



FM:SEC:F-42(17)

6th September 2023

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

Scrip Code: 500033

Sub.: Annual Report for the Financial Year 2022-23

Dear Sir / Madam,

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

1. Notice of the 64th Annual General Meeting to be held on Thursday, 28th September 2023; and
2. Annual Report for the Financial Year ended 31st March, 2023.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **Force Motors Limited**

Nikhil Deshpande
Company Secretary & Compliance Officer
M. No.: 28940

Encl.: A/a.

FORCE MOTORS LIMITED

CIN L34102PN1958PLC011172

Regd. Office : Mumbai-Pune Road, Akurdi, PUNE – 411 035, INDIA. Tel. : (+91) 20 2747 63 81
Visit us at : www.forcemotors.com



64th Annual Report 2022-2023

FORCE MOTORS LIMITED

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



INTRODUCING THE-ALL-NEW

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BY FORCE MOTORS

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Seater

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Best-in-segment cabin space

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with individual AC vents



BOARD OF DIRECTORS

Abhaykumar Firodia, Chairman
Prasan 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**

Nikhil Deshpande

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 64th Annual General Meeting (the 'AGM') of the Members of Force Motors Limited (the 'Company') will be held on **Thursday, the 28th day of September 2023 at 3:00 p.m. through Video Conference ('VC') / Other Audio-Visual Means ('OAVM')** to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited standalone and consolidated Financial Statements of the Company, for the Financial Year ended 31st March 2023, together with the Board's Report and Auditors' Report thereon.
2. To declare dividend for the Financial Year ended 31st March 2023.
3. 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 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 charitable and other funds, a sum up to ₹ 25,00,00,000/- (Rupees twenty-five crore only), during the Financial Year 2023-24."

5. Appointment of Cost Accountants with remuneration

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 31st March 2024, be paid remuneration of ₹ 2,60,000/- (Rupees two lakh sixty thousand only) plus travelling and out of pocket expenses with taxes, if any."

NOTES :

1. Pursuant to General Circular No. 10/2022 dated 28th December 2022 read with Circulars dated 13th January 2021, 8th December 2021, 14th December 2021 and 5th May 2022 (collectively referred to as 'MCA Circulars') issued by the Ministry of Corporate Affairs, Government of India ('MCA') and Circular No. SEBI / HO / CFD / PoD-2 / P / CIR / 2023 / 4 dated 5th January 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency.
2. Pursuant to the provisions of 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 and Attendance Slips 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 served basis. This will not include large shareholders of the Company holding 2% or more shares of the Company, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, the Chairperson of the Nomination and Remuneration Committee and the Chairperson of the Stakeholders Relationship Committee, Auditors etc.
4. The Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 (the 'Act').
5. In line with the MCA and SEBI Circulars, the Notice for calling the AGM and the Annual Report 2022-23 are being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participant(s) ('DP'). The Notice and the Annual Report 2022-23, are available on the website of the Company at www.forcemotors.com and on the website of BSE Limited at www.bseindia.com. The AGM Notice is also available on the website of NSDL (agency for providing the e-Voting facility) i.e. www.evoting.nsdl.com.
6. The Statement, setting out the material facts, pursuant to Section 102 of the Act concerning the Special Business mentioned in the Notice, is annexed hereto. The Board of Directors at its meeting held on 9th August 2023 has decided that the special businesses set out under item nos. 4 and 5, being considered 'unavoidable', be transacted at this AGM held through VC / OAVM.
7. Brief details of the Directors, who are seeking appointment / re-appointment, is annexed hereto as per requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing 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 Friday, 22nd September 2023 to Thursday, 28th September 2023 (both days inclusive) for the purpose of AGM and to ascertain entitlement for payment of 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 NSDL and CDSL (both collectively referred to as 'Depositories' as of the close of business hours on Thursday, 21st September 2023;
 - (b) To all those shareholders holding shares in physical form, as per the details provided by share transfer agent of the Company i.e. Link Intime India Pvt. Ltd. to the Company, as of or before the closing hours on Thursday, 21st September 2023.
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, so as to reach before Friday, 22nd September 2023; so that the information required may be made available at the Meeting or by e-mail.
- Further, please note that as this 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 before Friday, 22nd September 2023. 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., Thursday, 21st September 2023 such person may obtain the User ID and Password by sending a request at evoting@nsdl.co.in or to the Company at compliance-officer@forcemotors.com or to the Registrar and Transfer Agent ('RTA') at sandip.pawar@linkintime.co.in.
 11. Pursuant to the provisions of Section 72 of the Act read with SEBI Circular dated 3rd November 2021 and clarification circular dated 14th December 2021 and circular dated 16th March 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 <https://www.forcemotors.com/investors#shareholders-information> and is also available on the website of the RTA at <https://web.linkintime.co.in/KYC-downloads.html>. In respect of shares held in electronic / demat form, the Members may please contact their respective 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 share certificates in physical form are advised to dematerialise their holdings.
 13. SEBI has mandated the submission of Permanent Account Number ('PAN'), Know Your Customer ('KYC') details and nomination by holders of physical securities by 1st October 2023, and linking PAN with Aadhaar by 30th June 2023 vide its circular dated 16th March 2023. Shareholders are requested to submit their PAN, KYC and

nomination details to the Company's RTA. The forms for updating the same can be downloaded from the website of the Company at <https://www.forcemotors.com/investors#shareholders-information> and website of RTA at <https://web.linkintime.co.in/KYC-downloads.html>. In case a holder of physical securities fails to furnish PAN and KYC details by 1st October 2023 or link their PAN with Aadhaar before 30th June, 2023, in accordance with the SEBI circular dated 16th March, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

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, 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 DP only and not to the Company's RTA. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and its RTA 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 SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, as per instructions mentioned in the form. The said form can be downloaded from the Company's website at <https://www.forcemotors.com/investors#shareholders-information> and is also available on the website of the RTA at <https://web.linkintime.co.in/KYC-downloads.html>.

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


The remote e-voting period begins on Monday, 25th September 2023 at 09:00 a.m. and ends on Wednesday, 27th September 2023 at 05:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 21st September 2023, 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 Thursday, 21st September 2023.

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.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. 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 hold 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 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 & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="544 1160 895 1366" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 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 & voting during the meeting. Additionally, there is 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. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
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 & 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 evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

(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 IN 300*** 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 e-mail 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.
- (b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address 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 with a copy marked to 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 to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Prajakta Pawle at 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, sandip.pawar@linkintime.co.in or evoting@nsdl.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, sandip.pawar@linkintime.co.in or evoting@nsdl.co.in.
3. 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.**

4. Alternatively, the shareholder / member may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
5. 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.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER :

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against Company's name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow device camera in their browsers and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (Company email id). The same will be replied by the Company suitably.

OTHER MATTERS :

1. 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 and 2021-22 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 and also on the website of the MCA at www.mca.gov.in. Further, the Members who have not encashed dividend from the year 2016-17, are requested to approach the Company / RTA for claiming the same as early as possible, to avoid transfer of the relevant shares 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.iepf.gov.in.
2. As per the SEBI Listing Regulations, 2015 and pursuant to SEBI Circular dated 20th April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment of dividend to the Members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the shareholders required for this purpose are available. Where the dividend cannot be paid through electronic mode, the same will be paid through physical instrument such as non-negotiable instruments with banks account details of such shareholders printed thereon.
3. 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.
4. 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.
5. 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, not later than two working days from 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.
6. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.forcemotors.com and on the website of NSDL 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 Limited, where the Company's Equity Shares are listed and be made available on their respective websites viz. www.bseindia.com.
7. In pursuance of the MCA Circulars and SEBI Circulars, all documents referred to in the Notice and Statement thereto are open for inspection through electronic mode on the website of the Company till the conclusion of 64th Annual General Meeting.
8. Since the AGM will be held through VC / OAVM, the route map is not annexed to the Notice.

INFORMATION ON TAX DEDUCTIBLE AT SOURCE ON DIVIDEND

In accordance with the provisions of the Income-tax Act, 1961, (the "IT Act") 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 Shareholders :

1. Tax shall not be deducted for resident individual Members, if the aggregate amount of dividend to be paid during the FY 2023-24 does not exceed ₹ 5,000/-.
2. 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% of the amount of dividend payable.
 - 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.
3. Where PAN is either not available or is invalid, tax shall be deducted at source @ 20% of the amount of dividend payable, as per the provisions of Section 206AA of the IT Act.
4. 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 :

1. 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.
2. However, pursuant to Section 90(2) of the IT Act, non-resident Members have an option to be governed by the provisions of Double Tax 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 Thursday, 21st September 2023, 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 2023-24;
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of the SEBI registration certificate.
- Duly completed and signed Form 10F; and
- Self-declaration by the non-resident shareholder.

The above documents if 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.

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://web.linkintime.co.in/formsreg/submission-ofform-15g-15h.html> submitted to the RTA Agent, Link Intime India Private Limited on or before 5.00 p.m. (IST) on Thursday, 21st September 2023, 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)

Please note that no communication on tax determination/deduction shall be entertained after 5.00 p.m. (IST) on Thursday, 21st September 2023. 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 2022-23 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 DP (for shares held in demat mode) and with RTA (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 IT Act with effect from 1st July 2021. The provisions of

Section 206AB of the IT 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 IT 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 of the IT Act 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 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 of Link Intime India Private Limited. Members should obtain the tax advice related to their tax matters from a tax professional.

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

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

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

Nikhil Deshpande
Company Secretary &
Compliance Officer

Pune, 9th August 2023.

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

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

ANNEXURE TO THE NOTICE CONVENING 64TH ANNUAL GENERAL MEETING

Statement annexed to the Notice, convening 64th Annual General Meeting as per the provisions of Section 102 of the Companies Act, 2013 (the 'Act'), and setting out all the material facts relating to the Special Businesses as mentioned in the Notice, including brief details of the Director who is seeking appointment / re-appointment as per the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 3

Mr. Prashant V. Inamdar (DIN: 07071502)

Mr. Prashant V. Inamdar (DIN: 07071502), aged 58 years, diploma holder in Mechanical Engineering, is the Executive Director of the Company. At present, Mr. Inamdar is Executive Director (Operations) of the Company and responsible for Operations of all the Plants of the Company.

Mr. Inamdar is also a director on the Board of Force MTU Power Systems Private Limited, a subsidiary of the Company.

He is not related to any Director of the Company. He does not hold any shares in the Company.

Mr. Inamdar is not disqualified from being appointed as a 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. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided as Annexure 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 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 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 sum up to ₹ 25,00,00,000/- (Rupees twenty-five crore only) to charitable and other funds during the Financial Year 2023-24. The details of the limits calculated as per Section 181 of the Act and actual amount donated are as under :

Financial Year	Net Profit (₹ in Lakh)	Amount Donated other than Corporate Social Responsibility expenditure (₹ in Lakh)
2020-2021	(11,186)	1,009
2021-2022	(7,460)	16
2022-2023	15,205	1
Average Profit for 3 years	(1,147)	--
5% of the Average Net Profit for 3 years	(57)	--

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

Appointment of Cost Accountants with remuneration

The Board, after considering the recommendation of the Audit Committee, has approved the appointment and remuneration to M/s. Joshi Apte & Associates, Cost Accountants, Pune, to conduct verification and review of the cost records of the Company for the Financial Year ending 31st March 2024 on a remuneration of ₹ 2,60,000/- (Rupees two lakh sixty thousand only) 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.

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

Nikhil Deshpande
Company Secretary &
Compliance Officer

Pune, 9th August 2023.

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

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

Name of the Director	Mr. Prashant V. Inamdar , Executive Director, Operations*
Director Identification Number	07071502
Date of Birth (Age)	25th January 1965 (58 years)
Date of first appointment on the Board	16th January 2015
Educational Qualification	Diploma in Mechanical Engineering
Experience (including expertise in specific functional areas) / Brief Resume	Mr. Inamdar has 38 years of rich experience in Operations, Industrial Engineering, Management Information Services, Industrial Relations, Human Resource Development and SAP Implementation.
Directorships held in other listed companies (excluding foreign companies)	NIL
Memberships / Chairmanships of Committees across companies (excluding foreign companies)	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Director / Key Managerial Personnel of the Company.
No. of shares held in the Company either by self or as a beneficial owner	NIL
Terms and Conditions of appointment / re-appointment	As per the Ordinary Resolution set forth in Item No. 3 of this Notice.
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. please refer to the Corporate Governance Report which is a part of the Annual Report.	

BOARD'S REPORT

To

The Members,

The Directors are pleased to present the 64th Annual Report, together with the audited standalone and consolidated Financial Statements for the Financial Year ended on 31st March 2023.

1. Financial Results

(₹ in Lakh)
Standalone

Particulars	2022-23	2021-22
Revenue from Operations	5,02,859	3,24,004
Other Income	6,203	5,188
Profit / (Loss) before Depreciation, Exceptional Items & Taxes	32,305	7,759
Depreciation	24,074	19,094
Profit / (Loss) before Exceptional Items and Tax	8,231	(11,335)
Exceptional Items	20,832	--
Profit / (Loss) Before Tax	29,063	(11,335)
Provision for Taxation	13,858	(3,875)
Profit / (Loss) After Tax	15,205	(7,460)
Other Comprehensive Income	664	765
Comprehensive Income for the year	15,869	(6,695)
Equity Dividend	1,318	659
Balance in Retained Earnings	1,48,572	1,34,472

(₹ in Lakh)
Consolidated

Particulars	2022-23	2021-22
Revenue from Operations	5,02,898	3,24,042
Other Income	6,203	5,188
Profit / (Loss) before Depreciation, Exceptional Items & Taxes	32,344	7,797
Depreciation	24,074	19,094
Share of Profit/(Loss) of Joint Venture	(1,860)	(1,667)
Profit / (Loss) before Exceptional Items and Tax	6,410	(12,964)
Exceptional Items	20,832	--
Profit / (Loss) Before Tax	27,242	(12,964)
Provision for Taxation	13,868	(3,865)
Profit / (Loss) After Tax	13,374	(9,099)
Other Comprehensive Income	669	771
Comprehensive Income for the year	14,043	(8,328)
Attributable to :		
(a) Equity holders of the Company	14,033	(8,337)
(b) Non-controlling Interest	10	9
Net Transfer to General Reserve	5	5
Equity Dividend	1,318	659
Balance in Retained Earnings	1,42,749	1,30,489

We do not propose to transfer any amount to general reserve.

2. State of Company's Affairs and Future Outlook

It can be noted with pleasure that demand in the market for Company's products has steadily risen over the last several quarters. After severe contraction of business over 2 years, due to the impact of Covid where significant market segments like school buses, employee transport and tour & travels were severely affected, today fortunately all three markets are performing well, as was expected. From the last quarter of the financial year 2022-23, the business has been steadily rising. Along with the topline, the bottom line has also performed well. We do believe that this trend will continue.

The new generation products introduced by the Company, comprising of the completely new platform of Vans – an extension to the Traveller range - and branded the "Urbania", also the very high-tech monocoque 33 and 41-seater Monobuses, (first anywhere in the world - approximately 1 ton lighter than competition), and the very attractive and rugged, the new platform of "Gurkha", are all seeing increasing demand. The Urbania is in the initial stages of marketing. The footprint for sales is being increased in a calibrated manner. Feedback from users is very positive and encouraging, for all the three new technology and improved product platforms.

We now have, in full flow production the Engines meeting the rigorous emission requirements of BS 6.2 level, while maintaining our excellent standards of reliability and performance. The development of the latest engines enables us to offer excellent power output and fuel economy, on the Traveller, Trax, Gurkha, Urbania and Monobus series.

The Component businesses of the Company for supply of engines, both to Mercedes-Benz India Pvt. Ltd. and BMW India Pvt. Ltd. has improved on robust demand volumes. These high-end world-class vehicles, in the top bracket of the passenger car market, are seeing good demand due to the stability and improving spending ability in the market. The dedicated Plants for these products are functioning well.

Finally, while looking today at the future outlook, one can feel 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 enthruses 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 ₹ 10/- per share for the year under review, at its Meeting held on 29th May 2023. The same will be paid subject to the approval of shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The total payout w.r.t. the dividend recommended for the Financial Year 2022-23 will be ₹ 13.18 Crore as against ₹ 13.18 Crore 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 of Corporate Governance.

5. Share Capital

The paid-up equity share capital as on 31st March 2023 was ₹13.18 Crore. The Company did not issue any shares by way of public issue, rights issue, bonus issue or preferential issue etc. during the year under review. The Company has not issued any shares with differential voting rights or granted stock options or sweat equity, during the year under review.

6. Annual Return

The Annual Return as on 31st March 2023, pursuant to the provisions of Section 92 of the Act and the Rules made there under, is available on the website of the Company at <https://www.forcemotors.com/investors#shareholders-information>.

7. Number of Meetings of the Board of Directors

The Board met four times during the financial year. The meeting details are provided in the 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 upto 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 2022-23, 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, various equipment etc. 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 installation of 480 KW Solar Power Plant at Chennai Manufacturing Facility, has been completed. Power generation from this plant will start after obtaining necessary permissions. At the Chakan facilities of the Company, installation of solar power plant having a capacity of 750 KW is in progress as on 31st March 2023. During the year under review the Company has generated Solar Power of 8.71 Lakh KW at its Akurdi Pune location which resulted in to annual electrical energy savings of ₹ 90 Lakh and

saving CO2 emission of 702 Tonne.

Efforts such as preventing compressed air leakages, using compressors with optimum capacity and their periodic preventive maintenance, auto cut off systems, localised switches, large scale switchover to LED lamps etc. have continued across all the facilities of the Company.

Technology Absorption

Technology absorption efforts, though severely disrupted during the Covid-19 pandemic, are continuing. The large scale use of virtual meetings and remote working has enabled a reasonable level of activity to be maintained for most part of the year.

(₹ in Lakh)

Particulars	2022-23	2021-22
Capital Expenditure on R & D	11,931	8,663
Revenue Expenditure on R & D	14,497	10,594
Total R&D Expenditure	26,428	19,257
Total Income	5,09,062	3,29,192
% of total R&D Expenditure to Total Income	5.19%	5.85%
Revenue from Operations	5,02,859	3,24,004
% of total R&D Expenditure to Revenue from Operations	5.26%	5.94%

Foreign Exchange Earnings and Outgo

The foreign exchange earned by the Company during the year under review was of ₹ 81.48 Crore as against ₹ 92.82 Crore during the previous year.

Total foreign exchange outflow during the year under review was ₹ 1,984.79 Crore as compared to ₹ 1,519.86 Crore 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.

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

The Company's subsidiary Force MTU Power Systems Private Limited (FMTU) has now gone into smooth production after over two years delay, caused by Covid. Both, for the ramp up of operations in India, and for demand from markets mainly abroad, the situation is rapidly improving. There is good demand for the product. However, the inflation in Europe (from where there still is significant import), is holding down the margins.

Demand from various institutional customers in India and abroad is encouraging. With increasing localization which is aggressively being taken up, margins should improve and the stress on the bottom line of the subsidiary, it is hoped, should be relieved by end of this financial year.

During the year under review, FMTU achieved a top line of ₹ 231.61 Crore as compared to top line of ₹ 78.29 Crore during the Financial Year 2021-22. It recorded net loss of ₹ 36.47 Crore during the Financial Year 2022-23, as compared to the loss of ₹ 32.69 Crore, during the previous Financial Year.

Tempo Finance (West) Private Limited achieved a top line of ₹ 0.39 crore as compared to top line of ₹ 0.38 Crore during the Financial Year 2021-22. It recorded net profit of ₹ 0.29 Crore during the Financial Year 2022-23, as compared to the net profit of ₹ 0.28 Crore, 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 the Annual Report. A statement containing the salient features of the Financial Statement of subsidiaries in the prescribed format AOC-1, forms part of the Audited Financial Statements of the Company.

The Audited Financial Statements of the above mentioned subsidiaries are available on the website of the Company 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 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 are also informed of the risks and concerns.

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, Mr. Pratap Pawar, Mr. S. Padmanabhan, Dr. Indira Parikh, Mr. Arun Sheth and Mr. Nitin Desai ceased to be the directors of the Company w.e.f. 12th September 2022, due to completion of second term as Independent Directors. The Board placed on record its appreciation towards the valuable contributions made by each of these Directors during their association with the Company.

Further, the shareholders approved appointment of Mr. Vallabh Bhanshali (DIN : 00184775) and Mr. Mukesh Patel (DIN : 00053892), as Independent Directors of the Company for a term of 5 years w.e.f. 13th August 2022 and Ms. Sonia Prashar (DIN : 06477222) as an Independent Director of the Company for a term of 5 years w.e.f. 28th September 2022, by way of passing Special Resolutions.

The shareholders of the Company also approved re-appointment of Mr. Prashant V. Inamdar (DIN : 07071502), the Director of the Company, who was liable to retire by rotation.

During the year under review, Mr. Kishore P. Shah resigned as the Company Secretary and Compliance Officer of the Company w.e.f. 8th April 2022. Mr. Gaurav Deshmukh was appointed as the

Company Secretary and Compliance Officer of the Company w.e.f. 27th May 2022.

Further, Mr. Gaurav Deshmukh, Company Secretary of the Company resigned from the office effective from 13th May 2023. Consequent upon his cessation, Mr. Nikhil Deshpande, was appointed as Company Secretary and Compliance Officer of the Company effective from 29th May 2023.

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 2023)*	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 the Committee oversees the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The mechanism provides direct access to the Chairman of the Audit Committee in exceptional cases. The details of the mechanism / policy are disclosed on the website of the Company <https://www.forcemotors.com/themes/frontend/docs/shareholder-info/other/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) 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 shareholder 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 2023.

28. Details of Frauds Reported by Auditors

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

29. Directors' Responsibility Statement

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

- in the preparation of the Annual Financial Statements for the year ended 31st March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- for the Financial Year ended 31st March 2023, 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 2023;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Financial Statements have been prepared on a going concern basis;
- that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively;
- that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

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 Shareholders, at their 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. upto 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 2022-23. M/s. Joshi Apte & Associates, Cost Accountants, Pune, have verified and reviewed the said records for the Financial Year 2022-23.

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 2022-23, as required under Section 204 of the Act and Rules made thereunder. The Secretarial Audit Report, in Form MR-3, for the Financial Year 2022-23, is annexed to this report.

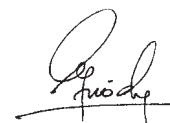
34. Industrial Relations

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

35. Appreciation

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

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



Abhaykumar Firodia
Chairman
DIN: 00025179

Pune, 9th August 2023

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 2022-23 & increase in the remuneration in the Financial Year 2022-23 :

Sl. No.	Name	Ratio of Remuneration to each Director/ to median remuneration of employees	% Increase / Decrease in the Financial Year
(A)	Whole-time Director / Managerial Personnel		
1.	Mr. Prasan Firodia, Managing Director	83.40	373.37*
2.	Mr. Prashant V. Inamdar, Executive Director (Operations)	32.17	17.04
(B)	Non-Executive Directors #		
3.	Mr. Arvind Mahajan	NA	NA
4.	Mr. Arun Sheth (Upto 12.09.2022)	NA	NA
5.	Mr. Pratap Pawar (Upto 12.09.2022)	NA	NA
6.	Mr. S. Padmanabhan (Upto 12.09.2022)	NA	NA
7.	Mr. Nitin Desai (Upto 12.09.2022)	NA	NA
8.	Dr. Indira J. Parikh (Upto 12.09.2022)	NA	NA
9.	Lt. Gen. Dr. D. B. Shekatkar (Retd.)	NA	NA
10.	Mr. Vallabh Bhanshali (From 13.08.2022)	NA	NA
11.	Mr. Mukesh Patel (From 13.08.2022)	NA	NA
12.	Ms. Sonia Prashar (From 28.09.2022)	NA	NA
(C)	Key Managerial Personnel		
13.	Mr. Sanjay Kumar Bohra, Chief Financial Officer	NA	-1.11
14.	Mr. Kishore P. Shah, Company Secretary (Upto 08.04.2022)	NA	NA
15.	Mr. Gaurav Deshmukh (From 27.05.2022)	NA	NA

Note : The % increase in remuneration is provided only for those directors and KMP who have drawn remuneration from the Company for full FY 2023 and full FY 2022. 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 2023.

* The % increase is due to payment of Commission on the net profits of the Company for the Financial Year 2022-23.

Non-Executive Directors are paid sitting fees only during the Financial Year 2022-23.

- Mr. Abhaykumar Firodia, Chairman of the Company, has not drawn any remuneration from the Company during the year under review.
- The percentage decrease in the median remuneration of employees is -3% for the Financial Year 2022-23.
- There were 5101 permanent employees excluding trainees and contractual employees on the rolls of the Company as on 31st March 2023.
- The average percentage increase in the salaries of employees other than the managerial personnel in the Financial Year 2022-23 was -2%, whereas average percentage increase in the managerial remuneration was 130.44% for the same Financial Year.
- It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023**

[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 31.03.2023 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 31.03.2023 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.

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.

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, change in composition of Board of Directors took place due to retirement of Mr. Pratap Pawar (DIN : 00018985), Mr. Subramanian Padmanabhan (DIN : 00001207), Mr. Nitin Desai (DIN : 00140239), Mrs. Indira Parikh (DIN : 00143801) and Mr. Arun Sheth (DIN : 00086891) w.e.f 12/09/2022 and appointment of Mr.Vallabh Bhanshali (DIN : 00184775), Mr.Mukesh Patel (DIN : 00053892) and Ms. Sonia Prashar (DIN : 06477222) w.e.f 13/08/2022, 13/08/2022 and 28/09/2022 respectively.

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 by 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 meaning 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 : 04/05/2023

Place : Pune

CS I U Thakur
Partner
For SIUT & Co LLP
Company Secretaries
C. P. Number: 1402
Peer Review No: 1959/2022
UDIN : F002298E000252625

This 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 41 1035 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 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 : 04/05/2023

Place : Pune

CSIU Thakur
Partner
For SIUT & Co LLP
Company Secretaries
C. P. Number: 1402
Peer Review No: 1959/2022
UDIN : F002298E000252625

ANNUAL REPORT ON CSR ACTIVITIES 2022-23
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. S Padmanabhan, Chairman*	Independent Director	1	1
2.	Mr. Nitin Desai, Member*	Independent Director	1	1
3.	Mr. Mukesh Patel, Chairman#	Independent Director	--	--
4.	Mr. Abhaykumar Firodia, Member#	Chairman and Managing Director	--	--
5.	Mr. Prasan Firodia, Member#	Managing Director	--	--

* Ceased to be the Director and Chairman / Member of the Committee w.e.f. 12th September 2022.

#Appointed as Chairman / Member after the meeting of the Committee held on 27th May 2022.

3. Provide 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. - <https://www.forcemotors.com/investors.php>
4. Provide 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.

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.	2021-22	22,23,908	--
2.	2020-21	5,13,184	--
3.	2019-20	--	--

6. Average net profit/ (loss) of the Company as per Section 135(5). - (₹ 7,646 Lakh)
7. (a) Two percent of average net profit of the Company as per Section 135(5) - **NA**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **NA**
 (c) Amount required to be set off for the financial year, if any. - **NA**
 (d) Total CSR obligation for the financial year (7a + 7b-7c). - **NA**
8. (a) CSR amount spent or unspent for the financial year: **NIL**

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
NIL	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	
Sl. 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
TOTAL		NA										

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of		Amount Spent for the project (₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through	
				State	District			Name	CSR Registration No.
1.						NIL	NIL		
TOTAL		NIL							

(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) : Nil

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

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

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 ₹) 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	
TOTAL		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	
TOTAL		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 Firodia
Managing Director
DIN : 00029664

Pune, 9th August 2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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 : 8th September 1958
4. Registered office address : Mumbai-Pune Road, Akurdi, Pune - 411 035.
5. Corporate Address : Same as above
6. E-mail id : 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 2022 - 31st March 2023
10. Name of the Stock Exchange(s) where shares are listed : BSE Limited
11. Paid-up Capital : ₹ 1317.63 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 : Nikhil Deshpande
 Designation : Company Secretary and Compliance Officer
 Contact No. : +91 20 27476381
 E-mail : compliance-officer@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) : Standalone

II. PRODUCTS / SERVICES

14. Details of business activities (accounting for 90% of the turnover) :

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Automobile Company	The company is engaged in the manufacturing of Light Commercial Vehicles, Small Commercial Vehicles, Utility Vehicles, Agricultural Tractors and High Technology Automotive Aggregates.	100 %

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover) :

Sr. No.	Product / Service	NIC Code	% of total Turnover contributed
1.	Manufacture of commercial vehicles	29102	48.03
2.	Manufacture of motor vehicle engines	29104	35.60
3.	Manufacture of 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.	29301	7.10
4.	Manufacture of tractors used in agriculture and forestry	28211	3.66
Total			94.39

III. OPERATIONS

16. 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	Nil	Nil	Nil

17. Markets served by the entity :

(a) Number of Locations

Locations	Number
National (No. of States)	28 States and 7 Union Territories
International (No. of Countries)	27 Countries

- (b) What is the contribution of exports as a percentage of the total turnover of the entity? 2%

(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 comprises of several industries and sectors, including government agencies, public transportation, and logistics.

Some of the key customer profiles addressed by the Company are :

i. Vehicle Manufacturing

Public transportation : The Company caters to the public transportation industry by producing buses and other commercial vehicles that are used for intra-city and inter-city transportation.

Tourism and hospitality : The Company produces luxury buses and coaches that are popular in the tourism and hospitality industry.

Company Employees and School Transportation : Force Motors produce range of commercial vehicles which are used for company employees/staff and School buses for children transportation.

Healthcare Transportation : The Company produces a range of Ambulances and Special purpose medical service vehicles to cater to Hospitals and Govt. health services

Personal transportation : The Company manufactures passenger SUVs and MPVs, which cater to the personal and mass transportation needs of customers.

Logistics and cargo carriers : The Company offers a range of commercial vehicles suitable for logistics and cargo transportation purposes.

Government agencies : Force Motors provides vehicles to various government agencies for official purposes such as police patrol, fire-fighting, and emergency services like Ambulances & Special Purpose Vehicles.

ii. Automobile Aggregates Manufacturing

The Company is supplying aggregates like engines, axles, components to leading premium car manufacturers in India viz. Mercedes-Benz India and BMW India.

IV. EMPLOYEES

18. 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)
EMPLOYEES						
1.	Permanent (D)	4536	4407	97	129	3
2.	Other than Permanent (E)	1617	1574	97	43	3
3.	Total employees (D + E)	6153	5981	97	172	3
WORKERS						
4.	Permanent (F)	565	565	100	0	0
5.	Other than Permanent (G)	895	895	100	0	0
6.	Total workers (F + G)	1460	1460	100	0	0

(b) Differently abled Employees and workers :

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

19. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12
Key Management Personnel	2	0	0

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in Current FY)			FY 2021-22 (Turnover rate in Previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.39%	21.71%	10.93%	15.91%	55%	16.82%	9.45%	17.86%	9.69%
Permanent Workers	4.61%	0%	4.61%	3.32%	0%	3.32%	3.13%	0%	3.13%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)
21. (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	NA	No
2.	Tempo Finance (West) Pvt. Ltd.	Subsidiary	66.43	No
3.	Force MTU Power Systems Private Limited	Subsidiary	51	No

VI. CSR DETAILS

Sr. No.	Particulars	Description
(i)	Whether CSR is applicable as per Section 135 of the Companies Act, 2013:	Yes
(ii)	Turnover (in ₹)	3,24,004 Lakhs
(iii)	Net worth (in ₹)	1,76,338 Lakhs

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES
23. 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)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
			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	--	0	0	NA	0	0	NA
Investors (Other)	Yes	https://forcemotors.com/investors.php	0	0	NA	0	0	NA
Shareholders	Yes	https://forcemotors.com/investors.php	13	13	Resolved	16	16	Resolved
Employees and workers	Yes	https://www.forcemotors.com/assets/Others/Whistle-Blower-Policy.pdf	0	0	NA	0	0	NA
Customers	Yes	There is no official policy for this. However in 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.	2003	160	NA	2842	175	NA
Value Chain Partners	Yes	Grievances are mailed by Value Chain Partners to respective Section Heads or Functional Heads. The stakeholders can send e-mails for escalation on any grievances at corporatematerial@forcemotors.com if an issue is not resolved by the concerned responsible officer. Additionally, the stakeholders can reach out to Senior Management by sending an e-mail to Corporate Communication at corporatecommunications@forcemotors.com .	Nil	Nil	NA	Nil	Nil	NA
Other (please specify)			Not Applicable					

24. 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.	Carbon Emissions and Energy Management	Risk, Opportunity	Business risk affecting vehicle sales due to regulatory impact. Failure to adopt low-carbon technologies may expose the Company to potential legislative or taxation burdens. Need of continuous planning and development of technology to mitigate the risk. Lack of ability to optimise energy consumption would lead to related environmental impacts and increased production costs. Initiatives around energy efficient practices will lead to reduced energy expenses.	1. To identify opportunities of energy efficiencies on continuous basis. Plant-wise senior officials are taking up the responsibility. 2. Internal Energy Audits and Energy Cost Reduction Studies being conducted on regular basis. 3. Major initiatives for renewable energy sourcing are under implementation. 4. GHG accounting activity for relevant categories of emissions Scope-1 Scope-2 and Scope-3. 5. Initiatives for emission reductions in identified areas.	1. Energy cost reduction 2. Saving on compliance penalties and high production costs. 3. Impact on Company's reputation and Brand Value.
2.	Water Management	Risk, Opportunity	Water is required for the industrial purposes as well as domestic use of the community surrounded by the Company. Climatic changes over years, erratic weather patterns pose a threat to continuous and appropriate supply of water for operations of the Company. Moreover, the Company needs to think about clean and safe water consumption by community around.	1. Initiatives are focused on net water positive through ground water recharge and rainwater harvesting. 2. Use of treated wastewater in washrooms. Use of water waste generated from operations (like Reverse Osmosis- RO) back in system through Water Recirculation System (WRS).	Savings on compliance penalties and high production costs.
3.	Waste Management	Risk, Opportunity	Automobile Production involves generation of hazardous and non-hazardous waste. Waste Management has direct impact on quality of environment around the Company.	1. Initiatives are focused on diverting waste generated from landfills and the Authorised Waste Management Units are made responsible for disposing Waste Paint generated for further recycling. 2. Waste collection plan which are in line with the Extended Producer Responsibility (EPR) plan is finalised and submitted to Pollution Control Board (PCB).	Reduction in waste generation or recycling the same leads to monetary gains and huge savings on compliance penalties and high production costs.
4.	Occupational Health and Safety	Risk	The Company being a manufacturing concern, always exposed to occupational health and safety and need to prioritise a safe environment and working conditions for its workers employees.	1. Proactive measures like HIRA, Safety Observation Audits, Job Safety Analysis (JSA), Work Permission Systems, Hazard and Operability Study (HAZOP) are implemented. Risk and Consequences Analysis and External Safety Audits are being conducted. 2. Regular internal audits and certifications of plants Occupational Health and Safety to ISO 45001:2018 by M/s TUV SUD are in place. All applicable Health and Safety regulations are complied with.	Number of accidents or fatalities can bring down the confidence of workers leading to workforce loss, ultimately leading to production loss. It may further damage the business's productivity, finances and reputation.

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
Policy and Management Processes									
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	All policies are uploaded on the Company's website as per regulatory requirements and some policies on intranet portal for access of all the workers and employees of the Company. https://www.forcemotors.com/investors.php								
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)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001 : 2015 (EMS) ISO 45001 : 2018 (OHSAS) IATF : 16949								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	A project is undertaken to define vision, mission and road-map for ESG for identifying tasks, goals and projects as a long-term strategy.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has a clear roadmap on material ESG aspects and planet positive commitments. The Company has achieved its commitments for the current Financial Year.								
Governance, leadership and oversight									
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): As a responsible Corporate Citizen, the Company focus on Integrating Sustainability Principles as a part of our business strategy. This will help us create our good impact on environment people while ensuring value creation for our stakeholders through resilient business practices. The Company also focuses on improving operational eco-efficiency of our manufacturing process to minimize negative impact on environment while conserving natural resources. The Company plans to integrate ESG, Sustainability principles into : - Design and development of new vehicles, which will reduce environment footprint of vehicles throughout its lifecycle. - Our procurement practices and catalyze adoption of sustainability performance by our value chain partners The Company is taking various measures such as monitoring resource consumption and waste generation to accomplish this goal. Further, an ESG Road Map for coming years is under implementation as a part of which we will set specific targets and commitments in line with the ESG Strategic Plan of the Company.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Prasan 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.	Mr. Prasan Firodia, Managing Director, is appointed by the Board to oversee sustainability initiatives. 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								
	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 a need basis and are 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.								
	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 : Not Applicable									

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE
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	Familiarisation Programmes, Business Presentations on quarterly basis aiming for awareness of business structure, industry developments, company business and its product line. Further, updates on the business of its subsidiaries and joint ventures. Continuous updates on regulatory changes and changing roles and responsibilities of Board Members especially Independent Directors.		100
Key Managerial Personnel	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 matters.		100
Employees other than BoD and KMPs	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, safety, health and environment, human rights, etc. on continuous basis.		100
Workers			100

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 SEBI (Listing Obligations and Disclosure Obligations) 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	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. : Not applicable
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's Anti-Bribery & Anti-corruption policy exists to set out the responsibilities of observing and upholding zero tolerance position on bribery and corruption. The policy acts as a source of information and guidance for those working for the Company and it helps to recognize and deal with bribery and corruption issues in a responsible manner.

The policy is available on the Intranet maintained by the Company, accessible to all the employees across all locations.

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

	Financial Year 2022-23		Financial Year 2021-22	
	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 conflict of interest : Not Applicable
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.

Sr. No.	Particulars	Current Financial Year FY 2022-23	Previous Financial Year FY2021-22	Details of improvements in environmental and social impacts
1	R & D	41%	52%	<ul style="list-style-type: none"> - Expenses towards emission systems upgrade. - Expenses towards vehicle safety technology advancements. - EV Development (environmental friendly technology)
2	Capex	2.16%	2.88%	

2. A. Does the entity have procedures in place for sustainable sourcing? (Yes/No) : Yes
B. If yes, what percentage of inputs were sourced sustainably? [Answer in %] :

The Company focuses on increasing its sustainable sourcing on continuous basis. All our Tier-1 Suppliers are ISO Certified Vendors and operates as per ESG Guidelines. The Company sources 37% of its input material sustainably.

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.

Waste Management - All types of waste which is generated by respective plants are handled as per Waste Management rules directed by CPCB/SPCB

Plastics - All plastic material is used as per guidelines given by CPCB / SPCB i.e. Thickness of Plastic material which is used for any purpose should not be less than 50 Microns thickness.

All plastic waste is being sent to authorized recycler.

E Waste - E Waste is being sent to authorized recycler.

Hazardous Waste - Disposal action of All Hazardous waste is being followed as per Hazardous Waste Management Rules directed by CPCB / SPCB and disposal action ensured at authorized CHWTSDF (Common Hazardous Waste Treatment, Storage and Disposal Facility).

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.

EPR for plastic waste management is applicable for all plants of the Company. EPR Registration activities for all Plants have been initiated.

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)
Permanent employees											
Male	4407	4260	97	4407	100	NA	NA	--	--	4407	100
Female	129	126	98	129	100	129	100	NA	NA	129	100
Total	4536	4386	97	4536	100	129	100	--	--	4536	100
Other than Permanent employees											
Male	1574	903	57	1574	100	NA	NA	--	--	1574	100
Female	43	43	100	43	100	43	100	NA	NA	43	100
Total	1617	946	59	1617	100	43	100	--	--	1617	100

(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)
Permanent Workers											
Male	565	565	100	565	100	NA	NA	--	--	565	100
Female	--	--	--	--	--	--	--	NA	NA	--	--
Total	565	565	100	565	100	--	--	--	--	565	100
Other than Permanent Workers											
Male	895	895	100	895	100	NA	NA	--	--	895	100
Female	--	--	--	--	--	--	--	NA	NA	--	--
Total	895	895	100	895	100	--	--	--	--	895	100

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

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	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	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	15	0	Y	12	0	Y
Others – please specify	NIL	NIL	NIL	NIL	NIL	NIL

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.

No

However, the Company encourages employing differentially abled individuals to work with it on the basis of merits.

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	--	--	--	--
Female	3	3	NA	NA
Total	3	3	--	--

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.

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, The Company has a mechanism to resolve grievances in every plant. The committee meets once a month. In that meeting, all types of grievances of workmen are discussed and resolved.
Other than Permanent Workers	Yes, The Company has a mechanism to resolve grievances in every Plant, the Site Human Resource Personnel is nominated as grievance redressal officer for grievances related to all types of employees
Permanent Employees Other than Permanent Employees	Yes, the Company has a policy on Whistle-blower mechanism and Prevention of Sexual Harassment at Workplace (POSH) to provide a work environment that ensures every person at the workplace is treated with respect and dignity and is afforded equal treatment. Issues relating to sexual harassment are dealt with as per the Company's POSH Policy, the Company's POSH Policy is gender neutral.

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

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	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)	
Total Permanent Employees	0	0	NA	0	0	NA
- Male	0	0	NA	0	0	NA
- Female	0	0	NA	0	0	NA
Total Permanent Workers	565	565	100	634	634	100
- Male	565	565	100	634	634	100
- Female	--	--	NA	--	--	NA

8. Details of training given to employees and workers :

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	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 / D)
Employees										
Male	5981	5981	100	1926	32.20	5365	5365	100	845	15.75
Female	172	172	100	76	44.19	131	131	100	36	27.48
Total	6153	6153	100	2002	32.54	5496	5496	100	881	16.02
Workers										
Male	1460	1460	100	5	0.34	1302	1302	100	2	0.15
Female	NIL	NIL	NIL	0	0	NIL	NIL	NIL	0	0
Total	1460	1460	100	5	0.34	1302	1302	100	2	0.15

9. Details of performance and career development reviews of employees and workers :

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4407	4149	94.10	4432	4334	97.78
Female	129	115	89.10	101	96	95.04
Total	4536	4264	94.00	4533	4430	97.72
Workers						
Male	565	565	100%	634	634	100
Female	0	0	0	0	0	0
Total	565	565	100	634	634	100

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 such system?**

Yes

The EOHS management system implemented by commitment of top management through EOHS policy also fully complies with all applicable statutory provisions pertaining to safety & health. We have various OHS activities like Safety Audits, HIRA, HAZOP, Safety committee Rounds, Safety Inspections, periodic Safety trainings and we are in process to implement global standard ISO 45001:2015 & ISO 14001:2018, etc.

- (b) **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity ?**

Hazard Identification & Risk Assessment (HIRA), Safety Audit, Safety Inspections, Safety Survey- Ventilation, illumination, Safety Work permits system, Periodic testing of lifting machines & pressure vessels, periodic Safety trainings etc.

- (c) **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes

Safety committee with active participation of workers, suggestion scheme, Safe condition inspections etc.

- (d) **Do the employees / worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

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

Safety Incident / Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	1.92	1.19
Total recordable work-related injuries	Employees	0	0
	Workers	14	9
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	142	150

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

Compliance of Safety, Health and Environment Protection Policy. Conducting Safety Audits, HIRA, HAZOP, Safety committee Rounds, Safety Inspections, periodic OHS trainings, Annual Safety Campaign throughout the year as per plan and winners are felicitated with attractive prizes, Preparation & display of Safe operating procedure in local language, Hazard-wise Do & Don'ts discussion in daily sunrise meeting etc.

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

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	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	Nil	Nil	--	Nil	Nil	--
Health & Safety	Nil	Nil	--	Nil	Nil	--

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
Working Conditions	100

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 the OHS Awareness among the employees.

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

Key stakeholders are individuals, organizations, parties, or entities that influence our business, add value, or are critical elements of the value chain. Vendors, customers, dealers, employees, community, and shareholders are some of our major stakeholders.

Stakeholder Group	Whether identified as Vulnerable & 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 element, Community)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	Website, E-mail, Newspaper, dissemination of information on the website of the Stock Exchanges, Press Releases, Annual Reports, General Meetings.	Regular 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 at the General Meetings.
Regulatory Authorities & Government bodies	No	Meetings with government agencies, representation through trade bodies.	Regular basis	Compliance with national and local Regulations and permissions / approvals on various regulatory requirements.
Employees and Workers	No	Intranet, Email, Virtual Calls, In-person meetings, internal events, notice boards.	Regular basis	Relevant business communication, over Career, learning & growth, HR policies and practices & addressing employees queries and Clarifications.
Customers	No	Showrooms, Workshops, Website Dealer Management system, Outbound call, Advertisements and Customer Meets.	Regular basis	Responsible manufacturing, addressing customer queries and Grievances. Feedback on products and services Product Quality and Safety, Selling Practices and Affordability.
Dealers and Distributors	No	Dealer Meets, Emails, Marketing communications, FDMS portal.	Regular basis	Sales and Marketing plans, New product strategy and inventory Building and Enhancing customer experience.
Vendors and Suppliers	No	Vendor Management Portal, SMS, Emails, Meetings, Website.	Annually	Supply Chain Management Practice.

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

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	4536	4536	100	4533	4533	100
Other than permanent	1617	1617	100	963	963	100
Total Employees	6153	6153	100	5496	5496	100
Workers						
Permanent	565	565	100	634	634	100
Other than permanent	895	895	100	668	668	100
Total Employees	1460	1460	100	1302	1302	1000

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

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	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)
Employees										
Permanent										
Male	4407	4407	100	4407	100	4432	4432	100	4432	100
Female	129	129	100	129	100	101	101	100	101	100
Other than Permanent										
Male	1574	1574	100	1574	100	933	933	100	933	100
Female	43	43	100	43	100	30	30	100	30	100
Workers										
Permanent										
Male	565	565	100	565	100	634	634	100	634	100
Female	--	--	--	--	--	--	--	--	--	--
Other than Permanent										
Male	895	895	100	895	100	668	668	100	668	100
Female	--	--	--	--	--	--	--	--	--	--

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

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	3 [#]	173.97	--	--
Key Managerial Personnel (KMP)	2	16.30	--	--
Employees other than BoD and KMP	4407	5.22	129	2.93
Workers	565	5.97	--	--

Includes Executive Directors

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 Policy on Prevention of Sexual Harassment at Workplace ("POSH"), Whistle Blower Policy is available on Intranet & Website of Company. The Company has zero tolerance towards any human rights violation. While addressing the issues under these policies, the Company shall uphold full privacy of the Complainant and maintain confidentiality.

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

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	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					
Discrimination at work place						
Child Labour						
Forced Labour / Involuntary Labour						
Wages						
Other human rights related issues						

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

The Company has in place Policy on Prevention of Sexual Harassment at Workplace ("POSH"), Whistle Blower Policy to address the concerns like Sexual Harassment, Discrimination at work place, Child/ Forced Labour engagement, Wages and other human rights related issues.

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

Yes

9. Assessments for the year :

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

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

The Company assess 100% of our operations as a part of Internal Audit Process and update the policies and procedure to address the significant risks / concerns arising from the above referred assessment.

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	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total electricity consumption (A)	192,397.255	15,3324.580
Total fuel consumption (B)	2,818.323	1,420.035
Energy consumption through other sources (C)	3,618.201	542.700
Total energy consumption (A+B+C)	198,833.780	15,5287.315
Energy intensity per Crore rupee of turnover (Total energy consumption / turnover in rupees Crore)	39.54	47.93
Energy intensity (optional) - The relevant metric may be selected by the entity	--	--

Note : The Company has engaged KPMG Assurance and Consulting Services LLP for an independent assessment/ evaluation / assurance in this behalf.

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.

Not applicable

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

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	22,000	20,000
(ii) Groundwater	0	0
(iii) Third party water	4,72,012	4,28,647
(iv) Seawater / desalinated water	0	0
(v) Others (Rain water harvesting)	5,600	6,480
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,99,612	4,55,127
Total volume of water consumption (in kilolitres)	3,69,368	3,48,132
Water intensity per Crore rupee of turnover (Water consumed / turnover in rupees Crore)	73.45	107.45
Water intensity (optional) – The relevant metric may be selected by the entity	--	--

Note : The Company has engaged KPMG Assurance and Consulting Services LLP for an independent assessment / evaluation / assurance in this behalf.

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

The Company has not implemented a mechanism for Zero Liquid Discharge (ZLD).

However, maximum treated water is being used for Gardening and flushing purpose at all our plant locations viz. Akurdi, Chakan, Pithampur and Chennai work stations.

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

Parameter	Please specify unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
NOx	Mg/ M ³	21.79	23.87
SOx	Mg/ M ³	18.32	17.75
Particulate matter (PM)	Mg/ M ³	65.80	67.06
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note : The Company has engaged KPMG Assurance and Consulting Services LLP for an independent assessment/ evaluation / assurance in this behalf. Concentration of air emission values added in Mg./M³

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

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, S ₆ , N ₃ , if available)	Matric tonnes of CO ₂ equivalent	7370	6532
Total Scope 2 emissions (Break-up of the GHG into Co ₂ , CH ₄ , N ₂ O, HFCs, PFCs, S ₆ , N ₃ , if available)	Matric tonnes of CO ₂ equivalent	37802	32002
Total Scope 1 and 2 emissions per ₹ Crore of turnover	--	8.98	11.89
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	--	--	--

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

Yes

1. Solar Panel installation on roof top capacity 1.39MW
2. Fuel conversion from Furnace oil to Natural Gas for Paint shop boilers.
3. Use of battery operated forklifts for internal logistics operations.
4. Solar water heater used for heating of water for cleaning utensils in canteen.

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

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	415.15	259.04
E-waste (B)	7.48	2.26
Bio - medical waste (C)	0.01	0.01
Construction and demolition waste (D)	0	0
Battery waste (E)	13.43	11.48
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)		
CAT12.5 Phosphate Sludge	30.82	15.64
CAT21.1 Process waste, Residue and Sludges.	115.07	108.40
CAT26.2 Dust form air Filtration system	45.39	49.45
CAT35.3 Chemical sludge from waste water treatment	34.06	24.85
CAT5.1 Used oil	31.68	25.67
CAT 5.2 Waste residues Containers/Barrels/Liners	24.48	21.60
CAT 33.1 Discarded containers /Barrels	128.56	70.51
CAT 20.2 Spent thinner	17.46	9.56
CAT 6.2 Zinc Fines	0.01	0
Total hazardous waste in MT (G)	427.52	325.42
Other Non-hazardous waste generated (H) Please specify, if any (Break-up by composition i.e. by materials relevant to the sector)		
Combustible scrap	3317.8	2267.49
Ferrous scrap	5413.3	7109.12
Non-ferrous scrap	20.78	57.92
Foundry and & core pieces	2137	1871
STP Sludge	13.95	14.56
Canteen waste	63.75	21.13
Total Non-Hazardous waste MT (H)	10966.58	11341.22
Total (A+B + C + D + E + F + G + H)	11830.17	11939.42
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1.25	0.95
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	1.25	0.95
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	29.91	31.16
(ii) Landfilling	56.22	68.04
(iii) Other disposal operations	336.50	220.00
Total	422.63	319.20

Note : The Company has engaged KPMG Assurance and Consulting Services LLP for an independent assessment / evaluation/assurance in this behalf.

9. 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 hazardous waste is being disposed of by CPCB/SPCB approved vendor or approved recycler.

10. 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.
			NA

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

The Company has not undertaken any environmental impact assessment in current year under review.

12. 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 prescribed format:

Yes

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.

During the Financial year 2022-23, the Company has not received any anti-competitive notice or case and no such case is pending.

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.

The Company actively contributes to the development of the communities aligning with social and cultural projects as part of its commitment to the development and well-being of those communities. The Company has formulated a "Corporate Social Responsibility Policy" that outlines the context and approach for such endeavours. Making donations or financial contributions of any kind to organizations dedicated to, or in any way connected to, illicit activities is strictly prohibited. All social and cultural projects and initiatives are carried out in accordance with the company's CSR Policy and applicable CSR Rules.

The Company has not carried out Social Impact Assessment in the financial year 2022-23.

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

Not applicable

The Company did not start any greenfield project in the reporting year, and hence, no community group was rehabilitated and resettled for any project.

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

Not Applicable

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

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs / small producers	5 %	4%
Sourced directly from within the district and neighbouring districts	60%	57%

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 Company has set up a dedicated Customer Care Call Center to address customer complaints and grievances received on Toll Free No. : 18002335000. Additionally, the Company attends customer complaints / grievances received in writing through e-mail, physical written communications at the Head Office of the Company.

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
Safe and responsible usage	100
Recycling and / or safe disposal	Nil

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

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	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	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-Security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential Services	2842	175	Resolution for all pending complaints is in progress	2003	160	All Pending complaints have been closed
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other						

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

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

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 The policy is available on the Intranet maintained by the Company, accessible to all the employees across the locations.

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.

No regulatory action taken by any regulatory authority related to above mentioned parameters.

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.

In the case of Commercial Vehicles such as ours i.e., such as Vans and Minibuses, clearly the market opportunity for electrified vehicles lies in last mile connectivity. Electrification is logically only justified, in terms of the total life time cost of the vehicle, on the basis of substantial mileage to be covered, because the savings in electric vehicles stem fundamentally from the very high efficiency and very low cost of electric traction in comparison to fossil fuel drivelines. The more the EV is run, greater the justification for the extra cost of the EV system.

Commuter vehicles in the normal sense are not best suited for electrification at this stage of the evolution of the market. The opportunity is seen mainly in last mile public transport, in conjunction with and complementary to the trunk routes of large electric buses, metro and local trains, to facilitate passengers to travel from homes or place of work to the main line metro, railway or large bus transport.

The electric vehicles developed by the Company are undergoing introduction trials, and we expect to get orders during the next two quarters to really bring our vehicles on the road. Since this process involves State Governments, Municipal Corporations and Specialized Fleet Operators, etc. the nature of the sale is different from that of individual vehicles like motorcycles or cars, sold to an individual user. The business structure, the contractual and financial arrangements required for implementation of such fleets do need time. While metro trains and electric bus routes over long distances in major cities are now getting established, the next expansion phase, must logically include last mile transport, which is the area we hope to participate in. The Company is enthusiastically engaged in delivering efficient, attractive and economic solutions, for this usage.

While the interest rates in India have been much steadier than the rest of the world, there is no denying that there is creeping inflation.

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 26,461 compared to 20,575 vehicles sold in the Financial Year 2021-22. During the year under report, the Company achieved a top line of ₹ 5,028.59 Crore. The sales turnover stood at ₹ 4,980.96 Crore compared to the previous year's turnover of ₹ 3,207.26 Crore.

Financial Performance : As stated above, the Company sold 26,461 vehicles during the Financial Year 2022-23 compared to 20,575 vehicles in the previous Financial Year 2021-22. The Profit before Depreciation, Exceptional Items and Taxes, from operations for the year under report was ₹ 323.05 Crore as compared to operating profit for the previous Financial Year 2021-22 amounting to ₹ 77.59 Crore. The Net Profit after Depreciation, Exceptional Items and Taxes was ₹ 152.05 Crore for the Financial Year 2022-23. The Reserves and Surplus of the Company as on 31st March 2023 stood at ₹ 1,919.27 Crore.

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 2022-23	FY 2021-22	% change	Reason for change in the ratios by more than 25%
(i)	Current Ratio	1.03	0.80	30%	Improvement in ratio is due to improved operating performance and working capital management.
(ii)	Debt-Equity Ratio	0.49	0.60	17%	--
(iii)	Debt Service Coverage Ratio	1.28	0.80	60%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
(iv)	Return On Equity	0.04	(0.04)	208%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
(v)	Inventory Turnover Ratio	6.81	5.37	27%	Improvement in ratio is attributable to overall improvement in sales.
(vi)	Debtors Turnover Ratio	25.79	20.34	27%	Improvement in ratio is attributable to overall improvement in sales, better collection efforts and improved credit management process
(vii)	Operating Profit Margin	0.08	0.04	112%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
(viii)	Net Profit Margin	0.01	(0.02)	145%	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

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

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

(c) 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 which has thus 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, such controls were tested and no reportable material weaknesses in the design or operation were observed.

VII. HUMAN RESOURCE DEVELOPMENT

The Company has continued its programme for training and skill development in its plants, for employees at various levels, who are provided training both in hard and soft skills. A large number of executives in the Sales & Marketing arm of the Company and in our dealer network spread all over India, are also provided continuous upgradation, training in selling skills, product familiarisation, customer service aspects - in a well structured and extensive programme. The Company had 5101 employees as on 31st March 2023.

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 2023, 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 Firodia, Chairman and Mr. Prasan Firodia, Managing Director; of the Company; are also the Promoters of the Company.

During the year under review, Mr. Pratap Pawar, Mr. S. Padmanabhan, Dr. Indira Parikh, Mr. Arun Sheth and Mr. Nitin Desai ceased to be the directors of the Company w.e.f. 12th September 2022, due to completion of their second term as independent directors.

Further, Mr. Vallabh Bhanshali (DIN : 00184775), Mr. Mukesh Patel (DIN: 00053892) and Ms. Sonia Prashar (DIN: 06477222), were appointed as Independent Directors of the Company for a term of 5 years w.e.f. 13th August 2022, 13th August 2022 and 28th September 2022 respectively.

• Directorships / Committee Positions

The details of directorships/ committee positions held by the Directors (as of 31st March 2023) 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 Firodia	05	01	--	--	--	--
Mr. Prasan Firodia	05	01	2	1	Sona BLW Precision Forgings Limited	Independent Director
Mr. Arvind Mahajan	02	--	02	--	--	--
Lt. Gen. Dr. D.B. Shekatkar (Retd.)	--	--	--	--	--	--
Mr. Vallabh Bhanshali	11	--	--	--	Arvind Fashions Limited	Independent Director
Mr. Mukesh Patel	08	--	06	04	- Zydus Lifesciences Limited - Johnson Controls-Hitachi Air Conditioning India Limited	- Non-Executive Non-Independent Director - 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 2022-23, four meetings of the Board were held on 27th May 2022, 13th August 2022, 11th November 2022 and 9th February 2023. The details of attendance of Directors during the Financial Year 2022-23 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 2022
Mr. Abhaykumar Firodia	04	Yes
Mr. Prasan Firodia	04	Yes
Mr. Pratap Pawar*	02	--
Mr. S. Padmanabhan*	02	--
Mr. Nitin Desai*	02	--
Dr. Indira Parikh*	02	--
Mr. Arun Sheth*	01	--
Mr. Arvind Mahajan	04	Yes
Lt. Gen. Dr. D.B. Shekatkar (Retd.)	04	Yes
Mr. Vallabh Bhanshali#	03	Yes
Mr. Mukesh Patel#	03	Yes
Ms. Sonia Prashar@	02	No
Mr. Prashant V. Inamdar	04	No

* Ceased to be the director w.e.f. 12th September 2022.

Appointed as Director w.e.f. 13th August 2022.

@ Appointed as Director w.e.f. 28th September 2022.

Inter-se Relation of Directors

Mr. Abhaykumar Firodia and Mr. Prasan 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 SEBI (LODR) Regulations, 2015 and are independent of the Management. The Independent Directors held their separate Meeting on 9th February 2023, 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/Familiarisation-Programme-for-Directors-2022-23.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 2022-23 are as follows :

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Abhaykumar Firodia	Mr. Prasan Firodia	Mr. Prashant V. Inamdar
1.	Gross Salary	Nil	1,44,93,640	1,54,74,103
2.	Commission	Nil	2,80,00,000	Nil
3.	Others	Nil	26,11,201	19,22,764
	Total	Nil	4,51,04,841	1,73,96,867

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

The details of sitting fees paid to the Non-Executive Directors during the Financial Year 2022-23 are as follows :

(Amount in ₹)

Sl. No.	Name of the Directors	Sitting Fees	No. of Equity Shares Held
1.	Mr. Pratap Pawar*	2,00,000	Nil
2.	Mr. S. Padmanabhan*	2,50,000	Nil
3.	Mr. Nitin Desai*	1,50,000	Nil
4.	Dr. Indira Parikh*	3,00,000	Nil
5.	Mr. Arun Sheth*	1,00,000	Nil
6.	Mr. Arvind Mahajan	5,50,000	Nil
7.	Lt. Gen. Dr. D.B. Shekatkar (Retd.)	3,00,000	Nil
8.	Mr. Vallabh Bhanshali#	2,00,000	Nil
9.	Mr. Mukesh Patel#	3,50,000	Nil
10.	Ms. Sonia Prashar@	1,50,000	Nil
	Total	25,50,000	

* Ceased to be the director w.e.f. 12th September 2022.

Appointed as Director w.e.f. 13th August 2022.

@ Appointed as Director w.e.f. 28th September 2022.

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 Firodia	✓	✓	✓	✓		✓			✓		✓	✓
2.	Mr. Prasan 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 2023 :

- 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 three times during the Financial Year 2022-23. The details of attendance of the members in the Committee meetings, are as follows :

Name of the Member	Date and details of attendance of Nomination and Remuneration Committee meetings		
	27.05.2022	13.08.2022	09.02.2023
Mr. S. Padmanabhan*	P	P	--
Mr. Arvind Mahajan	P	P	P
Dr. Indira Parikh*	P	P	--
Mr. Mukesh Patel#	--	--	P
Lt. Gen. Dr. D. B. Shekatkar (Retd.)#	--	--	P

* Ceased to be the director and member of the Committee w.e.f. 12th September 2022.

Appointed as the member of the Committee w.e.f. 27th September 2022.

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](https://www.forcemotors.com/assets/Others/Remuneration-Policy-New.pdf)

Audit Committee

The Audit Committee comprised of 03 Directors as on 31st March 2023 :

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

The Committee met four times during the Financial Year 2022-23. The details of attendance of the members in the Committee meetings, are as follows :

Name of the Member	Date of meetings and details of attendance			
	27.05.2022	13.08.2022	11.11.2022	09.02.2023
Mr. Pratap Pawar*	P	P	--	--
Mr. Arun Sheth*	A	P	--	--
Dr. Indira Parikh*	P	P	--	--
Mr. Mukesh Patel#	--	--	P	P
Mr. Arvind Mahajan#	--	--	P	P
Mr. Prasan Firodia#	--	--	P	P

* Ceased to be the director and member of the Committee w.e.f. 12th September 2022.

Appointed as the member of the Committee w.e.f. 27th September 2022.

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 13th August 2022, 11th November 2022 and 9th February 2023 respectively; and Audited Financial Accounts for the Financial Year ended 31st March 2023 in its meeting held on 29th May 2023. 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 2023 :

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

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

Name of the Member	Date of meetings and details of attendance		
	11.11.2022	22.12.2022	09.01.2023
Lt. Gen. Dr. D. B. Shekatkar (Retd.)*	P	P	P
Mr. Abhaykumar Firodia	P	P	P
Mr. Prasan Firodia	P	P	P
Mr. Nitin Desai#	NA	NA	NA

Ceased to be the director and Chairman of the Committee w.e.f. 12th September 2022.

* Appointed as the Chairman of the Committee w.e.f. 27th September 2022.

During the year under report, 13 shareholders' complaints were received and all these complaints were resolved to the satisfaction of the concerned Members. As of 31st March 2023, no complaint was pending to be resolved.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprised of 03 Directors as on 31st March 2023 :

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

The Committee met once during the Financial Year 2022-23. The details of attendance of the members in the Committee meetings, are as follows :

Name of the Member	Date of meetings and details of attendance
	27.05.2022
Mr. S Padmanabhan, Chairman*	P
Mr. Nitin Desai, Member*	P
Mr. Mukesh Patel, Chairman#	NA
Mr. Abhaykumar Firodia, Member#	NA
Mr. Prasan Firodia, Member#	NA

* Ceased to be the Director and Chairman / Member of the Committee w.e.f. 12th September 2022.

Appointed as Chairman / Member after the meeting of the Committee held on 27th May 2022.

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.

During the year under report, the Committee met once on 27th May 2022.

Risk Management Committee

The Risk Management Committee comprises of 04 directors of the Company:

- Mr. Abhaykumar Firodia, Chairman of the Committee and the Board
- Mr. Prasan 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 2022-23. The details of attendance of the members in the Committee meetings, are as follows:

Name of the Member	Date of meetings and details of attendance	
	16.09.2022	15.03.2023
Mr. Abhaykumar Firodia	P	P
Mr. Prasan Firodia	P	P
Mr. Arvind Mahajan*	--	P
Mr. Prashant V. Inamdar	P	P
Mr. Nitin Desai#	NA	NA

* Appointed as the member of Committee w.e.f. 27th September 2022.

Ceased to be the Director and Member of the Committee w.e.f. 12th September 2022.
The terms of reference of the Risk Management Committee are as under:

- (1) 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.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) 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.

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
29th September 2020	3.00 p.m.	Through Video Conferencing	02	1. Modification in the terms and conditions, related to remuneration payable to Mr. Prasan Firodia as Managing Director of the Company. 2. Adoption of the new set of Regulations as the Articles of Association of the Company.
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 Firodia, Managing Director (DIN: 00029664). 4. Approval for payment of minimum remuneration to Mr. Prashant 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.

4. General Body Meetings / Postal Ballots

5. Means of Communication

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

The 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 www.forcemotors.com

No presentation was made to any institutional investor or analyst during the Financial Year 2022-23.

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, for revising threshold limits for determining materiality of RPTs entered by the Company during a financial year or any modification to the existing RPTs. The limits will be reviewed by the Board of Directors once in 3 (three) years. Web link for the policy is https://www.forcemotors.com/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 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

There is nothing to report under this heading.

• 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	₹ 142.5 Crore Secured Non-Convertible Debentures	CRISIL AA / Stable (Reaffirmed)
	Bank Loan facilities amounting to ₹ 1,507 Crore :	
	Long Term	CRISIL AA / Stable (Reaffirmed)
	Short Term	CRISIL A1 + (Reaffirmed)

- **Total fees paid to the Auditors**

Please refer the details of payments made by the Company to its Auditors during the period under review, in Note No. 27 to the Financial 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 are 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 the Board's Report.

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

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

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

- **The Board**

The Chairman of the Company is also an Executive Director; hence 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. 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 Statement is with unmodified audit opinion.

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

Mr. Abhaykumar Firodia, Chairman, is also the Managing Director of the Company. He is also related to Mr. Prasan 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 64th AGM of the Shareholders of the Company will be held before 30th September 2023.

- **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 29th May 2023; has recommended a final dividend of ₹10/- per equity share on 1,31,76,262 equity shares, for the Financial Year ended 31st March 2023. The dividend, if declared by the Members of the Company, will be paid within 30 days from the date of the 64th AGM.

- **Record Date**

The details of Record Date forms part of the Notice of the 64th AGM.

- **Listing on Stock Exchange**

Shares of the Company are listed on the BSE Limited. Annual Listing fee for the Financial Year 2023-24 has been paid to BSE Limited.

- **Stock Code**

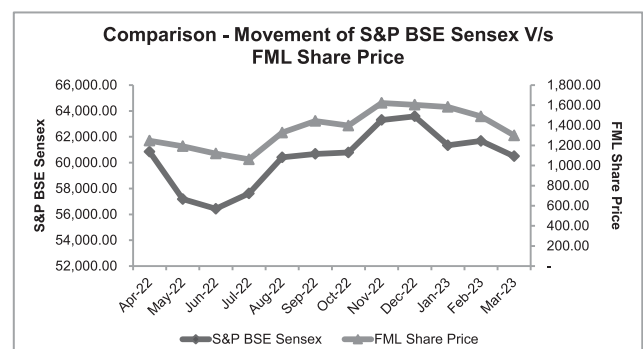
The Stock Code allotted by BSE Limited is 500033.

- **Share Price performance vis-a-vis BSE Sensex**

Performance of share price of the Company during the Financial Year 2022-23 in comparison to BSE Sensex is given as under :

Month	S&P BSE Sensex		FML Share Price	
	High	Low	High	Low
Apr-22	60,845.10	56,009.07	1,247.35	1,028.50
May-22	57,184.21	52,632.48	1,191.90	991.80
Jun-22	56,432.65	50,921.22	1,119.40	918.85
Jul-22	57,619.27	52,094.25	1,061.95	985.00
Aug-22	60,411.20	57,367.47	1,327.50	1,028.10
Sep-22	60,676.12	56,147.23	1,442.95	1,202.50
Oct-22	60,786.70	56,683.40	1,397.00	1,206.00
Nov-22	63,303.01	60,425.47	1,622.95	1,313.90
Dec-22	63,583.07	59,754.10	1,603.90	1,316.00
Jan-23	61,343.96	58,699.20	1,582.50	1,390.00
Feb-23	61,682.25	58,795.97	1,488.45	1,203.05
Mar-23	60,498.48	57,084.91	1,299.00	1,085.20

- **FML Share Price vs BSE Sensex Comparison**



- **Distribution of Shareholding** : Distribution of shareholding as on 31st March 2023 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	54,196	97.82	22,28,424	16.91
501 to 1000	643	1.16	4,77,768	3.63
1001 to 2000	308	0.56	4,34,038	3.29
2001 to 3000	87	0.16	2,19,218	1.66
3001 to 4000	42	0.08	1,52,722	1.16
4001 to 5000	32	0.06	1,50,949	1.15
5001 to 10000	58	0.10	4,06,659	3.09
10001 & above	35	0.06	91,06,484	69.11
Total	55,401	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 28 transmissions and 58 requests for dematerialization. There was no request for rematerialisation 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 2023, 97.84% of the Company's shares were held in dematerialized form and 2.16% in physical form.

- **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. Nikhil Deshpande**

Company Secretary & Compliance Officer

Force Motors Limited

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

Phone : (020) 27476381

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

- **Mr. Sandip Pawar**

Link Intime India Private Limited

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

Phone : (020) 26161629 / 26160084

Telefax No. : (020) 26163503

e-mail : pune@linkintime.co.in

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

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

E. UNPAID/UNCLAIMED DIVIDEND

In terms of the provisions of Section 124 of the Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for 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 ₹ 5,93,092/- 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.	2015-16*	12-Mar-2016	18-Apr-2023
2.	2016-17	13-Sep-2017	12-Oct-2024
3.	2017-18	11-Sep-2018	12-Oct-2025
4.	2018-19	19-Sep-2019	22-Oct-2026
5.	2019-20	29-Sep-2020	03-Nov-2027
6.	2020-21	28-Sep-2021	03-Nov-2028
7.	2021-22	28-Sep-2022	31-Oct-2029

* Transferred to IEPF on 10-May-2023

F. TRANSFER OF SHARES TO IEPF

During the year, the Company has transferred 2,248 shares on 22nd November 2022 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: 461 Equity Shares of ₹ 10/- each of 3 shareholders.
- Number of shareholders who approached the Company for transfer of shares from suspense account during the year: 02
- Number of shareholders to whom shares were transferred from suspense account during the year: 02
- Aggregate number of shareholder and the outstanding shares in the suspense account lying at the end of the year: 200 Equity Shares of Rs. 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 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 2023.

Pune, 24th April 2023

Prasan 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, MH 411035 (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 Obligation and Disclosure Requirements) Regulation, 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 2023 have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment 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 the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Pune
Date : 4th May 2023

Name: **I. U. Thakur**
Membership No.: 2298
CP No.: 1402
Peer Review no. 1959 / 2022
UDIN: F002298E000252658

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 2023 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, May 29, 2023

Suhas Deshpande
Partner
Membership No. 031787
UDIN No. : 23031787BGYQGE8137

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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.

Emphasis of Matter

Attention is invited to Note No. 28 of standalone financial statements regarding recognition of Government incentives and writing off Intangible Assets under development and Capital Work-in-Progress as exceptional item. Our Opinion is not modified in this respect.

Key Audit Matters

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Contingent Liability</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 No. 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"> • 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. • 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. • Assessed management’s discussions held with their legal consultants and understanding precedents in similar cases; • Our own teams of tax experts assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.
2.	<p>Intangible assets</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</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"> • Obtained the list of approved project wise details and verify the completeness and accuracy of cost data with respect to various system generated reports. • Inspected the respective approvals for initiation of capitalisation including government approvals (DSIR) where applicable;

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	<p>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>	<ul style="list-style-type: none"> • Reviewed the cost allocation for the year and determined that costs capitalised are directly attributable. • 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. • 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. • After carrying out above audit procedures, we concluded that relevant criteria for capitalisation have been met

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

- As required by Section 143 (3) of the Act, based on our audit we report that :
 - 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.
 - 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.
 - 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.
 - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors for the year ended March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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.
 - 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 31(a) to the standalone financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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.
 - With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended
 - 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.
 - 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.
 - 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's accounting software is postponed to financial year commencing on or after April 01, 2023 as per notification G.S.R. 235(E) dated March 31, 2022 as issued by the Ministry of Corporate Affairs. Accordingly, reporting for the same is not applicable.

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 : 29th May 2023

Suhas Deshpande
Partner
Membership No. : 031787
UDIN : 23031787BGYQGC9914

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, 2023 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, 2023, 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 : 29th May 2023

Suhas Deshpande
Partner
Membership No. : 031787
UDIN : 23031787BGYQGC9914

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, 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, paragraph 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 paragraph 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, 2023 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	770.30	1987-1991, 1990-1991, 1998-2000, 2008-2018	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
			0.23	1995-1996	Appellate Authority upto Commissioner's level
2	Sales Tax Laws	Sales Tax	95.03	1997-1998, 2003-2009, 2015-2018	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)(a) 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(ix)(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 the 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 issued till date, for the period under audit

(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.
- (b) According to the information and explanations given to us, Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR)
- (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(xviii) 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 to the 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 : 29th May 2023

Suhas Deshpande
Partner
Membership No. : 031787
UDIN : 23031787BGYQGC9914

Balance Sheet as at 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I ASSETS			
1. Non-current Assets			
(a) Property, Plant and Equipment	3	1,60,424	1,56,885
(b) Capital Work-in-progress	3	3,866	15,565
(c) Investment Property	4	668	506
(d) Other Intangible Assets	5	48,306	45,912
(e) Intangible Assets under development	5	11,501	14,650
(f) Financial Assets			
(i) Investments	6	15,890	15,379
(ii) Loans and Advances	7	--	1
(iii) Other Financial Assets	13	1,904	1,555
(g) Deferred Tax Assets (Net)	8	585	9,408
(h) Other Non-current Assets	9	7,834	7,846
Total Non-current Assets		2,50,978	2,67,707
2. Current Assets			
(a) Inventories	10	82,655	63,713
(b) Financial Assets			
(i) Trade Receivables	11	19,684	18,938
(ii) Cash and Cash equivalents	12	13,723	6,975
(iii) Bank Balance other than (ii) above	12	97	221
(iv) Loans and Advances	7	38	10
(v) Other Financial Assets	13	25,303	419
(c) Current Tax Assets (Net)	8	--	1,050
(d) Other Current Assets	9	14,394	10,768
Total Current Assets		1,55,894	1,02,094
Total Assets		4,06,872	3,69,801
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	14	1,318	1,318
(b) Other Equity	15	1,91,927	1,77,376
Total Equity		1,93,245	1,78,694
2. Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	59,497	60,055
(ii) Other Financial Liabilities	17	169	--
(b) Other Non-current Liabilities	20	176	102
(c) Provisions	18	2,846	2,691
Total Non-current Liabilities		62,688	62,848
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	35,979	46,827
(ii) Trade Payables	19		
- Total outstanding dues of Micro and Small Enterprises		1,031	384
- Total outstanding dues other than Micro and Small Enterprises		73,464	51,306
(iii) Other Financial Liabilities	17	3,627	6,272
(b) Other Current Liabilities	20	19,519	10,652
(c) Current Tax Liabilities (Net)	8	3,828	--
(d) Provisions	18	13,491	12,818
Total Current Liabilities		1,50,939	1,28,259
Total Liabilities		2,13,627	1,91,107
Total Equity and Liabilities		4,06,872	3,69,801

See accompanying notes forming part of the Financial Statements

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 : 29th May 2023

Sanjay Kumar Bohra

Chief Financial Officer

Nikhil Deshpande

Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia

Chairman

DIN : 00025179

Place : Pune

Date : 29th May 2023

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Statement of Profit and Loss for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
I INCOME			
(a) Revenue from Operations	21	5,02,859	3,24,004
(b) Other Income	22	6,203	5,188
Total Income		5,09,062	3,29,192
II EXPENSES			
(a) Cost of Materials consumed		3,92,805	2,58,143
(b) Changes in Inventories of Finished Goods and Work-in-progress	23	(788)	3,778
(c) Employee benefits expense	24	42,244	36,808
(d) Finance costs	25	6,840	4,104
(e) Depreciation and Amortization expense	26	24,074	19,094
(f) Other expenses	27	41,545	26,878
(g) Expenditure included in the above items capitalised		(5,889)	(8,278)
Total Expenses		5,00,831	3,40,527
III Profit / (Loss) before exceptional items and tax		8,231	(11,335)
IV Exceptional Items (Net)	28	20,832	--
V Profit / (Loss) Before Tax		29,063	(11,335)
VI Tax Expense	8		
(a) Current Tax		5,187	--
(b) Deferred Tax		8,649	(3,874)
(c) Taxation in respect of earlier years		22	(1)
Total Tax Expense		13,858	(3,875)
VII Profit / (Loss) for the year		15,205	(7,460)
VIII Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss			
(i) Re-measurements of net defined benefit liability		328	477
(ii) Equity instrument through Other Comprehensive Income		510	515
		838	992
(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		(115)	(167)
(ii) Taxes on Equity instrument through Other Comprehensive Income		(59)	(60)
		(174)	(227)
Total Other Comprehensive Income		664	765
IX Total Comprehensive Income for the year [comprising Profit / (Loss) and Other Comprehensive Income for the year]		15,869	(6,695)
X Basic and Diluted Earnings per Equity Share [Nominal value per share ₹ 10/-] ₹	29	115.40	(56.62)

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 : 29th May 2023

Sanjay Kumar Bohra
Chief Financial Officer

Nikhil Deshpande
Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
Chairman
DIN : 00025179

Place : Pune
Date : 29th May 2023

Statement of Changes in Equity for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2021	Changes in Equity Share Capital during the year	Balance as at 31st March 2022
1,318	--	1,318	--	1,318
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

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 2021	5,920	34,629	1,42,281	1,900	1,84,730
Profit / (Loss) for the year	--	--	(7,460)	--	(7,460)
Other Comprehensive Income (Net of tax)	--	--	310	455	765
Dividends	--	--	(659)	--	(659)
Balance as at 31st March 2022	5,920	34,629	1,34,472	2,355	1,77,376
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

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 : 29th May 2023

Sanjay Kumar Bohra
 Chief Financial Officer

Nikhil Deshpande
 Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
 Chairman
 DIN : 00025179

 Place : Pune
 Date : 29th May 2023

Statement of Cash Flows for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A. Cash flow from Operating Activities		
Profit / (Loss) before tax	29,063	(11,335)
Adjustments for		
Depreciation and Amortization expense	24,074	19,094
Net exchange differences (unrealised)	1,178	(250)
Interest Income	(75)	(14)
Dividend income on Equity Securities	(17)	(7)
Loss / (Gain) on disposal of Property, Plant and Equipment	113	(72)
Finance Costs	6,840	4,104
Write off - Capital WIP & Intangible Assets under development	9,999	--
Write off - Advances & Other receivables	666	--
Inventory write down	765	37
Operating Profit before Working Capital adjustments	72,606	11,557
Working Capital adjustments		
Increase / Decrease in		
Trade Receivables	(746)	(6,340)
Inventories	(19,707)	(7,969)
Other Financial Assets	(25,507)	(352)
Other Non-financial Assets	(5,844)	(2,670)
Trade Payables	22,414	7,612
Financial Liabilities	164	(84)
Non-financial Liabilities	8,941	2,144
Provisions	1,157	(2,331)
Cash generated from Operations	53,478	1,567
Income Tax (paid) / Refund (Net)	(332)	249
Net Cash flow from / (used in) Operating Activities	53,146	1,816
B. Cash flow from Investing Activities		
Payments for Property, Plant and Equipment and Intangible Assets	(25,952)	(39,939)
Proceeds from sale of Property, Plant and Equipment and Intangible Assets	201	6,583
Interest received	87	9
Investments in Joint Venture	--	(2,234)
Dividends received	17	7
Net Cash flow from / (used in) Investing Activities	(25,647)	(35,574)
C. Cash flow from Financing Activities		
Proceeds from / (Repayment of) borrowings (Net)	(12,126)	42,916
Interest paid	(7,241)	(4,780)
Dividends paid	(1,318)	(659)
Net Cash flow from / (used in) Financing Activities	(20,685)	37,477
Net Increase / (Decrease) in Cash and Cash equivalents	6,814	3,719
Cash and Cash equivalents at beginning of the financial year	6,911	3,192
Cash and Cash equivalents at end of the financial year	13,725	6,911
Cash and Cash equivalents as per Note No. 12	13,723	6,975
Effects of exchange rate fluctuations on Cash and Cash equivalents held	2	(64)
	13,725	6,911

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 : 29th May 2023

Sanjay Kumar Bohra
 Chief Financial Officer

Nikhil Deshpande
 Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
 Chairman
 DIN : 00025179

 Place : Pune
 Date : 29th May 2023

Notes to Financial Statements for the year ended 31st March 2023

1. THE CORPORATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

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

(b) Basis of Preparation

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

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) 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.

(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.

(h) Impairment of assets

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

(i) Depreciation & Amortization

(i) Property, Plant and Equipment

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

Notes to Financial Statements for the year ended 31st March 2023

- (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 2023
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.

(u) Incentives

Incentives are disclosed as "Other Income", in the Financial Statements. Refer Note No. 28(a).

(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.

(y) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April 2023, as below. The Company is evaluating the impact of these pronouncements on the financial statements.

- (i) Ind AS 1 – Presentation of Financial Statements
- (ii) Ind AS 12 – Income Taxes
- (iii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Aircrafts	Total	Capital Work-in-Progress
	Freehold	Leasehold								
Gross carrying amount										
Balance as at 1st April 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
Balance as at 31st March 2023	868	2,553	34,442	2,89,810	2,106	5,715	1,344	4,668	3,41,506	3,866
Accumulated depreciation										
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	
Balance as at 31st March 2023	--	219	13,427	1,60,079	1,516	3,056	1,129	1,656	1,81,082	
Carrying amounts (Net)										
As at 31st March 2023	868	2,334	21,015	1,29,731	590	2,659	215	3,012	1,60,424	3,866
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 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

4. INVESTMENT PROPERTY

Particulars	Industrial Shed
Gross carrying amount	
Balance as at 1st April 2022	794
Additions	191
Disposals / Adjustments	--
Balance as at 31st March 2023	985
Accumulated depreciation	
Balance as at 1st April 2022	288
Depreciation for the year	29
Disposals / Adjustments	--
Balance as at 31st March 2023	317
Carrying amounts (Net)	
As at 31st March 2023	668
As at 31st March 2022	506

Information regarding income and expenditure of Investment Property :

Particulars	As at 31st March 2023	As at 31st March 2022
Rental income derived from investment property	268	--
Direct operating expenses (including repairs and maintenance) generating rental income	20	--*
Income arising from investment property before depreciation and indirect expenses	248	--*
Less : Depreciation	29	24
Income from investment property	219	(24)

Leasing arrangements

The Company's investment property consists of industrial property situated at Chakan. 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 in those location, instead of valuation by a registered valuer, and consequently classified as a Level-2 valuation.

Particulars	As at 31st March 2023	As at 31st March 2022
Industrial Property	2,902	2,902

Reconciliation of fair value

Particulars	Industrial Property
Balance as at 1st April 2022	2,902
Change in fair value	--
Balance as at 31st March 2023	2,902

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

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

5. INTANGIBLE ASSETS

Particulars	Software	Technical Know-how acquired	Technical Know-how internally generated	Total	Intangible Assets under development
Gross carrying amount					
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
Balance as at 31st March 2023	5,891	16,019	56,656	78,566	11,501
Accumulated amortization					
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	--	--	--	--	
Balance as at 31st March 2023	5,037	7,244	17,979	30,260	
Carrying amounts (Net)					
As at 31st March 2023	854	8,775	38,677	48,306	11,501
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

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 31.03.2023	2,371	1,210	82	203	3,866
2	Projects in progress as at 31.03.2022	6,780	732	245	7,808	15,565

(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 31.03.2023	3,728	1,227	2,914	3,632	11,501
2	Projects in progress as at 31.03.2022	2,842	3,343	2,826	5,639	14,650

6. FINANCIAL ASSETS : INVESTMENTS (NON-CURRENT)

	As at 31st March 2023	As at 31st March 2022
A. Investments at Fair Value through Other Comprehensive Income (FVTOCI)		
(a) Unquoted Equity Shares (fully paid)		
(i) 1 (31st March 2022 : 1) Equity Share of ₹ 10/-, fully paid in MAN Truck & Bus India Pvt. Ltd.	--*	--*
(ii) 50,000 (31st March 2022 : 50,000) Equity Shares of ₹ 10/- each fully paid in Pithampur Auto Cluster Ltd.	5	5
(iii) 5 (31st March 2022 : 5) Equity Shares of ₹ 50/- each, fully paid in Mittal Tower Premises Co-operative Society Ltd.	--*	--*
(b) Quoted Equity Shares (fully paid)		
3,47,187 (31st March 2022 : 3,47,187) Equity Shares of ₹ 2/- each, fully paid in ICICI Bank Ltd.	3,046	2,535
Total FVTOCI Investments	3,051	2,540

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

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

	<u>As at 31st March 2023</u>	<u>As at 31st March 2022</u>
B. Investment at Cost		
Unquoted Equity Shares (fully paid)		
(a) In Subsidiary		
8,80,200 (31st March 2022 : 8,80,200) Equity Shares of ₹ 10/- each, fully paid in Tempo Finance (West) Pvt. Ltd.	89	89
(b) In Joint Venture		
12,75,00,000 (31st March 2022 : 12,75,00,000) Equity Shares of ₹ 10/- each, fully paid in Force MTU Power Systems Pvt. Ltd.	12,750	12,750
Total Investment at Cost	<u>12,839</u>	<u>12,839</u>
Total Investments	<u>15,890</u>	<u>15,379</u>
Aggregate book value of quoted investments	3,046	2,535
Aggregate market value of quoted investments	3,046	2,535
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 2023</u>	<u>As at 31st March 2022</u>
Non-current		
(a) Other Loans and Advances		
(i) Considered Good - Unsecured	--	1
(ii) Which have significant increase in Credit Risk (Doubtful)	--	--
	<u>--</u>	<u>1</u>
Less : Allowances for expected credit losses	--	--
Total Non-current Loans and Advances	<u>--</u>	<u>1</u>
Current		
(a) Other Loans and Advances		
(i) Considered Good - Unsecured	38	10
(ii) Credit impaired (Doubtful)	--	--
Total Current Loans and Advances	<u>38</u>	<u>10</u>
Total Loans and Advances	<u>38</u>	<u>11</u>

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

8. CURRENT AND DEFERRED TAX

	<u>As at 31st March 2023</u>	<u>As at 31st March 2022</u>
A. Statement of Profit or Loss		
(a) Current Tax		
(i) Current Income Tax charge	5,187	--
(ii) Taxation in respect of earlier years	22	(1)
(b) Deferred Tax		
Relating to origination and reversal of temporary differences	8,649	(3,874)
Income Tax expense reported in the Statement of Profit or Loss	<u>13,858</u>	<u>(3,875)</u>
(c) Other Comprehensive Income (OCI)		
Deferred Tax related to items recognized in OCI during the year		
(i) Re-measurements on defined benefit plan	(115)	(167)
(ii) Quoted Equity Instruments	(59)	(60)
Income Tax recognized in OCI	<u>(174)</u>	<u>(227)</u>
B. Balance Sheet	<u>As at 31st March 2023</u>	<u>As at 31st March 2022</u>
(a) Current Tax Assets		
Advance Income Tax	--	1,050
Total Current Tax Assets (Net)	<u>--</u>	<u>1,050</u>
(b) Current Tax Liabilities		
Provision for Income Tax	3,828	--
Total Current Tax Liabilities (Net)	<u>3,828</u>	<u>--</u>
(c) Deferred Tax		
(i) Deferred Tax Assets (DTA)	35,709	42,689
(ii) Deferred Tax Liabilities (DTL)	(35,124)	(33,281)
Net Deferred Tax Assets / (Liabilities)	<u>585</u>	<u>9,408</u>

Reconciliation of tax expense and the accounting profit for the year ended 31st March 2023 and 31st March 2022

	<u>As at 31st March 2023</u>	<u>As at 31st March 2022</u>
Accounting Profit Before Tax	29,063	(11,335)
(a) Tax as per Income Tax Act	10,156	(3,961)
(b) Tax Expense		
(i) Current Tax	5,187	--
(ii) Deferred Tax	8,649	(3,874)
(iii) Taxation in respect of earlier years	22	(1)
Total Tax Expense	<u>13,858</u>	<u>(3,875)</u>
(c) Difference (a) - (b)	(3,702)	(86)
(d) Tax Reconciliation		
(i) Permanent Dis-allowances	(3,709)	(49)
(ii) Allowances and accelerated deductions	29	(38)
(iii) MAT credit	--	--
(iv) Taxation in respect of earlier years	(22)	1
Total	<u>(3,702)</u>	<u>(86)</u>

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred Tax Assets and Liabilities are as follows :

	Balance Sheet	
	As at 31st March 2023	As at 31st March 2022
Deferred Tax Assets / (Liabilities) in relation to		
Deferred Tax relates to the following : DTA / (DTL)		
(a) Property, Plant and Equipment	(34,912)	(33,124)
(b) Provision for doubtful advances	52	52
(c) Dis-allowance u/s 43B of the Income Tax Act	1,680	1,563
(d) Prepaid taxes claimed u/s 43B	--	(4)
(e) Carry forward Income tax loss	10,149	22,434
(f) MAT credit entitlement	23,828	18,640
(g) Quoted Equity Instrument through Other Comprehensive Income	(212)	(153)
Net Deferred Tax Assets / (Liabilities)	585	9,408

Significant components of net Deferred Tax Assets and Liabilities for the year ended 31st March 2023 are as follows :

Movement in temporary differences	As at 1st April 2022	Recognized in profit or loss during 2022-23	Recognized in Other Comprehensive Income during 2022-23	As at 31st March 2023
Property, Plant and Equipment	(33,124)	(1,788)	--	(34,912)
Provision for doubtful advances	52	--	--	52
Dis-allowance u/s 43B of the Income Tax Act	1,563	232	(115)	1,680
Prepaid taxes claimed u/s 43B	(4)	4	--	--
Carry forward Income tax loss	22,434	(12,285)	--	10,149
MAT credit entitlement	18,640	5,188	--	23,828
Quoted Equity Instrument through Other Comprehensive Income	(153)	--	(59)	(212)
	9,408	(8,649)	(174)	585

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

9. OTHER ASSETS

	As at 31st March 2023	As at 31st March 2022
Non-current		
(a) Capital Advances		
Considered Good - Unsecured	5,617	7,846
(b) Others	2,217	--
Total Non-current Other Assets	7,834	7,846
Current		
(a) Advances recoverable in cash or kind (includes Taxes, Duties, Refunds, Supplier Advance etc.)		
(i) Considered Good - Unsecured	13,630	10,199
(ii) Doubtful	108	108
	13,738	10,307
Less : Provision for doubtful advances	108	108
	13,630	10,199
(b) Gratuity Asset (Refer Note No. 37) (excess of funded value over liability)	764	569
Total Current Other Assets	14,394	10,768
Total Other Assets	22,228	18,614

10. INVENTORIES (CURRENT)

	As at 31st March 2023	As at 31st March 2022
(a) Raw Materials and Components*	64,521	46,822
(b) Finished goods	6,233	7,414
(c) Work-in-progress	8,691	6,722
(d) Stores and spares	3,210	2,755
* [Include Goods in transit : ₹ 19,657 Lakhs (31st March 2022 : ₹ 14,662 Lakhs)]		
Total Inventories	82,655	63,713

The write-down of inventories to net realisable value during the year amounted to ₹ 765 lakhs (31st March 2022 : ₹ 37 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 2023	As at 31st March 2022
(a) Considered Good - Unsecured	19,684	18,938
(b) Which have significant increase in Credit Risk (Doubtful)	40	40
	19,724	18,978
Less : Provision for Doubtful Receivables	40	40
Total Trade Receivables (Refer Note No. 11 (a) for ageing schedule)	19,684	18,938

Trade Receivables are not credit impaired.

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Note No. 11 (a) : Ageing schedule of Trade Receivables :

As on 31st March 2023																				
Sr. No.	Particulars	Total Receivables	Unbilled (net of advance)	Not due	Outstanding for following periods from due date of payment					Total Outstanding										
					1 = 2 + 3 + 9	2	3	4	5		6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	9 = 4 to 8					
(a)	Undisputed Trade Receivables																			
(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)	Disputed Trade Receivables																			
(i)	considered good	--	--	--	--	--	--	--	--	--										
(ii)	which have significant increase in credit risk	--	--	--	--	--	--	--	--	--										
(iii)	credit impaired	--	--	--	--	--	--	--	--	--										
Sub Total		19,724	4,751	6,916	6,151	260	693	767	186	8,057										
Less: Provision for doubtful debts		40	--	--	--	--	--	--	40	40										
Total Trade Receivables		19,684	4,751	6,916	6,151	260	693	767	146	8,017										

As on 31st March 2022																				
Sr. No.	Particulars	Total Receivables	Unbilled (net of advance)	Not due	Outstanding for following periods from due date of payment					Total Outstanding										
					1 = 2 + 3 + 9	2	3	4	5		6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	9 = 4 to 8					
(a)	Undisputed Trade Receivables																			
(i)	considered good	18,938	2,464	11,331	3,308	506	872	172	285	5,143										
(ii)	which have significant increase in credit risk	40	--	--	--	--	--	--	40	40										
(iii)	credit impaired	--	--	--	--	--	--	--	--	--										
(b)	Disputed Trade Receivables																			
(i)	considered good	--	--	--	--	--	--	--	--	--										
(ii)	which have significant increase in credit risk	--	--	--	--	--	--	--	--	--										
(iii)	credit impaired	--	--	--	--	--	--	--	--	--										
Sub Total		18,978	2,464	11,331	3,308	506	872	172	325	5,183										
Less: Provision for doubtful debts		40	--	--	--	--	--	--	40	40										
Total Trade Receivables		18,938	2,464	11,331	3,308	506	872	172	285	5,143										

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS (CURRENT)

	As at 31st March 2023	As at 31st March 2022
(a) Cash and Cash equivalents		
(i) Balances with Banks	13,718	6,970
(ii) Cheques on hand	--	--*
(iii) Cash on hand	5	5
	13,723	6,975
(b) Other Bank balances		
(i) Unpaid Dividend Accounts	64	61
(ii) Margin money and Security deposits (having maturity within 12 months)	33	160
	97	221
Total Cash and Cash equivalents	13,820	7,196

13. OTHER FINANCIAL ASSETS

	As at 31st March 2023	As at 31st March 2022
Non-Current		
(a) Security Deposits		
(i) Considered Good - Unsecured	1,835	1,555
(ii) Which have significant increase in Credit Risk (Doubtful)	--	--
(b) Margin Money and Security deposits (having maturity beyond 12 months)	69	--
Total Non-current Other Financial Assets	1,904	1,555
Current		
(a) Security Deposits		
Considered Good - Unsecured	46	45
(b) Interest accrued on deposits	3	15
(c) Government Incentives (Refer Note No. 28 (a))	25,254	359
Total Current Other Financial Assets	25,303	419
Total Other Financial Assets	27,207	1,974

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

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

14. EQUITY SHARE CAPITAL

	As at 31st March 2023	As at 31st March 2022
Authorised		
2,00,00,000 (31st March 2022 : 2,00,00,000) Equity Shares of ₹10/- each	2,000	2,000
Issued		
1,32,13,802 (31st March 2022 : 1,32,13,802) Equity Shares of ₹10/- each	1,321	1,321
Subscribed and Paid-up		
1,31,76,262 (31st March 2022 : 1,31,76,262) Equity Shares of ₹10/- each fully paid up	1,318	1,318
[of the above 2,00,918 (31st March 2022 : 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 2022 : 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 2023 or 31st March 2022].		
Add: Amount paid for Forfeited shares	--*	--*
Total Equity Share Capital	1,318	1,318

Note : Offer on Rights basis for 17,932 (31st March 2022 : 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 2023		As at 31st March 2022	
	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 2022 : 57.38%), 75,59,928 (31st March 2022 : 75,59,928) shares in the Company.

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

Name of Shareholder	As at 31st March 2023		As at 31st March 2022	
	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 2023
		As at 31st March 2023		As at 31st March 2022		
		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 Firodia	2,64,351	2.01%	2,64,351	2.01%	--
3.	Mr. Prasan Firodia	2,20,763	1.68%	2,20,763	1.68%	--

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

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

15. OTHER EQUITY

	As at 31st March 2023	As at 31st March 2022
I. Reserves and Surplus		
(a) Securities Premium	5,920	5,920
(b) General Reserve	34,629	34,629
(c) Retained Earnings		
(i) Opening balance	1,34,472	1,42,281
(ii) Net Profit / (Loss) for the year	15,205	(7,460)
(iii) Comprehensive income for the year	213	310
	<u>1,49,890</u>	<u>1,35,131</u>
Adjustments		
Equity Dividend	1,318	659
	<u>1,318</u>	<u>659</u>
Closing Balance	<u>1,48,572</u>	<u>1,34,472</u>
II. Equity instruments through Other Comprehensive Income		
Opening Balance	2,355	1,900
Adjustments		
FVTOCI Equity Investments - change in fair value	451	455
Closing Balance	<u>2,806</u>	<u>2,355</u>
Total Other Equity	<u>1,91,927</u>	<u>1,77,376</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 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 2023	As at 31st March 2022
Non-current		
(a) Loans from Bank (Secured)	38,163	47,388
(b) Loans and advances from related parties (Inter Corporate Deposits)	15,000	--
(c) Non-convertible Debentures (Secured)	6,334	12,667
Total Non-current Borrowings	<u>59,497</u>	<u>60,055</u>
Current		
(a) Loans repayable on demand		
(i) Working Capital Loan from Banks (Secured)	9,500	6,000
(ii) Loans and advances from related parties (Inter Corporate Deposits)	--	15,000
(b) Current maturities of Non-current Borrowings		
(i) Loans from Banks (Secured)	20,146	19,494
(ii) Non-convertible Debentures (Secured)	6,333	6,333
Total Current maturities of Non-current Borrowings	<u>26,479</u>	<u>25,827</u>
Total Current Borrowings	<u>35,979</u>	<u>46,827</u>
Total Borrowings [Refer Note No. 39(b) for maturity pattern of Borrowings]	<u>95,476</u>	<u>1,06,882</u>

Notes to Financial Statements for the year ended 31st March 2023

(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.
- **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 July 2024.
- 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 2023	As at 31st March 2022
Non-current		
Security Deposits	169	--
Total Non-current Other Financial Liabilities	169	--
Current		
(a) Deposits matured but not claimed	1	1
(b) Interest on Borrowings		
(i) Accrued but not due on Loans	416	300
(ii) Accrued but not due on NCD	82	137
(iii) Accrued and due on unclaimed deposits	--*	--*
(c) Unclaimed dividend	64	61
(d) Creditors for Capital Goods	2,410	5,166
(e) Security deposits	310	272
(f) Other payables	344	335
Total Current Other Financial Liabilities	3,627	6,272
Total Other Financial Liabilities	3,796	6,272

18. PROVISIONS

	As at 31st March 2023	As at 31st March 2022
Non-current		
(a) Provision for Employee benefits (Refer Note No. 37)	2,803	2,653
(b) Provision for Product Warranties	43	38
Total Non-current Provisions	2,846	2,691
Current		
(a) Provision for Employee benefits (Refer Note No. 37)	765	676
(b) Provision for Product Warranties	218	191
(c) Provision for Other expenses	12,508	11,951
Total Current Provisions	13,491	12,818
Total Provisions	16,337	15,509

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 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in Product Warranties

	As at 31st March 2023	As at 31st March 2022
Product Warranties		
(a) Opening balance	229	191
(b) Additional provision made during the year	215	191
(c) Amount paid during the year	(127)	(140)
(d) Amount written back	(56)	(13)
Closing balance	261	229

19. TRADE PAYABLES

	As at 31st March 2023	As at 31st March 2022
(a) Total outstanding dues of Micro and Small Enterprises	1,031	384
(b) Total outstanding dues other than Micro and Small Enterprises [Includes payable for Goods in transit : ₹ 19,657 lakhs (31st March 2022 : ₹ 14,662 lakhs) and liability towards bills discounted with Bank.]	73,464	51,306
Total Trade Payables	74,495	51,690

Trade Payables Ageing Schedule :

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	--	--	--	--	--	--
TOTAL	63,550	10,388	298	59	200	74,495

As on 31st March 2022						
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	344	--	--	--	--	344
(b) Others	42,767	8,294	41	12	192	51,306
(c) Disputed dues - MSME	--	--	--	--	40	40
(d) Disputed dues - Others	--	--	--	--	--	--
TOTAL	43,111	8,294	41	12	232	51,690

Refer Note No. 32 for disputed dues.

20. OTHER LIABILITIES

	As at 31st March 2023	As at 31st March 2022
Non-current		
Service Coupon Liability	176	102
Total Non-current Other Liabilities	176	102

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Current

	As at 31st March 2023	As at 31st March 2022
(a) Advances against order and deposits	15,204	8,381
(b) Statutory dues	3,860	1,936
(c) Service Coupon Liability	455	335
Total Current Other Liabilities	19,519	10,652
Total Other Liabilities	19,695	10,754

Movement in Service Coupon Liability

	As at 31st March 2023	As at 31st March 2022
Free Service Coupons		
(a) Opening balance	437	330
(b) Additional provisions made during the year	543	381
(c) Amount paid during the year	(304)	(237)
(d) Amount written back	(45)	(37)
Closing balance	631	437

21. REVENUE FROM OPERATIONS

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Sale of Products	4,98,096	3,20,726
(b) Other Operating Revenue		
(i) Service charges	311	276
(ii) Others	4,452	3,002
Total Revenue from Operations	5,02,859	3,24,004

22. OTHER INCOME

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Interest income	196	185
(b) Dividend income from Equity Investments designated at FVTOCI	17	7
(c) Gain on Exchange fluctuation (Net)	--	1,999
(d) Industrial Promotion Incentive (Refer Note No. 28 (a))	4,415	--
(e) Lease / Rental income	906	463
(f) Profit on sale of assets	88	72
(g) Others	581	2,462
Total Other Income	6,203	5,188

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

	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Stock		
(a) Finished Goods	7,414	12,688
(b) Work-in- progress	6,722	5,226
	14,136	17,914
Closing Stock		
(a) Finished Goods	6,233	7,414
(b) Work-in- progress	8,691	6,722
	14,924	14,136
Total Changes in Inventories of Finished Goods and Work-in-progress	(788)	3,778

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Salaries, Wages and Bonus	38,427	33,287
(b) Contribution to Provident, Other Funds and Schemes	2,695	2,561
(c) Staff welfare expenses	1,122	960
Total Employee Benefits Expense	42,244	36,808

25. FINANCE COSTS

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Interest expense	6,831	4,074
(b) Other borrowing costs	9	30
Total Finance Costs	6,840	4,104

Borrowing cost of ₹ 517 lakhs, (31st March 2022 : ₹ 782 lakhs) at the actual borrowing rates, has been capitalised during the current financial year.

26. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Depreciation on Property, Plant and Equipment	17,329	14,630
(b) Amortization of Intangible Assets	6,716	4,440
(c) Depreciation on Investment Property	29	24
Total Depreciation and Amortization Expense	24,074	19,094

27. OTHER EXPENSES

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Consumption of Stores and Spares	9,216	6,047
(b) Fabrication and Processing charges	4,320	842
(c) Power and Fuel	5,369	4,250
(d) Forwarding charges	4,132	2,543
(e) Lease / Rent	829	275
(f) Rates and Taxes	197	199
(g) Insurance	989	844
(h) Repairs and Maintenance:		
(i) Plant and Machinery	2,410	1,939
(ii) Buildings	177	291
(iii) Others	158	136
(i) Publicity and Sales promotion	1,535	1,286
(j) Payments to Auditors (Refer details below)	32	32
(k) Loss on Exchange Fluctuation (Net)	1,105	--
(l) Donation	1	16
(m) Expenditure on Corporate Social Responsibility (Refer Note No. 43)	--	74
(n) Loss on sale of assets	200	--*
(o) Other / Miscellaneous Expenses	10,875	8,104
Total Other Expenses	41,545	26,878

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

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Details of payments to Auditors

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Audit fees	24	24
(b) Taxation matters	1	1
(c) Limited review and Certification work	6	6
(d) Reimbursement of expenses	1	1
Total payments to Auditors	32	32

28. EXCEPTIONAL ITEMS

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Government Incentives	30,831	--
(b) Write off - Intangible Assets under development & Capital Work in progress (net of estimated realisable value)	(9,999)	--
Total Exceptional Items	20,832	--

(a) **Government Incentives** - During the year under report, the methods of availing of incentives/assistance, granted by the Government of Madhya Pradesh, as per the Madhya Pradesh Industrial Investment Promotion Assistance Scheme, 2010, **(the Scheme)**, were clarified by that Government. Accordingly, the Company could submit its claims for assistance, as per the Scheme, for the Financial Years 2017-2018 to 2021-2022. Sanction Orders dated 24th March 2023 were issued sanctioning the amount of assistance of ₹ 9,102 lakhs for the year 2017-18, ₹ 9,481 lakhs for the year 2018-19, ₹ 9,061 lakhs for the year 2019-20, ₹ 3,187 lakhs for the year 2020-21 and ₹ 4,415 lakhs for the year 2021-22. The Company has also received disbursement of sanctioned assistance amounting to ₹ 9,992 lakhs. The assistance amounting to ₹ 4,415 lakhs has been recognized under the head "Other Income", for the Financial Year 2021-2022 and assistance related to the Financial Years 2017-2018 to 2020-2021 amounting to ₹ 30,831 lakhs is treated as "Exceptional Item" - of income.

(b) **Write-off – Intangible Assets under development and Capital Work-in-Progress** - In view of the changing business environment, particularly emphasis on use of alternate energy, instead of fossil fuels, the Company was required to reassess various development programs under implementation and consequential effect on capital work-in-progress.

One of the Projects, which was under implementation, viz. manufacture of Utility Van Platform, based on technical assistance, available to the Company, was reviewed by the Board and the Company came to conclusion that it is not worthwhile pursuing the Project for development of Utility Van Platform, such as TO Platform for the time being.

Based on this review, it is decided that the intangible assets under development, having value of ₹ 4,620 lakhs and amount equal to ₹ 7,596 lakhs, reflected in capital work-in-progress, being value of assets/investment for acquisition of specific assets, such as dies, related to the said project in Utility Van Platform, be written off. Accordingly the value of the capital asset, in the development stage, was reduced from ₹ 12,216 lakhs to ₹ 2,217 lakhs. The amount of ₹ 2,217 lakhs represents realisable value of those assets based on the weight and prevalent market rates, ascertained on the basis of quotations/proposals received by the Company, in respect of disposal of these assets, when scrapped.

29. EARNINGS PER SHARE

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Profit / (Loss) attributable to Equity Shareholders	15,205	(7,460)
(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 : ₹	115.40	(56.62)

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 2023	As at 31st March 2022
(a) Contingent Liabilities		
Claims against the Company not acknowledged as debts		
(i) Taxes and Duties	7,782	8,019
(ii) Others (including Court cases pending)	3,325	3,826
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,405	12,688

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

- (c) As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Company has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Company. The Company has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Company and the developments in respect thereof. Moreover, considering the period lapsed, since the conclusion of the said legal proceedings, the Company does not expect any impact of this litigation on its financial position.

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 2023	As at 31st March 2022
(a) The amounts remaining unpaid to Micro and Small Enterprises as at the end of the year		
(i) Principal	1,031	384
(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 ₹ 985 lakhs Debit (31st March 2022 : ₹ 2,014 lakhs Credit) and on Capital account is ₹ 119 lakhs Debit (31st March 2022 : ₹ 15 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 2023	As at 31st March 2022
(a) Capital Expenditure	11,931	8,663
(b) Revenue Expenditure	14,497	10,594

(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 ₹ 6,561 lakhs (31st March 2022 : ₹ 7,269 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 2023

(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 2023
(a) Not later than one year	353
(b) Later than one year but not later than five years	1,597
(c) Later than five years	2,028
Total	3,978

(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
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 Firodia
- (b) Prasan Firodia
- (c) Arvind Mahajan
- (d) Lt. Gen. (Retd.) (Dr.) D. B. Shekatkar
- (e) Vallabh R. Bhanshali (w.e.f. 13.08.2022)
- (f) Mukesh M. Patel (w.e.f. 13.08.2022)
- (g) Sonia Prashar (w.e.f. 28.09.2022)
- (h) Pratap Pauer (upto 12.09.2022)
- (i) Dr. Indira Parikh (upto 12.09.2022)
- (j) Arun Sheth (upto 12.09.2022)
- (k) S. Padmanabhan (upto 12.09.2022)
- (l) Nitin Desai (upto 12.09.2022)
- (m) Prashant V. Inamdar
- (n) Sanjay Kumar Bohra

Nature of relationship

- Chairman
- Managing Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Executive Director (Operations)
- Chief Financial Officer

B. Other Entities

- (a) Jaya Hind Montupet Private Limited
- (b) Pinnacle Industries Limited
- (c) VDL Pinnacle Engineering India Private Limited
- (d) Kider (India) Private Limited
- (e) Bajaj Tempo Limited Provident Fund
- (f) Sakal Media Private Limited (upto 12.09.2022)
- (g) Amar Prerana Trust
- (h) Navalmal Firodia Memorial Hospital Trust

- Entity controlled by KMP of Company
- 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
- Entity controlled by KMP of Company

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

III. Transactions with Related Parties (Amounts including taxes)

Name of Related Party	31st March 2023		31st March 2022	
	Amount of transaction during the year	Balance as at 31st March 2023 Receivables / (Payables)	Amount of transaction during the year	Balance as at 31st March 2022 Receivables / (Payables)
A. Holding Company				
Jaya Hind Industries Pvt. Ltd.				
(a) Purchase of Capital Goods	334		707	
(b) Purchase of Raw Materials, Components & Others	11,457		5,469	
(c) Sundry Sales	674		284	
(d) Service Charges recovered	94	(326)	105	(610)
(e) Processing Charges recovered	123	430	32	428
(f) Dividend paid	756		378	
(g) Lease / Rent recovered	628		520	
(h) Expenses recovered	3		3	
(i) Inter Corporate Deposits (ICDs)	--	(15,000)	15,000	(15,000)
(j) Interest on ICDs	1,158		201	
B. Joint Venture Company				
Force MTU Power Systems Pvt. Ltd.				
(a) Service charges/Expenses recovered	248		642	
(b) Contribution to Equity	--		2,234	
(c) Royalty for use of Trademark	--*	1,657	--*	1,455
(d) Sundry Sales	--		11	
(e) Reimbursement of expenses	--		5	
C. Key Management Personnel				
(a) Remuneration				
(i) Short term employee benefits (including Commission)	738		378	
(ii) Post employment benefits	39	(320)	30	(31)
(iii) Other long-term benefits	49		39	
(b) Others				
(i) Dividend paid	49	--	24	--
(ii) Sitting fees	26	--	39	--
(iii) Professional Fees	5	--	--	--
D. Other Entities				
(a) Jaya Hind Montupet Pvt. Ltd.				
(i) Purchase of Raw Materials, Components & Others	--		--*	
(ii) Service Charges recovered	--	--	6	--*
(iii) Lease / Rent recovered	--		--*	
(b) Pinnacle Industries Ltd.				
(i) Purchase of Capital Goods	82		2,418	
(ii) Purchase of Raw Materials, Components & Others	18,676		11,524	
(iii) Sales	15,830	(685)	3,569	(2,422)
(iv) Lease / Rent recovered	173	1,803	63	1,081
(v) Reimbursement of Expenses	--*		--	
(vi) Processing Charges recovered	4		4	
(c) Kider (India) Pvt. Ltd.				
Purchase of Raw Materials, Components & Others	447	(47)	1,167	(50)
(d) VDL Pinnacle Engineering India Pvt. Ltd.				
Purchase of Capital Goods	12	(6)	32	(10)
(e) Bajaj Tempo Limited Provident Fund				
Contribution to Provident Fund	799	(72)	711	(59)
(f) Sakal Media Pvt. Ltd.				
Publicity charges	--	--	4	--
(g) Amar Prerana Trust				
(i) Sundry sales	--	--	--*	--
(ii) Training Facility Utilisation	--	--	2	--
(h) Navalmal Firodia Memorial Hospital Trust				
Lease / Rent recovered	--*	--	--*	--

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

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

37. EMPLOYEE BENEFITS
A. Defined Contribution Plans

An amount of ₹ 488 lakhs (31st March 2022 : ₹ 436 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 2023		As at 31st March 2022	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Amount to be recognized in Balance Sheet				
Present value of defined benefit obligation	6,987	30,589	6,775	25,139
Less : Fair value of plan assets	7,751	31,905	7,344	26,259
Amount to be recognized as Liability or (Asset)	<u>(764)</u>	<u>(1,316)</u>	<u>(569)</u>	<u>(1,120)</u>
(ii) Amount to be reflected in Balance Sheet				
Liabilities	(764)	(1,316)	(569)	(1,120)
Assets	--	--	--	--
Net Liability / (Asset)	<u>(764)</u>	<u>(1,316)</u>	<u>(569)</u>	<u>(1,120)</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 2023		For the year ended 31st March 2022	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Employee Benefits Expense				
Current service cost	536	835	567	809
(ii) Acquisition (Gain) / Loss	--	--	--	--
(iii) Finance cost				
Net Interest (Income) / Expense	(51)	(156)	(15)	(94)
Transfer in / (out)	(17)	--	--	--
Net periodic benefit cost recognized in the Statement of Profit and Loss	<u>468</u>	<u>679</u>	<u>552</u>	<u>715</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 2023		For the year ended 31st March 2022	
	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	(307)	3,862	(432)	(234)
(iii) Re-measurements for the year - plan asset (Gain) / Loss	(21)	(3,937)	(45)	(519)
(iv) Total re-measurements cost / (credit) for the year recognized in OCI	<u>(328)</u>	<u>(75)</u>	<u>(477)</u>	<u>(753)</u>
(v) Less : Accumulated balances transferred to retained earnings	(328)	(75)	(477)	(753)
Closing balances [re-measurements (Gain) / Loss recognized in OCI]	<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 2023

(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 2023		As at 31st March 2022	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Present value of obligation as at the beginning of the year	6,775	25,139	6,544	24,435
(ii) Acquisition adjustment	--	--	--	--
(iii) Transfer in / (out)	2	(594)	(3)	(333)
(iv) Interest cost	451	1,672	421	1,531
(v) Past service cost	--	--	--	--
(vi) Current service cost	536	835	567	809
(vii) Employee Contribution	--	1,496	--	1,392
(viii) Curtailment cost / (credit)	--	--	--	--
(ix) Settlement cost / (credit)	--	--	--	--
(x) Benefits paid	(470)	(1,821)	(322)	(2,461)
(xi) Re-measurements on obligation - (Gain) / Loss	(307)	3,862	(432)	(234)
Present value of obligation as at the end of the year	6,987	30,589	6,775	25,139

(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 2023		As at 31st March 2022	
	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	7,344	26,259	6,335	24,807
(ii) Acquisition adjustment	--	--	--	--
(iii) Transfer in / (out)	19	(594)	(3)	(334)
(iv) Interest income	502	1,828	436	1,625
(v) Contributions	235	2,296	872	2,103
(vi) Mortality charges and taxes	(9)	--	(10)	--
(vii) Benefits paid	(361)	(1,821)	(331)	(2,461)
(viii) Amount paid on settlement	--	--	--	--
(ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	21	3,937	45	519
Fair value of plan assets as at the end of the year	7,751	31,905	7,344	26,259
Actual return on plan assets	523		481	

(f) Net interest (Income) / Expenses

	For the year ended 31st March 2023		For the year ended 31st March 2022	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Interest (income) / expense - obligation	451	1,672	421	1,531
(ii) Interest (income) / expense - plan assets	(502)	(1,828)	(436)	(1,625)
Net interest (income) / expense for the year	(51)	(156)	(15)	(94)

* 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 6.90% has been used for the valuation purpose.

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Gratuity	As at 31st March 2023	As at 31st March 2022
(i) Discount rate	7.40%	6.90%
(ii) Expected return on plan assets	6.90%	6.60%
(iii) Salary growth rate *	8%	8%
(iv) Attrition rate - for Bargainable Staff & others	10%	10%
(v) Attrition rate - Workers	2%	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.

Provident Fund	As at 31st March 2023	As at 31st March 2022
(i) Discount rate	7.40%	6.90%
(ii) Interest rate	8.15%	8.10%
(iii) Yield spread	0.50%	0.50%
(iv) Attrition rate - for Bargainable Staff & others	10%	10%
(v) Attrition rate - Workers	2%	2%

Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of Obligation (PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 50/100 basis points (0.50% / 1%)

(h) Change in assumption	As at 31st March 2023		As at 31st March 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
(i) Discount rate				
Increase by 1%	6,634	--	6,404	--
Decrease by 1%	7,378	--	7,188	--
Increase by 0.5%	--	30,422	--	24,831
Decrease by 0.5%	--	30,906	--	25,462
(ii) Salary increase rate				
Increase by 1%	7,308	--	7,116	--
Decrease by 1%	6,692	--	6,462	--
(iii) Withdrawal rate				
Increase by 1%	6,966	--	6,755	--
Decrease by 1%	6,987	--	6,797	--
(iv) Expected future interest rate of Provident Fund				
Increase by 0.5%	--	30,896	--	25,450
Decrease by 0.5%	--	30,422	--	24,827

Notes to Financial Statements for the year ended 31st March 2023

(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 2023	31st March 2022	31st March 2023	31st March 2022
Financial Assets				
(a) Fair Value through Other Comprehensive Income (FVTOCI)				
Equity Investments	3,051	2,540	3,051	2,540
(b) Amortized cost				
(i) Trade Receivables	19,684	18,938	19,684	18,938
(ii) Loans	38	11	38	11
(iii) Other Financial Assets	27,207	1,974	27,207	1,974
(iv) Cash and cash equivalents	13,723	6,975	13,723	6,975
(v) Other Bank Balances	97	221	97	221
Total	63,800	30,659	63,800	30,659
Financial Liabilities				
Amortized cost				
(i) Non-current Borrowings	59,497	60,055	59,497	60,055
(ii) Current Borrowing	35,979	46,827	35,979	46,827
(iii) Trade Payable	74,495	51,690	74,495	51,690
(iv) Other Financial Liabilities	3,796	6,272	3,796	6,272
Total	1,73,767	1,64,844	1,73,767	1,64,844

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 Working Capital Loan, 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 2023	31st March 2022
Financial Assets			
(i) FVTOCI Investments - Quoted	Level 1	3,046	2,535
(ii) FVTOCI Investments - Unquoted	Level 3	5	5
Total		3,051	2,540

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

	Level	31st March 2023	31st March 2022
Financial Assets measured at amortized cost			
(i) Loans	Level 2	38	11
(ii) Other Financial Assets	Level 2	27,207	1,974
Total		27,245	1,985

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

(c) Financial Liabilities measured at amortized cost

	Level	31st March 2023	31st March 2022
(i) Non-current Borrowings	Level 2	59,497	60,055
(ii) Current Borrowing	Level 2	35,979	46,827
(iii) Other Financial Liabilities	Level 2	3,796	6,272
Total		99,272	1,13,154

The fair values disclosed in level 2 category are calculated using discounted cash flow method. These fair values reasonably approximate to the carrying values of financial assets and liabilities measured at amortized cost.

During the year ended 31st March 2023, 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 and LIBOR 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
As at 31st March 2023				
Gross Carrying Amount	11,667	6,411	1,646	19,724
Allowance for doubtful debts	--	--	(40)	(40)
Net	11,667	6,411	1,606	19,684
As at 31st March 2022				
Gross Carrying Amount	13,795	3,814	1,369	18,978
Allowance for doubtful debts	--	--	(40)	(40)
Net	13,795	3,814	1,329	18,938

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 2023

(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 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
As at 31st March 2022					
	Carrying amount	On Demand	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,06,882	6,000	40,827	60,055	1,06,882
Other Financial Liabilities	6,272	62	6,210	--	6,272
Trade and Other Payables	51,690	--	51,690	--	51,690

(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 ₹ 3,046 lakhs. A decrease / increase of 15% on the bank Nifty market index could have an impact of approximately ₹ 646 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 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
USD	28,06,747	38,05,373	2,318	2,899
EUR	1,73,56,008	1,43,71,911	15,738	12,301

Currency	Sensitivity %	Impact on profit (strengthening)*		Impact on profit (weakening)*	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
USD	5%	(116)	(145)	116	145
EUR	5%	(787)	(615)	787	615
		(903)	(760)	903	760

(* 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 2023 and 31st March 2022.

Particulars	As at 31st March 2023	As at 31st March 2022
Total Shareholder's Equity as reported in Balance Sheet	1,93,245	1,78,694
Net Debt :		
Short-term debt	9,500	21,000
Long-term debt (including current portion of long-term debt)	85,976	85,882
Gross Debt :	95,476	1,06,882
Less : Cash and Bank Balances	13,820	7,196
Net Debt / (Net Cash and Bank balances)	81,656	99,686

Notes to Financial Statements for the year ended 31st March 2023

(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 2023, have been transferred to that fund, except a sum of ₹ 0.60 lakh (31st March 2022 : ₹ 0.60 lakh) being amount of 5 Nos. (31st March 2022 : 5 Nos.) fixed deposits and interest thereon amounting to ₹ 0.25 lakh (31st March 2022 : ₹ 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 ₹ Nil (31st March 2022 : ₹ 74 lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No. 27 (m)] to the Notes to Financial Statements.

Sr. No.	Description	For the year ended 31st March 2023	For the year ended 31st March 2022
(a)	Gross amount required to be spent by the Company during the year	--	52
(b)	Amount of expenditure incurred	--	74
(c)	Shortfall/(Surplus) at the end of the year	--	(22)
(d)	Total of previous years shortfall/(surplus)	(27)	(5)
(e)	Reason for shortfall	NA	NA
(f)	Nature of CSR activities :		
(i)	Promoting education	--	38
(ii)	Disaster management and relief activities (Covid-19 Relief activity)	--	31
(iii)	Contribution to autonomous bodies established under Department of Science & Technology of the Central Government.	--	5
	Total	--	74
(g)	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.	--	--
(h)	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.	--	--
(i)	Amount available for set off in succeeding financial years	27	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 2023.

(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 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

(j) Key Financial Ratios

Sr. No.	Ratio	Formula used	FY 2022-23	FY 2021-22	% change	Reason for change in the ratio by more than 25%
(i)	Current Ratio	Current Assets	1.03	0.80	30%	Improvement in ratio is due to improved operating performance and working capital management.
		Current Liabilities				
(ii)	Debt-Equity Ratio	Total Debt	0.49	0.60	17%	
		Shareholders equity				
(iii)	Debt Service Coverage Ratio	Earning available for debt service excluding Exceptional items and Non-cash Operating Expenses	1.28	0.80	60%	Improvement in ratio is due to better financial performance as a result of overall improvement in sales and profitability.
		Debt service				
(iv)	Return On Equity	Net Profit Before Taxes and Exceptional items	0.04	(0.04)	208%	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	6.81	5.37	27%	Improvement in ratio is attributable to overall improvement in sales.
		Average Inventory				
(vi)	Trade Receivable Turnover Ratio	Net Sales	25.79	20.34	27%	Improvement in ratio is attributable to overall improvement in sales, better collection efforts and improved credit management process.
		Average Accounts Receivable				
(vii)	Trade Payable Turnover Ratio	Material consumption	6.23	5.40	15%	
		Average Trade Payables				
(viii)	Net Capital Turnover Ratio	Net Sales	100.52	(12.26)	920%	Improvement in ratio is attributable to overall improvement in sales and working capital.
		Working Capital				
(ix)	Net Profit Ratio	Net Profit Before Exceptional items	0.01	(0.02)	145%	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	0.07	(0.03)	304%	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	0.19	0.23	17%	
		Average fair value of Trade Investment				

Notes to Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

45. DIVIDEND

The Board of Directors has recommended payment of Dividend of ₹ 10 per fully paid Equity Shares (31st March 2022 : ₹ 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 : 29th May 2023

Sanjay Kumar Bohra
Chief Financial Officer

Nikhil Deshpande
Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
Chairman
DIN : 00025179

Place : Pune
Date : 29th May 2023

(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	490
8.	Total Assets	624
9.	Total Liabilities	624
10.	Investments	--
11.	Turnover (Total Revenue)	39
12.	Profit before taxation	39
13.	Provision for taxation	10
14.	Profit after taxation	29
15.	Proposed Dividend	--
16.	% of shareholding	66.43%

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

(All amounts in ₹ Lakhs, unless otherwise stated)

Part "B" : Associates and Joint Ventures

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

	Name of Joint Venture	Force MTU Power Systems Private Limited
1.	Latest Audited Balance Sheet date	31st March 2023
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	6,683
6.	Profit / (Loss) for the year	(3,647)
	(a) Considered in Consolidation	(1,860)
	(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 : 29th May 2023

Sanjay Kumar Bohra
Chief Financial Officer

Nikhil Deshpande
Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
Chairman
DIN : 00025179

Place : Pune
Date : 29th May 2023

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, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2023, 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.

Emphasis of Matter

Attention is invited to Note No. 29 of consolidated financial statements regarding recognition of Government incentives and writing off Intangible Assets under development and Capital Work-in-Progress as exceptional item. Our Opinion is not modified in this respect.

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.	Contingent Liability 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 No. 32(a) to consolidated financial statements)	Our procedures included, but were not limited to, the following : <ul style="list-style-type: none"> • 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. • 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. • Assessed management's discussions held with their legal consultants and understanding precedents in similar cases; • Our own teams of tax experts assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.
2.	Intangible assets 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	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; The audit procedures included : <ul style="list-style-type: none"> • Obtained the list of approved project wise details and verify the completeness and accuracy of cost data with respect to various system generated reports. • Inspected the respective approvals for initiation of capitalisation including government approvals (DSIR) where applicable;

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	<p>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. (Refer Note No. 2(g) and Note No. 5 of the consolidated financial statements)</p>	<ul style="list-style-type: none"> • Reviewed the cost allocation for the year and determined that costs capitalised are directly attributable. • 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. • 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. • After carrying out above audit procedures, we concluded that relevant criteria for capitalisation have been met.

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 ₹ 624 Lakhs as at March 31, 2023, and total revenue of ₹ 39 Lakhs and net cash inflows amounting to ₹ 29 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 ₹ 1,855 lakhs for the year ended March 31, 2023, 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, 2023 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, 2023 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 No. 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’s accounting software is postponed to financial year commencing on or after 1st April 2023 as per notification G.S.R. 235(E) dated 31st March 2022 as issued by the Ministry of Corporate Affairs. Accordingly, reporting for the same is not applicable.

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 : 29th May 2023

Suhas Deshpande
Partner
Membership No. : 031787
UDIN : 23031787BGYQGD4013

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, 2023, 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, 2023, 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 : 29th May 2023

Suhas Deshpande
Partner
Membership No. : 031787
UDIN : 23031787BGYQGD4013

Consolidated Balance Sheet as at 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I ASSETS			
1. Non-current Assets			
(a) Property, Plant and Equipment	3	1,60,424	1,56,885
(b) Capital Work-in-progress	3	3,866	15,565
(c) Investment Property	4	668	506
(d) Goodwill		1	1
(e) Other Intangible Assets	5	48,306	45,912
(f) Intangible Assets under development	5	11,501	14,650
(g) Financial Assets			
(i) Investments	6	9,734	11,077
(ii) Loans and Advances	7	--	1
(iii) Other Financial Assets	13	1,904	1,555
(h) Deferred Tax Assets (Net)	8	585	9,408
(i) Other Non-current Assets	9	7,834	7,846
Total Non-current Assets		2,44,823	2,63,406
2. Current Assets			
(a) Inventories	10	82,655	63,713
(b) Financial Assets			
(i) Trade Receivables	11	19,684	18,938
(ii) Cash and Cash equivalents	12	14,037	7,260
(iii) Bank Balance other than (ii) above	12	97	221
(iv) Loans and Advances	7	38	10
(v) Other Financial Assets	13	25,612	728
(c) Current Tax Assets (Net)	8	--	1,051
(d) Other Current Assets	9	14,394	10,768
Total Current Assets		1,56,517	1,02,689
Total Assets		4,01,340	3,66,095
II EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	14	1,318	1,318
(b) Other Equity	15	1,86,185	1,73,469
(c) Equity attributable to owners of the Company		1,87,503	1,74,787
(d) Non-controlling Interest	21	209	199
Total Equity		1,87,712	1,74,986
2. Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	59,497	60,055
(ii) Other Financial Liabilities	17	169	--
(b) Other Non-current Liabilities	20	176	102
(c) Provisions	18	2,846	2,691
Total Non-current Liabilities		62,688	62,848
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	35,979	46,827
(ii) Trade Payables	19		
- Total outstanding dues of Micro and Small Enterprises		1,031	384
- Total outstanding dues other than Micro and Small Enterprises		73,464	51,307
(iii) Other Financial Liabilities	17	3,627	6,272
(b) Other Current Liabilities	20	19,519	10,652
(c) Current Tax Liabilities (Net)	8	3,827	--
(d) Provisions	18	13,493	12,819
Total Current Liabilities		1,50,940	1,28,261
Total Liabilities		2,13,628	1,91,109
Total Equity and Liabilities		4,01,340	3,66,095

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 : 29th May 2023

Sanjay Kumar Bohra

Chief Financial Officer

Nikhil Deshpande

Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia

Chairman

DIN : 00025179

Place : Pune

Date : 29th May 2023

Consolidated Statement of Profit and Loss for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
I INCOME			
(a) Revenue from Operations	22	5,02,898	3,24,042
(b) Other Income	23	6,203	5,188
Total Income		5,09,101	3,29,230
II EXPENSES			
(a) Cost of Materials consumed		3,92,805	2,58,143
(b) Changes in Inventories of Finished Goods and Work-in-progress	24	(788)	3,778
(c) Employee benefits expense	25	42,244	36,808
(d) Finance costs	26	6,840	4,104
(e) Depreciation and Amortization expense	27	24,074	19,094
(f) Other expenses	28	41,545	26,878
(g) Expenditure included in the above items capitalised		(5,889)	(8,278)
Total Expenses		5,00,831	3,40,527
III Profit / (Loss) before share of Profit / (Loss) of Joint Venture and exceptional items		8,270	(11,297)
IV Share of Profit / (Loss) of Joint Venture		(1,860)	(1,667)
V Profit / (Loss) before exceptional items and tax		6,410	(12,964)
VI Exceptional Items (Net)	29	20,832	--
VII Profit / (Loss) Before Tax		27,242	(12,964)
VIII Tax Expense	8		
(a) Current Tax		5,197	10
(b) Deferred Tax		8,649	(3,874)
(c) Taxation in respect of earlier years		22	(1)
Total Tax Expense		13,868	(3,865)
IX Profit / (Loss) for the year		13,374	(9,099)
X Attributable to			
(a) Owners of the Company		13,364	(9,108)
(b) Non-controlling interest	21	10	9
		13,374	(9,099)
XI Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss			
(i) Re-measurements of net defined benefit liability		328	477
(ii) Equity instrument through Other Comprehensive Income		510	515
(iii) Share of Other Comprehensive Income of Joint Venture		7	8
		845	1,000
(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		(115)	(167)
(ii) Taxes on Equity instrument through Other Comprehensive Income		(59)	(60)
(iii) Share in taxes on Other Comprehensive Income of Joint Venture		(2)	(2)
		(176)	(229)
Total Other Comprehensive Income		669	771
Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)		14,043	(8,328)
XII Attributable to			
(a) Owners of the Company		14,033	(8,337)
(b) Non-controlling interest	21	10	9
		14,043	(8,328)
XIII Basic and Diluted Earnings per Equity Share [Nominal value per share ₹ 10/-] ₹	30	101.43	(69.13)
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 : 29th May 2023

Sanjay Kumar Bohra
 Chief Financial Officer

Nikhil Deshpande
 Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
 Chairman
 DIN : 00025179

 Place : Pune
 Date : 29th May 2023

Consolidated Statement of Changes in Equity for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2021	Changes in Equity Share Capital during the year	Balance as at 31st March 2022
1,318	--	1,318	--	1,318
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

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 2021	5,920	34,701	1,39,945	1,899	1,82,465	190
Profit / (Loss) for the year	--	--	(9,108)	--	(9,108)	9
Other Comprehensive Income (Net of tax)	--	--	316	455	771	--
Dividends	--	--	(659)	--	(659)	--
Transfer to General Reserve	--	5	(5)	--	--	--
Balance as at 31st March 2022	5,920	34,706	1,30,489	2,354	1,73,469	199
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

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 : 29th May 2023

Sanjay Kumar Bohra
 Chief Financial Officer

Nikhil Deshpande
 Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
 Chairman
 DIN : 00025179

 Place : Pune
 Date : 29th May 2023

Consolidated Statement of Cash Flows for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A. Cash flow from Operating Activities		
Profit / (Loss) before tax	27,242	(12,964)
Adjustments for		
Depreciation and Amortization expense	24,074	19,094
Net exchange differences (unrealised)	1,178	(250)
Interest Income	(75)	(14)
Dividend income on Equity Securities	(17)	(7)
Loss / (Gain) on disposal of Property, Plant and Equipment	113	(72)
Finance Costs	6,840	4,104
Write off - Capital WIP & Intangible Assets under development	9,999	--
Write off - Advances & Other receivables	666	--
Inventory write down	765	37
Share of (Profit) / Loss in Joint Venture	1,860	1,667
Operating Profit before Working Capital adjustments	72,645	11,595
Working Capital adjustments		
Increase / Decrease in		
Trade Receivables	(746)	(6,340)
Inventories	(19,707)	(7,969)
Other Financial Assets	(25,507)	(354)
Other Non-financial Assets	(5,844)	(2,670)
Trade Payables	22,414	7,612
Financial Liabilities	164	(84)
Non-financial Liabilities	8,941	2,144
Provisions	1,157	(2,331)
Cash generated from Operations	53,517	1,603
Income Tax (paid) / Refund (Net)	(343)	239
Net Cash flow from / (used in) Operating Activities	53,174	1,842
B. Cash flow from Investing Activities		
Payments for Property, Plant and Equipment and Intangible Assets	(25,952)	(39,939)
Proceeds from sale of Property, Plant and Equipment and Intangible Assets	201	6,583
Interest received	87	9
Investments in Joint Venture	--	(2,234)
Dividends received	17	7
Net Cash flow from / (used in) Investing Activities	(25,647)	(35,574)
C. Cash flow from Financing Activities		
Proceeds from / (Repayment of) borrowings (Net)	(12,126)	42,916
Interest paid	(7,241)	(4,780)
Dividends paid	(1,318)	(659)
Net Cash flow from / (used in) Financing Activities	(20,685)	37,477
Net Increase / (Decrease) in Cash and Cash equivalents	6,842	3,745
Cash and Cash equivalents at beginning of the financial year	7,197	3,452
Cash and Cash equivalents at end of the financial year	14,039	7,197
Cash and Cash equivalents as per Note No. 12	14,037	7,260
Effects of exchange rate fluctuations on Cash and Cash equivalents held	2	(63)
	14,039	7,197

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 : 29th May 2023

Sanjay Kumar Bohra
Chief Financial Officer

Nikhil Deshpande
Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
Chairman
DIN : 00025179

Place : Pune
Date : 29th May 2023

Notes to Consolidated Financial Statements for the year ended 31st March 2023

1. GROUP INFORMATION

Holding Company

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

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

Subsidiary Company

Tempo Finance (West) Private Limited, a Subsidiary Company of Force Motors Limited, is domiciled and incorporated in India, having its Registered Office at Mumbai-Pune Road, Akurdi, Pune - 411035. The Company is engaged in providing financial services.

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 ACCOUNTING POLICIES

(a) Statement of Compliance

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

(b) Basis of Preparation

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

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.

(e) Inventories

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

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

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

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

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

(f) Property, Plant and Equipment

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

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

Costs incurred to manufacture property, plant and equipment and 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.

Notes to Consolidated Financial Statements for the year ended 31st March 2023

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.
- (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 Consolidated Financial Statements for the year ended 31st March 2023

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.

(w) Incentives

Incentives receivable / received are disclosed as "Other Income", in the Financial Statements. Refer Note No. 29(a)

(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.

(aa) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below. The Group is evaluating the impact of these pronouncements on the financial statements.

- (i) Ind AS 1 - Presentation of Financial Statements
- (ii) Ind AS 12 - Income Taxes
- (iii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Aircrafts	Total	Capital Work-in-Progress
	Freehold	Leasehold								
Gross carrying amount										
Balance as at 1st April 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
Balance as at 31st March 2023	868	2,553	34,442	2,89,810	2,106	5,715	1,344	4,668	3,41,506	3,866
Accumulated depreciation										
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	
Balance as at 31st March 2023	--	219	13,427	1,60,079	1,516	3,056	1,129	1,656	1,81,082	
Carrying amounts (Net)										
As at 31st March 2023	868	2,334	21,015	1,29,731	590	2,659	215	3,012	1,60,424	3,866
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 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

4. INVESTMENT PROPERTY

Particulars	Industrial Shed
Gross carrying amount	
Balance as at 1st April 2022	794
Additions	191
Disposals / Adjustments	--
Balance as at 31st March 2023	985
Accumulated depreciation	
Balance as at 1st April 2022	288
Depreciation for the year	29
Disposals / Adjustments	--
Balance as at 31st March 2023	317
Carrying amounts (Net)	
As at 31st March 2023	668
As at 31st March 2022	506

Information regarding income and expenditure of Investment Property

Particulars	As at 31st March 2023	As at 31st March 2022
Rental income derived from investment property	268	--
Direct operating expenses (including repairs and maintenance) generating rental income	20	--*
Income arising from investment property before depreciation and indirect expenses	248	--*
Less : Depreciation	29	24
Income from investment property	219	(24)

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 in those location, instead of valuation by a registered valuer, and consequently classified as a Level-2 valuation.

Particulars	As at 31st March 2023	As at 31st March 2022
Industrial Property	2,902	2,902

Reconciliation of fair value

Particulars	Industrial Property
Balance as at 1st April 2022	2,902
Change in fair value	--
Balance as at 31st March 2023	2,902

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

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

5. INTANGIBLE ASSETS

Particulars	Software	Technical Know-how acquired	Technical Know-how internally generated	Total	Intangible Assets under development
Gross carrying amount					
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
Balance as at 31st March 2023	5,891	16,019	56,656	78,566	11,501
Accumulated Amortization					
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	--	--	--	--	
Balance as at 31st March 2023	5,037	7,244	17,979	30,260	
Carrying amounts (Net)					
As at 31st March 2023	854	8,775	38,677	48,306	11,501
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 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 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 31.03.2023	2,371	1,210	82	203	3,866
2	Projects in progress as at 31.03.2022	6,780	732	245	7,808	15,565

(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 31.03.2023	3,728	1,227	2,914	3,632	11,501
2	Projects in progress as at 31.03.2022	2,842	3,343	2,826	5,639	14,650

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

6. FINANCIAL ASSETS : INVESTMENTS (NON-CURRENT)

	<u>As at 31st March 2023</u>	<u>As at 31st March 2022</u>
A. Investments at fair value through Other Comprehensive Income (FVTOCI)		
(a) Unquoted Equity Shares (fully paid)		
(i) 1 (31st March 2022 : 1) Equity Share of ₹ 10/-, fully paid in MAN Truck & Bus India Pvt. Ltd.	--*	--*
(ii) 50,000 (31st March 2022 : 50,000) Equity Shares of ₹ 10/- each, fully paid in Pithampur Auto Cluster Ltd.	5	5
(iii) 5 (31st March 2022 : 5) Equity Shares of ₹ 50/- each, fully paid in Mittal Tower Premises Co-operative Society Ltd.	--*	--*
(b) Quoted Equity Shares (fully paid)		
3,47,187 (31st March 2022 : 3,47,187) Equity Shares of ₹ 2/- each, fully paid in ICICI Bank Ltd.	3,046	2,535
Total FVTOCI Investments	<u>3,051</u>	<u>2,540</u>
B. Investment at Cost		
Unquoted Equity Shares (fully paid)		
In Joint Venture		
12,75,00,000 (31st March 2022 : 12,75,00,000) Equity Shares of ₹ 10/- each, fully paid in Force MTU Power Systems Pvt. Ltd. (Refer Note No. 48)	6,683	8,537
Total Investments	<u>9,734</u>	<u>11,077</u>
Aggregate book value of quoted investments	3,046	2,535
Aggregate market value of quoted investments	3,046	2,535
Aggregate value of unquoted investments	6,688	8,542
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 2023</u>	<u>As at 31st March 2022</u>
Non-current		
(a) Other Loans and Advances		
(i) Considered Good - Unsecured	--	1
(ii) Which have significant increase in Credit Risk (Doubtful)	--	--
	--	1
Less : Allowances for expected credit losses	--	--
Total Non-current Loans and Advances	<u>--</u>	<u>1</u>
Current		
(a) Other Loans and Advances		
(i) Considered Good - Unsecured	38	10
(ii) Credit impaired (Doubtful)	--	--
Total Current Loans and Advances	<u>38</u>	<u>10</u>
Total Loans and Advances	<u>38</u>	<u>11</u>

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

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

8. CURRENT AND DEFERRED TAX

	As at 31st March 2023	As at 31st March 2022
A. Statement of Profit or Loss		
(a) Current Tax		
(i) Current Income Tax charge	5,197	10
(ii) Taxation in respect of earlier years	22	(1)
(b) Deferred Tax		
Relating to origination and reversal of temporary differences	8,649	(3,874)
Income Tax expense reported in the Statement of Profit and Loss	13,868	(3,865)
(c) Other Comprehensive Income (OCI)		
Deferred tax related to items recognized in OCI during the year		
(i) Re-measurements on defined benefit plan	(115)	(167)
(ii) Quoted Equity Instruments	(59)	(60)
(iii) Share in taxes on Other Comprehensive Income of Joint Venture	(2)	(2)
Income Tax recognized in OCI	(176)	(229)
	As at 31st March 2023	As at 31st March 2022
B. Balance Sheet		
(a) Current Tax Assets		
Advance Income Tax	--	1,051
Total Current Tax Assets (Net)	--	1,051
(b) Current Tax Liabilities		
Provision for Income Tax	3,827	--
Total Current Tax Liabilities (Net)	3,827	--
(c) Deferred Tax		
(i) Deferred Tax Assets (DTA)	35,709	42,689
(ii) Deferred Tax Liabilities (DTL)	(35,124)	(33,281)
Net Deferred Tax Assets / (Liabilities)	585	9,408
Reconciliation of tax expense and the accounting profit for the year ended 31st March 2023 and 31st March 2022		
	As at 31st March 2023	As at 31st March 2022
Accounting Profit / (Loss) Before Tax	27,242	(12,964)
(a) Tax as per Income Tax Act	10,166	(3,951)
(b) Tax Expense		
(i) Current Tax	5,197	10
(ii) Deferred Tax	8,649	(3,874)
(iii) Taxation in respect of earlier years	22	(1)
Total Tax Expense	13,868	(3,865)
(c) Difference (a-b)	(3,702)	(86)
(d) Tax Reconciliation		
(i) Permanent Dis-allowances	(3,709)	(49)
(ii) Allowances and accelerated deductions	29	(38)
(iii) MAT credit	--	--
(iv) Taxation in respect of earlier years	(22)	1
Total	(3,702)	(86)

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Deferred Tax Assets and Liabilities are as follows :

	Balance Sheet	
	As at 31st March 2023	As at 31st March 2022
Deferred Tax Assets / (Liabilities) in relation to		
Deferred Tax relates to the following : DTA / (DTL)		
(a) Property, Plant and Equipment	(34,912)	(33,124)
(b) Provision for doubtful advances	52	52
(c) Dis-allowance u/s 43B of the Income Tax Act	1,680	1,563
(d) Prepaid taxes claimed u/s 43B	--	(4)
(e) Carry forward Income tax loss	10,149	22,434
(f) MAT credit entitlement	23,828	18,640
(g) Quoted Equity Instrument through Other Comprehensive Income	(212)	(153)
Net Deferred Tax Assets / (Liabilities)	585	9,408

Significant components of net Deferred Tax Assets and Liabilities for the year ended 31st March 2023 are as follows :

Movement in temporary differences	As at 1st April 2022	Recognized in Profit or Loss during 2022-23	Recognized in Other Comprehensive Income during 2022-23	As at 31st March 2023
Property, Plant and Equipment	(33,124)	(1,788)	--	(34,912)
Provision for doubtful advances	52	--	--	52
Dis-allowance u/s 43B of the Income Tax Act	1,563	232	(115)	1,680
Prepaid taxes claimed u/s 43B	(4)	4	--	--
Carry forward Income tax loss	22,434	(12,285)	--	10,149
MAT credit entitlement	18,640	5,188	--	23,828
Quoted Equity Instrument through Other Comprehensive Income	(153)	--	(59)	(212)
	9,408	(8,649)	(174)	585

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 ₹114 lakhs (31st March 2022: ₹ 107 lakhs) has not been recognized.

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

9. OTHER ASSETS

	As at 31st March 2023	As at 31st March 2022
Non-current		
(a) Capital Advances		
Considered Good - Unsecured	5,617	7,846
(b) Others	2,217	--
Total Non-current Other Assets	7,834	7,846
Current		
(a) Advances recoverable in cash or kind (includes Taxes, Duties, Refunds, Suppliers Advance, etc.)		
(i) Considered Good - Unsecured	13,630	10,199
(ii) Doubtful	108	108
	13,738	10,307
Less : Provision for doubtful advances	108	108
	13,630	10,199
(b) Gratuity Asset (Refer Note No. 38) (excess of funded value over liability)	764	569
Total Current Other Assets	14,394	10,768
Total Other Assets	22,228	18,614

10. INVENTORIES (CURRENT)

	As at 31st March 2023	As at 31st March 2022
(a) Raw Materials and Components*	64,521	46,822
(b) Finished goods	6,233	7,414
(c) Work-in-progress	8,691	6,722
(d) Stores and spares	3,210	2,755
* [Include Goods in transit : ₹ 19,657 lakhs (31st March 2022 : ₹ 14,662 lakhs)]		
Total Inventories	82,655	63,713

The write-down of inventories to net realisable value during the year amounted to ₹ 765 lakhs (31st March 2022 : ₹ 37 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 2023	As at 31st March 2022
(a) Considered Good - Unsecured	19,684	18,938
(b) Which have significant increase in Credit Risk (Doubtful)	40	40
	19,724	18,978
Less : Provision for Doubtful Receivables	40	40
Total Trade Receivables (Refer Note No. 11 (a) for ageing schedule)	19,684	18,938

Trade Receivables are not credit impaired.

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Note No. 11 (a) : Ageing Schedule of Trade Receivables :

As on 31st March 2023																					
Sr. No.	Particulars	Total Receivables	Unbilled (net of advance)	Not due	Outstanding for following periods from due date of payment					Total Outstanding											
					1 = 2 + 3 + 9	2	3	4	5		6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	8	9 = 4 to 8					
(a)	Undisputed Trade Receivables																				
	(i) considered good	19,684	4,751	6,916	260	693	767	146	8,017												
	(ii) which have significant increase in credit risk	40	--	--	--	--	--	40	40												
	(iii) credit impaired	--	--	--	--	--	--	--	--												
(b)	Disputed Trade Receivables																				
	(i) considered good	--	--	--	--	--	--	--	--												
	(ii) which have significant increase in credit risk	--	--	--	--	--	--	--	--												
	(iii) credit impaired	--	--	--	--	--	--	--	--												
	Sub Total	19,724	4,751	6,916	260	693	767	186	8,057												
	Less: Provision for doubtful debts	40	--	--	--	--	--	40	40												
	Total Trade Receivables	19,684	4,751	6,916	260	693	767	146	8,017												

As on 31st March 2022																					
Sr. No.	Particulars	Total Receivables	Unbilled (net of advance)	Not due	Outstanding for following periods from due date of payment					Total Outstanding											
					1 = 2 + 3 + 9	2	3	4	5		6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	8	9 = 4 to 8					
(a)	Undisputed Trade Receivables																				
	(i) considered good	18,938	2,464	11,331	506	872	172	285	5,143												
	(ii) which have significant increase in credit risk	40	--	--	--	--	--	40	40												
	(iii) credit impaired	--	--	--	--	--	--	--	--												
(b)	Disputed Trade Receivables																				
	(i) considered good	--	--	--	--	--	--	--	--												
	(ii) which have significant increase in credit risk	--	--	--	--	--	--	--	--												
	(iii) credit impaired	--	--	--	--	--	--	--	--												
	Sub Total	18,978	2,464	11,331	506	872	172	325	5,183												
	Less: Provision for doubtful debts	40	--	--	--	--	--	40	40												
	Total Trade Receivables	18,938	2,464	11,331	506	872	172	285	5,143												

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS (CURRENT)

	As at 31st March 2023	As at 31st March 2022
(a) Cash and Cash equivalents		
(i) Balances with Banks	13,738	6,981
(ii) Short term deposits with Banks / NBFC	294	274
(iii) Cheques on hand	--	--*
(iv) Cash on hand	5	5
	14,037	7,260
(b) Other Bank balances		
(i) Unpaid Dividend Accounts	64	61
(ii) Margin money and Security deposits (having maturity within 12 months)	33	160
	97	221
Total Cash and Cash equivalents	14,134	7,481

13. OTHER FINANCIAL ASSETS

	As at 31st March 2023	As at 31st March 2022
Non-current		
(a) Security Deposits		
(i) Considered Good - Unsecured	1,835	1,555
(ii) Which have significant increase in credit risk (Doubtful)	--	--
(b) Margin Money and Security deposits (having maturity beyond 12 months)	69	--
Total Non-current Other Financial Assets	1,904	1,555
Current		
(a) Security Deposits		
Considered Good - Unsecured	46	45
(b) Interest accrued on deposits	12	24
(c) Government Incentives (Refer Note No. 29 (a))	25,254	359
(d) Corporate Deposits	300	300
Total Current Other Financial Assets	25,612	728
Total Other Financial Assets	27,516	2,283

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

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

14. EQUITY SHARE CAPITAL

	As at 31st March 2023	As at 31st March 2022
Authorised		
2,00,00,000 (31st March 2022 : 2,00,00,000) Equity Shares of ₹ 10/- each	2,000	2,000
Issued		
1,32,13,802 (31st March 2022 : 1,32,13,802) Equity Shares of ₹ 10/- each	1,321	1,321
Subscribed and Paid-up		
1,31,76,262 (31st March 2022 : 1,31,76,262) Equity Shares of ₹ 10/- each fully paid up	1,318	1,318
[of the above 2,00,918 (31st March 2022 : 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 2022 : 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 2023 or 31st March 2022].		
Add: Amount paid for Forfeited shares	--*	--*
Total Equity Share Capital	1,318	1,318

Note: Offer on Right basis for 17,932 (31st March 2022 : 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 2023		As at 31st March 2022	
	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 2022 : 57.38%), 75,59,928 (31st March 2022 : 75,59,928) shares in the Company.

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

Name of the Shareholder	As at 31st March 2023		As at 31st March 2022	
	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 2023
		As at 31st March 2023		As at 31st March 2022		
		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 Firodia	2,64,351	2.01%	2,64,351	2.01%	--
3.	Mr. Prasan 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 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

15. OTHER EQUITY

	As at 31st March 2023	As at 31st March 2022
I. Reserves and Surplus		
(a) Securities Premium	5,920	5,920
(b) General Reserve		
(i) Opening balance	34,706	34,701
(ii) Add : Transferred from retained earnings	7	7
	<u>34,713</u>	<u>34,708</u>
(iii) Less : Transferred to non-controlling interest	2	2
Closing balance	<u>34,711</u>	<u>34,706</u>
(c) Retained Earnings		
(i) Opening balance	1,30,489	1,39,945
(ii) Net Profit / (Loss) for the year	13,374	(9,099)
(iii) Comprehensive income for the year	218	316
	<u>1,44,081</u>	<u>1,31,162</u>
Adjustments		
(i) Equity Dividend	1,318	659
(ii) Transfer to General Reserve	7	7
	<u>1,42,756</u>	<u>1,30,496</u>
Less : Transferred to non-controlling interest	7	7
Closing Balance	<u>1,42,749</u>	<u>1,30,489</u>
II. Equity instruments through Other Comprehensive Income		
Opening Balance	2,354	1,899
Adjustments		
FVTOCI Equity Investments - change in fair value	451	455
Closing Balance	<u>2,805</u>	<u>2,354</u>
Total Other Equity	<u>1,86,185</u>	<u>1,73,469</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 2023	As at 31st March 2022
Non-current		
(a) Loans from Bank (Secured)	38,163	47,388
(b) Loans and Advances from related parties (Inter Corporate Deposits)	15,000	--
(c) Non-convertible Debentures (Secured)	6,334	12,667
Total Non-current Borrowings	<u>59,497</u>	<u>60,055</u>
Current		
(a) Loans repayable on demand		
(i) Working Capital Loan from Banks (Secured)	9,500	6,000
(ii) Loans and Advances from related parties (Inter Corporate Deposits)	--	15,000
(b) Current maturities of Non-current Borrowings		
(i) Loans from Bank (Secured)	20,146	19,494
(ii) Non-convertible Debentures (Secured)	6,333	6,333
Total Current maturities of Non-current Borrowings	<u>26,479</u>	<u>25,827</u>
Total Current Borrowings	<u>35,979</u>	<u>46,827</u>
Total Borrowings [Refer Note No. 40(b) for maturity pattern of Borrowings]	<u>95,476</u>	<u>1,06,882</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.
- **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 July 2024.
- 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.

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

17. OTHER FINANCIAL LIABILITIES

	As at 31st March 2023	As at 31st March 2022
Non-current		
Security Deposits	169	--
Total Non-current Other Financial Liabilities	169	--
Current		
(a) Deposits matured but not claimed	1	1
(b) Interest on Borrowings		
(i) Accrued but not due on Loans	416	300
(ii) Accrued but not due on NCD	82	137
(iii) Accrued and due on unclaimed deposits	--*	--*
(c) Unclaimed dividend	64	61
(d) Creditors for Capital Goods	2,410	5,166
(e) Security deposits	310	272
(f) Other payables	344	335
Total Current Other Financial Liabilities	3,627	6,272
Total Other Financial Liabilities	3,796	6,272

18. PROVISIONS

	As at 31st March 2023	As at 31st March 2022
Non-Current		
(a) Provision for Employee benefits (Refer Note No. 38)	2,803	2,653
(b) Provision for Product Warranties	43	38
Total Non-current Provisions	2,846	2,691
Current		
(a) Provision for Employee benefits (Refer Note No. 38)	765	676
(b) Provision for Product Warranties	218	191
(c) Provision for Other expenses	12,510	11,952
Total Current Provisions	13,493	12,819
Total Provisions	16,339	15,510

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 2023	As at 31st March 2022
Product Warranties		
(a) Opening Balance	229	191
(b) Additional Provision made during the year	215	191
(c) Amount paid during the year	(127)	(140)
(d) Amount written back	(56)	(13)
Closing Balance	261	229

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

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

19. TRADE PAYABLES

	As at 31st March 2023	As at 31st March 2022
(a) Total outstanding dues of Micro and Small Enterprises	1,031	384
(b) Total outstanding dues of other than Micro and Small Enterprises [Includes payable for Goods in transit : ₹ 19,657 lakhs (31st March 2022: ₹ 14,662 lakhs) and liability towards bills discounted with Bank.]	73,464	51,307
Total Trade Payables	74,495	51,691

Trade Payables ageing Schedule :

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	--	--	--	--	--	--
TOTAL	63,550	10,388	298	59	200	74,495

As on 31st March 2022						
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	344	--	--	--	--	344
(b) Others	42,768	8,294	41	12	192	51,307
(c) Disputed dues - MSME	--	--	--	--	40	40
(d) Disputed dues - Others	--	--	--	--	--	--
TOTAL	43,112	8,294	41	12	232	51,691

Refer Note No. 33 for disputed dues.

20. OTHER LIABILITIES

	As at 31st March 2023	As at 31st March 2022
Non-current		
Service Coupon Liability	176	102
Total Non-current Other Liabilities	176	102
Current		
(a) Advance against orders and deposits	15,204	8,381
(b) Statutory dues	3,860	1,936
(c) Service Coupon Liability	455	335
Total Current Other Liabilities	19,519	10,652
Total Other Liabilities	19,695	10,754
Movement in Service Coupon Liability		
	As at 31st March 2023	As at 31st March 2022
Free Service Coupons		
(a) Opening balance	437	330
(b) Additional provisions made during the year	543	381
(c) Amount paid during the year	(304)	(237)
(d) Amount written back	(45)	(37)
Closing balance	631	437

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

21. NON-CONTROLLING INTEREST (NCI)

	As at 31st March 2023	As at 31st March 2022
Tempo Finance (West) Private Limited		
Non-controlling Interest (%)	33.57%	33.57%
Current Assets	624	595
Current Liabilities	(2)	(1)
Net Assets	622	594
Net Assets attributable to NCI	209	199
Net Profit for the period of Tempo Finance (West) Private Limited	29	28
Net Profit attributable to NCI	10	9

22. REVENUE FROM OPERATIONS

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Sale of Products	4,98,096	3,20,726
(b) Interest income	39	38
(c) Other Operating Revenue		
(i) Service charges	311	276
(ii) Others	4,452	3,002
Total Revenue from Operations	5,02,898	3,24,042

23. OTHER INCOME

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Interest income	196	185
(b) Dividend income from Equity Investments designated at FVTOCI	17	7
(c) Gain on Exchange fluctuation	--	1,999
(d) Industrial Promotion Incentive (Refer Note No. 29 (a))	4,415	--
(e) Lease / Rental income	906	463
(f) Profit on sale of assets	88	72
(g) Others	581	2,462
Total Other Income	6,203	5,188

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

	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Stock		
(a) Finished Goods	7,414	12,688
(b) Work-in-progress	6,722	5,226
	14,136	17,914
Closing Stock		
(a) Finished Goods	6,233	7,414
(b) Work-in-progress	8,691	6,722
	14,924	14,136
Total Changes in Inventories of Finished Goods and Work-in-progress	(788)	3,778

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

25. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Salaries, Wages and Bonus	38,427	33,287
(b) Contribution to Provident, Other Funds and Schemes	2,695	2,561
(c) Staff Welfare expenses	1,122	960
Total Employee Benefits Expense	42,244	36,808

26. FINANCE COSTS

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Interest expense	6,831	4,074
(b) Other borrowing costs	9	30
Total Finance Costs	6,840	4,104

Borrowing cost of ₹ 517 lakhs (31st March 2022 : ₹ 782 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 2023	For the year ended 31st March 2022
(a) Depreciation on Property, Plant and Equipment	17,329	14,630
(b) Amortization of Intangible Assets	6,716	4,440
(c) Depreciation on Investment Property	29	24
Total Depreciation and Amortization Expense	24,074	19,094

28. OTHER EXPENSES

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Consumption of Stores and Spares	9,216	6,047
(b) Fabrication and Processing charges	4,320	842
(c) Power and Fuel	5,369	4,250
(d) Forwarding charges	4,132	2,543
(e) Lease / Rent	829	275
(f) Rates and Taxes	197	199
(g) Insurance	989	844
(h) Repairs and Maintenance		
(i) Plant and Machinery	2,410	1,939
(ii) Buildings	177	291
(iii) Others	158	136
(i) Publicity and Sales promotion	1,535	1,286
(j) Payments to Auditors (Refer details below)	32	32
(k) Loss on Exchange Fluctuation (Net)	1,105	--
(l) Donation	1	16
(m) Expenditure on Corporate Social Responsibility (Refer Note No. 44)	--	74
(n) Loss on sale of assets	200	--*
(o) Others / Miscellaneous Expenses	10,875	8,104
Total Other Expenses	41,545	26,878

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

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Details of payments to Auditors

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Audit fees	24	24
(b) Tax Audit fees	1	1
(c) Limited review and Certification work	6	6
(d) Reimbursement of expenses	1	1
Total payments to Auditors	32	32

29. EXCEPTIONAL ITEMS

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Government Incentives	30,831	--
(b) Write off - Intangible Assets under development & Capital Work in progress (net of estimated realisable value)	(9,999)	--
Total Exceptional Items	20,832	--

(a) **Government Incentives** - During the year under report, the methods of availing of incentives / assistance, granted by the Government of Madhya Pradesh, as per the Madhya Pradesh Industrial Investment Promotion Assistance Scheme, 2010 (**the Scheme**), were clarified by that Government. Accordingly, the Group could submit its claims for assistance, as per the Scheme, for the Financial Years 2017-2018 to 2021-2022. Sanction Orders dated 24th March 2023 were issued sanctioning the amount of assistance of ₹ 9,102 lakhs for the year 2017-18, ₹ 9,481 lakhs for the year 2018-19, ₹ 9,061 lakhs for the year 2019-20, ₹ 3,187 lakhs for the year 2020-21 and ₹ 4,415 lakhs for the year 2021-22. The Group has also received disbursement of sanctioned assistance amounting to ₹ 9,992 lakhs. The assistance amounting to ₹ 4,415 lakhs has been recognized under the head "Other Income", for the Financial Year 2021-2022 and assistance related to the Financial Years 2017-2018 to 2020-2021 amounting to ₹ 30,831 lakhs is treated as "Exceptional Item" of income.

(b) **Write-off – Intangible Assets under development and Capital Work-in-Progress** - In view of the changing business environment, particularly emphasis on use of alternate energy, instead of fossil fuels, the Group was required to reassess various development programs under implementation and consequential effect on capital work-in-progress.

One of the Projects, which was under implementation, viz. manufacture of Utility Van Platform, based on technical assistance, available to the Group, was reviewed by the Board and the Company came to conclusion that it is not worthwhile pursuing the Project for development of Utility Van Platform, such as T0 Platform for the time being.

Based on this review, it is decided that the intangible assets under development, having value of ₹ 4,620 lakhs and amount equal to ₹ 7,596 lakhs, reflected in capital work-in-progress, being value of assets/investment for acquisition of specific assets, such as dies, related to the said project in Utility Van Platform, be written off. Accordingly the value of the capital asset, in the development stage, was reduced from ₹ 12,216 lakhs to ₹ 2,217 lakhs. The amount of ₹ 2,217 lakhs represents realizable value of those assets based on the weight and prevalent market rates, ascertained on the basis of quotations/proposals received by the Group, in respect of disposal of these assets, when scrapped.

30. EARNINGS PER SHARE

	For the year ended 31st March 2023	For the year ended 31st March 2022
(a) Profit / (Loss) attributable to Equity Shareholders	13,364	(9,108)
(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 : ₹	101.43	(69.13)

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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 Group for the introduction of new products as well as development of engine and existing product variants.

32. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31st March 2023	As at 31st March 2022
(a) Contingent Liabilities		
Claims against the Group not acknowledged as debts		
(i) Taxes and Duties	7,782	8,019
(ii) Others (including Court cases pending)	3,325	3,826
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,405	12,688
(c) As reported earlier, a foreign company has initiated legal proceedings in a foreign court, in respect of notional and unfounded claims for damages, without there being any enforceable agreement, relating to export business. The Group has obtained opinion from a Senior Counsel, in respect of these alleged claims against the Group. The Group has been advised that such notional / unfounded claims are not as per the applicable law nor these claims, if any, can be enforced in the Court of Law in India. This information is being disclosed as per the provisions of Schedule III to the Companies Act, 2013, only to indicate the alleged claims made against the Group and the developments in respect thereof. Moreover, considering the period lapsed, since the conclusion of the said legal proceedings, the Group does not expect any impact of this litigation on its financial position.		

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 2023	As at 31st March 2022
(a) The amounts remaining unpaid to Micro and Small Enterprises as at the end of the year		
(i) Principal	1,031	384
(ii) Interest	--	--
(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 ₹ 985 lakhs Debit (31st March 2022 : ₹ 2,014 lakhs Credit) and on Capital account is ₹ 119 lakhs Debit (31st March 2022 : ₹ 15 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 2023	As at 31st March 2022
(a) Capital Expenditure	11,931	8,663
(b) Revenue Expenditure	14,497	10,594

(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 ₹ 6,561 lakhs (31st March 2022 : ₹ 7,269 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 2023

(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 2023
(a) Not later than one year	353
(b) Later than one year but not later than five years	1,597
(c) Later than five years	2,028
Total	3,978

(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

<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

Name of the Related Party

A. Key Management Personnel (KMP)

<u>Name of the Related Party</u>	<u>Nature of relationship</u>
(a) Abhaykumar Firodia	Chairman
(b) Prasan Firodia	Managing Director
(c) Arvind Mahajan	Director
(d) Lt. Gen. (Retd.) (Dr.) D. B. Shekatkar	Director
(e) Vallabh R. Bhanshali (w.e.f. 13.08.2022)	Director
(f) Mukesh M. Patel (w.e.f. 13.08.2022)	Director
(g) Sonia Prashar (w.e.f. 28.09.2022)	Director
(h) Pratap Pawar (upto 12.09.2022)	Director
(i) Dr. Indira Parikh (upto 12.09.2022)	Director
(j) Arun Sheth (upto 12.09.2022)	Director
(k) S. Padmanabhan (upto 12.09.2022)	Director
(l) Nitin Desai (upto 12.09.2022)	Director
(m) Prashant V. Inamdar	Executive Director (Operations)
(n) Sanjay Kumar Bohra	Chief Financial Officer

B. Other Entities

(a) Jaya Hind Montupet Private Limited	Entity controlled by KMP of Company
(b) Pinnacle Industries Limited	Entity controlled by KMP of Parent Company
(c) VDL Pinnacle Engineering India Private Limited	Entity controlled by KMP of Parent Company
(d) Kider (India) Private Limited	Entity controlled by KMP of Parent Company
(e) Bajaj Tempo Limited Provident Fund	Post employment benefit Trust
(f) Sakal Media Private Limited (upto 12.09.2022)	Entity controlled by KMP of Company
(g) Amar Prerana Trust	Entity controlled by KMP of Company
(h) Navalmal Firodia Memorial Hospital Trust	Entity controlled by KMP of Company

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

III. Transactions with Related Parties (Amounts including taxes)

Name of Related Party	31st March 2023		31st March 2022	
	Amount of transaction during the year	Balance as at 31st March 2023 Receivables / (Payables)	Amount of transaction during the year	Balance as at 31st March 2022 Receivables / (Payables)
A. Holding Company				
Jaya Hind Industries Pvt. Ltd.				
(a) Purchase of Capital Goods	334		707	
(b) Purchase of Raw Materials, Components & Others	11,457		5,469	
(c) Sundry Sales	674		284	
(d) Service Charges recovered	94		105	
(e) Processing Charges recovered	123	(326)	32	(610)
(f) Dividend paid	756	430	378	428
(g) Lease / Rent recovered	628		520	
(h) Expenses recovered	3		3	
(i) Inter Corporate Deposits (ICDs)	--	(15,000)	15,000	(15,000)
(j) Interest on ICDs	1,158		201	
B. Joint Venture Company				
Force MTU Power Systems Pvt. Ltd.				
(a) Service charges / Expenses recovered	248		642	
(b) Contribution to Equity	--		2,234	
(c) Royalty for use of Trademark	--*	1,657	--*	1,455
(d) Sundry sales	--		11	
(e) Reimbursement of expenses	--		5	
C. Key Management Personnel				
(a) Remuneration				
(i) Short term employee benefits (including Commission)	738	(320)	378	(31)
(ii) Post employment benefits	39		30	
(iii) Other long-term benefits	49		39	
(b) Others				
(i) Dividend paid	49	--	24	--
(ii) Sitting fees	26	--	39	--
(iii) Professional Fees	5	--	--	--
D. Other Entities				
(a) Jaya Hind Montupet Pvt. Ltd.				
(i) Purchase of Raw Materials, Components & Others	--		--*	
(ii) Service Charges recovered	--	--	6	--*
(iii) Lease / Rent recovered	--		--*	
(b) Pinnacle Industries Pvt. Ltd.				
(i) Purchase of Capital Goods	82		2,418	
(ii) Purchase of Raw Materials, Components & Others	18,676		11,524	
(iii) Sales	15,830	(685)	3,569	(2,422)
(iv) Lease / Rent recovered	173	1,803	63	1,383
(v) Reimbursement of Expenses	--*		--	
(vi) Processing Charges recovered	4		4	
(vii) Interest received	23		23	
(c) Kider (India) Pvt. Ltd.				
Purchase of Raw Materials, Components & Others	447	(47)	1,167	(50)
(d) VDL Pinnacle Engineering India Pvt. Ltd.				
Purchase of Capital Goods	12	(6)	32	(10)
(e) Bajaj Tempo Limited Provident Fund				
Contribution to Provident Fund	799	(72)	711	(59)
(f) Sakal Media Pvt. Ltd.				
Publicity charges	--	--	4	--
(g) Amar Prerana Trust				
(i) Sundry sales	--	--	--*	--
(ii) Training Facility Utilisation	--	--	2	--
(h) Navalmal Firodia Memorial Hospital Trust				
Lease / Rent recovered	--*	--	--*	--

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

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

38. EMPLOYEE BENEFITS

A. Defined Contribution Plans

An amount of ₹ 488 Lakhs (31st March 2022 : ₹ 436 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 2023		As at 31st March 2022	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Amount to be recognized in Balance Sheet				
Present value of defined benefit obligation	6,987	30,589	6,775	25,139
Less : Fair value of plan assets	7,751	31,905	7,344	26,259
Amount to be recognized as Liability or (Asset)	(764)	(1,316)	(569)	(1,120)
(ii) Amount to be reflected in Balance Sheet				
Liabilities	(764)	(1,316)	(569)	(1,120)
Assets	--	--	--	--
Net Liability / (Asset)	(764)	(1,316)	(569)	(1,120)

* 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 2023		For the year ended 31st March 2022	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Employee Benefits Expense				
Current service cost	536	835	567	809
(ii) Acquisition (Gain) / Loss	--	--	--	--
(iii) Finance cost				
Net Interest (Income) / Expense	(51)	(156)	(15)	(94)
Transfer in / (out)	(17)	--	--	--
Net periodic benefit cost recognized in the Statement of Profit and Loss	468	679	552	715

* 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 2023		For the year ended 31st March 2022	
	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	(307)	3,862	(432)	(234)
(iii) Re-measurements for the year - plan assets (Gain) / Loss	(21)	(3,937)	(45)	(519)
(iv) Total re-measurements cost / (credit) for the year recognized in OCI	(328)	(75)	(477)	(753)
(v) Less : Accumulated balances transferred to retained earnings	(328)	(75)	(477)	(753)
Closing balances [re-measurements (Gain) / Loss recognized in OCI]	--	--	--	--

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

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(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 2023		As at 31st March 2022	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
(i) Present value of obligation as at the beginning of the year	6,775	25,139	6,544	24,435
(ii) Acquisition adjustment	--	--	--	--
(iii) Transfer in / (out)	2	(594)	(3)	(333)
(iv) Interest cost	451	1,672	421	1,531
(v) Past service cost	--	--	--	--
(vi) Current service cost	536	835	567	809
(vii) Employee Contribution	--	1,496	--	1,392
(viii) Curtailment cost / (credit)	--	--	--	--
(ix) Settlement cost / (credit)	--	--	--	--
(x) Benefits paid	(470)	(1,821)	(322)	(2,461)
(xi) Re-measurements on obligation - (Gain) / Loss	(307)	3,862	(432)	(234)
Present value of obligation as at the end of the year	6,987	30,589	6,775	25,139

(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 2023		As at 31st March 2022	
	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	7,344	26,259	6,335	24,807
(ii) Acquisition adjustment	--	--	--	--
(iii) Transfer in/(out)	19	(594)	(3)	(334)
(iv) Interest income	502	1,828	436	1,625
(v) Contributions	235	2,296	872	2,103
(vi) Mortality charges and taxes	(9)	--	(10)	--
(vii) Benefits paid	(361)	(1,821)	(331)	(2,461)
(viii) Amount paid on settlement	--	--	--	--
(ix) Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	21	3,937	45	519
Fair value of plan assets as at the end of the year	7,751	31,905	7,344	26,259
Actual return on plan assets	523		481	

(f) Net interest (Income) / Expenses

	For the year ended 31st March 2023		For the year ended 31st March 2022	
	Gratuity Plan (Funded)	Provident Fund* (Funded)	Gratuity Plan (Funded)	Provident Fund* (Funded)
(i) Interest (income) / expense – obligation	451	1,672	421	1,531
(ii) Interest (income) / expense – plan assets	(502)	(1,828)	(436)	(1,625)
Net interest (income) / expense for the year	(51)	(156)	(15)	(94)

* 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 6.90% has been used for the valuation purpose.

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Gratuity	As at 31st March 2023	As at 31st March 2022
(i) Discount rate	7.40%	6.90%
(ii) Expected return on plan assets	6.90%	6.60%
(iii) Salary growth rate *	8%	8%
(iv) Attrition rate - for Bargainable Staff & others	10%	10%
(v) Attrition rate - Workers	2%	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.

Provident Fund	As at 31st March 2023	As at 31st March 2022
(i) Discount rate	7.40%	6.90%
(ii) Interest rate	8.15%	8.10%
(iii) Yield spread	0.50%	0.50%
(iv) Attrition rate - for Bargainable Staff & others	10%	10%
(v) Attrition rate - Workers	2%	2%

Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of Obligation (PVO). Sensitivity analysis is done by varying (increasing/decreasing) one parameter by 50/100 basis points (0.50%/1%).

(h) Change in assumption

	As at 31st March 2023		As at 31st March 2022	
	Gratuity	Provident fund	Gratuity	Provident fund
(i) Discount rate				
Increase by 1%	6,634	--	6,404	--
Decrease by 1%	7,378	--	7,188	--
Increase by 0.5%	--	30,422	--	24,831
Decrease by 0.5%	--	30,906	--	25,462
(ii) Salary increase rate				
Increase by 1%	7,308	--	7,116	--
Decrease by 1%	6,692	--	6,462	--
(iii) Withdrawal rate				
Increase by 1%	6,966	--	6,755	--
Decrease by 1%	6,987	--	6,797	--
(iv) Expected future interest rate of Provident Fund				
Increase by 0.5%	--	30,896	--	25,450
Decrease by 0.5%	--	30,422	--	24,827

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(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 its classification.

	Carrying value		Fair Value	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Financial Assets				
(a) Fair value through Other Comprehensive Income (FVTOCI)				
Equity Investments	3,051	2,540	3,051	2,540
(b) Amortized cost				
(i) Trade Receivables	19,684	18,938	19,684	18,938
(ii) Loans	38	11	38	11
(iii) Other Financial Assets	27,516	2,283	27,516	2,283
(iv) Cash and Cash equivalents	14,037	7,260	14,037	7,260
(v) Other Bank Balances	97	221	97	221
Total	64,423	31,253	64,423	31,253
Financial Liabilities				
Amortized cost				
(i) Non-current Borrowings	59,497	60,055	59,497	60,055
(ii) Current Borrowing	35,979	46,827	35,979	46,827
(iii) Trade Payable	74,495	51,691	74,495	51,691
(iv) Other Financial Liabilities	3,796	6,272	3,796	6,272
Total	1,73,767	1,64,845	1,73,767	1,64,845

The following methods and assumptions were used to estimate the fair values

The fair values of Trade Payables, Trade Receivables, Cash and Cash equivalents and other Bank Balances, are reasonable approximation of fair value due to the short-term maturities of these instruments.

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

Borrowings represents Working Capital Loan, 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 2023	31st March 2022
Financial Assets			
(i) FVTOCI Investments - Quoted	Level 1	3,046	2,535
(ii) FVTOCI Investments - Unquoted	Level 3	5	5
Total		3,051	2,540

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

	Level	31st March 2023	31st March 2022
Financial Assets measured at amortized cost			
(i) Loans	Level 2	38	11
(ii) Other Financial Assets	Level 2	27,516	2,283
Total		27,554	2,294

(c) Financial Liabilities measured at amortized cost

	Level	31st March 2023	31st March 2022
Financial Liabilities measured at amortized cost			
(i) Non-current Borrowings	Level 2	59,497	60,055
(ii) Current Borrowings	Level 2	35,979	46,827
(iii) Other Financial Liabilities	Level 2	3,796	6,272
Total		99,272	1,13,154

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 2023, 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 2023

(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 and LIBOR rates.		
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
As at 31st March 2023				
Gross Carrying Amount	11,667	6,411	1,646	19,724
Allowance for doubtful debts	--	--	(40)	(40)
Net	11,667	6,411	1,606	19,684
As at 31st March 2022				
Gross Carrying Amount	13,795	3,814	1,369	18,978
Allowance for doubtful debts	--	--	(40)	(40)
Net	13,795	3,814	1,329	18,938

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 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

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 31st March 2022					
	Carrying amount	On Demand	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,06,882	6,000	40,827	60,055	1,06,882
Other Financial Liabilities	6,272	62	6,210	--	6,272
Trade and Other Payables	51,691	--	51,691	--	51,691

(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 ₹ 3,046 Lakhs. A decrease/ increase of 15% on the bank Nifty market index could have an impact of approximately ₹ 646 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 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
USD	28,06,747	38,05,373	2,318	2,899
EUR	1,73,56,008	1,43,71,911	15,738	12,301

Currency	Sensitivity %	Impact on profit (strengthening)*		Impact on profit (weakening)*	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
USD	5%	(116)	(145)	116	145
EUR	5%	(787)	(615)	787	615
		(903)	(760)	903	760

(* 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 2023 and 31st March 2022.

Particulars	As at 31st March 2023	As at 31st March 2022
Total Shareholder's Equity as reported in Balance Sheet	1,87,503	1,74,787
Net Debt :		
Short-term debt	9,500	21,000
Long-term debt (including current portion of long-term debt)	85,976	85,882
Gross Debt :	95,476	1,06,882
Less : Cash and Bank Balances	14,134	7,481
Net Debt / (Net Cash and Bank balances)	81,342	99,401

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(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 31 March 2023, have been transferred to that fund, except a sum of ₹ 0.60 lakh (31st March 2022 : ₹ 0.60 lakh) being amount of 5 Nos. (31st March 2022 : 5 Nos.) fixed deposits and interest thereon amounting to ₹ 0.25 lakh (31st March 2022 : ₹ 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 ₹ Nil (31st March 2022: ₹ 74 lakhs) towards Corporate Social Responsibility (CSR), which is shown in "Other Expenses" [Note No.28 (m)] to the Notes to Financial Statements.

Sr. No.	Description	For the year ended 31st March 2023	For the year ended 31st March 2022
(a)	Gross amount required to be spent by the Company during the year	--	52
(b)	Amount of expenditure incurred	--	74
(c)	Shortfall / (Surplus) at the end of the year	--	(22)
(d)	Total of previous years shortfall/(surplus)	(27)	(5)
(e)	Reason for shortfall	NA	NA
(f)	Nature of CSR activities:		
(i)	Promoting education	--	38
(ii)	Disaster management and relief activities (Covid-19 Relief activity)	--	31
(iii)	Contribution to autonomous bodies established under Department of Science & Technology of the Central Government.	--	5
	Total	--	74
(g)	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.	--	--
(h)	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.	--	--
(i)	Amount available for set off in succeeding financial years	27	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 2023.

(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 2023.

(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 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 Consolidated Financial Statements for the year ended 31st March 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

46. DIVIDEND

The Board of Directors has recommended payment of Dividend of ₹ 10 per fully paid Equity Shares (31st March 2022 : ₹ 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
Force Motors Limited	96.11	1,80,407	113.69	15,205	99.25	664	113.00	15,869
Indian Subsidiary :								
Tempo Finance (West) Pvt. Ltd.	0.22	413	0.14	19	0.00	--	0.14	19
Non Controlling Interest (Indian Minority)	0.11	209	0.07	10	0.00	--	0.07	10
Indian Joint Venture :								
Force MTU Power Systems Pvt. Ltd.	3.56	6,683	(13.90)	(1,860)	0.75	5	(13.21)	(1,855)
Total	100.00	1,87,712	100.00	13,374	100.00	669	100.00	14,043

Notes to Consolidated Financial Statements for the year ended 31st March 2023

(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 2023	As at 31st March 2022
Current Assets	28,260	17,635
Non Current Assets	23,387	23,189
Current Liabilities	26,697	10,583
Non Current Liabilities	11,847	13,501
Revenue	23,271	8,267
Net Income / (Loss)	(3,647)	(3,269)
Other Comprehensive Income	10	12
Total Comprehensive Income	(3,637)	(3,257)
The above net income includes;		
Sale of products	23,145	7,815
Operating Income	15	14
Other Income	111	438
Cost of material consumed	21,110	6,605
Employee Benefits Expense	1,029	797
Other Expenses	6,043	5,234
Income Tax Expenses (credit)	(1,263)	(1,100)
Net Assets of the Joint Venture	13,103	16,739
Proportion of the Company's interest in Joint Venture	6,683	8,537
(Carrying amount of the Company's interest in joint venture)		

49. The Group is operating in a Single Segment.

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

As per our separate report of even date.

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

Suhas Deshpande
Partner
Membership No. : 031787

Place : Pune
Date : 29th May 2023

Sanjay Kumar Bohra
Chief Financial Officer

Nikhil Deshpande
Company Secretary

On behalf of the Board of Directors

Abhaykumar Firodia
Chairman
DIN : 00025179

Place : Pune
Date : 29th May 2023



AAGE DEKHO, AAGE BADHO.

Pesh hai nayi Force Citiline, sabhi front Facing Seats ke saath.

9



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