surplus</b>		
(a) <b>Securities Premium</b>	5,920	5,920
(b) <b>General Reserve</b>		
(i) Opening balance	34,711	34,706
(ii) <b>Add</b> : Transferred from retained earnings	8	7
	<u>34,719</u>	<u>34,713</u>
(iii) <b>Less</b> : Transferred to non-controlling interest	3	2
<b>Closing balance</b>	<u>34,716</u>	<u>34,711</u>
(c) <b>Retained Earnings</b>		
(i) Opening balance	1,42,749	1,30,489
(ii) Net Profit / (Loss) for the year	38,821	13,374
(iii) Comprehensive income for the year	(143)	218
	<u>1,81,427</u>	<u>1,44,081</u>
<b>Adjustments</b>		
(i) Equity Dividend	1,318	1,318
(ii) Transfer to General Reserve	8	7
	<u>1,80,101</u>	<u>1,42,756</u>
<b>Less</b> : Transferred to non-controlling interest	9	7
<b>Closing Balance</b>	<u>1,80,092</u>	<u>1,42,749</u>
<b>II. Equity instruments through Other Comprehensive Income</b>		
Opening Balance	2,805	2,354
<b>Adjustments</b>		
FVTOCI Equity Investments - change in fair value	663	451
<b>Closing Balance</b>	<u>3,468</u>	<u>2,805</u>
<b>Total Other Equity</b>	<u>2,24,196</u>	<u>1,86,185</u>

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

**16. FINANCIAL LIABILITIES: BORROWINGS**

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
(a) Loans from Bank (Secured)	23,177	38,163
(b) Loans and Advances from related parties (Inter Corporate Deposits) - (Unsecured)	15,000	15,000
(c) Non-convertible Debentures (Secured)	--	6,334
<b>Total Non-current Borrowings</b>	<u>38,177</u>	<u>59,497</u>
<b>Current</b>		
(a) Loans repayable on demand		
(i) Working Capital Loan from Banks (Secured)	--	9,500
(b) Current maturities of Non-current Borrowings		
(i) Loans from Banks (Secured)	7,940	20,146
(ii) Non-convertible Debentures (Secured)	6,333	6,333
Total Current maturities of Non-current Borrowings	<u>14,273</u>	<u>26,479</u>
<b>Total Current Borrowings</b>	<u>14,273</u>	<u>35,979</u>
<b>Total Borrowings</b> [Refer Note No. 40(b) for maturity pattern of Borrowings]	<u>52,450</u>	<u>95,476</u>

- **Term Loans** are secured by hypothecation, by way of exclusive first charge on specific Plant and Machinery, being movable properties, secured as a continuing security for the repayment of Term Loans together with interest. The term loans are repayable in quarterly installments over a period upto six years, including moratorium. Term Loans include foreign currency loan.
- **Non-Convertible Debentures** : The Group has issued 190 (5.85%) Secured unlisted rated redeemable non-convertible debentures of ₹100 lakhs each, total amounting to ₹19,000 lakhs, on 15th February 2021. The debentures are secured by way of first ranking exclusive charge over the specific movable fixed assets. The debentures are redeemable over a period of four years (including moratorium) maturing in February 2025.
- For the block of Financial Years 2022-2024, 25% of incremental borrowing through issue of the debt securities, as per applicable SEBI Circulars, was not raised, since the Company's profitability and internal accruals improved substantially.
- **Working Capital Loans** are secured by hypothecation of Company's stock of raw materials, work-in-progress, finished goods, consumable stores, spares, bills receivable and book debts, both present and future. The Fund Based Limits are payable on demand to the Banks.



## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

- **Inter corporate deposits** from Holding Company are unsecured and are repayable in January 2026.
- The Company has used the borrowed funds for the specific purpose for which it was taken as at the balance sheet date.
- The quarterly returns or statements, of current assets, filed by the Company with Banks or financial institutions are in agreement with the Books of accounts of the Company.

### 17. OTHER FINANCIAL LIABILITIES

	As at 31st March 2024	As at 31st March 2023
<b>Non-current</b>		
Security Deposits	169	169
<b>Total Non-current Other Financial Liabilities</b>	<b>169</b>	<b>169</b>
<b>Current</b>		
(a) Deposits matured but not claimed	1	1
(b) Interest on Borrowings		
(i) Accrued but not due on Loans	198	416
(ii) Accrued but not due on NCD	42	82
(iii) Accrued and due on unclaimed deposits	--*	--*
(c) Unclaimed dividend	59	64
(d) Creditors for Capital Goods	2,424	2,410
(e) Security deposits	330	310
(f) Other payables	418	344
<b>Total Current Other Financial Liabilities</b>	<b>3,472</b>	<b>3,627</b>
<b>Total Other Financial Liabilities</b>	<b>3,641</b>	<b>3,796</b>

### 18. PROVISIONS

	As at 31st March 2024	As at 31st March 2023
<b>Non-Current</b>		
(a) Provision for Employee benefits (Refer Note No. 38)	3,167	2,803
(b) Provision for Product Warranties	90	43
<b>Total Non-current Provisions</b>	<b>3,257</b>	<b>2,846</b>
<b>Current</b>		
(a) Provision for Employee benefits (Refer Note No. 38)	862	765
(b) Provision for Product Warranties	411	218
(c) Provision for Other expenses	17,898	12,510
<b>Total Current Provisions</b>	<b>19,171</b>	<b>13,493</b>
<b>Total Provisions</b>	<b>22,428</b>	<b>16,339</b>

Provisions for Post Retirement benefits include Gratuity, Leave Encashment, etc.

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

#### Movement in Product Warranties

	As at 31st March 2024	As at 31st March 2023
<b>Product Warranties</b>		
(a) Opening Balance	261	229
(b) Additional Provision made during the year	448	215
(c) Amount paid during the year	(203)	(127)
(d) Amount written back	(6)	(56)
<b>Closing Balance</b>	<b>500</b>	<b>261</b>

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**19. TRADE PAYABLES**

	<b>As at 31st March 2024</b>	As at 31st March 2023
(a) Total outstanding dues of Micro and Small Enterprises	<b>2,686</b>	1,031
(b) Total outstanding dues of other than Micro and Small Enterprises [Includes payable for Goods in transit : ₹ 28,392 lakhs (31st March 2023: ₹ 19,657 lakhs) and liability towards bills discounted with Bank.]	<b>82,743</b>	73,464
<b>Total Trade Payables</b>	<b>85,429</b>	74,495

**Trade Payables ageing Schedule :**

As on 31st March 2024						
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	2,646	--	--	--	--	<b>2,646</b>
(b) Others	81,214	1,511	1	--*	17	<b>82,743</b>
(c) Disputed dues - MSME	--	--	--	--	40	<b>40</b>
(d) Disputed dues - Others	--	--	--	--	--	--
<b>TOTAL</b>	<b>83,860</b>	<b>1,511</b>	<b>1</b>	<b>--*</b>	<b>57</b>	<b>85,429</b>

As on 31st March 2023						
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Upto 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	991	--	--	--	--	991
(b) Others	62,559	10,388	298	59	160	73,464
(c) Disputed dues - MSME	--	--	--	--	40	40
(d) Disputed dues - Others	--	--	--	--	--	--
<b>TOTAL</b>	<b>63,550</b>	<b>10,388</b>	<b>298</b>	<b>59</b>	<b>200</b>	<b>74,495</b>

Refer Note No. 33 for disputed dues.

**20. OTHER LIABILITIES**

	<b>As at 31st March 2024</b>	As at 31st March 2023
<b>Non-current</b>		
Service Coupon Liability	<b>221</b>	176
<b>Total Non-current Other Liabilities</b>	<b>221</b>	176
<b>Current</b>		
(a) Advance against orders and deposits	<b>32,980</b>	15,204
(b) Statutory dues	<b>7,783</b>	3,860
(c) Service Coupon Liability	<b>487</b>	455
<b>Total Current Other Liabilities</b>	<b>41,250</b>	19,519
<b>Total Other Liabilities</b>	<b>41,471</b>	19,695
<b>Movement in Service Coupon Liability</b>		
	<b>As at 31st March 2024</b>	As at 31st March 2023
<b>Free Service Coupons</b>		
(a) Opening balance	<b>631</b>	437
(b) Additional provisions made during the year	<b>586</b>	543
(c) Amount paid during the year	<b>(290)</b>	(304)
(d) Amount written back	<b>(219)</b>	(45)
<b>Closing balance</b>	<b>708</b>	631

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 21. NON-CONTROLLING INTEREST (NCI)

	As at 31st March 2024	As at 31st March 2023
<b>Tempo Finance (West) Private Limited</b>		
Non-controlling Interest (%)	33.57%	33.57%
Current Assets	657	624
Current Liabilities	--*	(2)
Net Assets	657	622
<b>Net Assets attributable to NCI</b>	<b>221</b>	<b>209</b>
Net Profit for the period of Tempo Finance (West) Private Limited	35	29
<b>Net Profit attributable to NCI</b>	<b>12</b>	<b>10</b>

### 22. REVENUE FROM OPERATIONS

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Sale of Products	6,93,229	4,98,096
(b) Interest income	46	39
(c) Other Operating Revenue		
(i) Service charges	194	311
(ii) Others	5,744	4,452
<b>Total Revenue from Operations</b>	<b>6,99,213</b>	<b>5,02,898</b>

### 23. OTHER INCOME

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Interest income	924	196
(b) Dividend income from Equity Investments designated at FVTOCI	28	17
(c) Gain on Exchange fluctuation (Net)	670	--
(d) Industrial Promotion Incentive	--	4,415
(e) Lease / Rental income	1,094	906
(f) Profit on sale of assets	43	88
(g) Others	1,151	581
<b>Total Other Income</b>	<b>3,910</b>	<b>6,203</b>

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

	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Opening Stock</b>		
(a) Finished Goods	6,233	7,414
(b) Work-in-progress	8,691	6,722
	<b>14,924</b>	<b>14,136</b>
<b>Closing Stock</b>		
(a) Finished Goods	14,743	6,233
(b) Work-in-progress	10,884	8,691
	<b>25,627</b>	<b>14,924</b>
<b>Total Changes in Inventories of Finished Goods and Work-in-progress</b>	<b>(10,703)</b>	<b>(788)</b>

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**25. EMPLOYEE BENEFITS EXPENSE**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Salaries, Wages and Bonus	48,949	38,427
(b) Contribution to Provident, Other Funds and Schemes	3,128	2,695
(c) Staff Welfare expenses	1,257	1,122
<b>Total Employee Benefits Expense</b>	<b>53,334</b>	<b>42,244</b>

**26. FINANCE COSTS**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Interest expense	6,113	6,831
(b) Other borrowing costs	101	9
<b>Total Finance Costs</b>	<b>6,214</b>	<b>6,840</b>

Borrowing cost of ₹ 83 lakhs (31st March 2023 : ₹ 517 lakhs) at the actual borrowing rates, has been capitalised during the current financial year.

**27. DEPRECIATION AND AMORTIZATION EXPENSE**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Depreciation on Property, Plant and Equipment	19,272	17,329
(b) Amortization of Intangible Assets	7,369	6,716
(c) Depreciation on Investment Property	34	29
<b>Total Depreciation and Amortization Expense</b>	<b>26,675</b>	<b>24,074</b>

**28. OTHER EXPENSES**

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Consumption of Stores and Spares	13,422	9,216
(b) Fabrication and Processing charges	4,556	4,320
(c) Power and Fuel	5,731	5,369
(d) Forwarding charges	5,628	4,132
(e) Lease / Rent	1,590	829
(f) Rates and Taxes	226	197
(g) Insurance	1,094	989
(h) Repairs and Maintenance		
(i) Plant and Machinery	2,745	2,410
(ii) Buildings	426	177
(iii) Others	201	158
(i) Publicity and Sales promotion	2,222	1,535
(j) Payments to Auditors (Refer details below)	40	32
(k) Commission to Non-executive Directors	75	--
(l) Loss on Exchange Fluctuation (Net)	--	1,105
(m) Donation [Includes donation under Section 182 of the Companies Act, 2013 : ₹ 560 Lakhs (31st March 2023 : ₹ Nil)]	568	1
(n) Expenditure on Corporate Social Responsibility (Refer Note No. 44)	47	--
(o) Loss on sale of assets	171	200
(p) Others / Miscellaneous Expenses	12,058	10,875
<b>Total Other Expenses</b>	<b>50,800</b>	<b>41,545</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### Details of payments to Auditors

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Audit fees	20	24
(b) Tax Audit fees	1	1
(c) Limited review and Certification work	18	6
(d) Reimbursement of expenses	1	1
<b>Total payments to Auditors</b>	<b>40</b>	<b>32</b>

### 29. EXCEPTIONAL ITEMS

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Government Incentives	--	30,831
(b) Write off - Intangible Assets under development & Capital Work in progress (net of estimated realisable value)	--	(9,999)
<b>Total Exceptional Items</b>	<b>--</b>	<b>20,832</b>

Exceptional Items of previous year ended 31st March, 2023 amounting to ₹ 20,832 Lakhs consists of (a) **Government Incentives** of ₹ 30,831 Lakhs, granted by the Government of Madhya Pradesh as per the Madhya Pradesh Industrial Investment Promotion Assistance Scheme, 2010; being "Exceptional Item" of income and (b) **Write off - Intangible Assets under development & Capital Work in progress** (net of estimated realisable value) amounting to ₹ -9,999 Lakhs, being "Exceptional Item" of Expense.

### 30. EARNINGS PER SHARE

	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Profit / (Loss) attributable to Equity Shareholders	38,809	13,364
(b) Weighted average number of Equity Shares used as Denominator	1,31,76,262	1,31,76,262
(c) Basic and Diluted Earnings Per Share of nominal value of ₹ 10/- each : ₹	294.54	101.43

### 31. EXPENDITURE CAPITALISED

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 32. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March 2024	As at 31st March 2023
<b>(a) Contingent Liabilities</b>		
Claims against the Group not acknowledged as debts		
(i) Taxes and Duties	7,492	7,782
(ii) Others (including Court cases pending)	3,237	3,325
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	10,456	9,405
<b>(c)</b> As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Group has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Group. The Group has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Group and the developments in respect thereof. Moreover, considering the period lapsed since the conclusion of the said legal proceedings, the Group does not expect any impact of this litigation on its financial position.		
<b>(d)</b> The Company has initiated arbitration proceedings, against the entity, in relation to an agreement relating to transfer of technology. In the said arbitration, the Company has claimed various reliefs. The Respondent therein has also claimed various reliefs, by way of counterclaim. The Company denies each and every allegation of such entity including but not limited to the counterclaim and the Company shall deal with / defend the said allegations / counterclaim appropriately.		

The Board of Directors is of the opinion that the said allegations / counterclaim of the entity can be successfully resisted by the Company.

This note / disclosure is made as a matter of caution and without prejudice to the rights of the Company or without the Company, in any way admitting the said allegations / counterclaim or any part thereof. The information, which is usually required to be disclosed, as per Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) is not disclosed, as such disclosure may prejudice seriously, the outcome of the litigation (said arbitration proceedings).

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

On the basis of information received as to the status as Micro, Small and 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 and Medium Enterprises Development Act, 2006 (the Act), dues to Micro, Small and Medium Enterprises are as under :

	As at 31st March 2024	As at 31st March 2023
<b>(a)</b> The amounts remaining unpaid to Micro and Small Enterprises as at the end of the year		
(i) Principal	2,686	1,031
(ii) Interest	--	--
<b>(b)</b> Amount of interest - paid by the Group, accrued and remaining unpaid and amount of further interest remaining due and payable in the succeeding years until such date when the interest dues above are actually paid.	--	--

The proceedings initiated by one of the suppliers, claiming to be a small scale enterprise, as per the provisions of Section 18 of the Act, culminated into an award of claim for ₹ 157 Lakhs with interest. The Company has not accepted the said liability. The Company has a major counter-claim against the said supplier amounting to about ₹ 906 Lakhs, which being unearned income, is not accounted. The award is challenged by the Company, as per the provisions of the Act and proceedings are pending before the Hon'ble District Judge, Pune, and before the Hon'ble High Court of Judicature at Bombay.

### 34. FOREIGN EXCHANGE DIFFERENCES

The amount of net exchange differences included in the Profit / Loss for the year on Revenue account is ₹ 649 Lakhs Credit (31st March 2023 : ₹ 985 Lakhs Debit) and on Capital account is ₹ 21 Lakhs Credit (31st March 2023 : ₹ 119 Lakhs Debit).

### 35. EXPENDITURE ON RESEARCH AND DEVELOPMENT

The Group's expenditure on its Research and Development activity during the year under report was as follows :

	As at 31st March 2024	As at 31st March 2023
<b>(a)</b> Capital Expenditure	7,836	11,931
<b>(b)</b> Revenue Expenditure	17,081	14,497

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

As per the Indian Accounting Standard (Ind AS 38) – Intangible Assets, the Group has recognized Intangible Assets, arising out of in-house Research and Development activities of the Group, by capitalising the revenue expenditure, amounting to ₹ 4,996 Lakhs (31st March 2023 : ₹ 6,561 Lakhs).

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



## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 36. LEASES

#### Operating Leases

##### As a Lessor

##### (a) Industrial Shed at Chakan

The Group has entered into a Lease Agreement for Industrial shed at Chakan, Pune, for a period of 10 years. The Lease Agreement provides for a refundable interest free deposit of ₹169 lakhs, clause for escalation of lease rental and a non-terminable lock-in period of 36 months. The Lease income has been recognized in the Statement of Profit and Loss.

Future minimum lease rentals receivable as at the Balance Sheet date is as under :

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Not later than one year	370	353
(b) Later than one year but not later than five years	1,677	1,597
(c) Later than five years	1,578	2,028
<b>Total</b>	<b>3,625</b>	<b>3,978</b>

##### (b) Freehold land

##### Out of the freehold land at Akurdi, Pune

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

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

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

##### As a Lessee

##### Leasehold land

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

### 37. RELATED PARTY DISCLOSURES (as required by Ind AS 24)

#### I. Names of the related party and nature of relationship where control exists

##### Name of the Related Party

- (a) Jaya Hind Industries Private Limited
- (b) Tempo Finance (West) Private Limited
- (c) Force MTU Power Systems Private Limited

##### Nature of relationship

- Holding Company
- Subsidiary Company
- Joint Venture Company

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

##### Name of the Related Party

##### A. Key Management Personnel (KMP)

- (a) Abhaykumar Navalmal Firodia
- (b) Prasan Abhaykumar Firodia
- (c) Arvind Mahajan
- (d) Lt. Gen. (Retd.) (Dr.) D. B. Shekatkar
- (e) Vallabh R. Bhanshali
- (f) Mukesh M. Patel
- (g) Sonia Prashar
- (h) Prashant V. Inamdar
- (i) Sanjay Kumar Bohra
- (j) Gaurav Deshmukh (upto 13.05.2023)
- (k) Nitin Deshpande (w.e.f. 29.05.2023)

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

##### B. Other Entities

- (a) Pinnacle Industries Limited
- (b) VDL Pinnacle Engineering India Private Limited
- (c) Kider (India) Private Limited
- (d) Bajaj Tempo Limited Provident Fund
- (e) Navalmal Firodia Memorial Hospital Trust
- (f) Veerayatan

- Entity controlled by KMP of Parent Company
- Entity controlled by KMP of Parent Company
- Entity controlled by KMP of Parent Company
- Post employment benefit Trust
- Entity controlled by KMP of Company
- Entity controlled by KMP of Company

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**III. Transactions with Related Parties (Amounts including taxes)**

Name of Related Party	31st March 2024		31st March 2023	
	Amount of transaction during the year	Balance as at 31st March 2024 Receivables / (Payables)	Amount of transaction during the year	Balance as at 31st March 2023 Receivables / (Payables)
<b>A. Holding Company</b>				
<b>Jaya Hind Industries Pvt. Ltd.</b>				
(a) Purchase of Capital Goods	272		334	
(b) Purchase of Raw Materials, Components & Others	15,449		11,457	
(c) Sundry Sales	688		674	
(d) Sale of Fixed Assets	2		--	
(e) Service Charges recovered	106		94	
(f) Processing Charges recovered	57	(656)	123	(326)
(g) Dividend paid	756	244	756	430
(h) Lease / Rent recovered	712		628	
(i) Expenses recovered	4		3	
(j) Inter Corporate Deposits (ICDs)	--	(15,000)	--	(15,000)
(k) Interest on ICDs	1,354		1,158	
<b>B. Joint Venture Company</b>				
<b>Force MTU Power Systems Pvt. Ltd.</b>				
(a) Service charges/Expenses recovered	544		248	
(b) Royalty for use of Trademark	--*	2,149	--*	1,657
(c) Reimbursement of expenses	--*		--	
<b>C. Key Management Personnel</b>				
<b>(a) Remuneration</b>				
(i) Short term employee benefits (including Commission)	2,098		738	
(ii) Post employment benefits	38	(1,643)	39	(320)
(iii) Other long-term benefits	53		49	
<b>(b) Others</b>				
(i) Dividend paid	49	--	49	--
(ii) Sitting fees	29	--	26	--
(iii) Professional Fees	11	--	5	--
(iv) Commission	75	(75)	--	--
<b>D. Other Entities</b>				
<b>(a) Pinnacle Industries Pvt. Ltd.</b>				
(i) Purchase of Capital Goods	371		82	
(ii) Purchase of Raw Materials, Components & Others	28,728		18,676	
(iii) Sales	88	(1,050)	15,830	(685)
(iv) Lease / Rent recovered	217	262	173	1,803
(v) Reimbursement of Expenses	--		--*	
(vi) Processing Charges recovered	1		4	
(vii) Interest received	17		23	
<b>(b) Kider (India) Pvt. Ltd.</b>				
Purchase of Raw Materials, Components & Others	596	(27)	447	(47)
<b>(c) VDL Pinnacle Engineering India Pvt. Ltd.</b>				
Purchase of Capital Goods	6	(11)	12	(6)
<b>(d) Bajaj Tempo Limited Provident Fund</b>				
Contribution to Provident Fund	1,035	(91)	799	(72)
<b>(e) Navalmal Firodia Memorial Hospital Trust</b>				
Lease / Rent recovered	--*	--	--*	--
<b>(f) Veerayatan</b>				
Service charges recovered	1	--	--	--

**Note :** All transactions are at arms length in line with the Related Party Transaction Policy of the Group.

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 38. EMPLOYEE BENEFITS

#### A. Defined Contribution Plans

An amount of ₹ 582 Lakhs (31st March 2023 : ₹ 488 Lakhs) is recognized as an expense and included in "Employees Benefits Expense" in the Statement of Profit and Loss.

#### B. Defined Benefit Plans

##### (a) The amounts recognized in Balance Sheet are as follows

	As at 31st March 2024		As at 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
<b>(i) Amount to be recognized in Balance Sheet</b>				
Present value of defined benefit obligation	7,593	33,441	6,987	30,589
<b>Less : Fair value of plan assets</b>	<b>7,844</b>	<b>34,360</b>	<b>7,751</b>	<b>31,905</b>
<b>Amount to be recognized as Liability or (Asset)</b>	<b>(251)</b>	<b>(919)</b>	<b>(764)</b>	<b>(1,316)</b>
<b>(ii) Amount to be reflected in Balance Sheet</b>				
Liabilities	(251)	(919)	(764)	(1,316)
Assets	--	--	--	--
<b>Net Liability / (Asset)</b>	<b>(251)</b>	<b>(919)</b>	<b>(764)</b>	<b>(1,316)</b>

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

As the Group is not entitled for any surplus in provident fund scheme, Group has not recorded, any asset for excess of plan assets over provident fund liability.

##### (b) The amounts recognized in the Statement of Profit and Loss are as follows

	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
<b>(i) Employee Benefits Expense</b>				
Current service cost	569	1,082	536	835
<b>(ii) Acquisition (Gain) / Loss</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>(iii) Finance cost</b>				
Net Interest (Income) / Expense	(64)	(202)	(51)	(156)
Transfer in / (out)	(11)	--	(17)	--
<b>Net periodic benefit cost recognized in the Statement of Profit and Loss</b>	<b>494</b>	<b>880</b>	<b>468</b>	<b>679</b>

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

##### (c) The amounts recognized in the statement of Other Comprehensive Income (OCI)

	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Opening amount recognized in OCI outside Statement of Profit and Loss	--	--	--	--
(ii) Re-measurements for the year - obligation (Gain) / Loss	178	321	(307)	3,862
(iii) Re-measurements for the year - plan assets (Gain) / Loss	46	228	(21)	(3,937)
(iv) Total re-measurements cost / (credit) for the year recognized in OCI	224	549	(328)	(75)
(v) <b>Less : Accumulated balances transferred to retained earnings</b>	<b>224</b>	<b>549</b>	<b>(328)</b>	<b>(75)</b>
<b>Closing balances [re-measurements (Gain) / Loss recognized in OCI]</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**(d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows**

	As at 31st March 2024		As at 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Present value of obligation as at the beginning of the year	6,987	30,589	6,775	25,139
(ii) Acquisition adjustment	--	--	--	--
(iii) Transfer in / (out)	(11)	46	2	(594)
(iv) Interest cost	494	2,169	451	1,672
(v) Past service cost	--	--	--	--
(vi) Current service cost	569	1,082	536	835
(vii) Employee Contribution	--	1,788	--	1,496
(viii) Curtailment cost / (credit)	--	--	--	--
(ix) Settlement cost / (credit)	--	--	--	--
(x) Benefits paid	(624)	(2,554)	(470)	(1,821)
(xi) Re-measurements on obligation - (Gain) / Loss	178	321	(307)	3,862
<b>Present value of obligation as at the end of the year</b>	<b>7,593</b>	<b>33,441</b>	<b>6,987</b>	<b>30,589</b>

**(e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows**

	As at 31st March 2024		As at 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Fair value of the plan assets as at beginning of the year	7,751	31,905	7,344	26,259
(ii) Acquisition adjustment	--	--	--	--
(iii) Transfer in/(out)	--*	46	19	(594)
(iv) Interest income	558	2,371	502	1,828
(v) Contributions	227	2,820	235	2,296
(vi) Mortality charges and taxes	(8)	--	(9)	--
(vii) Benefits paid	(638)	(2,554)	(361)	(1,821)
(viii) Amount paid on settlement	--	--	--	--
(ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	(46)	(228)	21	3,937
<b>Fair value of plan assets as at the end of the year</b>	<b>7,844</b>	<b>34,360</b>	<b>7,751</b>	<b>31,905</b>
Actual return on plan assets	513		523	

**(f) Net interest (Income) / Expenses**

	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Interest (income) / expense – obligation	494	2,169	451	1,672
(ii) Interest (income) / expense – plan assets	(558)	(2,371)	(502)	(1,828)
<b>Net interest (income) / expense for the year</b>	<b>(64)</b>	<b>(202)</b>	<b>(51)</b>	<b>(156)</b>

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

**Basis used to determine the overall expected return**

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year discount rate. Expected return of 7.40% has been used for the valuation purpose.

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

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

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

<b>Gratuity</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
(i) Discount rate	<b>7.20%</b>	7.40%
(ii) Expected return on plan assets	<b>7.40%</b>	6.90%
(iii) Salary growth rate *	<b>8%</b>	8%
(iv) Attrition rate - for Bargainable Staff & others	<b>10%</b>	10%
(v) Attrition rate - Workers	<b>2%</b>	2%

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

<b>Provident Fund</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
(i) Discount rate	<b>7.20%</b>	7.40%
(ii) Interest rate	<b>8.25%</b>	8.15%
(iii) Yield spread	<b>0.50%</b>	0.50%
(iv) Attrition rate - for Bargainable Staff & others	<b>10%</b>	10%
(v) Attrition rate - Workers	<b>2%</b>	2%

**Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of Obligation (PVO). Sensitivity analysis is done by varying (increasing/decreasing) one parameter by 50 / 100 basis points (0.50 % / 1%).

**(h) Change in assumption**

	<b>As at 31st March 2024</b>		<b>As at 31st March 2023</b>	
	<b>Gratuity</b>	<b>Provident fund</b>	<b>Gratuity</b>	<b>Provident fund</b>
<b>(i) Discount rate</b>				
Increase by 1%	<b>7,213</b>	--	6,634	--
Decrease by 1%	<b>8,013</b>	--	7,378	--
Increase by 0.5%	--	<b>33,109</b>	--	30,422
Decrease by 0.5%	--	<b>33,791</b>	--	30,906
<b>(ii) Salary increase rate</b>				
Increase by 1%	<b>7,935</b>	--	7,308	--
Decrease by 1%	<b>7,277</b>	--	6,692	--
<b>(iii) Withdrawal rate</b>				
Increase by 1%	<b>7,578</b>	--	6,966	--
Decrease by 1%	<b>7,608</b>	--	6,987	--
<b>(iv) Expected future interest rate of Provident Fund</b>				
Increase by 0.5%	--	<b>33,774</b>	--	30,896
Decrease by 0.5%	--	<b>33,110</b>	--	30,422

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**39. FINANCIAL INSTRUMENTS - FAIR VALUES**
**Accounting classifications and fair values**

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

	Carrying value as at		Fair Value as at	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
<b>Financial Assets</b>				
<b>(a) Fair value through Other Comprehensive Income (FVTOCI)</b>				
Equity Investments	3,800	3,051	3,800	3,051
<b>(b) Amortized cost</b>				
(i) Trade Receivables	10,406	19,684	10,406	19,684
(ii) Loans	2	38	2	38
(iii) Other Financial Assets	21,643	27,516	21,643	27,516
(iv) Cash and Cash equivalents	44,816	14,037	44,816	14,037
(v) Other Bank Balances	60	97	60	97
<b>Total</b>	<b>80,727</b>	<b>64,423</b>	<b>80,727</b>	<b>64,423</b>
<b>Financial Liabilities</b>				
<b>Amortized cost</b>				
(i) Non-current Borrowings	38,177	59,497	38,177	59,497
(ii) Current Borrowing	14,273	35,979	14,273	35,979
(iii) Trade Payable	85,429	74,495	85,429	74,495
(iv) Other Financial Liabilities	3,641	3,796	3,641	3,796
<b>Total</b>	<b>1,41,520</b>	<b>1,73,767</b>	<b>1,41,520</b>	<b>1,73,767</b>

**The following methods and assumptions were used to estimate the fair values**

The fair values of Trade Payables, Trade Receivables, Cash and Cash equivalents and other Bank Balances, are reasonable approximation of fair value due to the short-term maturities of these instruments.

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

Borrowings represents ICD, Term Loans from Bank and NCD obtained at market rates of interest available for debt on similar terms, credit risk and remaining maturities. As of reporting date, the fair value of borrowings is measured at amortized cost, which is reasonable approximation of fair value.

**Fair value hierarchy and valuation techniques used**
**(a) Financial Assets and Liabilities measured at fair value**

	Level	31st March 2024	31st March 2023
<b>Financial Assets</b>			
(i) FVTOCI Investments - Quoted	Level 1	3,795	3,046
(ii) FVTOCI Investments - Unquoted	Level 3	5	5
<b>Total</b>		<b>3,800</b>	<b>3,051</b>

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

	Level	31st March 2024	31st March 2023
<b>Financial Assets measured at amortized cost</b>			
(i) Loans	Level 2	2	38
(ii) Other Financial Assets	Level 2	21,643	27,516
<b>Total</b>		<b>21,645</b>	<b>27,554</b>

**(c) Financial Liabilities measured at amortized cost**

	Level	31st March 2024	31st March 2023
(i) Non-current Borrowings	Level 2	38,177	59,497
(ii) Current Borrowings	Level 2	14,273	35,979
(iii) Other Financial Liabilities	Level 2	3,641	3,796
<b>Total</b>		<b>56,091</b>	<b>99,272</b>

The fair values disclosed in level 2 category are calculated using discounted cash flow method. These fair values reasonably approximate to the carrying values of financial assets and liabilities measured at amortised cost.

During the year ended 31st March 2024, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.



## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 40. FINANCIAL RISK MANAGEMENT

#### Financial Risk Management Policy and Objectives

The Group's principal financial liabilities comprise of Borrowings, Trade and Other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Trade and Other receivables, Cash and Cash equivalents and Deposits, which are derived directly from its operations.

Group is exposed to market risk, credit risk and liquidity risk.

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

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and Cash equivalents, Trade Receivables, Financial Assets measured at amortized cost.	Ageing analysis Credit ratings [Refer Note No. 40 (a)]	Diversification of Credit Limits and Letters of Credit, Sales on cash basis and against securities.
Liquidity risk	Borrowings and Other Financial Liabilities	Cash flow forecasts [Refer Note No. 40 (b)]	Availability of committed credit lines and borrowing facilities.
Market risk – foreign exchange	Recognized Financial Assets and Liabilities not denominated in Indian Rupee	Cash flow forecasting Sensitivity analysis [Refer Note No. 41]	Group's net forex exposure is covered by natural hedge.
Market risk – interest rate	Loans and Advances on Cash Credit Account, Term Loans from Bank and NCD	Cash flow forecasting & Sensitivity analysis	Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements.
	As the borrowings were at fixed rate of interest, the Group is not exposed to interest rate risk, except the changes linked to Repo, MCLR, SOFR rates, etc.		
Market risk – equity prices	Investments in Equity Securities	Sensitivity analysis [Refer Note No. 40 (c)]	Portfolio diversification. The overall exposure is not material.
Commodity risk	Procurement of steel and other metals.	Budgeted consumption & its impact on finished product.	A well controlled review process is in place for analyzing the price trend and market intelligence and accordingly the procurement strategy is adopted. The overall exposure is not material.

#### (a) Credit Risk

The table summarises ageing of Trade Receivable

	Not due	Less than 1 year	More than 1 year	Total
<b>As at 31st March 2024</b>				
Gross Carrying Amount	5,093	3,400	1,913	<b>10,406</b>
Allowance for doubtful debts	--	--	--	--
<b>Net</b>	<b>5,093</b>	<b>3,400</b>	<b>1,913</b>	<b>10,406</b>
<b>As at 31st March 2023</b>				
Gross Carrying Amount	11,667	6,411	1,646	19,724
Allowance for doubtful debts	--	--	(40)	(40)
<b>Net</b>	<b>11,667</b>	<b>6,411</b>	<b>1,606</b>	<b>19,684</b>

The Cash and Cash equivalents are held with Scheduled Banks. Thus, the Group considers that its Cash and Cash equivalents have low credit risks.

#### (b) Liquidity Risk

The table summarises the maturity profile of Group's Financial Liabilities based on contractual un-discounted payments.

As at 31st March 2024					
	Carrying amount	On Demand	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	52,450	--	14,273	38,177	<b>52,450</b>
Other Financial Liabilities	3,641	60	3,412	169	<b>3,641</b>
Trade and Other Payables	85,429	--	85,429	--	<b>85,429</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 31st March 2023					
	Carrying amount	On Demand	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	95,476	9,500	26,479	59,497	95,476
Other Financial Liabilities	3,796	65	3,562	169	3,796
Trade and Other Payables	74,495	--	74,495	--	74,495

### (c) Market Risk : Equity Price Risk

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

At the reporting date, the exposure to quoted equity securities at fair value was ₹ 3,795 Lakhs. A decrease/ increase of 15% on the bank Nifty market index could have an impact of approximately ₹ 695 Lakhs on the OCI or equity attributable to the Group. These changes would not have an effect on profit or loss.

### 41. FOREIGN CURRENCY SENSITIVITY ANALYSIS

Currency	Net exposure in foreign currency		Net exposure in INR	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
USD	21,43,692	28,06,747	1,796	2,318
EUR	31,53,507	1,73,56,008	2,874	15,738

Currency	Sensitivity %	Impact on profit (strengthening)*		Impact on profit (weakening)*	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
USD	5%	(90)	(116)	90	116
EUR	5%	(144)	(787)	144	787
		(234)	(903)	234	903

(\* Strengthening / weakening of foreign currency)

### 42. CAPITAL MANAGEMENT

The Group's capital includes issued Equity Capital, Share Premium and Free Reserves.

The Group's policy is to meet the financial covenants attached to the interest-bearing borrowings by maintaining a strong capital base. The Group's aims to sustain investor, creditor and market confidence so as to be able to leverage such confidence for future capital/debt requirements.

Management monitors the return on capital earned, the capital/debt requirements for various business plans under consideration and determines the level of dividends to equity shareholders.

No changes were made in the objectives, policies or processes for managing capital during the financial years ended on 31st March 2024 and 31st March 2023.

Particulars	As at 31st March 2024	As at 31st March 2023
Total Shareholder's Equity as reported in Balance Sheet	2,25,514	1,87,503
<b>Net Debt :</b>		
Short-term debt	--	9,500
Long-term debt (including current portion of long-term debt)	52,450	85,976
<b>Gross Debt :</b>	52,450	95,476
<b>Less : Cash and Bank Balances</b>	44,876	14,134
<b>Net Debt / (Net Cash and Bank balances)</b>	7,574	81,342

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 43. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

All amounts which became due, for transfer to the credit of Investor Education and Protection Fund, as of 31st March 2024, have been transferred to that fund, except a sum of ₹ 0.60 Lakh (31st March 2023 : ₹ 0.60 Lakh) being amount of 5 Nos. (31st March 2023 : 5 Nos.) fixed deposits and interest thereon amounting to ₹ 0.25 Lakh (31st March 2023 : ₹ 0.25 Lakh). In view of the directives received from the Government Authorities, these amounts are not transferred to the Fund, being involved in an investigation.

44. The Group has spent ₹ 47 Lakhs (31st March 2023: ₹ Nil lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.28 (n)] to the Notes to Financial Statements.

Sr. No.	Description	For the year ended 31st March 2024	For the year ended 31st March 2023
(a)	Gross amount required to be spent by the Company during the year	7	--
(b)	Amount required to be set-off for the financial year, if any [out of surplus of previous financial years].	7	--
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years (net of set off)	(20)	(27)
(d)	Total CSR obligation for the financial year	--	--
(e)	Amount of expenditure incurred during the year	47	--
(f)	Shortfall/(Surplus) at the end of the year	(47)	--
(g)	Total of previous years shortfall/(surplus)	(67)	(27)
(h)	Reason for shortfall	NA	NA
(i)	Nature of CSR activities :		
	(i) Promoting education including special education	21	--
	(ii) Eradicating hunger, poverty and malnutrition (promoting health care, including preventive health care and sanitation)	26	--
	<b>Total</b>	<b>47</b>	<b>--</b>
(j)	Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	--	--
(k)	Whereas provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	--	--
(l)	Amount available for set off in succeeding financial years	67	27

### 45. ADDITIONAL REGULATORY INFORMATION :

#### (a) Loans and Advances in the nature of Loan to Related Parties :

The Group has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person as on 31st March 2024.

#### (b) Relationship with Struck off Companies :

As per our knowledge, the Group has not entered in to any transactions with Struck off companies as on 31st March 2024.

#### (c) Registration of charges or satisfaction with Registrar of Companies :

The Group has no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

#### (d) Compliance with number of layers of companies :

The Group has complied with the number of layers prescribed under Clause 87 of Section 2 of the Act, read with the Companies (Restriction on number of layers) Rules, 2017.

#### (e) Compliance with approved Scheme (s) of Arrangements Accounted as per Scheme & Ind AS :

Neither the Group has approached to nor any Competent Authority has approved any scheme of arrangements so as to account for in the books of account of the Group, in order to disclose any deviation in that regard.

#### (f) Loans, Guarantee, Security given by Company to Intermediary and it is giving to others on behalf of Company :

The Group has neither advanced nor loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

#### (g) Crypto Currency or Virtual Currency :

The Group has neither traded nor invested in Crypto currency or Virtual currency during the financial year.

#### (h) Benami Property :

The Group does not have any Benami property, and hence no proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(i) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**Notes to Consolidated Financial Statements for the year ended 31st March 2024**

(All amounts in ₹ Lakhs, unless otherwise stated)

**46. DIVIDEND**

The Board of Directors has recommended payment of dividend of ₹ 20 per fully paid equity shares (31st March 2023 : ₹ 10). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting. This dividend is not recognized in the books of account at the end of the reporting period.

**47. ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III OF THE COMPANIES ACT, 2013**

Name of the entity	Net Assets		Share of Profit or Loss		Share of Comprehensive Income		Share of Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit or Loss	Amount	As a % of consolidated Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
<b>Force Motors Limited</b>	97.36	2,19,775	103.47	40,169	99.42	517	103.42	40,686
<b>Indian Subsidiary :</b>								
Tempo Finance (West) Pvt. Ltd.	0.19	436	0.06	23	0.00	--	0.06	23
Non Controlling Interest (Indian Minority)	0.10	221	0.03	12	0.00	--	0.03	12
<b>Indian Joint Venture :</b>								
Force MTU Power Systems Pvt. Ltd.	2.35	5,303	(3.56)	(1,383)	0.58	3	(3.51)	(1,380)
<b>Total</b>	<b>100.00</b>	<b>2,25,735</b>	<b>100.00</b>	<b>38,821</b>	<b>100.00</b>	<b>520</b>	<b>100.00</b>	<b>39,341</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### 48. INVESTMENT IN JOINT VENTURE

#### Interest in Joint Venture

Force Motors Limited has 51% interest in Force MTU Power Systems Private Limited (FMTU). FMTU is a private entity that is not listed on any public exchange.

Following table illustrates the summarized financial information of the Group's investment in FMTU :

Particulars	As at 31st March 2024	As at 31st March 2023
Current Assets	<b>32,567</b>	28,260
Non Current Assets	<b>23,435</b>	23,387
Current Liabilities	<b>35,884</b>	26,697
Non Current Liabilities	<b>9,719</b>	11,847
Revenue	<b>27,044</b>	23,271
Net Income / (Loss)	<b>(2,712)</b>	(3,647)
Other Comprehensive Income	<b>7</b>	10
Total Comprehensive Income	<b>(2,705)</b>	(3,637)
The above net income includes;		
Sale of products	<b>26,214</b>	23,145
Operating Income	<b>15</b>	15
Other Income	<b>815</b>	111
Cost of material consumed	<b>23,770</b>	21,110
Employee Benefits Expense	<b>1,198</b>	1,029
Other Expenses	<b>5,719</b>	6,043
Income Tax Expenses (credit)	<b>(931)</b>	(1,263)
Net Assets of the Joint Venture	<b>10,398</b>	13,103
Proportion of the Company's interest in Joint Venture (Carrying amount of the Company's interest in joint venture)	<b>5,303</b>	6,683

49. The Group is operating in a Single Segment.

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

As per our separate report of even date.

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

**Sahas Deshpande**  
Partner  
Membership No. : 031787

Place : Pune  
Date : 26th April 2024

**Sanjay Kumar Bohra**  
Chief Financial Officer

**Nikhil Deshpande**  
Company Secretary

On behalf of the Board of Directors

**Abhaykumar Navalmal Firodia**  
Chairman  
DIN : 00025179

Place : Pune  
Date : 26th April 2024



Urbania Wins

- CV OF THE YEAR
- VAN OF THE YEAR - People Mover



**FORCE MOTORS LIMITED**

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