EICHER

EICHER MOTORS LIMITED

2013 ANNUAL REPORT

Board of Directors
S. Sandilya, Chairman
Siddhartha Lal, Managing Director & CEO
R.L. Ravichandran, Executive Director
Priya Brat, Non-executive and Independent Director
M.J. Subbaiah, Non-executive and Independent Director
Prateek Jalan, Non-executive and Independent Director

Compliance Officer
Lalit Malik

Auditors
Deloitte Haskins & Sells,
Chartered Accountants

Bankers
HDFC Bank Limited
ICICI Bank Limited

Registered Office
3rd Floor- Select Citywalk
A-3 District Centre, Saket
New Delhi – 110 017
Tel No.: (011) 29563722
Website: www.eicher.in

Corporate Office
#96, Sector 32,
Gurgaon – 122 001, Haryana
Tel No.: (0124) 4415600
Website: www.eicher.in

Plant Locations
Thiruvottiyur High Road,
Thiruvottiyur, Chennai – 600 019
(Tamil Nadu)

A-19/1, SIPCOT Industrial Growth Centre,
Oragadam, Kanchipuram – 602 105
(Tamil Nadu)

Registrar & Share Transfer Agent
MCS Limited
F–65, 1st Floor, Okhla Industrial Area,
Phase I, New Delhi – 110 020
Tel No.: (011) 41406149-52
Fax No.: (011) 41709881
E-mail: admin@mcsdel.com

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LETTER TO THE SHAREHOLDERS

Dear Shareholders,

I have the pleasure of presenting to you the Annual Report for Eicher Motors Limited for the year 2013. Despite a challenging year for the Indian economy, and for the automotive industry in particular, I am pleased to inform you that Eicher Motors Limited has had an excellent year overall. We outgrew the industry in both our operating sectors – commercial vehicles and motorcycles, thereby recording our highest ever total income from operations at Rs. 6,810 crores. We did so while maintaining a strong market pricing and efficient operations, resulting in a record operating profit (EBIT) of Rs. 583 crores.

This out-performance is due to the robust and counter-intuitive business model that we have been putting into place over the last many years – an asset-light and lean operating model, sharply defined products, strong brand and customer experience, all aided by meticulous execution. Our aggressive business model continues to challenge the status quo in the market, and we take on much larger players and shape the market with our focussed approach. This process has been aided tremendously by our very conservative funding model, where we maintain no net debt, and large cash surpluses in Eicher Motors Limited and in our joint-venture with Volvo group, VE Comercial Vehicles Ltd (VECV). This allowed us to continue to push forward on all our long-term projects and investments despite an adverse working capital cycle in our CV business. The sustained investments during the downturn across all areas of our businesses – industry, product, distribution and brand – will help us continue this positive momentum in the years to come.

Our superlative performance, in a year that was generally forgettable for the automotive industry, won us the coveted Manufacturer of the Year 2014 at the CNBC TV 18 Overdrive Awards.

In line with our business objectives and growth, we have also refreshed Eicher's brand visual identity to mirror our growth and future direction. This new identity better captures the brand's growth trajectory and relevance in modern times with a forward *tilt* element. The word mark and the horse head that has been synonymous with the Eicher logo are now leaner and sharper as compared to the previous unit. The Eicher red has been identified as the corporate brand colour and will be used for Eicher Motors Limited. Our 50:50 joint venture with the Volvo Group – VE Commercial Vehicles – also uses the Eicher brand in its Eicher Trucks and Buses (ETB) division. As part of the new identity system, the product brand used by ETB will have a shade of blue next to the Eicher red. With a full new look-feel system that has been created to complete the visual identity, the refreshed identity will be rolled out across Eicher's diverse internal and external touch-points.

Our motorcycle business has been evolving rapidly over the last few years. Royal Enfield's growth trajectory began with the development of the Unit Construction Engine (UCE) platform that made its debut in 2009 with the launch of the Classic 500. With its clean, retro design and performance, the Classic has been a huge hit, particularly among the urban audiences. In 2010, we took another huge step at Royal Enfield when we upgraded our entire product range with the UCE – both in 350 and 500cc displacements. The all new Thunderbird 500 and 350, launched in 2012, was aimed at the long distance riding enthusiast. The new Thunderbird redefines highway cruising and with this we widened our reach even further to a younger demographic. Earlier in 2013 we also introduced the Bullet 500 – a more powerful and evolved version of the iconic Bullet for the traditional enthusiasts. In September 2013, Royal Enfield also launched the Continental GT, at the heart of which is the powerful and responsive 535cc UCE. The lightest, fastest and most powerful Royal Enfield in production, the Continental GT is a definitive classic sports motorcycle. With this launch, Royal Enfield now has four product families based on the UCE platform – Bullet, Classic, Thunderbird and Continental GT.

The Continental GT is a big milestone in Royal Enfield's recent history. In a post-performance era where consumers are increasingly looking for authentic, evocative and uncomplicated motorcycles, the Continental GT perfects the essential elements of the most influential idea in motorcycle history – café racing. We brought the core idea of rocker sub-culture from the 1960s UK roaring into the 21st century with a motorcycle that is outstanding fun to ride. Unveiled to media from 13 countries around the world in September 2013 in the UK, the bike – and its unique launch setting aimed at creating the right context for the product – drew laurels from even the most hardened critics in the world of global automotive journalism. Designed ground-up as a global product, the motorcycle engaged and captivated each of the 100 journalists when they put the bike through its paces from the iconic Ace Café, all the way to Brighton in the southern coast of the UK. As part of the launch event, several tours and workshops were organised with experts who curated various aspects of the Swinging 60's culture, fashion and café-racing history. The nature and scale of the event was a definite first for Royal Enfield. Drawing inspiration from the international launch event, we introduced the Continental GT in India at a carefully conceived event in Goa in November 2013. Like in the UK, the event in Goa too was on a huge scale with nearly 90 members of the Indian auto and lifestyle media taking to the roads of Goa simultaneously in a bid to evaluate whether the Continental GT would live up to their expectations. I am happy to say that we passed their test with flying colours. Both, the bike and the event, drew accolades from every section of the media. Their reviews are there for all to see at royalenfield.com/re-world/news. The Continental GT has also garnered several awards, including the coveted Indian Motorcycle of the Year (IMOTY) 2014, Best Motorcycle of the Year up to 1000cc and Best Design of the Year at the NDTV Car & Bike awards, Best Motorcycle of the Year up to 600cc at the Bike India awards, Most Beautiful Bike of the Year at the BBC Top Gear Awards and Readers' Choice Award at the ET Zigwheels awards, among others.

With the Continental GT motorcycle, Royal Enfield also introduced 'Burn-up Wear' – well-crafted, meticulously-detailed, purpose-built motorcycling clothing and accessories. This line has been crafted from Royal Enfield rider experiences, in collaboration with veterans of riding apparel. The range includes a textile riding jacket, GT Brando leather jacket and a special edition co-branded leather jacket designed by the iconic Lewis Leathers based on their Lightning series. The collection also includes AGV helmets, all-weather ankle length shoes, long and short riding gloves and riding trousers. A selection of branded T-shirts and pit shirts complete the range. Royal Enfield had forayed into apparel and accessories in 2012 alongwith the introduction of the new Thunderbird.

At Royal Enfield, we believe that the experience of motorcycling should be such that it creates a sensorial connect between the man, his machine and the terrain. Globally, most leisure motorcycles have become extreme in their nature, and are either too heavy or too fast, and often too expensive. In many ways, they are intimidating for the rider. Our aim is to get the experience of motorcycling back to being approachable, immediate, unintimidating and one that provides unadulterated fun. We call this 'Pure Motorcycling'. For us, this is the core proposition of our brand and comes alive in our product experiences and various brand touch-points. Most of all, in our marquee rides where Royal Enfield customers get to experience motorcycling at its purest. In 2013, our biggest marquee ride, the Himalayan Odyssey, celebrated its 10th anniversary with 100 riders riding to Khardung La, the world's highest motorable road. This year Royal Enfield also conducted its first ever ride to Tibet – a monumental journey from Lucknow to Lhasa and beyond, finishing in Kathmandu.

To further enhance the 'Pure Motorcycling' brand promise of Royal Enfield, we have taken our retail experience to another level with the opening of our concept store at Select Citywalk mall in Saket, New Delhi. The new retail concept gives the customer a much more immersive brand experience, and showcases the motorcycles, apparel and accessories in a more personable manner. After fine-tuning the idea, we plan to roll out this concept to our hundreds of stores globally over the next few years. Do see the store concept in person if you can, or else online at www.royalenfield.com/saket

In April 2013, Royal Enfield also started commercial production from its state-of-the-art new facility in Oragadam, Tamil Nadu. Spread over 50 acres, the new plant is benchmarked to achieve the highest level of quality and productivity. Several parts that make up Royal Enfield's range of motorcycles were re-tooled to deliver exacting accuracy and finish. The substrate quality of the sheet metal parts, for instance, is at par with the best in the world. Completed in a record 11 months from the start of construction in February 2012, the Oragadam plant has been designed to optimise cost of production through relevant automation while retaining the human craftsmanship that is distinctive to Royal Enfield motorcycles. While the plant started with an initial installed capacity of 150,000 units in the first phase, given the growing demand of our motorcycles worldwide, the next phase of expansion at Oragadam is already under way and expected to be completed by CY 2015. We will be investing Rs. 600 crores towards capacity expansion and developments of new global product platforms over 2014 and 2015. Royal Enfield surpassed its target and sold 178,121 units in 2013 and we have also upwards revised our production plan for 2014 to 280,000 units. We are working towards maximising the production at Oragadam that will take the eventual production capacity to over 500,000 motorcycles per year.

All these actions on the brand and on our industrial capacity, along with further enhancement of our international reach, especially in developing markets, as well as our current and future motorcycle models will help us in getting closer to our ambition of global leadership in the mid-size motorcycle segment (250 to 750cc).

While the Indian motorcycling space has been evolving through 2013, the Indian commercial vehicles industry has been on the decline since 2011 after experiencing 30 per cent volume growth in 2009-10 and then 2010-11. Several factors in combination have resulted in the decline of the industry's year-on-year growth rate. Segment wise, the light, medium and heavy commercial vehicles, which is from 5 tonnes to 49 tonnes, bore the brunt of decelerating economic growth across the country with a negative growth rate of 32.5 per cent year on year.

Despite facing such challenging economic conditions in recent times however, VE Commercial Vehicles – the 50:50 joint venture between the Volvo Group and Eicher Motors Limited – has been progressing extremely well too. While the Indian commercial vehicle industry was in decline overall through 2013, we improved our heavy duty market share to 4.4 per cent in 2013 as compared to the 3.9 per cent market share we had in 2012. We have also continued our strong performance in the bus segment where we have improved our market share to 13.5 per cent in 2013 from 12 per cent in 2012.

The Volvo Group and Eicher Motors came together five years ago with a vision to drive modernisation in the CV industry in India and the developing world. In these five years VECV has grown from strength to strength. We have increased our market share across every segment we operate in as well as overall. Since the commencement of VECV, we have invested a total of over Rs. 1,800 crores in our business, and are on track to investing a cumulative Rs. 2,500 crores by the end of 2014. The main investments for the cutting edge manufacturing facilities are behind us now; we are deep into the investment phase of our path-breaking new products, and are now focussed on commercial investments to improve distribution, after sales support and customer experience.

In December 2013, we introduced 'The Future of Indian Trucking' to the world, with the unveiling of the new Eicher 'Pro series' range of trucks and buses ranging from 5-49 tonnes. The next generation of Eicher trucks and buses aims to continuously improve transportation efficiency in India and the developing markets through relevant modernisation, reducing ownership costs and thus enhancing economic growth and productivity. The 'Pro series' comprises 11 new products spanning the entire medium and heavy duty segments from 5 to 49 tonnes. With a completely new Pegasus-based front styling across the product family, the new range of vehicles is a quantum leap in each and every aspect. The new range of trucks is powered by new generation engines adapted from Volvo Group technology. Today we have the most professional, holistic and progressive approach to Indian trucking. VECV's philosophy of 'Go Pro' implies that our customers can truly work with and rely on a professional partner. Eicher's products, service and attitude are truly professional, and this enables our customers to become more productive, profitable and prosperous in their work and life.

As a company committed to long-term growth in the country and leadership in the CV industry, we have invested heavily in infrastructure and capacity expansion. We started commercial production of Volvo Group's new medium duty engine platform (MDEP) at our new VE Powertrain facility in Pithampur, Madhya Pradesh. With an initial production capacity of 25,000 units annually in the first phase and a plan to strategically increase production capacity in a phased manner to 100,000 units per annum, the new plant in Pithampur, which was set up with an investment of Rs. 375 crores, puts us in an extremely advantageous position with respect to the competition. The most technologically advanced engine manufacturing plant in the country, the MDEP also places us way ahead of the competition in engine technology. This new facility will be the base for the Volvo Group to source 5 and 8 base engines for its global Euro-5 and Euro-6 requirements; in addition, the same base engine will be used for Eicher brand's requirements in India for BS-3, BS-4 and beyond – giving us a strong volume base, revenue stream and global technology for our Indian products.

In October 2013, VECV also began commercial production at its new bus body plant. The plant will produce light, medium and heavy duty buses including the rear engine semi low floor buses. This state-of-the-art plant has robotic painting processes and is highly mechanised to ensure high quality consistency and productivity.

At our other 50:50 joint venture with Polaris Industries of the USA, we have continued to make good progress. The plant in Jaipur is in an advanced state of readiness, and our plans of producing a four-wheeled personal vehicle is also in an advanced stage of development. Commercial production at our plant in Jaipur is slated to start in 2015.

Overall, 2013 has been an excellent year for Eicher Motors Limited, and we have got a good trajectory into 2014. However, we don't take anything for granted and continue to find new ways of disrupting the status quo in all the markets that we operate in by truly understanding spoken and unspoken customer needs and converting those into better products and customer experience. While we still have much larger ambitions in both our businesses in India, we are now embarking on an international journey in commercial vehicles and motorcycles – and believe that the Eicher and Royal Enfield brands can truly become global brands in the future.

Yours sincerely,

Siddhartha Lal

Siddhartha Lal
Managing Director & CEO
Eicher Motors Limited

PERFORMANCE OVER THE YEARS

Eicher Motors Limited (EML) is a leading player in the Indian automotive space. Eicher Motors also owns the iconic Royal Enfield motorcycle business, which leads the premium motorcycle segment in India. The oldest motorcycle company in continuous production world-wide, Royal Enfield has witnessed a huge surge in demand in the recent past, and is charting its course to be the leading player in the mid-size motorcycle segment globally. Its 50-50 joint venture with the Volvo Group, VE Commercial Vehicles Limited, designs, manufactures and markets reliable, fuel-efficient trucks and buses; and is leading the path in driving modernisation in commercial transportation in India and other developing markets. EML's 50:50 strategic joint venture with the US-based Polaris Industries Inc., Eicher Polaris Private Ltd., is in the start-up phase, and is currently designing and developing, and will soon manufacture and sell a full new range of personal vehicles.

The standalone results of Eicher Motors Limited relate entirely to Royal Enfield motorcycle operations.

The consolidated results of Eicher Motors Limited include the standalone results of Eicher Motors Limited, VE Commercial Vehicles Limited and Eicher Polaris Private Limited. The principles of consolidation have been detailed in Note # 1 on page #74.

FINANCIAL POSITION AT A GLANCE – EML CONSOLIDATED

Rs. in crores

Balance Sheet	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008 *	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Gross Fixed Assets (including CWIP and Pre-operative Expenditure)	2762.86	2030.35	1341.01	881.61	755.92	730.06	630.60	556.90	523.30	641.55
Net Fixed Assets	2119.73	1496.17	856.71	454.71	375.75	380.98	334.20	310.20	313.60	388.62
Investments	825.41	638.45	512.62	458.59	294.11	6.24	261.20	261.30	258.00	2.67
Inventories	526.80	488.84	427.96	326.52	218.96	338.07	210.40	168.90	161.20	161.25
Debtors	512.50	445.87	344.58	260.93	232.53	180.19	148.20	195.00	123.10	158.08
Cash and Bank Balances	682.56	803.50	1191.51	1245.68	1170.65	1260.14	51.90	48.10	27.50	31.00
Other Current Assets	669.59	598.65	460.00	216.89	189.99	122.65	229.20	207.30	177.40	154.75
Current Liabilities and Provisions	1973.02	1644.94	1397.56	933.21	697.75	503.16	544.40	536.80	392.80	455.95
Net Current Assets	418.43	691.92	1026.49	1116.81	1114.38	1397.89	95.30	82.50	96.40	49.13
Deferred Tax Assets (net)	-	-	-	-	-	14.72	-	-	-	-
Miscellaneous expenditure		-	-	-	-	-	-	0.60	2.10	5.87
Total	**3363.57**	**2826.54**	**2395.82**	**2030.11**	**1784.24**	**1799.83**	**690.70**	**654.60**	**670.10**	**446.29**
Share Capital	27.04	27.00	26.99	26.94	26.69	28.09	28.10	28.10	28.10	28.10
Reserves & Surplus	2116.36	1727.89	1466.14	1205.20	1042.35	1075.60	407.80	372.20	412.20	212.90
Net Worth	**2143.40**	**1754.89**	**1493.13**	**1232.14**	**1069.04**	**1103.69**	**435.90**	**400.30**	**440.30**	**241.00**
Minority Interest	**1039.72**	**948.46**	**837.65**	**677.41**	**574.67**	**530.53**	**-**	**-**	**-**	**-**
Deferred Tax Liability (net)	180.45	123.19	64.46	24.92	14.16	-	35.30	36.60	42.60	67.09
Borrowings	-	-	0.58	95.64	126.37	165.61	219.50	217.70	187.20	138.20
Total	**3363.57**	**2826.54**	**2395.82**	**2030.11**	**1784.24**	**1799.83**	**690.70**	**654.60**	**670.10**	**446.29**
No. of Shares	27038883	27000983	26992583	26937783	26692881	28093950	28093950	28093950	28093950	28093950
Book Value per Share (Rs.)	**775.41**	**639.93**	**547.59**	**451.96**	**395.02**	**384.58**	**145.67**	**132.70**	**142.94**	**62.25**
Market Value per Share (Rs.)	**4975.85**	**2906.60**	**1488.00**	**1235.25**	**655.00**	**234.95**	**250.50**	**247.70**	**302.35**	**310.15**
Market Value to Book Value per Share	**6.4:1**	**4.5:1**	**2.6:1**	**2.7:1**	**1.6:1**	**0.6:1**	**1.7:1**	**1.9:1**	**2.1:1**	**5.0:1**
Market Capitalisation	**13454.14**	**7848.11**	**4016.50**	**3327.49**	**1748.38**	**660.07**	**703.80**	**695.80**	**849.40**	**871.30**
Debt Equity Ratio	**-**	**-**	**-**	**-**	**0.1:1**	**0.1:1**	**0.4:1**	**0.4:1**	**0.4:1**	**0.6:1**

* The accounting year changed to January to December w.e.f 01.04.2008.

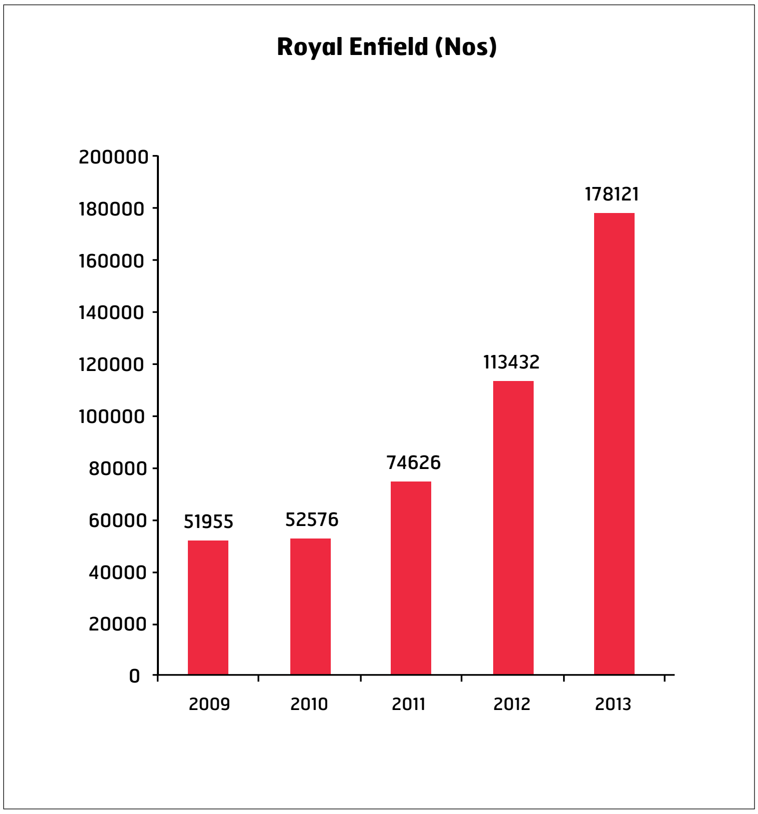
OPERATIONAL HIGHLIGHTS AT A GLANCE – EML CONSOLIDATED

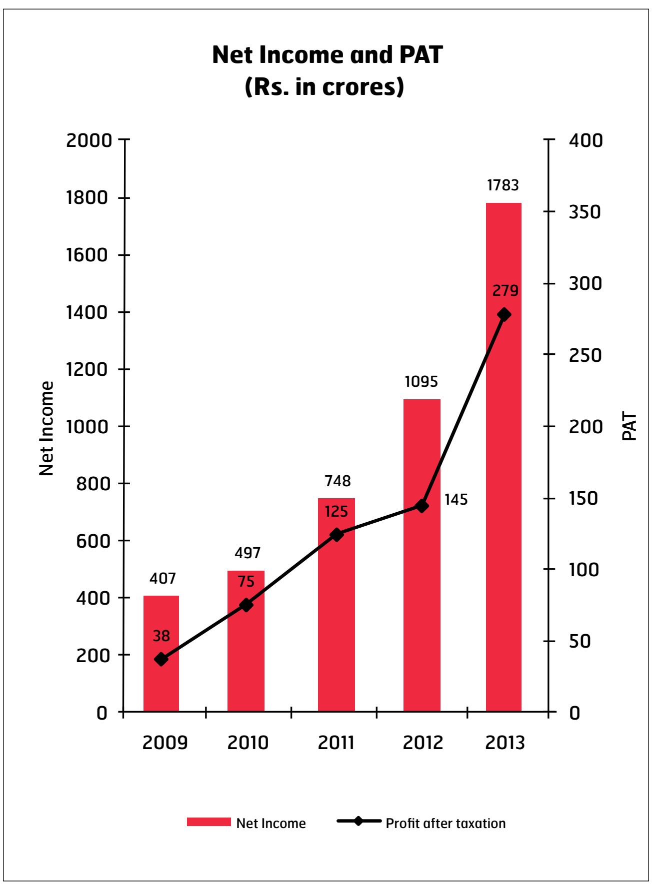
Rs. in crores

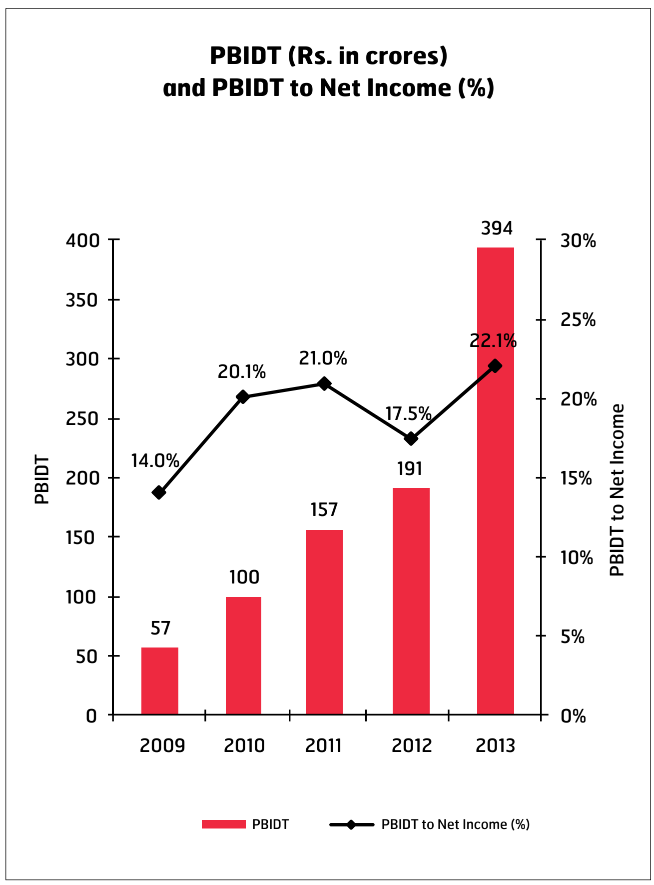
Profit & Loss Account	2013	2012	2011	2010	2009	Apr'08 to Dec'08 *	2007-08	2006-07	2005-06	2004-05
Sales Volume:										
Commercial Vehicles (Nos.)	41251	48831	49042	39275	25164	15436	29828	28072	23604	23004
Two Wheelers (Nos.)	178121	113432	74626	52576	51955	32566	38528	32612	30777	29475
Components (Including Inter Segment Sales)	303.33	283.72	281.09	203.82	130.87	105.88	113.05	128.78	99.60	107.21
Sales Revenue (Excluding Inter Segment Sales)	7433.29	6995.04	6130.29	4701.63	3112.22	1882.48	2572.60	2252.80	1880.80	2211.58
Other Income	95.29	136.64	142.48	127.57	105.44	65.75	30.20	26.60	31.20	18.12
Total Income	**7528.58**	**7131.68**	**6272.77**	**4829.20**	**3217.66**	**1948.23**	**2602.80**	**2279.40**	**1912.00**	**2229.70**
Less: Excise Duty	623.49	605.15	445.87	304.55	173.59	164.52	310.00	270.80	213.60	229.02
Net Total Income	**6905.09**	**6526.53**	**5826.90**	**4524.65**	**3044.07**	**1783.71**	**2292.80**	**2008.60**	**1698.40**	**2000.68**
Manufacturing and other expenses	6096.61	5840.87	5095.07	4040.18	2794.21	1717.48	2146.60	1870.30	1602.30	1849.82
Miscellaneous expenditure written off	-	-	-	-	-	-	0.60	1.50	2.10	6.66
Profit before interest, depreciation, exceptional items & tax (PBIDT)	**808.48**	**685.66**	**731.83**	**484.47**	**249.86**	**66.23**	**145.60**	**136.80**	**94.00**	**144.20**
PBIDT to Net Income (%)	**11.7%**	**10.5%**	**12.6%**	**10.7%**	**8.2%**	**3.7%**	**6.4%**	**6.8%**	**5.5%**	**7.2%**
Interest	7.88	3.79	7.67	9.50	8.67	9.93	19.00	14.80	16.90	22.33
Depreciation	130.04	82.17	63.96	57.30	53.88	36.89	50.80	45.10	50.19	48.37
Profit before exceptional items and tax	**670.56**	**599.70**	**660.20**	**417.67**	**187.31**	**19.41**	**75.80**	**76.90**	**26.91**	**73.50**
PBT to Net Income (%)	**9.7%**	**9.2%**	**11.3%**	**9.2%**	**6.2%**	**1.1%**	**3.3%**	**3.8%**	**1.6%**	**3.7%**
Exceptional Items	-	-	-	-	-	39.35	-	-	166.66	-
Profit before tax for the year	**670.56**	**599.70**	**660.20**	**417.67**	**187.31**	**58.76**	**75.80**	**76.90**	**193.57**	**73.50**
Provision for taxation	145.18	124.85	162.80	110.82	57.82	(8.53)	21.00	24.20	(18.30)	14.65
Profit after taxation (PAT)	**525.38**	**474.85**	**497.40**	**306.85**	**129.49**	**67.29**	**54.80**	**52.70**	**211.87**	**58.85**
PAT to Net Income (%)	**7.6%**	**7.3%**	**8.5%**	**6.8%**	**4.3%**	**3.8%**	**2.4%**	**2.6%**	**12.5%**	**2.9%**
Minority Interest	**131.44**	**150.59**	**188.63**	**117.93**	**46.10**	**4.69**	**-**	**-**	**-**	**-**
Profit after taxation and minority interest	**393.94**	**324.26**	**308.77**	**188.92**	**83.39**	**62.60**	**54.80**	**52.70**	**211.87**	**58.85**
Dividend including Corporate Dividend Tax	**94.91**	**62.76**	**50.20**	**34.55**	**21.87**	**16.44**	**16.44**	**92.90**	**12.82**	**12.82**
Equity Dividend (%)	**300%**	**200%**	**160%**	**110%**	**70%**	**50%**	**50%**	**290%**	**40%**	**40%**
Basic Earnings per Share (Rupees)	**145.84**	**120.11**	**114.48**	**70.54**	**30.78**	**16.23**	**19.49**	**18.77**	**12.11**	**20.95**
Diluted Earnings per Share (Rupees)	**145.04**	**119.41**	**114.03**	**70.28**	**30.69**	**16.23**	**19.46**	**18.74**	**12.11**	**20.95**

* The accounting year changed to January to December w.e.f 01.04.2008. Thus accounting period is for nine months for the period ended December 31, 2008

FINANCIAL HIGHLIGHTS – EML STANDALONE







DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors has pleasure in presenting the Thirty Second Annual Report along with the Audited Accounts for the year ended December 31, 2013.

FINANCIAL RESULTS

Your Company achieved an all time high top line growth during the financial year 2013 with total revenue from operations (net) at Rs. 1702.47 crores. The profit before depreciation and interest amounted to Rs. 313.73 crores, which is 18.4% of the total revenue. After accounting for interest and dividend income of Rs. 80.1 crores, interest expense of Rs. 0.27 crores and depreciation of Rs. 30.41 crores, profit before tax amounts to Rs. 363.15 crores. Profit after tax amounts to Rs. 278.62 crores after income tax provision of Rs. 84.53 crores.

DIVIDEND

The Directors are pleased to recommend a dividend of 300% (Rs. 30/- per Equity Share of Rs. 10/- each) for the year ended December 31, 2013. Last year, your Company has paid dividend of 200% (Rs. 20/- per Equity Share of Rs. 10/- each) to the shareholders of the Company.

BUSINESS PERFORMANCE

Your Company's Royal Enfield unit continues to grow significantly. It sold 1,78,121 motorcycles in the year 2013, 57.0% more when compared to 2012 sales of 1,13,432. Of 178,121 motorcycles sold in 2013, 4256 were exported, a growth of 20.5% over previous year.

The financial results are summarized below:

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Gross sales	**1910.68**	**1173.79**
Less : Excise duty	**215.29**	**130.04**
Net sales	**1695.39**	**1043.75**
Other operating revenue	**7.08**	**5.51**
Total revenue from operations (net)	**1702.47**	**1049.26**
Profit before depreciation and interest	**313.73**	**145.43**
Interest	**0.27**	**0.26**
Depreciation	**30.41**	**17.15**
Profit before other income and tax	**283.05**	**128.02**
Interest and dividend income	**80.10**	**45.78***
Profit before tax	**363.15**	**173.80**
Provision for tax (including Deferred tax)	**84.53**	**29.04**
Net profit after tax	**278.62**	**144.76**
Balance brought forward from previous year	**455.76**	**381.62**
Amount available for appropriation	**734.38**	**526.38**
Proposed Dividend	**81.12**	**54.00**
Corporate Dividend Tax	**6.86**	**2.14**
Transfer to General Reserve Account	**27.86**	**14.48**
Balance carried to Balance Sheet	**618.54**	**455.76**
Earnings per share		
- Basic (Rs.)	**103.15**	**53.62**
- Diluted (Rs.)	**102.58**	**53.31**

* Dividend @ Rs. 75/- per equity share which was declared by the Company's subsidiary, VE Commercial Vehicles Limited (VECV) in its shareholders' meeting held on January 31, 2013, was not included in the financial results for the year ended December 31, 2012. This is due to change in Schedule VI to Companies Act, 1956. Hitherto in terms of the earlier Schedule VI to the Companies Act, 1956, the Company was recognising income from dividend declared by its subsidiary company, i.e. VE Commercial Vehicles Limited (VECV) pertaining to the period on or before the Balance Sheet date. The requirement no longer exists in the revised Schedule VI. Accordingly, the Company as per AS–9 'Revenue Recognition' has recognised dividend from subsidiary companies as income only when the right to receive dividends is established as on the Balance Sheet date. **Had the Company recognised dividend from VECV as income as per old Schedule VI, the profit for the year 2012 would have been higher by Rs. 40.80 crores.**

Total revenue from operations (net) for the year was Rs. 1,702.47 crores, 62.2% growth over previous year (Rs. 1,049.26 crores). Net Sales of spare parts and services increased to Rs. 135.89 crores in 2013 from Rs. 100.14 crores in the previous year, registering a growth of 35.70%.

Royal Enfield has also substantially expanded and upgraded its network across the country. In 2013 it added 75 new dealerships taking the total dealership network to 307. The Company plans to continue to expand its distribution aggressively over the next few years, so that it is more convenient for Royal Enfield customers to purchase a bike and have it repaired and simultaneously to purchase accessories and apparel as well. The Company's focus is on providing a very unique, friendly and technically sound experience at its dealerships so that the customer fully appreciates every contact with the Company.

MARKET AND FUTURE PROSPECTS

Your Company continues to enlarge and enrich its product portfolio. On 11th September 2013, the much awaited Continental GT was launched in Brooklands, UK. Prominent media representatives and personalities from the automotive world were invited for the launch. Along with the motorcycle, a Continental GT range of apparel and accessories was also launched. The international media and distributor/dealer community were extremely impressed by the motorcycle – its ride and handling, fit and finish and how true the product is to its intent – café racing. This motorcycle has set the tempo for meaningful presence for Royal Enfield in the international markets. The Continental GT was launched in India in October 2013 along with accessories. Your Company is extremely satisfied with the customer response to the motorcycle. Prior to the Continental GT, the Bullet 500 was launched in India in early 2013 and received a heartening response.

Your Company has set its goals to be a significant player in the mid-size motorcycle market. It calls for investments in manufacturing capacity, supply chain, product platforms and distribution. Your Company will invest in all these areas to seize the significant opportunities for growth in that it believes lies in India and international markets.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

CONSERVATION OF ENERGY

The following new initiatives were taken to conserve energy during the year 2013:

1. Replacement of Exhaust Blower Motor with Additional Ducting from existing Air Replacement Plant (ARP) exhaust system in Paint Shop that resulted in savings of 13824 KWH per annum.
2. Modification of Electric Circuit which resulted in reduced running time of Hydraulic Power Pack for Fixtures in Machine Shop (From 8hr/Shift to 1.2hr/Shift) resulting in savings of 35925 KWH per annum.
3. Automation of Motors in Spindle Drilling Machine in Machine Shop through Spindle Position Sensors resulted in savings of 18630 KWH per annum.
4. Replacement of Energy Efficient Air Conditioners resulted in savings of 3974 KWH per annum.

Royal Enfield Continental GT ride flag-off at Ace Café, London

5. Efficient usage of Lightings in Machine Shop Line through automatic control resulted in savings of 7500 KWH per annum.
6. Reduction in Power consumption by using Sigma Air managers in Compressors resulted in savings of 31000 KWH per annum.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In the following areas, we have designed and developed new systems:

1. Aluminum alloy wheel rim for better handling and weight reduction.
2. Clip on handle bar for better ergonomics.
3. Cradle type frame for better handling and manufacturing.
4. Spring damping system to reduce vibration in handle bar.
5. Needle bearing on swing arm for enhanced life.
6. Plastic seat pan for ease of manufacturing.
7. Introduction of Zinc Iron plating for fasteners – for improved corrosive resistance.
8. Introduction of improved Fuel Tank with pre coated (Electrolytic Zinc Coating) Sheet metal.
9. Introduction of double lip oil seal for Gear shift lever for better sealing.
10. Cam Clutch for starting arrangement to have better Cold Start ability and life.
11. Introduction of Polyamide gauge Bearing on Crank shaft for enhanced life.
12. Introduction of Aluminum Sealing Plug for the oil gallery for better sealing.
13. Introduction of graphite filled copper Exhaust Gasket for better exhaust sealing.
14. Silencer end cup by extrusion process to avoid multiple parts welding.
15. Introduction of U nut for Engine mounting for better torque retention.
16. Introduction of Metal Injection Molding (MIM) for exhaust cam lift pin.

RESEARCH AND DEVELOPMENT

The focus on Research and Development accelerated in 2013. The Company continues to invest in the development of new products and improvement in existing products and value engineering projects. Your Company continues to invest in infrastructure and talent for conducting research and development activities, as a result of which Rs. 10.89 crores (Previous year Rs. 3.95 crores) were incurred on capital account and Rs. 20.88 crores (Previous year Rs. 16.75 crores) were spent on revenue account of Research and Development.

Please also refer to Note No. 31 of Notes to Accounts forming part of the Annual Report for further details of Research and Development.

FOREIGN EXCHANGE EARNINGS/EXPENDITURE

During the current year, total exports (FOB value) were Rs. 69.01 crores (Previous year Rs. 54.89 crores).

Foreign Exchange amounting to Rs. 66.42 crores (Previous year Rs. 24.50 crores) was used on account of import of components, spare parts, capital goods, business travel and consulting fees during the year under review.

Please also refer to Note No. 46 to 48 of Notes to Accounts forming part of Annual Accounts for further details of Foreign Exchange earnings and expenditure.

EICHER EMPLOYEE STOCK OPTION PLAN 2006

5,000 stock options have been issued out of the forfeited stock options during the year ended December 31, 2013 (5,400 stock options net of forfeited in the previous year).

Royal Enfield Tour of Tibet

1,77,000 options (net of forfeited options) that were granted on September 30, 2006 under the Employee Stock Option Plan 2006 have vested with employees on October 1, 2009. Out of these, 1,77,000 options (1,70,600 options up to previous year and 6,400 options during the year under review) have been exercised by the employees.

2,08,900 options (net of forfeited options) that were granted on October 22, 2007 under the Employee Stock Option Plan 2006 have vested with employees on October 22, 2010. Out of these, 1,76,900 options (1,45,400 options up to previous year and 31,500 options during the year under review) have been exercised by the employees.

The Statement giving complete details as at December 31, 2013, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, forms part of the Directors' Report.

PUBLIC DEPOSITS

As on December 31, 2013, there are no public deposits. There are no deposits that remain unclaimed. The Company has not renewed/ accepted fixed deposits after May 29, 2009.

BOARD OF DIRECTORS

Mr. S. Sandilya – Director retires by rotation and, being eligible, offers himself for reappointment.

The Board recommends his reappointment pursuant to applicable provisions of the Companies Act, 1956. Resolution seeking your approval on said item along with the terms and conditions are included in the Notice convening the Annual General Meeting together with brief resume of the Director being reappointed.

SUBSIDIARIES OF EICHER MOTORS LIMITED

VE COMMERCAL VEHICLES LIMTED (VECVL)

VE Commercial Vehicles Limited (VECVL), a subsidiary of your Company, continued to perform well despite adverse market conditions. In 2013, the domestic sales volume of commercial vehicles industry (5 Tonne and above) decreased by 25.1% over 2012. This is the 2nd successive year of sales decline in the industry. However, VECVL posted better sales volume number in 2013 than the industry and arrested its sales volume decline to 15.5%, increasing its market share to 13.9% for the year 2013.

2013 was a landmark year for VECVL as it commercialised many strategic projects including medium duty engine project, bus body project etc. It unveiled a new range of trucks and buses that will replace its current fleet over time.

In 2013, VECVL posted total revenue from operations (net) at Rs. 5,069.6 crores as against Rs. 5,297.6 crores during the previous financial year ended December 31, 2012, a decline of 4.3%. The profit before depreciation and interest amounted to Rs. 401.9 crores at 8.1% of net sales as against profit before depreciation and interest of Rs. 410.4 crores during the previous year at 7.8% of net sales, a decline of 2.1%. The profit before tax amounts to Rs. 349.8 crores (previous year Rs. 431.5 crores). After providing for tax of Rs. 60.7 crores, profit after tax amounts to Rs. 289.1 crores (previous year Rs. 336.7 crores).

Please refer to the section on VECVL for details on financial and operational performance.

EICHER POLARIS PRIVATE LIMITED (EPPL)

Eicher Polaris Private Limited (EPPL) is a 50:50 joint venture with Polaris Inc., US. EPPL is in the project phase and will begin commercial production in 2015. During 2013, EPPL made satisfactory progress on all fronts of the project including product development and construction of manufacturing facility.

Operations & Financial Results of EPPL

EPPL was incorporated on October 10, 2012 and the commercial production/operations of the Company are yet to be commenced. During the year ended December 31, 2013, profit before tax amount to Rs. (0.18) crore and pre-operative expenses amount to Rs. 9.3 crores.

Future Outlook of EPPL

EPPL is working towards achieving start of production in 2015.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

In terms of a General Circular No. 2/2011 dated February 8, 2011, issued by the Ministry of Corporate Affairs, the Board of Directors of the Company has accorded consent at its meeting held on February 12, 2014, for non-attachment of the copies of Balance Sheets, Statement of Profit and Loss, reports of the Board of Directors and Auditors' Report of the subsidiaries (including step down subsidiaries) as required under the provisions of Section 212 of the Companies Act, 1956 and to comply with the conditions laid down under the said circular.

The annual accounts and related detailed information of the subsidiary company (including step down subsidiaries) will be made available to the shareholders of the Company and its subsidiary company (including step down subsidiaries) at any point of time and will also be available for inspection during official working hours.

However, as directed by the Central Government the financial data of the subsidiaries have been furnished under Financial Information of Subsidiary Companies forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 specified in the Companies (Accounting Standards) Rules, 2006, the Consolidated Financial Statements presented by the Company include financial information of its subsidiaries. The statement pursuant to Section 212 of the Companies Act, 1956 forms part of the Annual Report (please refer to Note 40 of Consolidated Financial Statements).

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Clause 32 of the Listing Agreement, the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended December 31, 2013 are provided in the Annual Report.

AUDITORS' REPORT

The Auditors' Report is annexed hereto and forms part of the Annual Report.

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, have expressed their willingness to continue in office as Statutory Auditors, if re-appointed. A certificate has been obtained from them to the effect that the appointment, if made, will be in accordance with the limits specified in sub-section (1B) of section 224 of the Companies Act, 1956.

Royal Enfield's concept store at Select Citywalk, New Delhi

Royal Enfield's Oragadam plant, Tamil Nadu

COST AUDITORS

In conformity with the directives of the Central Government, the Company has appointed Mr. V Kalyanaraman, Cost Accountants, Chennai, as the Cost Auditors under Section 233B of the Companies Act, 1956, for the audit of cost accounts for Motor Vehicles (Two Wheelers) unit of the Company for the year ending December 31, 2014. The Cost Audit Report for the year ended December 31, 2012 was filed on June 21, 2013.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchanges, a Management Discussion and Analysis is annexed to this report. A report on Corporate Governance together with the Auditors' Certificate regarding the compliance of conditions of Corporate Governance forms part of the Annual Report.

PARTICULARS OF EMPLOYEES

The statement of particulars of employees as per sub-section (2A) of section 217 of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, for the year ended December 31, 2013 is annexed hereto and forms part of this Annual Report.

STATEMENT OF RESPONSIBILITY

As required under section 217(2AA) of the Companies (Amendment) Act, 2000, the Board of Directors confirms that:

a. the applicable accounting standards have been followed in preparation of the annual accounts;
b. the accounting policies have been applied consistently, judgments and estimates have been reasonable and prudent thereby giving a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
d. the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their sincere gratitude to the continuing patronage and trust of our valued customers, bankers and financial institutions, business associates, shareholders and other statutory authorities who have extended their precious continued support and encouragement to your Company. Your Directors wish to convey their deep appreciation to the dealers of the Company for their achievements in the area of sales and service, and to suppliers / vendors and other business associates for their valuable support.

Your Directors also place on record, their sincere appreciation for the enthusiasm and commitment of its employees for the growth of the Company and look forward to their continued involvement and support.

For and on behalf of the Board

Place: Gurgaon	**Siddhartha Lal**	**S. Sandilya**
Date: February 12, 2014	Managing Director	Chairman

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

EMPLOYEE STOCK OPTION PLAN

Statement as at December 31, 2013, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

a)	Number of Options granted	Under Eicher Employee Stock Option Plan, 2006: 1. 3,01,400 options granted in the year ended March 31, 2007 2. 2,89,200 options granted in the year ended March 31, 2008 3. 55,400 options granted in the year ended December 31, 2010 out of forfeited options 4. 1,08,200 options granted in the year ended December 31, 2011 out of forfeited options 5. 5,400 options granted in the year ended December 31, 2012 out of forfeited options 6. 5,000 option granted in accounting year 2013 out of forfeited options
b)	(i) Pricing Formula	All the options were granted at the closing market price of the Ordinary shares of the Company on NSE/BSE on the day preceding the date of grant of Options
	(ii) Exercise Price (Rs.)	1. 297 for options granted in the year ended March 31, 2007 2. 462 for options granted in the year ended March 31, 2008 3. 695 for 40,000 options granted in the year ended December 31, 2010 4. 1,411 for 15,400 options granted in the year ended December 31, 2010 5. 1,162 for 1,08,200 options granted in the year ended December 31, 2011 6. 1,770 for 5,400 options granted in the year ended December 31, 2012 7. 4,915 for 5000 options granted in accounting year 2013
c)	Total number of Options vested	4,41,300
d)	Total number of Options exercised	3,53,900
e)	Total number of Ordinary Shares arising as a result of exercise of Options.	3,53,900
f)	Total number of Options lapsed (Lapsed Options include those forfeited)	30,700 (Only forfeited options excluding options granted out of such forfeited options)
g)	Variation of terms of Options	Nil
h)	Money realized by exercise of Options	Rs. 13.43 crores
i)	Total number of Options in force	2,06,000
j)	Details of Options granted during the period	
	i) Senior Managerial Personnel	None
	ii) Any employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	None
	iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None
k)	Diluted Earnings per Share (DEPS) pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'.	Rs. 102.58
l)	(i) Method of calculation of employee compensation cost.	The employee compensation cost has been calculated using the intrinsic value method of accounting to account for Options issued under the Eicher Employee Stock Option Scheme. The stock based compensation cost as per intrinsic value method for the year ended December 31, 2013 is Nil.

	(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	Rs. 2.69 crores on account of Options granted in the year ended December 31, 2010, December 31, 2011, December 31, 2012 and December 31, 2013
	(iii) The impact of this difference on profits and on EPS of the Company.	Had the fair value method been used, in respect of stock options granted in the year ended December 31, 2010, December 31, 2011, December 31, 2012 and December 31, 2013, the employee compensation cost would have been higher by Rs. 2.69 crores, Profit after tax lower by Rs. 2.69 crores and the basic and diluted earnings per share would have been lower by Rs. 0.99 and Rs. 0.99 respectively.
m)	Weighted average exercise prices and weighted average fair values of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	

Options grant date	Exercise price (Rs.)	Fair value (Rs.)
1st Oct., 2006	297	154.62
22nd Oct., 2007	462	243.90
29th Apr., 2010	695	154.62
8th Nov., 2010	1,411	243.90
6th May., 2011	1,162	625.14
11th Feb., 2012	1,770	967.06
16th December, 2013	4,915	2,522.03

n) A description of the method and significant assumptions used during the year to estimate the fair values of Options.

The fair value of each Option granted on 1st October 2006, 22nd October 2007, 29th April, 2010, 8th November, 2010, 6th May, 2011, 11th February, 2012 and 16th December, 2013 is estimated using the Black-Scholes Option Pricing Model after applying the following key assumptions:

	1st Oct. 2006	22nd Oct. 2007	29th Apr. 2010	8th Nov. 2010	6th May 2011	11th Feb. 2012	16th Dec. 2013
i) Risk free interest rate	7.68%	7.95%	7.68%	7.95%	8.29%	8.25%	8.65%
ii) Expected life	10 years	10 years	10 years	10 years	10 years	10 years	10 years
iii) Expected volatility	49.86%	49.66%	49.86%	49.66%	49.03%	46.63%	44.20%
iv) Expected dividends	1.58%	1.49%	1.58%	1.49%	1.48%	1.44%	1.38%
v) The price of the underlying share in market at the time of Option grant	296.80	461.80	695.00	1,411.00	1,162.00	1,770.00	4,915.00

For and on behalf of the Board

Place: Gurgaon
Date: February 12, 2014

Siddhartha Lal
Managing Director

S. Sandilya
Chairman

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENT

In 2013, the two wheeler industry's growth rate lowered to 4%, after having grown 5.2 % in 2012. Within the two wheeler industry, the motorcycle industry growth was 2.0 % which is same compared to 2012. In 2013, the scooter market grew 15% over 2012.

The volume and growth of two wheeler and motorcycle industry are as below:

	2013	2012	Growth
Two Wheeler Industry (N os.)	16,385,992	15,747,838	4 %
Motorcycles (Nos.)	12,212,838	11,964,985	2 %

Within the motorcycle segments, the growth rate slowed in the economy segment. The executive segment degrew in volume terms, even as the rate of degrowth improved in 2013 when compared to 2012. The premium segment, which your company leads with a 90% market share continues to grow.

Segment	Growth in 2013 over 2012	Growth in 2012 over 2011
Economy segment (≤125cc)	2.2 %	2.9%
Executive segment (Above 125cc &≤ 250cc)	- 2.3 %	-12.2%
Premium segment (Above 250cc)	65.6 %	56.5%

The trend of leisure motorcycling and day to day commuting is evolving across the country, with its adoption by a growing customer population who are aspirational and have increased brand consciousness. This provides the premium motorcycle segment a significant potential for future growth.

Your Company's Royal Enfield brand has an extremely rich global heritage of practical leisure motorcycling of over a hundred years. Royal Enfield is a cult brand globally and has pioneered the leisure motorcycling culture in India. The brand's positioning and related marketing activities have both delighted the current customers and opened up avenues for attracting new customers.

Royal Enfield continuously engages its customers by providing a pure motorcycling experience through its marquee rides that are organized throughout the year. These rides see participation from a cross section of its customers and enthusiasts who take time off from their regular routines to ride out on their Royal Enfield's to some of the most scenic locales within and outside the country. Riding is also promoted actively at the dealership levels.

2. OPPORTUNITIES, THREATS AND OUTLOOK

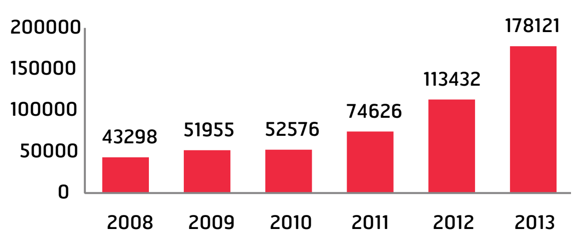
The trends of India's economic growth will present tremendous opportunities for growth in motorcycle segment and in leisure biking. Your Company's healthy customer order book provides a clear indication of future growth. In spite of the slowdown across the automobile industry, Royal Enfield has achieved strong growth compared to 2012 and also achieved the record mark of 178,121 motorcycles sales in a year for the first time.

Your Company continues to enlarge and enrich its product portfolio. On 11th September 2013, the much awaited Continental GT was launched in Brooklands, UK. Prominent media representatives and personalities from the automotive world were invited for the launch. Along with the motorcycle, a Continental GT range of apparel and accessories were also launched. The international media and distributor/dealer community was extremely impressed by the motorcycle – its ride and handling, fit and finish and how true the product is to its intent – café racing. This motorcycle has set the tempo for meaningful presence for Royal Enfield in the international markets. The Continental GT was launched in India in October 2013 along with accessories. Your company is very pleased with the customer response to the motorcycle. Prior to Continental GT, Bullet 500 was launched in India in early 2013 and received heartening response..

Your company has set its goals to be a significant player in the mid size motorcycle market. It calls for investments in manufacturing capacity, supply chain, product platforms and distribution. Your company will invest in all these areas to seize the significant opportunity in that it believes lies in India and international markets in the space of mid size motorcycles.

3. BUSINESS PERFORMANCE

Your Company's Royal Enfield unit continues to grow strongly. It sold 1,78,121 motorcycles in the year 2013, 57.0% more when compared to 2012 sales of 1,13,432. Of 178,121 motorcycles sold in 2013, 4256 were exported, a growth of 20.5% over previous year.



Total revenue from operations (net) for the year was Rs. 1,702.47 crores, 62.2% growth over previous year (Rs. 1,049.26 crores).

Net Sales of spare parts and services grew to Rs. 135.89 crores in 2013 from Rs.100.14 crores in the previous year, registering a growth of 35.70%.

Siddhartha Lal, MD & CEO, Eicher Motors Limited, at the Continental GT launch, London

Royal Enfield has also substantially expanded and upgraded its network across the country. In 2013 it added 75 new dealerships taking the total dealership network to 307. The Company plans to continue to expand its distribution aggressively over the next few years, so that it is more convenient for Royal Enfield customers to purchase a bike and have it repaired and increasingly so- to purchase accessories and apparel as well. The Company's focus is on providing a very unique, friendly and technically adept experience at its dealerships so that the customer truly appreciates every contact with the Company

4. RISKS AND CONCERNS

The Company regularly conducts a study to develop a comprehensive 360° view on the opportunities, risks and threats to the business. These include areas such as market trends, new competition, changing customer preferences, disruptions in supplies, product development, talentmanagement etc.

Key risks identified for the Royal Enfield unit are as follows:-

1. Inability to timely ramp-up production to meet market demand and planned growth.
2. Entry of new players in the premium segment may pose (indirect) competition.
3. Loss of Customer Satisfaction and brand image due to quality issues
4. Inability to grow exports volumes with current distributor model, current products and perceived quality.

The management has put in place a comprehensive 'Risk Management Mechanism' to manage these risks. To manage and mitigate the same, these risks are embedded in the various initiatives that the management will execute in 2014 and beyond. These plans are reviewed periodically with the Board of Directors of the Company.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a comprehensive system of internal control to safeguard the Company's assets against the loss from unauthorized use and ensure proper authorization of financial transactions.

The Company has internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control process and compliances. The Company takes abundant care in designing, reviewing and monitoring regularly the working of internal control systems and internal control compliances for all important financial internal control processes. The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director.

The Company has robust ERP systems based on SAP platform. This ensures high degree of systems based checks and control.
The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The details of the financial performance of the Company appear in the Balance Sheet, Statement of Profit and Loss and other financial statements appearing separately. Please refer the Directors' Report for highlights.

7. HUMAN RESOURCES

The Industrial relations were cordial throughout the year and the Company has initiated many programs on up-skilling its manpower. As an ongoing exercise, the Company has continued to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency.

The Company continues to invest in people through various initiatives which enable the work force to meet out the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization.

The Company's talent base (full time), as on December 31, 2013 stands at 1052.

8. CAUTIONARY STATEMENT

Certain Statements in the Management Discussion and Analysis describing the Company's view about the Industry, objectives and expectations etc. may be considered as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied in the statement. The Company's operations may be affected with supply and demand situation, input prices and their availability, changes in Government regulations, tax laws and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

For and on behalf of the Board

Place: Gurgaon	**Siddhartha Lal**	**S. Sandilya**
Date: February 12, 2014	Managing Director	Chairman

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

Statement of Particulars of Employees Pursuant to the Provisions of Section 217(2A) of the Companies Act,1956 and the Companies (Particulars of Employees) Rules,1975 forming part of the Directors Report for the year ended December 31, 2013.

(a) Name (b) Age (c) Qualifications (d) Experience (e) Date of Commencement of Employment (f) Designation (g) Remuneration (h) Last employment

A. Employed for the the year from 01.01.2013 to 31.12.2013 in receipt of remuneration not less than Rs.60,00,000/- per annum.

Name	Age	Qualifications	Experience	Date of commencement of employment	Designation	Remuneration (Amount in Rs.)	Last Employment
Siddhartha Lal	40	PGDME, MSc. (Automotive Engg.)	17	May 2001	Managing Director & Chief Executive Officer	4,74,23,418	Eicher Limited
R. L. Ravichandran	63	B.Com., PGDBM	43	July 2005	Executive Director	68,09,504	Bajaj Auto Limited
Lalit Malik	46	CA, MBA	20	October 2010	Chief Financial Officer	1,22,83,636	Max India Limited
B. Govindarajan	45	B.E., PGDMM	24	June 2011	Chief Operating Officer, Royal Enfield (a unit of Eicher Motors Limited)	1,00,99,650	Patil Rail Private Limited
N. Krishnan	54	B.E., MS	29	June 2011	Senior Vice President-Product	75,68,475	GE India Technology Private Limited
Shaji Koshy	53	B.TECH	28	May 2006	Senior Vice President-Marketing	71,93,151	Hindustan Motors Limited
K. Ramesh	55	M Com., FCMA	30	June 2006	Senior Vice President-Finance	61,44,359	India Motor Parts & Accessories Limited

B. Employed for part of the year ended 31.12.2013 in receipt of remuneration not less than Rs.5,00,000/- per month.

Name	Age	Qualifications	Experience	Date of commencement of employment	Designation	Remuneration (Amount in Rs.)	Last Employment
Venkatesh Padmanabhan	50	B.Sc, MS, Ph.D	25	December 2008	Chief Executive Officer, Royal Enfield (a unit of Eicher Motors Limited)	51,28,779	Mercedes Car Group/ Chrysler Group (DC)
Ajit George Abraham	54	M.A(SW), Adv. Diploma in HR (UK)	33	January 2012	Senior Vice President-HR	57,83,531	Birlasoft India Limited

Notes :

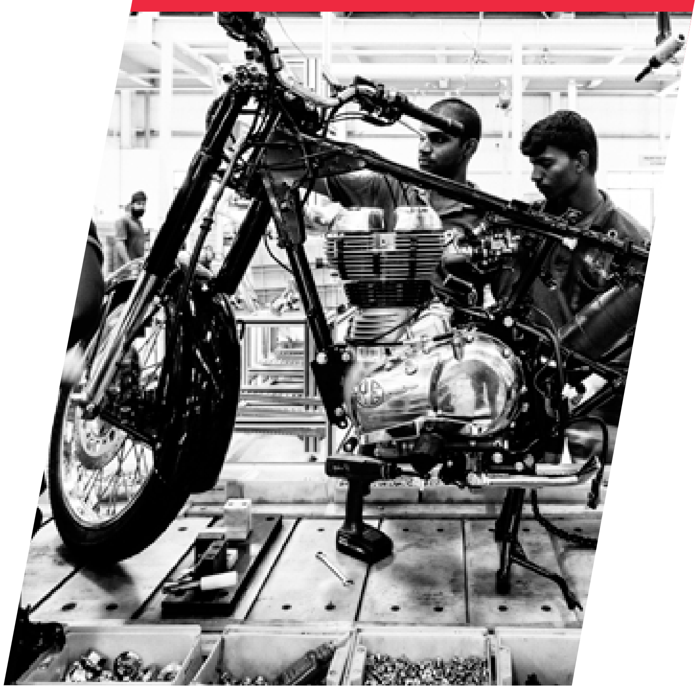
1. Remuneration includes basic salary, allowanes, Company's contribution to provident fund and other funds and monetary value of perquisites as per Income Tax Rules, 1962.
2. The nature of employment in all cases is contractual.
3. None of the above employees is related to any director of the Company.
4. The aforesaid employees do not hold any equity shares of the Company in accordance with Section 217 (2A) (a) (iii) of the Companies Act, 1956.

For and on behalf of the Board

Place: Gurgaon
Date: February 12, 2014

Siddhartha Lal
Managing Director

S. Sandilya
Chairman



REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Eicher has been one of the frontrunners in India to adopt a "Code of Corporate Governance".

Our philosophy on Corporate Governance in Eicher emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working - workplace management, marketplace responsibility, community engagement and business decisions.

The code of conduct and the governance are based on the corporate principles and strong emphasis laid on transparency, accountability, integrity and compliance.

The governance processes of the Company include creation of empowered sub-committees of the Board to oversee the functions of executive management. These sub-committees of the Board mainly comprises of Non-executive Directors and Independent Directors, which meet and deliberate regularly to discharge their obligations.

2. BOARD OF DIRECTORS

As on December 31, 2013, the Company's Board consists of six members. The Board is responsible for the management of the affairs of the Company's businesses.

The Board of Directors comprises of Mr. S. Sandilya - Non-executive Independent Director (Chairman), Mr. Siddhartha Lal - Managing Director, Mr. R. L. Ravichandran -Whole Time Director, Mr. Priya Brat-Non-executive Independent Director, Mr. M. J. Subbaiah - Non-executive Independent Director and Mr. Prateek Jalan-Non-executive Independent Director. Your Company's Board has an optimum combination of Executive, Non-executive and Independent Directors as per the requirements of Clause 49 of the Listing Agreement.

The details of composition and Directorship held in other companies / Board committees by each member of the Board of Directors of the Company as on December 31, 2013 are as under:

S. No.	Name of the Director/ DIN No.	Category (Independent/Non executive/Executive)	Number of Directorships held in other Companies *	Number of Board Committee memberships/Chairmanships held in other Companies*	
				Memberships	**Chairmanships**
1.	Mr. S.Sandilya-Chairman DIN No. 00037542	Non-executive and Independent Director	4	-	3
2.	Mr. Siddhartha Lal- Managing Director DIN No. 00037645	Executive Director	1	-	-
3.	Mr. R. L. Ravichandran-Whole Time Director DIN No. 03309996	Executive Director	-	-	-
4.	Mr. Priya Brat - Director DIN No. 00041859	Non-executive and Independent Director	3	3	1
5.	Mr. M. J. Subbaiah -Director DIN No.00044799	Non-executive and Independent Director	1	-	1
6.	Mr. Prateek Jalan - Director DIN No. 02170139	Non-executive and Independent Director	1	-	-

* None of the Directors hold Chairmanship of the Board Committees in excess of the maximum ceiling of five and membership in excess of the maximum ceiling of ten as specified in clause 49 of the Listing Agreement.

* For the purpose of reckoning the limit of the interest in the Committees of Board of Directors, chairmanship/membership of the Audit Committee and the Shareholders' and Investors' Grievance Committee alone has been considered and directorship in Private Limited Companies, Foreign Companies and Companies registered under section 25 of the Companies Act, 1956 has not been considered.

No Director of the Company is interrelated to any other Director on the Board.

Details of Shareholding of Directors as on December 31, 2013

The details of Shareholding of Directors are as under:

S. No.	Name of the Director	No. of Shares
1.	Mr. S. Sandilya	12,766
2.	Mr. Siddhartha Lal	294,694
3.	Mr. R. L. Ravichandran	1,225

Mr. Priya Brat, Mr. M.J. Subbaiah and Mr. Prateek Jalan do not hold any shares in the Company.

Meetings and Attendance

Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

S. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended the 31st AGM held on March 22, 2013
1.	Mr. S. Sandilya - Chairman- Non-executive and Independent Director	4	4	Yes
2.	Mr. Siddhartha Lal - Managing Director	4	4	Yes
3.	Mr. R. L. Ravichandran - Whole Time Director	4	3	No
4.	Mr. Priya Brat - Non-executive and Independent Director	4	4	Yes
5.	Mr. M. J. Subbaiah - Non-executive and Independent Director	4	4	Yes
6.	Mr. Prateek Jalan - Non-executive and Independent Director	4	4	Yes

Meetings of the Board of Directors were held on February 12, 2013, May 13, 2013, August 7, 2013 and November 7, 2013.

3. COMMITTEES

I COMMITTEES OF THE BOARD

(i) Audit Committee

In terms of provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, Audit Committee of the Board of Directors was formed by the Board of Directors on July 23, 2001 and presently consists of four Non-executive Directors who are Independent Directors. The role of the Audit Committee is to provide directions to and oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and such other matters as are required in terms of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges.

Meetings and Attendance

S.No.	Name of the Member	No. of meetings held	No. of meetings attended
1.	Mr. M. J. Subbaiah - Chairman - Non-executive and Independent Director	4	4
2.	Mr. Priya Brat - Non-executive and Independent Director	4	4
3.	Mr. S.Sandilya - Non-executive and Independent Director	4	4
4.	Mr. Prateek Jalan - Non-executive and Independent Director	4	4

Meetings of the Audit Committee of the Board of Directors were held on February 12, 2013, May 13, 2013, August 7, 2013 and November 7, 2013.

The Managing Director, Chief Financial Officer, Vice President-Internal Audit and the Statutory Auditors are permanent invitees at the Audit Committee meetings.

The Company Secretary acts as the Secretary of the Audit Committee.

(ii) Shareholders' and Investors' Grievance Committee

In terms of provisions of Clause 49 of the Listing Agreement, Shareholders' and Investors' Grievance Committee of the Board of Directors was formed by the Board of Directors on July 23, 2001 and presently consists of two Non-executive and Independent Directors. The Committee is required to look into the redressal of Shareholders' and Investors' complaints like transfer of shares, Non-receipt of Annual Report, Non-receipt of declared dividend etc.

Meetings and Attendance

S.No.	Name of the Member	No. of meetings held	No. of meetings attended
1.	Mr. Priya Brat - Chairman - Non-executive and Independent Director	4	4
2.	Mr. S.Sandilya - Non-executive and Independent Director	4	4

Meetings of the Shareholders' and Investors' Grievance Committee of Board of Directors were held on February 12, 2013, May 13, 2013, August 7, 2013 and November 7, 2013.

The Managing Director and Chief Financial Officer are the permanent invitees at the Shareholders' and Investors' Grievance Committee meetings.

The Company Secretary acts as the Secretary and Compliance Officer of the Shareholders' and Investors' Grievance Committee.

(iii) Compensation Committee

The Compensation Committee of the Board of Directors was formed by the Board of Directors on June 9, 2006 and presently consists of three Directors.

The Terms of Reference of the Compensation Committee relate to administration and superintendence of Employee Stock Option Plan – 2006 (ESOP - 2006), formulation of the detailed terms and conditions of the ESOP including total number of options to be granted, identification of classes of employees entitled for participation, requirements of vesting and period of vesting, exercise price, exercise period and the process of exercise, appraisal process for determining the eligibility of the employees, maximum number of options to be issued per employee and in aggregate, disclosure and accounting policies and method of option valuation.

Meetings and Attendance

S.No.	Name of the Member	No. of meetings held	No. of meetings attended
1.	Mr. Siddhartha Lal - Managing Director	1	1
2.	Mr. Priya Brat - Non-executive and Independent Director	1	1
3.	Mr. S. Sandilya - Non-executive and Independent Director	1	1

Meeting of the Compensation Committee of Board of Directors was held on December 16, 2013.

The Company Secretary acts as the Secretary and Compliance Officer of the Compensation Committee.

II COMMITTEE OF THE COMPANY

Shares Committee

The Shares Committee of the Company consists of three members i.e. Mr. Siddhartha Lal - Managing Director, Mr. Lalit Malik - Chief Financial Officer and Mr Praveen Kumar Jain-Authorised Official to look after and approve transfer of equity shares including dematerialization, issue of duplicate certificates, transmission of securities, etc. During the year ended December 31, 2013, 29 meetings of the Committee were held whereby 17,403 shares were transferred by the Committee.

4. REMUNERATION OF DIRECTORS (FOR THE YEAR ENDED DECEMBER 31, 2013)

The remuneration of the Managing Director and Whole Time Director is fixed by the Board of Directors and approved by shareholders in the Annual General Meeting. The Managing Director and Whole Time Director of the Company are being provided with the remuneration from the Company for which requisite shareholders' approvals had been obtained at the Annual General Meeting.

The details of remuneration to Managing Director and Whole Time Director for the year ended December 31, 2013 are as under:

Rs. in crores

Name of the Director	Remun-eration	Commi-ssion	Perqui-sites	Service Contract	
				Tenure	**Notice period**
Mr. Siddhartha Lal – Managing Director	1.67	2.40	0.68	5 years (Mr. Siddhartha Lal was reappointed as Managing Director w.e.f. May 1, 2011 upto April 30, 2016 which was approved by members of the Company in its Annual General Meeting held on March 18, 2011)	3 months notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months.
Mr. R. L. Ravichandran-Whole Time Director	0.67	-	0.01	2 years (Mr. R L Ravichandran was reappointed as Whole Time Director w.e.f. January 1, 2013 upto December 31, 2014 which was approved by members of the Company in its Annual General Meeting held on March 22, 2013))	3 months notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months.

Total remuneration paid as Salary and allowances, Perquisites and Commission shall not exceed 10% of the net profit computed in the manner laid down in Sections 198, 349 and other applicable provisions of the Companies Act, 1956 as amended from time to time.

Note:-No sitting fees have been paid to Mr. Siddhartha Lal and Mr. R. L. Ravichandran during the year ended December 31, 2013.

The remuneration comprising sitting fees and commission to Non-executive and Independent Directors for the year ended December 31, 2013 is as under:

Name of the Director	Remuneration (Amount in Rs.)	
	Sitting fees*	**Commission#**
Mr. S. Sandilya - Non-executive and Independent Director	2,20,000	32,00,000
Mr. Priya Brat - Non-executive and Independent Director	2,20,000	5,00,000
Mr. M. J. Subbaiah - Non-executive and Independent Director	1,60,000	5,00,000
Mr. Prateek Jalan - Non-executive and Independent Director	1,60,000	16,00,000
Total	**7,60,000**	**58,00,000**

In addition to the sitting fees mentioned above, the Non-executive and Independent Directors of the Company are entitled to remuneration by way of commission upto the maximum of 1% of the net profits of the Company calculated in accordance with the applicable provisions of the Companies Act, 1956, w.e.f. the financial year ended December 31, 2009 for which requisite shareholders' approval was obtained in the Annual General Meeting (AGM) held on March 15, 2010. Further, there has been no other pecuniary relationship or business transactions by the Company with any Non-executive and Independent Directors of the Company.

* Remuneration paid to Non-executive and Independent Directors represent sitting fees as approved by the Board of Directors for attending the Board Meetings and Committee Meetings thereof.

Annual commission payable to Non-executive and Independent Directors is subject to approval of annual accounts by the shareholders in the forthcoming Annual General Meeting.

Notes:- The Non-executive and Independent Directors are paid sitting fees @ Rs. 20,000 for attending each meeting of the Board of Directors, Audit Committee and Compensation Committee.

- The Non-executive and Independent Directors are paid sitting fees @ Rs. 10,000 per meeting for attending Shareholders' and Investors' Grievance Committee Meeting.

5. SUBSIDIARY

Subsidiary companies of the Company are managed by their respective Board having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of significant unlisted subsidiary company, inter alia, by the following means:

(a) Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.

(b) All minutes of Board meetings of subsidiary company are placed before the Company's Board on regular basis.

(c) All significant transactions and arrangements entered into by the subsidiary company.

6. DISCLOSURES

(i) Related Party Transactions

In terms of the Accounting Standard-18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note No. 39 to the Accounts forming part of this Annual Report.

Transactions with related parties entered into by the Company are in the normal course of business on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s).

(ii) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

(iii) Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is posted on the website of the Company.

(iv) CEO/CFO certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49 (V) of the Listing Agreement and a certificate forms part of Annual Report.

(v) Non-Mandatory requirements

The Company has not adopted the Non-mandatory requirements as specified in Annexure I D of Clause 49 of the Listing Agreement.

(vi) Accounting treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

(vii) Risk Management

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for risk assessment and its minimization. It ensures that all the Risks are timely defined and mitigated in accordance with the well structured Risk Management Process. The Audit Committee and Board reviews periodically the Risk Management Process.

7. MEANS OF COMMUNICATION

(i) The consolidated quarterly and annual results are published in the Business Standard (English) - All Editions and Business Standard (Hindi), Delhi. The Standalone and Consolidated quarterly and annual results of the Company are available on the Company's website at www.eicher.in

(ii) The Standalone and Consolidated quarterly and annual results are filed with the Stock Exchanges in terms of Clause 41 of the Listing Agreement.

(iii) The following are displayed on the Website of the Company at www.eicher.in :

- Business of the Company;
- Annual Report of the Company;
- Standalone and Consolidated Quarterly and Annual Financial Results of the Company;
- Shareholding Pattern;
- Company Profile;
- Press Releases;
- Code of Conduct for the Directors and Senior Management;
- Investors/analysts conference call information and transcripts;
- Contact information - for solving any queries.

(iv) Management Discussion and Analysis Report forms part of the Report of the Directors.

8. SHAREHOLDERS' INFORMATION

(i) Day, date, time and venue of the : Annual General Meeting — Friday, March 21, 2014 at 10.00 A.M at LTG Auditorium, Copernicus Marg, New Delhi-110001

(ii) Financial Year

The current year is for 12 (twelve) months from January 1, 2013 to December 31, 2013

(iii) General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
December 31, 2010	18.03.2011 (AGM)	Friday	10.00 A.M	LTG Auditorium, Copernicus Marg, New Delhi – 110 001.	No
December 31, 2011	22.03.2012 (AGM)	Thursday	10.00 A.M	LTG Auditorium, Copernicus Marg, New Delhi – 110 001.	Yes*
December 31, 2012	22.03.2013 (AGM)	Friday	10.00 A.M	LTG Auditorium, Copernicus Marg, New Delhi – 110 001.	No

* The Company in its AGM held on March 22, 2012, passed a special resolution pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 for the amendment of Articles of Association of the Company.

(iv) Financial Calendar – 2013

Adoption of Quarterly/Annual Results for the quarter/year ended	Date of Board Meetings	Date of publication	Name of Newspapers
March 31, 2013 (Quarterly Results)	13/05/2013	14/05/2013	Business Standard- All Editions (English) and Business Standard (Hindi), Delhi
June 30, 2013 (Quarterly Results)	07/08/2013	08/08/2013	Business Standard- All Editions (English) and Business Standard (Hindi), Delhi
September 30, 2013 (Quarterly Results)	07/11/2013	08/11/2013	Business Standard- All Editions (English) and Business Standard (Hindi), Delhi
December 31, 2013 (Annual Results)	12/02/2014	13/02/2014	Business Standard- All Editions (English) and Business Standard (Hindi), Delhi

Tentative Financial Calendar – 2014

Quarterly results for the quarters ending March 31, 2014, June 30, 2014, September 30, 2014 and annual results for the year ending December 31, 2014 will be approved in the Board Meetings which will be tentatively held in the month of May 2014, August 2014, November 2014 and February 2015 respectively (subject to the finalization of dates by the Board of Directors). The Consolidated quarterly and annual results shall be published in the Business Standard (English)- All Editions and Business Standard (Hindi), Delhi. The Standalone and Consolidated quarterly and annual results are intimated to Stock Exchanges. Additionally, the same are also posted on Company's website at www.eicher.in.

(v) Book Closure Dates : Friday, March 14, 2014 to Friday, March 21, 2014 {Both days inclusive}

(vi) Dividend payment date : Friday, March 28, 2014

(vii) Listing on Stock Exchanges

The equity shares of the Company are listed on the Stock Exchanges i.e. BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE). The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2013-14 have been paid.

(viii) Name of Depositories for dematerialization of equity shares

Name of the depository	ISIN No.
National Securities Depository Limited (NSDL)	INE 066A 01013
Central Depository Services (India) Limited (CDSL)	INE 066A 01013

The equity shares are quoted under the following Codes

Stock Exchanges	Code / Symbol
BSE Limited, Mumbai (BSE)	505200
National Stock Exchange of India Limited, Mumbai (NSE)	EICHERMOT

(ix) Registrar and Share Transfer Agent/Address for correspondence:

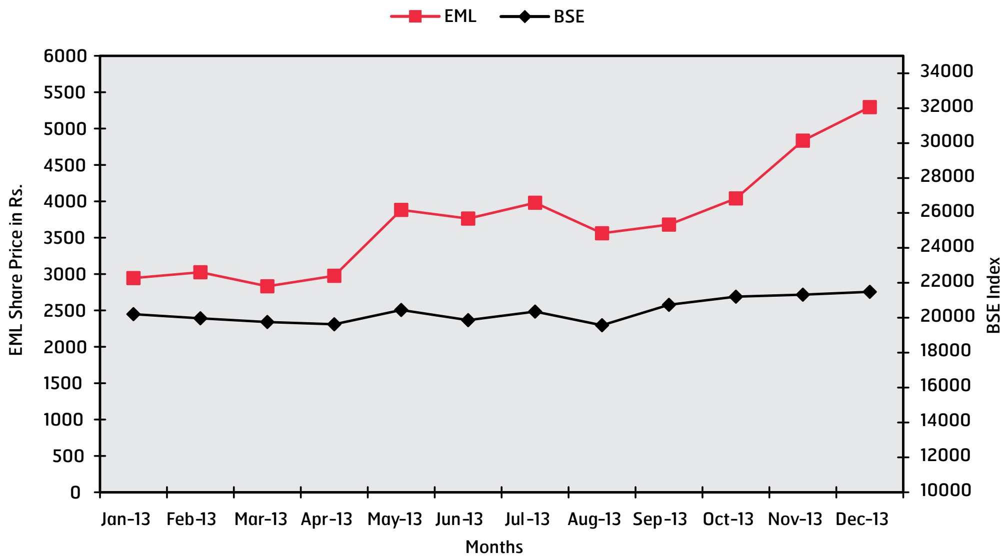
Share transfers and other communication regarding change of address, dividends, share certificates, investor complaints, etc. may be addressed to	M/s MCS Limited Registrar and Share Transfer Agent F–65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi 110 020 Phone No. (011) 41406149-52 Fax No. (011) 41709881 E-mail: admin@mcsdel.com

Members may write for any queries / information to Mr. Lalit Malik, Chief Financial Officer and Compliance Officer, Eicher Motors Limited, Registered Office 3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi–110017 or Corporate Office # 96, Sector 32, Gurgaon- 122001, Haryana or any query can be sent by email to investors@eicher.in.

(x) Market Price Data at BSE and NSE:

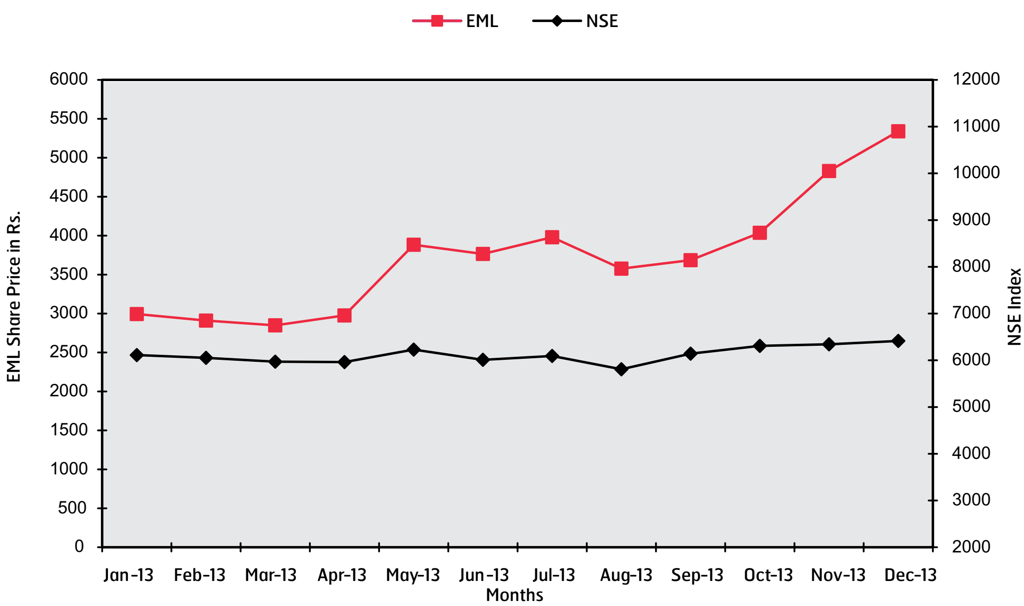
January 2013 to December 2013	BSE			NSE		
	High (Rs. per share)	Low (Rs. per share)	Volumes (No. of shares)	High (Rs. per share)	Low (Rs. per share)	Volumes (No. of shares)
January 2013	2,945.00	2,610.05	45,899	2,993.95	2,610.00	2,87,871
February 2013	3,025.00	2,600.00	39,078	2,910.00	2,590.00	5,48,863
March 2013	2,832.00	2,512.00	1,37,531	2,849.00	2,511.55	2,65,783
April 2013	2,976.00	2,525.00	29,069	2,976.00	2,501.00	4,87,840
May 2013	3,882.00	2,910.10	2,06,444	3,883.30	2,939.60	7,11,195
June 2013	3,763.00	3,213.00	62,873	3,765.60	3,212.00	5,19,852
July 2013	3,980.00	3,295.60	88,408	3,980.00	3,301.00	5,89,070
August 2013	3,560.95	2,975.00	41,463	3,577.00	2,965.00	6,69,643
September 2013	3,680.00	3,100.20	1,49,457	3,685.70	3,122.15	5,14,339
October 2013	4,040.00	3,511.45	58,171	4,037.00	3,512.00	2,42,871
November 2013	4,833.80	3,863.90	64,886	4,830.00	3,915.20	4,03,728
December 2013	5,294.95	4,651.00	1,06,351	5,340.00	4,660.00	6,35,538

Share Price Performance
Eicher Motors Limited (EML) vs BSE Index



Note: Based on the monthly high price of share of Eicher Motors Limited (Rs. per share) and BSE

Share Price Performance
Eicher Motors Limited (EML) vs NSE Index



Note: Based on the monthly high price of share of Eicher Motors Limited (Rs. per share) and NSE Index (pts.)

(xi) Share transfer system

Shares of the Company are transferred through M/s MCS Limited, who is the Registrar and Share Transfer Agent of Company and the Shares Committee of the Company approves the said share transfers.

Total number of shares transferred during the year ended December 31, 2013 was 17,403 shares. The details of time taken by the Company to complete the share transfers are given below:

Transfer period in days	No. of shares	Percentage (%)
1 to 10 days	15,204	88.00
11 to 15 days	2,199	12.00
Total	**17,403**	**100.00**

There was no pendency of share transfers as on December 31, 2013.

(xii) Dematerialization of shares and liquidity

As per SEBI's circular dated February 21, 2000, the Company's equity shares w.e.f. March 22, 2000 are under the Compulsory Demat Category and can now only be traded in the dematerialized form.

Members are requested to avail the facility of the depository system by opening of Demat account with any of the Depository Participant (DP). Members who hold shares in dematerialised form, should send all their communications concerning dematerialisation / rematerialisation of share certificates, transfers/transmissions, dividends, change of address, change in mandate, nominations, etc. to the concerned DPs with whom they have opened Demat Account.

As on December 31, 2013, 26198181 shares constituting 96.89% of the total paid up equity share capital of the Company have been dematerialized with NSDL and CDSL.

(xiii) Shareholding Pattern as on December 31, 2013

Category	No. of Shares	Percentage (%)
Promoters	1,49,02,730	55.12
Institutional Investors	67,83,932	25.09
Body Corporates	2,44,639	0.90
Individuals	51,07,582	18.89
Total	**2,70,38,883**	**100.00**

(xiv) Distribution of shareholding as on December 31, 2013

No of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of shares	Percentage of Shareholding
1-500	25,315	97.16	18,34,778	6.79
501-1000	345	1.32	2,52,580	0.93
1001-2000	127	0.49	1,85,285	0.69
2001-3000	49	0.19	1,20,586	0.45
3001-4000	29	0.11	1,03,671	0.38
4001-5000	14	0.05	62,703	0.23
5001-10000	57	0.22	4,31,146	1.59
10001-50000	72	0.28	17,07,179	6.31
50001-100000	20	0.08	14,34,883	5.31
100001 and Above	26	0.10	2,09,06,072	77.32
TOTAL	**26,054**	**100.00**	**2,70,38,883**	**100.00**

The Company has not issued any GDRs/ADRs and there are no warrants or any convertible instruments.

(xv) Transfer of Unclaimed / Unpaid Dividend:

The Company shall be transferring the unclaimed/unpaid dividends as mentioned hereunder to the Investor Education and Protection Fund, established by the Central Government, in terms of the provisions of Sections 205A and 205C of the Companies Act, 1956.

The tentative schedule for unclaimed dividend to be transferred to Investors Education and Protection Fund is as under:

For the Financial Year	Due for transfer to the Central Government
2006-07	April 13, 2014
2007-08	July 8, 2015
2008 (01-04-2008 to 31-12-2008)	July 5, 2016
2009	April 18, 2017
2010	April 25, 2018
2011	April 25, 2019
2012	April 25, 2020

Members who have not encashed their Dividend Warrants for the above financial years, may approach the Company for obtaining duplicate Dividend Warrants/Revalidation of Dividend Warrants.

(xvi) Investors' services

Correspondence/complaints received during the year ended December 31, 2013

S. No.	Nature of correspondence/complaints	Received (in Nos.)	Cleared (in Nos.)
1.	Non-receipt of share certificates	24	24
2.	Letters from Stock Exchange(s), SEBI, Advocate Letters, etc.	18	18
3.	Non receipt of Dividend Warrants / Annual Reports	110	110
	Total	**152**	**152**

The Company has attended to most of the investors' grievance/correspondence within a period of 10 days from the date of receipt of complaint for the year ended December 31, 2013.

There was no pendency of correspondence / complaints as on December 31, 2013.

(xvii) Unclaimed shares

As per SEBI's circular CIR/CFD/DIL/10/2010 dated December 16, 2010 read with Clause 5A of the Listing Agreement, the Company has opened Unclaimed Suspense Account, i.e. "Eicher Motors Limited - Unclaimed Suspense Account" with Kotak Securities Limited and the unclaimed shares lying with the Company have been dematerialized and credited to Eicher Motors Limited - Unclaimed Suspense Account.

In terms of the said SEBI's Circular read with Clause 5A of the Listing Agreement, the details with respect to the unclaimed shares of the Company for the year ended December 31, 2013 are as under:

S. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares transferred to the Unclaimed Suspense Account during the year	882	22,857
(ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	7	771
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	7	771
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	875	22,086

(xviii) Nomination facility

The Companies (Amendment) Act, 1999 had provided for a facility of nomination in the shares of a Company. Your Company is pleased to offer the facility of nomination to members. The Members, who hold shares in the physical form and wish to avail nomination facility, are requested to send the duly completed form to the Registrar and Share transfer Agent of the Company. A format of the Nomination Form (Form 2 B) along with the instructions is available on the website of the Company. The Members, who hold shares in the electronic form and wish to avail nomination facility, are requested to send separate request to their respective DP(s) only.

(xix) Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Share Transfer Agent at the address given at Para (xxiv), indicating the folio numbers to be consolidated.

(xx) National Electronic Clearing Services (NECS) Mandate

Under the NECS facility, the amount due is directly credited to the bank account of the member without issuing dividend warrants. Members holding shares in Physical Form and wishing to avail the NECS facility may fill in the respective particulars as per the NECS form, which is available on the website of the Company. In order to avoid fraudulent encashment of dividend warrants, members who hold shares in the physical form, are requested to advise their bank account details as per the dividend mandate form, which is available on the website of the Company. The members who hold shares in the demat form are requested to send request directly to their respective DP(s) for updating NECS or Bank Particulars.

(xxi) Registered Office

3rd Floor- Select Citywalk, A-3 District Centre, Saket
New Delhi- 110 017, Tel No. (011)- 29563722
Website: www.eicher.in

(xxii) Corporate Office

#96, Sector 32, Gurgaon- 122 001, Haryana.
Tel. No. (0124)- 4415600
Website: www.eicher.in

(xxiii) Plant locations

(i) Thiruvottiyur High Road,
Thiruvottiyur, Chennai - 600 019 (Tamil Nadu)

(ii) A-19/1, SIPCOT Industrial Growth Centre,
Oragadam, Kanchipuram - 602 105 (Tamil Nadu)

(xxiv) Address for Correspondence

M/s MCS Limited, Registrar and Share Transfer Agent
F–65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi- 110 020
Tel. No. (011) 41406149-52, Fax No. (011) 41709881,
E-mail: admin@mcsdel.com

This is to certify that the information given above is true and correct.

For **Eicher Motors Limited**

Place: Gurgaon
Date: February 12, 2014

Siddhartha Lal
Managing Director

S. Sandilya
Chairman

DECLARATION

As per the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the year ended December 31, 2013.

For **Eicher Motors Limited**

Place: Gurgaon
Date: February 12, 2014

Siddhartha Lal
Managing Director

S. Sandilya
Chairman

AUDITORS' CERTIFICATE ON THE COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

TO THE MEMBERS OF EICHER MOTORS LIMITED

We have examined the compliance of conditions of Corporate Governance by Eicher Motors Limited for the year ended December 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.015125N)

Manjula Banerji
Partner
(Membership No. 086423)

Place: Gurgaon
Date: February 12, 2014

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Siddhartha Lal–Chief Executive Officer and Managing Director and Lalit Malik-Chief Financial Officer, hereby certify that:

a) we have reviewed the financial statements and cash flow statement for the year ended December 31, 2013 and that to the best of our knowledge and belief :

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) to the best of our knowledge and belief, no transactions entered into by the Company during the year ended December 31, 2013 are fraudulent, illegal or in violation of the Company's Code of Conduct.

c) we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) we have indicated to the Auditors and Audit Committee that :

   (i) there have not been any significant changes in internal controls over financial reporting during the year ended December 31, 2013;

   (ii) there have not been any significant changes in accounting policies during the year ended December 31, 2013 and that the same have been disclosed in the notes to the financial statements; and

   (iii) there has not been any instance during the year ended December 31, 2013 of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Place: Gurgaon
Date: February 12, 2014

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EICHER MOTORS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **EICHER MOTORS LIMITED** ("the Company"), which comprise the Balance Sheet as at December 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
   (e) On the basis of the written representations received from the directors as on December 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 015125N)

Place: Gurgaon
Date: February 12, 2014

Manjula Banerji
(Partner)
(Membership No. 86423)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Having regard to the nature of the Company's business/activities/result, clauses 4 (xiii) and (xiv) of the Order are not applicable.

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except for inventories lying with third parties for which confirmations have been obtained in most of the cases during the year or at the year-end.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any failure to correct major weaknesses in such internal control system.

(v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
(b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

(vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie,* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) 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, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at December 31, 2013 for a period of more than six months from the date they became payable.
(c) There are no disputed dues of Customs Duty, Wealth Tax and Cess. Further, the details of disputed dues not deposited/deposited under protest of Sales Tax, Service Tax, Excise Duty and Income Tax as at December 31, 2013 are as follows:

Nature of the Statute	Nature of dues	Forum where pending	Amount* (Rs. in crores)	Amount paid under protest (Rs. in crores)	Period to which amount relate
Central Excise Act	Excise Duty	Commissioner of Central Excise	0.30	-	1983-84 to 2000-01
		CESTAT	54.68	0.26	2002-03 to 2004-05
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1987-88, 1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority upto Commissioner's level	1.87	1.18	1986-87, 1987-88, 1989-90 to 1991-92, 1993-94, 1996-97 to 2003-04, 2005-06, 2007-08, 2008-09, 2010-11, 2013-14
		Appellate Tribunal	2.52	0.63	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	3.11	1.08	1984-85 to 1986-87, 1990-91 to 1994-95, 2000-01, 2001-02, 2004-05
Service Tax Act	Service Tax	Commissioner of Central Excise	0.36	0.02	2006-07 to 2009-10
		CESTAT	0.04	-	2006-07
Income Tax Act	Income Tax	Appellate Authority upto Commissioner's level	6.79	-	2009-10 and 2010-11

* Amount as per deman d orders including interest and penalty wherever indicated in the order.

The details of matters decided in favour of the Company where the department has preferred appeals at higher levels have not been considered in the above table.

(x) The Company does not have accumulated losses at the end of the current financial year and has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan from financial institutions and has not issued any debentures.

(xii) According to the information and explanations given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations given to us, the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.

(xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.

(xvi) As the Company has not made any preferential allotment of shares during the year, paragraph 4(xviii) of the Order is not applicable.

(xvii) As the Company has not issued any debentures during the year, paragraph 4(xix) of the Order is not applicable.

(xviii) Since the Company has not raised any money by way of public issue during the year, paragraph 4(xx) of the Order is not applicable.

(xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 015125N)

Manjula Banerji
(Partner)
(Membership No. 86423)

Place: Gurgaon
Date: February 12, 2014

BALANCE SHEET AS AT DECEMBER 31, 2013

Rs. in crores

Particulars	Note No.	As at December 31, 2013	As at December 31 , 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**27.04**	27.00
Reserves and surplus	3	**794.30**	602.05
		821.34	629.05
Non-current liabilities			
Deferred tax liabilities (net)	4	**12.63**	6.26
Other long-term liabilities	5	**3.78**	3.23
Long-term provisions	6	**10.48**	9.26
		26.89	18.75
Current liabilities			
Short-term borrowings	7	**4.00**	4.00
Trade payables	8	**321.42**	177.50
Other current liabilities	9	**211.49**	132.82
Short-term provisions	10	**98.04**	62.12
		634.95	376.44
Total		**1,483.18**	1,024.24
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		**287.97**	133.83
Intangible assets		**11.28**	3.87
Capital work-in-progress		**8.47**	59.37
Intangible assets under development		**5.45**	0.96
		313.17	198.03
Non-current investments	12	**30.94**	10.94
Long-term loans and advances	13	**82.72**	61.30
Other non-current assets	14	**7.09**	6.18
		433.92	276.45
Current assets			
Current investments	15	**825.41**	638.45
Inventories	16	**143.84**	75.41
Trade receivables	17	**12.13**	6.20
Cash and cash equivalents	18	**18.71**	3.50
Short-term loans and advances	19	**48.74**	23.94
Other current assets	20	**0.43**	0.29
		1,049.26	747.79
Total		**1,483.18**	1,024.24

See accompanying notes forming part of the financial statements **1 to 52**

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Manjula Banerji
Partner

Place: Gurgaon
Date: February 12, 2014

Lalit Malik
Chief Financial Officer and
Compliance Officer

S. Sandilya : Chairman
Siddhartha Lal : Managing Director
R.L. Ravichandran : Executive Director
Priya Brat : Director
M.J. Subbaiah : Director
Prateek Jalan : Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2013

Rs. in crores

Particulars	Note No.	For the year ended December 31, 2013	For the year ended December 31,2012
Income			
Revenue from operations (gross)	21	**1,917.76**	1,179.30
Less: Excise duty		**215.29**	130.04
Revenue from operations (net)		**1,702.47**	1,049.26
Other income	22	**80.10**	45.78
Total revenue		**1,782.57**	1,095.04
Expenses			
Cost of raw materials and components consumed	23	**1,079.23**	697.38
Purchase of stock-in-trade	24	**12.56**	-
Change in inventories of finished goods, work-in-progress and stock-in-trade	25	**(31.96)**	(21.27)
Employee benefits expenses	26	**110.90**	78.86
Finance costs	27	**0.27**	0.26
Depreciation and amortisation expenses	28	**30.41**	17.15
Other expenses	29	**218.01**	148.86
Total expenses		**1,419.42**	921.24
Profit before tax		**363.15**	173.80
Tax expense			
Current tax		**78.16**	29.29
Minimum alternate tax (MAT) credit entitlement		**-**	(2.59)
Deferred tax charge		**6.37**	2.34
Total tax expense		**84.53**	29.04
Profit for the year		**278.62**	144.76
Earning per share - basic		**103.15**	53.62
Earning per share - diluted		**102.58**	53.31
(Face value of Rs 10 per share) (in Rs.)			
See accompanying notes forming part of the financial statements	**1 to 52**		

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Manjula Banerji
Partner

Place: Gurgaon
Date: February 12, 2014

Lalit Malik
Chief Financial Officer and Compliance Officer

S. Sandilya : Chairman
Siddhartha Lal : Managing Director
R.L. Ravichandran : Executive Director
Priya Brat : Director
M.J. Subbaiah : Director
Prateek Jalan : Director

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**363.15**	173.80
Adjustments for:		
Depreciation and amortisation expenses	**30.41**	17.15
Profit on sale of fixed assets	**(0.18)**	(0.09)
Fixed assets discarded	**0.02**	0.30
Dividend on unquoted non trade current investments	**(6.91)**	(14.40)
Loss on sale of fixed assets	**0.06**	0.08
Dividend on long term unquoted trade investment in subsidiary company	**(40.80)**	-
Profit on sale of unquoted non trade current investments	**(29.26)**	(30.05)
Interest income	**(1.02)**	(0.94)
Finance costs	**0.27**	0.26
Operating profit before changes in working capital	**315.74**	146.11
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	**(68.43)**	(30.14)
Trade receivables	**(5.93)**	(2.10)
Short-term loans and advances	**(24.80)**	(10.07)
Long-term loans and advances	**(0.56)**	(1.49)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	**143.92**	71.63
Other current liabilities	**81.01**	59.93
Other long-term liabilities	**0.55**	0.50
Short-term provisions	**4.08**	1.59
Long-term provisions	**1.22**	1.17
Cash generated from operating activities	**446.80**	237.13
Direct taxes paid	**(77.99)**	(33.38)
Net cash from operating activities (A)	**368.81**	203.75
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Pre-operative expenditure)	**(139.20)**	(107.48)
Sale of fixed assets	**0.44**	0.19
Investment in a joint venture company	**(50.00)**	(5.50)
Net investment in unquoted non trade current investments	**(186.96)**	(125.88)
Profit on sale of unquoted non trade current investments	**29.26**	30.05
Dividend on long term unquoted trade investment from subsidiary company	**40.80**	40.80
Dividend on unquoted non trade current investments	**6.91**	14.40
Investment in non current fixed deposit under lien (net)	**(0.91)**	(0.42)
Interest received	**0.88**	0.92
Net cash flow from investing activities (B)	**(298.78)**	(152.92)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	**(0.58)**	(0.10)
Increase/ (decrease) in short term borrowings (net)	**-**	(7.17)
Interest paid	**(0.27)**	(0.28)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	**1.65**	0.39
Dividend paid	**(53.48)**	(42.76)
Tax on dividend paid	**(2.14)**	(0.39)
Net cash flow from financing activities (C)	**(54.82)**	(50.31)
Net Increase in cash and cash equivalents (A)+(B)+(C)	**15.21**	0.52
Cash and cash equivalents at the beginning of the year	**3.50**	2.98
Cash and cash equivalents at the end of the year	**18.71**	3.50

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013 (Continued)

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
Components of cash and cash equivalents		
Cash on hand	**0.07**	0.06
Cheques/ drafts on hand	**0.28**	0.01
Balances with banks:		
In current accounts	**0.25**	0.34
In unpaid dividend accounts *	**3.61**	3.09
In deposit accounts **	**14.50**	-
Total cash and cash equivalents (refer note 18)	**18.71**	3.50

* The Company can utilise these balances only towards settlement of the unpaid dividend liabilities.

** Include Rs. 10.50 crores (Rs. Nil) pledged with banks.

See accompanying notes forming part of the financial statements **1 to 52**

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Manjula Banerji
Partner

Place: Gurgaon
Date: February 12, 2014

Lalit Malik
Chief Financial Officer and Compliance Officer

S. Sandilya	:	Chairman
Siddhartha Lal	:	Managing Director
R.L. Ravichandran	:	Executive Director
Priya Brat	:	Director
M.J. Subbaiah	:	Director
Prateek Jalan	:	Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) Inventories

Inventories are valued at the lower of cost and moving weighted average price and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

(iv) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(vi) Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation Depreciation on addition to fixed assets is provided on pro-rata basis from the month the assets are put to use. Depreciation on sale/deduction from fixed assets is provided for up to the previous month of sale, deduction, discardment as the case may be.

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of ten years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Leasehold land is amortised over the lease period.

(vii) Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Interest income is recognised on a time proportionate basis taking into account the amount invested and rate applicable. Dividend income is accounted for when the right to receive is established.

(viii) Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:
Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Pre-operative expenditure (pending allocation):
Expenses directly related to construction activity or incidental thereto, are allocated to fixed assets at the time of completion of the project.

(ix) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

(x) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the Balance Sheet date. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions are charged to the Statement of Profit and Loss.

(xi) Investments

Long term investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(xii) Employee benefits

Employee benefits includes gratuity, compensated absences and contribution to provident fund, employees' state insurance, superannuation fund.

Defined contribution plans:
The Company's contribution to provident fund, employees' state insurance, superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. In respect of certain employees, provident fund contributions are made to a Trust where the interest rate payable to the members of such Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The remaining contributions are made to a government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

Defined benefit plans:
For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date and actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

(xiii) Leases

Payments under operating leases are recognised in the profit and loss statement with reference to lease terms.

(xiv) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xv) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(xvi) Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. The provision for taxation for the year ended December 31, 2013 comprises the residual tax liability for the assessment year 2013-14 relevant to the year April 1, 2012 to March 31, 2013 and the liability, which has accrued on the profit for the period April 1, 2013 to December 31, 2013, under the provisions of the Income-tax Act, 1961

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. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

(xvii) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

(xviii) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(xix) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

(xx) Employee share based payments

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the Company has constituted an Employee Stock Option Plan - 2006. Employee Stock Options granted by the Company are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

(xxi) Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Share capital

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Authorised			
3,00,00,000 (3,00,00,000) Equity shares of Rs. 10 each		**30.00**	30.00
1,01,000 (1,01,000) Redeemable cumulative preference shares of Rs. 100 each		**1.01**	1.01
	Total	**31.01**	31.01
Issued, subscribed and paid up			
2,70,38,883 (2,70,00,983) Equity shares of Rs. 10 each		**27.04**	27.00
	Total	**27.04**	27.00

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at December 31, 2013		As at December 31 , 2012	
	Nos.	**Rs. in crores**	Nos.	Rs. in crores
At the beginning of the year	**2,70,00,983**	**27.00**	2,69,92,583	26.99
Issued during the year - ESOP	**37,900**	**0.04**	8,400	0.01
Outstanding at the end of the year	**2,70,38,883**	**27.04**	2,70,00,983	27.00

(ii) Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at December 31, 2013		As at December 31 , 2012	
	Nos.	**% holding in the class**	Nos.	% holding in the class
The Lal Family Trust	**40,56,482**	**15.00%**	40,56,482	15.02%
Eicher Goodearth Trust	**32,71,723**	**12.10%**	32,71,723	12.12%
Anita Lal	**30,23,167**	**11.18%**	30,23,167	11.20%
The Simran Siddhartha Tara Benefit Trust	**27,43,346**	**10.15%**	27,43,346	10.16%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	**22,75,610**	**8.42%**	22,75,610	8.43%

(iii) Aggregate number of shares issued for consideration other than cash and shares bought back during five years immediately preceding the reporting date:

Particulars	Aggregate number of shares	
	As at December 31, 2013	As at December 31, 2012
Equity shares of Rs. 10 each allotted as fully paid up for consideration other than in cash pursuant to the Composite Scheme of Arrangement relating to merger of Residual Eicher Goodearth Investment Limited into the Company which became effective on November 12, 2009 from the appointed date i.e. January 1, 2009.	**1,40,32,764**	1,40,32,764
Equity shares of face value of Rs. 10 each fully paid up bought back and extinguished during the year ended December 31, 2009 in accordance with Section 77A of the Companies Act, 1956.	**14,08,969**	14,08,969

(iv) Employee stock option plan

a. 1,77,000 (1,77,000) options on September 30, 2006, exercisable over a period of seven years after vesting on October 1, 2009 at an exercise price of Rs.297 (including premium of Rs 287) per option, out of which Nil (6,400) options are outstanding at year end. During the year, 6,400 (Nil) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 297 (including premium of Rs. 287 each) per equity share.

b. 2,08,900 (2,08,900) options on October 22, 2007, exercisable over a period of seven years after vesting on October 23, 2010 at an exercise price of Rs. 462 (including premium of Rs. 452) per option, out of which 32,000 (63,500) options are outstanding at year end. During the year, 31,500 (8,400) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 462 (including premium of Rs. 452 each) per equity share.

c. 40,000 (40,000) options on April 29, 2010, exercisable over a period of seven years after vesting on April 29, 2011 at an exercise price of Rs. 695 (including premium of Rs. 685) per option are outstanding as at year end.

d. 15,400 (15,400) options on November 8, 2010, exercisable over a period of seven years after vesting on November 8, 2013 at an exercise price of Rs.1,411 (including premium of Rs. 1,401) per option are outstanding as at year end.

e. 1,08,200 (1,32,200) options on May 6, 2011, exercisable over a period of seven years after vesting on May 6, 2014 at an exercise price of Rs. 1,162 (including premium of Rs. 1,152) per option are outstanding as at year end. During the year, 24,000 (3,000) options were forfeited.

f. 5,400 (12,600) options on February 11, 2012, exercisable over a period of seven years after vesting on February 11, 2015 at an exercise price of Rs. 1,770 (including premium of Rs. 1,760) per option are outstanding as at year end. During the year, 7,200 (Nil) options were forfeited.

g. 5,000 (Nil) options on December 16, 2013, exercisable over a period of seven years after vesting on December 15, 2016 at an exercise price of Rs. 4,915 (including premium of Rs. 4,905) per option are outstanding as at year end.

h. Each option entitles the holders thereof to apply for and be allotted one equity share of the face value of Rs. 10 each.

3. Reserves and surplus

Rs. in crores

	Particulars	As at December 31, 2013	As at December 31 , 2012
A	**Capital reserve**		
	Opening balance	**0.25**	0.25
	Add / Less: Movement during the year	-	-
	Closing balance	**0.25**	0.25
B	**Capital redemption reserve**		
	Opening balance	**1.41**	1.41
	Add / Less: Movement during the year	-	-
	Closing balance	**1.41**	1.41
C	**Securities premium account**		
	Opening balance	**11.47**	11.09
	Add / Less: Movement during the year @	**1.61**	0.38
	Closing balance	**13.08**	11.47
D	**General reserves**		
	Opening balance	**133.16**	118.68
	Add: Amount transferred from surplus in the statement of profit and loss	**27.86**	14.48
	Closing balance	**161.02**	133.16
E	**Surplus in the statement of profit and loss**		
	Opening balance	**455.76**	381.62
	Profit for the year	**278.62**	144.76
	Less: Appropriations		
	Dividend (amount per share Rs. 30.0 (Rs. 20.0))	**81.12**	54.00
	Tax on dividend	**6.86**	2.14
	Transferred to general reserve	**27.86**	14.48
	Total appropriations	**115.84**	70.62
	Net surplus in the statement of profit and loss	**618.54**	455.76
	Total (A+B+C+D+E)	**794.30**	602.05

@ Represents premium @ Rs. 287 per equity share on 6,400 (Nil) equity shares and @ Rs. 452 per equity share on 31,500 (8,400) equity shares issued and allotted during the year under Employee Stock Option Scheme.

4. Deferred tax liabilities (net)

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Deferred tax liabilities on			
Accelerated depreciation		**18.53**	10.94
	Sub-total (A)	**18.53**	10.94
Less: Deferred tax assets on			
Accrued expenses deductible on payment		**1.66**	1.30
Provision for gratuity		**2.62**	2.37
Provision for leave encashment and other employee benefits		**1.28**	0.67
Provision for doubtful debts and advances		**0.34**	0.29
Others		**-**	0.05
	Sub-total (B)	**5.90**	4.68
	Total (A-B)	**12.63**	6.26

5. Other long-term liabilities

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Security deposits		**3.78**	3.23
	Total	**3.78**	3.23

6. Long-term provisions

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Provision for employee benefits			
Gratuity		**7.36**	7.07
Compensated absences (including leave encashment)		**3.12**	2.19
	Total	**10.48**	9.26

7. Short-term borrowings

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Secured			
- From bank			
Cash credit *		**4.00**	4.00
	Total	**4.00**	4.00

* Rs. 4.00 crores (Rs. 4.00 crores) secured by a first charge by way of hypothecation on inventories and book debt of the Company.

8. Trade payables

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Acceptances	**65.00**	36.80
Dues to micro and small enterprises *	**8.27**	4.32
Other trade payables	**248.15**	136.38
Total	**321.42**	177.50

* Refer note no. 34

9. Other current liabilities

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Current maturities of long term borrowings	**-**	0.58
Capital creditors other than micro and small enterprises	**9.09**	11.37
Unpaid dividend *	**3.61**	3.09
Advance from customers for goods	**92.21**	56.09
Employee dues	**10.58**	5.55
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	**69.72**	40.13
Book overdraft	**26.28**	16.01
Total	**211.49**	132.82

* Does not include any amounts outstanding as on December 31, 2013 which are required to be credited to Investor Education and Protection Fund.

10. Short-term provisions

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Provision for employee benefits		
Gratuity	**0.33**	0.24
Compensated absences (including leave encashment)	**0.66**	0.50
Sub-total (A)	**0.99**	0.74
Provision for warranties	**9.07**	5.24
Proposed dividend	**81.12**	54.00
Provision for tax on proposed dividend	**6.86**	2.14
Sub-total (B)	**97.05**	61.38
Total (A+B)	**98.04**	62.12

11. Fixed assets

Rs. in crores

Assets	Gross block (At cost)				Depreciation/Amortisation				Net block	
	As at December 31, 2012	Additions during the year	Deductions during the year	**As at December 31, 2013**	As at December 31, 2012	For the year	Adjust-ments	**As at December 31, 2013**	**As at December 31, 2013**	As at December 31, 2012
(A) Tangible assets										
Land *										
Freehold	2.25	-	-	**2.25**	-	-	-	**-**	**2.25**	2.25
Leasehold	33.79	2.22	-	**36.01**	0.92	0.36	-	**1.28**	**34.73**	32.87
Buildings *	31.07	54.75	-	**85.82**	11.56	2.49	-	**14.05**	**71.77**	19.51
Plant and equipment	125.98	115.73	3.12	**238.59**	60.49	21.54	3.06	**78.97**	**159.62**	65.49
Furniture and fixtures	2.01	0.50	0.38	**2.13**	1.20	0.17	0.38	**0.99**	**1.14**	0.81
Office equipments	11.91	6.08	0.34	**17.65**	4.47	1.44	0.33	**5.58**	**12.07**	7.44
Vehicles	8.57	3.03	0.74	**10.86**	3.11	1.83	0.47	**4.47**	**6.39**	5.46
Sub-total (A)	**215.58**	**182.31**	**4.58**	**393.31**	**81.75**	**27.83**	**4.24**	**105.34**	**287.97**	
Previous year	193.18	40.34	17.94	215.58	83.43	15.79	17.47	81.75		133.83
(B) Intangible assets										
Product designs, prototypes etc.	6.16	1.53	-	**7.69**	5.01	0.66	-	**5.67**	**2.02**	1.15
Computer softwares	5.43	8.46	-	**13.89**	2.71	1.92	-	**4.63**	**9.26**	2.72
Sub-total (B)	**11.59**	**9.99**	**-**	**21.58**	**7.72**	**2.58**	**-**	**10.30**	**11.28**	
Previous year	17.89	2.69	8.99	11.59	15.34	1.36	8.98	7.72		3.87
(C) Capital work-in-progress (including pre-operative expenditure pending allocation amounting to Rs. 0.61 crore (Rs. 4.22 crores) (refer note 11A))									**8.47**	59.37
(D) Intangible assets under development (including pre-operative expenditure pending allocation amounting to Rs. 0.29 crore (Rs. Nil) (refer note 11A))									**5.45**	0.96
Total (A+B+C+D)									**313.17**	198.03

* Title deeds for land and other properties at Thiruvottiyur, Alwar and Jhajjar are pending for mutation /endorsement in favour of the Company.

11A. Pre-operative expenditure (pending allocation)

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Payments to and provisions for employees			
Salaries, wages, bonus etc.		**1.38**	1.52
Contribution to provident and other funds		**0.03**	
Welfare expenses		**0.25**	0.54
Stores and machinery spares consumed (including loose tools)		**0.96**	0.06
Insurance		**0.02**	0.10
Repairs and maintenance			
Buildings		**0.11**	0.10
Plant and machinery		**0.05**	0.05
Others		**0.09**	0.06
Rates and taxes		**-**	0.05
Rent		**0.03**	0.07
Legal and professional charges		**0.03**	0.22
Travelling expenses		**0.02**	0.09
Development expenses		**-**	0.04
Miscellaneous		**0.25**	0.56
		3.22	3.46
Add: Balance brought forward from previous year		**4.22**	0.76
		7.44	4.22
Less: Capitalised during the year		**6.54**	-
	Total	**0.90**	4.22

12. Non-current investments

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Long term *			
Unquoted trade investment in :			
Subsidiary company			
54,40,000 (54,40,000) Equity shares of Rs.10 each fully paid up of VE Commercial Vehicles Limited		**5.44**	5.44
Joint Venture company			
2,55,00,000 (55,00,000) Equity shares of Rs.10 each fully paid up of Eicher Polaris Private Limited		**25.50**	5.50
		30.94	10.94
Unquoted non-trade investment in:			
Government securities			
National Savings Certificates (# Rs.13,000)		**#**	#
(Pledged with Government authorities)			
	Total	**30.94**	10.94

* At cost as reduced by diminution in values, if any.

13. Long-term loans and advances

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Unsecured, considered good			
Capital advances		**20.40**	29.37
Advance given to joint venture company for subscription of equity shares *		**30.00**	-
Security deposits		**6.73**	5.88
Loans and advances to employees		**0.02**	0.10
Balance with government authorities		**5.59**	5.47
Prepaid expenses		**0.06**	-
Advance income tax (net of provision for taxation)		**19.80**	12.66
MAT credit entitlement		**-**	7.31
Others		**0.12**	0.51
	Sub-total (A)	**82.72**	61.30
Unsecured, considered doubtful			
Capital advances		**0.02**	-
Less: Provision for doubtful advances		**0.02**	-
	Sub-total (B)	**-**	-
	Total (A+B)	**82.72**	61.30

* Subsequent to the year end, 3,00,00,000 equity shares of face value of Rs. 10 per share has been issued and alloted to the Company by its joint venture company.

14. Other non-current assets

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Fixed deposits @		**7.09**	6.18
	Total	**7.09**	6.18

@ Rs. 7.09 crores (Rs. 6.18 crores) pledged with banks.

15. Current investments @

Rs. in crores

Particulars	As at December 31 , 2013	As at December 31 , 2012
Unquoted non-trade investment in : **Debt mutual funds** **Units of face value Rs. 10 each**		
Nil (3,03,03,929) units of IDFC Money Manager Fund - Growth	-	50.00
Nil (4,46,40,211) units of HDFC Liquid Fund	-	45.52
Nil (2,50,00,000) units of Birla Sunlife Fixed Term Plan Series EP-Growth	-	25.00
Nil (50,00,000) units of Religare Fixed Maturity Plan Series XIII plan A	-	5.00
Nil (3,00,00,000) units of DSP BlackRock FMP Series 36 -12M - Growth	-	30.00
Nil (5,00,00,000) units of Kotak FMP series 76-Growth	-	50.00
Nil (2,00,00,000) units of Reliance fixed Horizon fund XXI series -9	-	20.00
Nil (1,50,00,000) units of Reliance fixed Horizon fund XXI series -12	-	15.00

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
Nil (1,99,99,980) units of SBI SDFS 367 Days-19	-	20.00
Nil (3,00,00,000) units of ICICI Pru FMP series 62-1year Plan G	-	30.00
Nil (3,50,00,000) units of ICICI Pru FMP series 63-1year Plan C	-	35.00
Nil (1,00,00,000) units of DWS Series -11	-	10.00
Nil (4,00,00,000) units of Kotak FMP series 83-Growth	-	40.00
51,66,277 (51,66,277) units of IDFC Super Saver Income Fund	**10.00**	10.00
1,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 21 Direct Plan - Growth	**10.00**	-
1,00,00,000 (Nil) units of Kotak FMP series 104 Direct-Growth	**10.00**	-
1,00,00,000 (Nil) units of Kotak FMP series 116 Direct-Growth	**10.00**	-
1,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 13 Direct Plan - Growth	**10.00**	-
1,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 32 Direct Plan - Growth	**10.00**	-
1,08,62,401 (Nil) units of IDFC Money Manager Fund - Investment Plan - Growth-(Regular Plan)	**15.00**	-
2,00,00,000 (Nil) units of IDFC Yearly Series Interval Fund Regular Plan - Series II - Growth	**20.00**	-
1,14,85,100 (Nil) units of HDFC Medium Term Opp Fund-Growth	**15.00**	-
1,39,21,612 (Nil) units of HDFC Liquid Fund-Direct Plan-Dividend	**14.20**	-
1,50,00,000 (Nil) units of HDFC FMP 372D Feb 2013-1-Regular-GR	**15.00**	-
2,00,00,000 (Nil) units of HDFC AIF-Plan B-Direct Plan-GR	**20.00**	-
70,00,000 (Nil) units of HDFC FMP 370D Aug 2013-3-Direct-GR	**7.00**	-
1,00,00,000 (Nil) units of HDFC FMP 370D Sep 2013-1-Regular-GR	**10.00**	-
2,00,00,000 (Nil) units of HDFC FMP 372D Jan 2013-3-Direct-GR	**20.00**	-
2,00,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series GJ-Growth	**20.00**	-
2,00,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series HD-GZ	**20.00**	-
1,00,00,000 (Nil) units of BirlaSunlife Interval Inc Annl Plan IX-GZ	**10.00**	-
50,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series IA-Growth Direct	**5.00**	-
2,50,00,000 (Nil) units of DSP BlackRock FMP series 86-12M-Dir-Growth	**30.00**	-
2,50,00,000 (Nil) units of DSP BlackRock FMP series 84-12M-Dir-Growth	**25.00**	-
2,50,00,000 (Nil) units of DSP BlackRock FMP series 87-12M-Dir-Growth	**25.00**	-
40,00,000 (Nil) units of DSP BlackRock FMP series 104-12M-Reg-Growth	**4.00**	-
30,00,000 (Nil) units of DSP BlackRock FMP series 119-12M-Reg-Growth	**3.00**	-
2,00,00,000 (Nil) units of Kotak FMP series 94 Direct-Growth	**20.00**	-

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at December 31 , 2013	As at December 31 , 2012
80,00,000 (Nil) units of Reliance Fixed Horizon fund XXIII Series - 6-DP-Growth Plan	**8.00**	-
1,50,00,000 (Nil) units of Reliance Fixed Horizon fund XXIV Series -11-Growth Plan	**15.00**	-
50,00,000 (Nil) units of Reliance Interval Fund-II-Series1- Growth Plan	**5.00**	-
4,00,00,000 (Nil) units of Reliance Yearly Interval Fund-Series2-DP-Growth Plan	**40.00**	-
2,20,00,000 (Nil) units of Reliance Yearly Interval Fund-Series5-DP-Growth Plan	**22.00**	-
3,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-22-Dir-Growth	**30.00**	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 66-366 Days Plan H Direct Plan Cumulative	**20.00**	-
1,00,00,000 (Nil) units of ICICI Pru FMP series 67-366 Days Plan D Direct Plan Cumulative	**10.00**	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 66-368 Days Plan B Direct Plan Cumulative	**20.00**	-
2,50,00,000 (Nil) units of ICICI Pru FMP series 67-371 Days Plan E Direct Plan Cumulative	**25.00**	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 68-368 Days Plan G Direct Plan Cumulative	**15.00**	-
1,00,00,000 (Nil) units of ICICI Pru FMP series 68-369 Days Plan K Direct Plan Cumulative	**10.00**	-
30,00,000 (Nil) units of Religare Invesco FMP series XX-Plan F (370 Days) DP-Growth	**3.00**	-
50,00,000 (Nil) units of Tata FMP series 43 scheme C-DP - Growth- INF277K01TU2	**5.00**	-
1,00,00,000 (Nil) units of DWS FMP Series -30 - Regular Plan - Growth	**10.00**	-
1,00,00,000 (Nil) units of DWS FMP Series -39 - Direct Plan - Growth	**10.00**	-
80,00,000 (Nil) units of DWS FMP Series -24 - Direct Plan - Growth	**8.00**	-
2,00,00,000 (Nil) units of Kotak FMP series 102 Direct-Growth	**20.00**	-
50,00,000 (Nil) units of Kotak FMP series 119 Direct-Growth	**5.00**	-
2,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-25-Reg-Growth	**20.00**	-
2,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-25-Dir-Growth	**20.00**	-
1,50,00,000 (Nil) units of SBI Debt Fund Series 366 Days-23-Dir-Growth	**15.00**	-
1,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-36-Dir-Growth	**10.00**	-
1,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-37-Dir-Growth	**10.00**	-
50,00,000 (Nil) units of SBI Debt Fund Series 366 Days-46-Dir-Growth	**5.00**	-
1,50,00,000 (Nil) units of UTI Fixed term income fund series XIV-I (366 Days)- Direct Growth Plan	**15.00**	-
1,50,00,000 (Nil) units of UTI Fixed term income fund series XIV-VIII (371 Days)- Direct Growth Plan	**15.00**	-
1,50,00,000 (Nil) units of UTI Fixed term income fund series XV-VIII (368 Days)- Direct Growth Plan	**15.00**	-

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at December 31 , 2013	As at December 31 , 2012
10,00,000 (Nil) units of Union KBC Fixed Maturity Plan Series 8 Growth	**1.00**	-
Units of face value Rs. 100 each		
Nil (46,23,135) units of Birla Sun Life Floating Rate Fund- Growth	**-**	46.24
Nil (47,00,350) units of ICICI Prudential Liquid Regular - Daily Dividend	**-**	47.01
Nil (8,06,305) units of DWS Insta Cash Plus	**-**	8.09
13,21,284 (Nil) units of Birla Sun Life Savings Fund- Growth Direct	**30.00**	-
Units of face value Rs. 1,000 each		
Nil (3,08,180) units of DSP BlackRock Liquidity Fund Institutional Plan - Daily Dividend	**-**	30.83
Nil (6,48,525) units of SBI Premier Liquid Fund Regular Plan - Daily Dividend	**-**	65.07
66,106 (66,106) units of Templeton India Short term Income Plan	**15.00**	15.00
1,52,063 (4,06,672) units of Reliance Liquidity Fund-Daily Dividend Reinvestment Option	**15.21**	40.69
Total	**825.41**	638.45

Repurchase price of unquoted non trade current investments in Debt Mutual funds amounting to Rs. 881.82 crores (Rs. 666.93 crores)
@ At cost or fair value, whichever is lower.

16. Inventories

(At lower of cost and net realisable value)

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Raw materials	**58.39**	23.54
(Includes goods in transit of Rs. 5.08 crores (Rs. 1.46 crores))		
Work in progress	**10.13**	3.15
Finished goods	**67.66**	45.85
(Includes goods in transit of Rs. Nil (Rs. 0.13 crore))		
Stock-in-trade	**3.17**	-
Stores and spares	**3.34**	1.88
Loose tools	**1.15**	0.99
Total	**143.84**	75.41

17. Trade receivables

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Outstanding for a period exceeding six months from the date they were due for payments		
Secured, considered good	**0.01**	0.09
Unsecured - considered good	**0.62**	0.13
- considered doubtful	**0.93**	0.86
	1.56	1.08
Less: Provision for doubtful receivables	**0.93**	0.86
Sub-total (A)	**0.63**	0.22
Others receivables		
Secured, considered good	**0.08**	0.08
Unsecured - considered good	**11.42**	5.90
Sub-total (B)	**11.50**	5.98
Total (A+B)	**12.13**	6.20

18. Cash and cash equivalents

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Cash on hand	**0.07**	0.06
Cheques/ drafts on hand	**0.28**	0.01
Balances with banks:		
In current accounts	**0.25**	0.34
In unpaid dividend accounts	**3.61**	3.09
In deposit accounts*	**14.50**	-
Total	**18.71**	3.50

* Include Rs. 10.50 crores (Rs. Nil) pledged with banks.

19. Short-term loans and advances

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Unsecured, considered good		
Advance to suppliers	**12.03**	5.22
Advance to a joint venture company	**0.13**	1.00
Loans and advances to employees	**0.81**	0.78
Insurance claims receivable	**0.03**	1.36
Prepaid expenses	**2.30**	1.37
Balance with government authorities	**33.02**	13.79
Others	**0.42**	0.42
Sub-total (A)	**48.74**	23.94
Unsecured, considered doubtful		
Others	**0.04**	0.04
Less: Provision for doubtful advances	**0.04**	0.04
Sub-total (B)	**-**	-
Total (A+B)	**48.74**	23.94

20. Other current assets

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Interest accrued on fixed deposits	**0.43**	0.29
Total	**0.43**	0.29

21. Revenue from operations

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Revenue from operations		
Sale of products		
Manufactured goods (gross)	**1,887.73**	1,173.79
Less: Excise duty	**215.29**	130.04
Manufactured goods (net)	**1,672.44**	1,043.75
Stock-in-trade	**22.95**	-
Sub-total (A)	**1,695.39**	1,043.75
Other operating revenue		
Export benefits	**1.12**	2.44
Scrap sale (net of excise duty of Rs. 0.49 crore (Rs. 0.27 crore))	**4.40**	1.78
Income from other operating revenues	**1.56**	1.29
Sub-total (B)	**7.08**	5.51
Revenue from operations (net) — **Total (A+B)**	**1,702.47**	1,049.26

21. Revenue from operations (Continued)

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Details of products sold			
Manufactured goods			
Two wheelers		**1,763.06**	1,073.65
Spare parts and other components		**124.67**	100.14
	Total	**1,887.73**	1,173.79
Stock-in-trade			
Spare parts and other allied products		**22.95**	-
	Total	**22.95**	-

22. Other income

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Profit on sale of fixed assets		**0.18**	0.09
Dividend on unquoted non trade current investments		**6.91**	14.40
Dividend on long term unquoted trade investment in subsidiary company *		**40.80**	-
Profit on sale of unquoted non trade current investments		**29.26**	30.05
Exchange gain (net)		**0.08**	-
Rent income		**1.20**	-
Interest income			
- from banks on deposits		**0.98**	0.57
- from others		**0.04**	0.37
Other income		**0.65**	0.30
	Total	**80.10**	45.78

* Refer note no. 50

23. Cost of raw materials and components consumed

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Inventory at the beginning of the year	**23.54**	15.52
Add: Purchases	**1,118.17**	709.93
	1,141.71	725.45
Less: inventory at the end of the year	**58.39**	23.54
Less: material cost of vehicles capitalised	**0.81**	0.25
	1,082.51	701.66
Less: Sale of raw materials and components to suppliers on cost to cost basis	**3.28**	4.28
Net consumption	**1,079.23**	697.38

24. Purchase of stock-in-trade

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Spare parts and other allied products		**12.56**	-
	Total	**12.56**	-

25. Change in inventories of finished goods, work-in-progress and stock-in-trade

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Inventories at the end of the year			
Finished goods		**67.66**	45.85
Work-in-progress		**10.13**	3.15
Stock-in-trade		**3.17**	-
	A	**80.96**	49.00
Inventories at the beginning of the year			
Finished goods		**45.85**	22.93
Work-in-progress		**3.15**	4.80
Stock-in-trade		**-**	-
	B	**49.00**	27.73
	Net change (B-A)	**(31.96)**	(21.27)

26. Employee benefits expenses

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Salaries, wages, bonus etc.		**92.96**	67.08
Contribution to provident and other funds		**3.92**	2.94
Staff welfare expenses		**14.02**	8.84
	Total	**110.90**	78.86

27. Finance costs

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Interest expense			
On income tax		**0.10**	0.04
On other borrowings		**0.17**	0.22
	Total	**0.27**	0.26

28. Depreciation and amortisation expenses

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Depreciation of tangible assets		**27.83**	15.79
Amortisation of intangible assets		**2.58**	1.36
	Total	**30.41**	17.15

29. Other expenses

Rs. in crores

Particulars		For the year ended December 31, 2013		For the year ended December 31, 2012
Stores and machinery spares consumed (including loose tools and packing material)		39.25		24.36
Increase/decrease in excise duty on finished goods		4.06		3.42
Loss on sale of fixed assets		0.06		0.08
Fixed assets discarded		0.02		0.30
Power and fuel		17.68		11.01
Insurance		1.91		1.12
Repairs and maintenance				
Buildings		2.37		3.61
Plant and machinery		7.31		4.44
Others		4.56		2.79
Rates and taxes		3.23		1.45
Advertisement		6.71		7.23
Freight and handling charges		22.58		13.36
Incentives		2.47		2.50
Warranty		12.48		9.02
Other selling and distribution expenses		34.36		16.88
Rent		10.60		6.69
Legal and professional charges		13.06		12.98
Travelling expenses		10.99		7.84
Development expenses		3.87		3.31
Bad debts/advances written off	0.23		0.06	
Less: Charged against provision for doubtful debts and advances	0.04	0.19	-	0.06
Provision for doubtful debts and advances		0.02		0.47
Exchange loss (net)		-		0.10
Miscellaneous expenses		20.23		15.84
	Total	218.01		148.86

30. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 62.49 crores (Rs. 31.95 crores).

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

31. Research and development expenses:

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 20.88 crores (Rs. 16.75 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 10.89 crores (Rs 3.95 crores). The details of capital expenditure and revenue expenditure are as below:

Rs. in crores

Capital expenditure	For the year ended December 31, 2013	For the year ended December 31, 2012
Building - factory	0.08	0.25
Plant and equipment	2.24	1.90
Furniture and fittings	0.10	0.11
Office equipment	1.16	1.05
Vehicles	0.46	0.64
Intangible assets	1.34	-
Capital work in progress including intangible assets under development	5.22	-
Pre-operative expenditure	0.29	-
Total	10.89	3.95

31. Research and development expenses: (Continued)

Rs. in crores

Revenue expenditure	For the year ended December 31, 2013	For the year ended December 31, 2012
Employees costs	**10.68**	7.56
Development expenses	**3.43**	3.20
Depreciation	**2.60**	2.04
Overheads	**4.17**	3.95
Total	**20.88**	16.75

32. Provision for liabilities, other than for taxes on income and employee benefits

Rs. in crores

Warranty provisions	For the year ended December 31, 2013	For the year ended December 31, 2012
Opening balance	**5.24**	3.93
Additions during the year	**12.48**	9.02
Amount utilised during the year	**8.65**	7.71
Closing balance	**9.07**	5.24

33. Contingent liabilities not provided for in respect of:

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
a) In respect of demands contested by the Company:		
- Excise duty matters	**54.98**	54.99
- Sales tax matters	**6.87**	10.43
- Service tax matters	**0.40**	0.77
- Income tax matters	**6.79**	8.80
b) Claims against the Company not acknowledged as debts	**5.51**	5.00

All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company.

34. Disclosure as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
a) Amount payable to supplier under MSMED (suppliers) as at the end of year		
- Principal	**8.27**	4.32
- Interest due there on	**-**	-
b) Payment made to supplier beyond the appointed day during the year		
- Principal	**-**	-
- Interest due there on	**-**	-
c) Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding the interest under MSMED	**-**	-
d) Amount of interest accrued and remaining unpaid as at the end of year	**-**	-
e) Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	**-**	-

35. Disclosures under Accounting Standard 15 (Revised):

The details of various employee benefits provided to employees are as under:

A. Employee plans

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
a) Provident fund	**3.68**	2.68
b) Superannuation fund	**0.27**	0.26
c) Employee State Insurance Corporation	**0.51**	0.36

Out of the total contribution made for employees' provident fund, Rs. 1.14 crores (Rs. 0.69 crore) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government administered provident fund.

The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2013 is Rs. 59.72 crores as against the total plan assets of Rs. 60.14 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

B. Defined benefit plans:

Reconciliation of opening and closing balances of the present value of defined benefit obligation

Rs. in crores

Particulars	For the year ended December 31, 2013		For the year ended December 31, 2012	
	Gratuity	**Leave encashment**	Gratuity	Leave encashment
Present value of obligation as at the beginning	**7.31**	**1.31**	6.27	1.15
Current service cost	**1.28**	**0.54**	1.39	0.36
Interest cost	**0.51**	**0.09**	0.44	0.08
Benefits paid	**(0.95)**	**(0.20)**	(0.77)	(0.17)
Net actuarial (gain) / loss recognised	**(0.46)**	**0.07**	(0.02)	(0.11)
Present value of obligation as at the end	**7.69**	**1.81**	7.31	1.31

Reconciliation of present value of defined benefit obligation and fair value of plan assets:

Rs. in crores

Particulars	For the year ended December 31, 2013		For the year ended December 31, 2012	
	Gratuity	**Leave encashment**	Gratuity	Leave encashment
Present value of obligation as at the end	**7.69**	**1.81**	7.31	1.31
Fair value of plan assets at the end	**-**	**-**	-	-
Net asset/(liability) recognised in balance sheet	**(7.69)**	**(1.81)**	(7.31)	(1.31)
Further classification				
Long-term provisions	**7.36**	**1.73**	7.07	1.25
Short-term provisions	**0.33**	**0.08**	0.24	0.06
Cost for the year				
Current service cost	**1.28**	**0.54**	1.39	0.36
Interest cost	**0.51**	**0.09**	0.44	0.08
Net actuarial (gain) / loss recognised	**(0.46)**	**0.07**	(0.02)	(0.11)
Net cost recognised	**1.33**	**0.70**	1.81	0.33
Experience adjustment on plan liabilities (loss)/gain	**0.46**	**(0.07)**	0.02	0.11
Principal assumptions:				
Discount rate	**7.50%**	**7.50%**	7.50%	7.50%
Future salary increase	**7.00%**	**7.00%**	7.00%	7.00%
In service mortality	**IALM (2006-08)**	**IALM (2006-08)**	LIC (1994-96)	LIC (1994-96)

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

35. Disclosures under Accounting Standard 15 (Revised): (Continued)

Other disclosures:

Rs. in crores

Particulars	For the year ended December 31, 2011		For the year ended December 31, 2010		For the year ended December 31, 2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at the end	6.27	1.15	6.13	1.23	5.26	0.97
Net Asset/(liability) recognised in balance sheet	(6.27)	(1.15)	(6.13)	(1.23)	(5.26)	(0.97)
Experience adjustments on plan liabilities (loss)/gain	0.49	(0.35)	(0.04)	0.13	(0.03)	0.08

36. Auditors' remuneration (excluding service tax):

Rs. in crores

Particulars	**For the year ended December 31, 2013**	For the year ended December 31, 2012
a) Audit fee	**0.22**	0.19
b) In other capacity:		
- Limited reviews of unaudited financial results	**0.14**	0.11
- Audit of accounts for the fiscal year	**0.05**	0.04
- For certification and others	**0.03**	0.02
c) Out of pocket expenses	**0.01**	0.01

37. Earnings per share

Particulars	**For the year ended December 31, 2013**	For the year ended December 31, 2012
a) Profit for the year, per statement of profit and loss (Rs. in crores)	**278.62**	144.76
b) Weighted average number of equity shares (Nos.)	**2,70,10,595**	2,69,96,916
c) Effect of potential dilutive equity shares on Employee Stock Options outstanding (Nos.)	**1,49,796**	1,58,078
d) Weighted average number of equity shares in computing diluted earnings per share [(b) + (c)]	**2,71,60,391**	2,71,54,994
e) Earnings per share (in rupees):		
(face value-Rs. 10 per share)		
- Basic [(a)/(b)]	**103.15**	53.62
- Diluted [(a)/(d)]	**102.58**	53.31

38. Segment reporting:

As the Company's business activities falls within a single primary business segment viz. "Automobile products and related components" and is a single geographical segment, the disclosure requirements of Accounting Standard – 17 "Segment Reporting" notified under the Companies (Accounting Standards) Rules, 2006 are not applicable.

39. Related party disclosures

a. Name of related parties and their relationship:

Name of related party		Nature of Relationship
VE Commercial Vehicles Ltd.	(VECVL)	Subsidiary company
Eicher Engineering Solutions, Inc., U.S.A.	(EES, Inc.)	100% subsidiary company of VECVL
Eicher Engineering Solutions (Beijing) Co. Ltd*	(EES, Beijing)	100% subsidiary company of EES, Inc.
Eicher Engineering Solutions (Shanghai) Co. Ltd. #	(EES, Shanghai)	100% subsidiary company of EES, Inc.
V E C V Lanka (Private) Limited @	(V E C V Lanka)	100% subsidiary company of VECVL
Eicher Goodearth Private Limited	(EGPL)	Significant influence of key management personnel
Eicher Polaris Private Limited	(EPPL)	Joint venture company

* Formerly known as Hoff Automotive Design (Beijing) Co. Ltd
# Formerly known as Hoff Auto Design (Shanghai) Co. Ltd.
@ Incorporated w.e.f. April 9, 2013

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. R.L. Ravichandran	Whole Time Director

Transactions with the above key management personnel during the year:

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Managerial remuneration@		
- Mr. Siddhartha Lal	**4.75**	4.03
- Mr. R.L. Ravichandran	**0.68**	0.55
Total	**5.43**	4.58

@ Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the company as a whole.

39. Related party disclosures (Continued)

Transactions with the above parties

Rs. in crores

Particulars	VECVL		EES, Inc.		EPPL		EGPL		Total	
	For the year ended December 31, 2013	For the year ended December 31, 2012	**For the year ended December 31, 2013**	For the year ended December 31, 2012	**For the year ended December 31, 2013**	For the year ended December 31, 2012	**For the year ended December 31, 2013**	For the year ended December 31, 2012	**For the year ended December 31, 2013**	For the year ended December 31, 2012
Purchase of finished goods/services	**22.32**	6.38	**-**	0.72	**-**	-	**-**	-	**22.32**	7.10
Advance given to joint venture company for subscription of equity shares	**-**	-	**-**	-	**30.00**	-	**-**	-	**30.00**	-
Investment in shares capital of joint venture company	**-**	-	**-**	-	**20.00**	5.50	**-**	-	**20.00**	5.50
Expenses recovered	**-**	-	**-**	-	**0.33**	0.61	**-**	-	**0.33**	0.61
Expenses reimbursed	**0.09**	-	**-**	-	**-**	-	**-**	-	**0.09**	-
Security deposit given	**-**	-	**-**	-	**-**	-	**0.11**	0.98	**0.11**	0.98
Corporate service charges	**3.42**	3.97	**-**	-	**-**	-	**-**	-	**3.42**	3.97
Rent income	**-**	-	**-**	-	**1.20**	-	**-**	-	**1.20**	-
Rent paid	**-**	-	**-**	-	**-**	-	**2.25**	0.61	**2.25**	0.61
Brand fee	**-**	-	**-**	-	**-**	-	**4.23**	2.62	**4.23**	2.62
Dividend received	**40.80**	-	**-**	-	**-**	-	**-**	-	**40.80**	-
Aggregate balances outstanding as at the year end										
- Receivables*	**-**	-	**-**	-	**0.13**	1.00	**-**	-	**0.13**	1.00
- Payables	**7.66**	3.43	**-**	-	**-**	-	**4.23**	2.62	**11.88**	6.05
-Security deposit receivable	**-**	-	**-**	-	**-**	-	**1.09**	0.98	**1.09**	0.98

* Receivables from EPPL includes Rs. Nil (Rs. 0.39 crores) relating to consultancy services provided by VECVL to EPPL

40. Disclosure in respect of operating leases:

(A) Assets taken on lease:

The Company has taken certain premises under various operating lease agreements. The total lease rental recognize as expense aggregate to Rs. 10.60 crores (Rs. 6.69 crores).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following year:

Rs. in crores

Particulars	**As at December 31, 2013**	As at December 31, 2012
Not later than one year	**1.08**	0.49
Later than one year and not later than five years	**1.62**	0.01

(A) Assets given on lease:

The Company has given assets under operating lease agreement to its joint venture company "Eicher Polaris Private Limited" . The total lease rental recognize as income aggregate to Rs. 1.20 crores (Rs. Nil).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following year:

40. Disclosure in respect of operating leases: (Continued)

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
Not later than one year	**2.49**	-
Later than one year and not later than five years	**11.27**	-
Later than five years	**14.63**	-

41. The details of disputed excise duty, sales tax, service tax and income tax dues as on December 31, 2013 which have not been deposited or deposited under protest are as follows:

Nature of the Statute	Nature of dues	Forum where pending	Amount* (Rs. in crores)	Amount paid under protest (Rs. in crores)	Period to which amount relate
Central Excise Act	Excise Duty	Commissioner of Central Excise	0.30	-	1983-84 to 2000-01
		CESTAT	54.68	0.26	2002-03 to 2004-05
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1987-88, 1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority upto Commissioner's level	1.87	1.18	1986-87, 1987-88, 1989-90 to 1991-92, 1993-94, 1996-97 to 2003-04, 2005-06, 2007-08, 2008-09, 2010-11, 2013-14
		Appellate Tribunal	2.52	0.63	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	3.11	1.08	1984-85 to 1986-87, 1990-91 to 1994-95, 2000-01, 2001-02, 2004-05
Service Tax Act	Service Tax	Commissioner of Central Excise	0.36	0.02	2006-07 to 2009-10
		CESTAT	0.04	-	2006-07
Income Tax Act	Income Tax	Appellate Authority upto Commissioner's level	6.79	-	2009-10 and 2010-11

*Amount as per demand orders including interest and penalty wherever indicated in the order.

The matters decided in favour of the Company, where the department has preferred appeals at higher levels have not been considered in the above table.

42. The unhedged of foreign currency exposures are as under:

Particulars	As at December 31, 2013		As at December 31, 2012	
	Foreign currency in crores	Rs. in crores	Foreign currency in crores	Rs. in crores
Receivables				
USD	**0.01**	**0.13**	0.01	0.41
EURO	**0.09**	**7.71**	0.03	1.90
GBP	**0.01**	**0.25**	0.01	0.19
		8.09		2.50
Payables				
EURO	**0.01**	**0.04**	-	-
JPY	**0.38**	**0.23**	-	-
Others	**-**	**-**	0.01	0.11
		0.27		0.11

43. The Company has a joint venture with Polaris Industries, Inc., U.S.A., Eicher Polaris Private Limited (EPPL) with an investment of Rs. 55.00 crores as at December 31, 2013, representing 50% shareholding in EPPL.
The proportionate share of assets and liabilities as at December 31, 2013 and Income and Expenditure for the year ended December 31, 2013 of EPPL as per their audited financial statements are given below:

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
i) Reserves and surplus	**(0.45)**	(0.16)
ii) Share application money pending allotment	**30.00**	-
iii) Non-current liabilities		
Long term provisions	**0.05**	-
iv) Current liabilities		
Trade payables	**0.53**	0.11
Other current liabilities	**9.03**	2.10
	9.61	2.21
v) Non current assets		
Fixed assets	**28.45**	1.82
Long term loans and advances	**8.70**	0.22
vi) Current assets		
Cash and cash equivalents	**27.35**	5.50
Short-term loans and advances	**0.06**	-
Other current assets	**0.10**	-
	64.66	7.54
Capital commitments	**27.52**	-

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
i) Revenue	**0.62**	-
ii) Expenses		
Employee benefits expense	**0.14**	0.06
Finance costs	**0.02**	-
Other expenses	**0.55**	0.10
Tax expenses	**0.20**	-
	0.91	0.16

44. Particulars of imported and indigenous raw materials, components, stores and machinery spares (including loose tools):

Rs. in crores

Description	For the year ended December 31, 2013		For the year ended December 31, 2012	
	%	**Value**	%	Value
a) Raw materials and components				
Imported	**5.32**	**57.39**	1.50	10.48
Indigenous	**94.68**	**1,021.84**	98.50	686.90
	100.00	**1,079.23**	100.00	697.38
b) Stores and machinery spares consumed (including loose tools)				
Indigenous	**100.00**	**40.21**	100.00	24.42
	100.00	**40.21**	100.00	24.42

45. Particulars of raw materials and components consumed

Rs. in crores

Description	For the year ended December 31, 2013	For the year ended December 31, 2012
Iron and steel	**4.22**	4.20
Others including Components and spare parts*	**1,075.01**	693.18
	1,079.23	697.38

* No individual item accounts for 10% or more of the total purchase of raw materials. It is not practicable to furnish quantitative information in view of the considerable number of diverse items in size and nature.

46. CIF value of imports:

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Components and spare parts	**51.66**	10.48
Capital goods	**3.06**	5.19
Others	**1.13**	-
	55.85	15.67

47. Expenditure in foreign currency (on accrual basis):

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Travelling	**1.13**	0.76
Consultancy fees	**1.90**	3.68
Advertisement	**5.26**	2.13
Others	**2.28**	2.26
	10.57	8.83

48. Earnings in foreign currency:

Rs. in crores

Export of goods (FOB Value)	For the year ended December 31, 2013	For the year ended December 31, 2012
Two wheelers	**66.63**	53.18
Gears, components and spare parts	**2.26**	1.71
Other automobile products	**0.12**	-
	69.01	54.89

49. Remittance in foreign currency towards dividends:

The particulars of dividends declared during the year and payable to non-resident shareholders are as under:		For the year ended December 31, 2013	For the year ended December 31, 2012
(i) Number of non-resident shareholders			
(a) For 2012	Nos.	**1**	
(b) For 2011	Nos.		1
(ii) Number of shares held by them			
(a) For 2012	Nos.	**22,75,610**	
(b) For 2011	Nos.		22,75,610
(iii) Gross amount of dividend			
(a) For 2012	Rs. in crores	**4.55**	
(b) For 2011	Rs. in crores		3.64

50. Pursuant to revised Schedule VI to the Companies Act, 1956, being applicable on the Company from the previous year ended on December 31, 2012, Dividend for the year ended December 31, 2012 declared by its subsidiary company i.e. VE Commercial Vehicles Limited (VECVL) after the date of balance sheet has been recognised in the current year when the right to receive dividends was established as per AS-9 'Revenue Recognition'. However, Dividend declared by VECVL for the year ended December 31, 2011 was recognised as Dividend income in the year ended December 31, 2011 itself per requirement of Old Schedule VI to the Companies Act 1956. This has resulted into no Dividend income being recognised in the previous year ended December 31, 2012.

51. Figures in brackets represent previous year's figures.

52. Previous year's figures have been recast/regrouped, wherever necessary to confirm the current year's presentation.

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

1	**Name of the Company**	**VE Commercial Vehicles Ltd. (VECVL) (54.4% subsidiary of EML)**	**Eicher Engineering Solutions Inc. (EES Inc.) (100% subsidiary of VECVL)**	**Eicher Engineering Solutions(Shanghai) Co., Ltd.**	**Eicher Engineering Solutions (Beijing) Co., Ltd.**	**V E C V Lanka (Private) Limited (100% subsidiary of VECVL)**
				(100% subsidiary of EES Inc.)		
2	Financial year of the subsidiary Company	31.12.2013	31.12.2013	31.12.2013	31.12.2013	31.12.2013
3	(a) Number of equity shares held in (Nos.) the subsidiary Company by holding Company at the above date % Holding (equity)	5440000 54.4%	16400 100%	N.A* 100%	N.A* 100%	12681697 100%
	(b) Number of preference shares held in (Nos.) the subsidiary Company by holding Company at the above date % Holding (preference)	NIL	NIL	NIL	NIL	NIL
4	The net aggregate of profits less losses of the subsidiary Company so far as it concern the members of holding Company					
	(i) Dealt with in the accounts of the holding Company amounted to: (a) For the subsidiary's financial year ended on 31.12.2013 (Rs. crores)	NIL	NIL	NIL	NIL	NIL
	(b) For the previous financial years of the subsidiary since it become subsidiary (Rs. crores)	NIL	NIL	NIL	NIL	NIL
	(i) Not dealt with in the accounts of the holding Company amounted to: (a) For the subsidiary's financial year ended on 31.12.2013 (Rs. crores)	349.81	(0.70)	0.67	0.10	(1.09)
	(b) For the previous financial years of the subsidiary since it become subsidiary (Rs. crores)	459.56	(31.00)	1.46	0.11	(1.09)

* These are limited liability Companies, which are supposed to have Registered Total Capital Amount at the time of Incorporation. The Registered Total Capital amount for Eicher Engineering Solutions (Shanghai) Co., Ltd., is $ 140000 and Eicher Engineering Solutions (Beijing) Co., Ltd., is $ 300000.

5 As the financial year of subsidiary Company coincides with the financial year of the holding Company, section 215 (5) of the Companies Act, 1956, is not applicable.

Rs. in crores

S.No.	Particulars	Amount	Amount	Amount	Amount	Amount
1	Capital	10.00	20.32	1.12	2.42	5.43
2	Reserves	2203.66	(28.32)	1.09	(2.06)	(0.3)
3	Total Assets	3833.19	21.96	3.73	0.56	15.17
4	Total Liabilities	1619.58	29.96	1.53	0.20	10.04
5	Details of Investments (Except in case of investment in subsidiaries)	0.05	-	-	-	-
6	Turnover	5477.87	57.45	9.29	4.60	12.88
7	Profit/(Loss) before taxation	349.81	(0.70)	0.67	0.10	(1.09)
8	Income Taxes (Deferred Assets)	60.72	-	-	-	(0.27)
9	Profit/(loss) after taxation	289.09	(0.70)	0.67	0.10	(0.82)
10	Proposed Dividend	75.00	-	-	-	-
	Exchange rate used					
	Balance Sheet (Closing rate as on 31.12.2013)		1 USD = Rs.61.90	1 RMB = Rs.10.19	1 RMB = Rs.10.19	1 LKR = Re.0.47
	P&L (Average rate January 2013 to December 2013)		1 USD = Rs 58.63	1 RMB = Rs.9.43	1 RMB = Rs.9.43	1 LKR = Re.0.47

Lalit Malik
Chief Financial Officer and
Compliance Officer

S. Sandilya : Chairman
Siddhartha Lal : Managing Director
R.L. Ravichandran : Executive Director
Priya Brat : Director
M.J. Subbaiah : Director
Prateek Jalan : Director

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF EICHER MOTORS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **EICHER MOTORS LIMITED** (the "Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at December 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiaries viz., Eicher Engineering Solutions, Inc., U.S.A., Eicher Engineering Solutions (Beijing) Co., Ltd., Eicher Engineering Solutions (Shanghai) Co., Ltd. and V E C V Lanka Private Limited, whose financial statements reflect total assets (net) of Rs. 38.21 crores as at December 31, 2013, total revenues of Rs. 78.49 crores and net cash inflows amounting to Rs. 5.35 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 015125N)

Manjula Banerji
(Partner)
(Membership No. 86423)

Place: Gurgaon
Date: February 12, 2014

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2013

Rs. in crores

Particulars	Note No.	As at December 31, 2013	As at December 31 , 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**27.04**	27.00
Reserves and surplus	3	**2,028.38**	1,727.89
		2,055.42	1,754.89
Minority interest		**1,039.72**	948.46
Non-current liabilities			
Deferred tax liabilities (net)	4	**180.45**	123.19
Other long-term liabilities	5	**13.60**	17.59
Long-term provisions	6	**59.78**	56.12
		253.83	196.90
Current liabilities			
Short-term borrowings	7	**83.90**	22.35
Trade payables	8	**1,191.36**	954.70
Other current liabilities	9	**556.26**	479.92
Short-term provisions	10	**156.10**	114.26
		1,987.62	1,571.23
Total		**5,336.59**	4,471.48
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		**1,609.36**	964.79
Intangible assets		**46.78**	27.01
Capital work-in-progress		**125.29**	279.11
Intangible assets under development		**338.30**	225.26
		2,119.73	1,496.17
Non-current investments	12	**0.05**	0.05
Long-term loans and advances	13	**298.47**	330.48
Other non-current assets	14	**7.09**	6.18
		2,425.34	1,832.88
Current assets			
Current investments	15	**825.41**	638.45
Inventories	16	**526.80**	488.84
Trade receivables	17	**512.50**	445.87
Cash and cash equivalents	18	**682.56**	803.50
Short-term loans and advances	19	**317.87**	219.85
Other current assets	20	**46.11**	42.09
		2,911.25	2,638.60
Total		**5,336.59**	4,471.48

See accompanying notes forming part of the consolidated financial statements **1 to 42**

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Manjula Banerji
Partner

Place: Gurgaon
Date: February 12, 2014

Lalit Malik
Chief Financial Officer and Compliance Officer

S. Sandilya	:	Chairman
Siddhartha Lal	:	Managing Director
R.L. Ravichandran	:	Executive Director
Priya Brat	:	Director
M.J. Subbaiah	:	Director
Prateek Jalan	:	Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2013

Rs. in crores

Particulars	Note No.	For the year ended December 31, 2013	For the year ended December 31, 2012
Income			
Revenue from operations (gross)	21	**7,433.29**	6,995.04
Less: Excise duty		**623.49**	605.15
Revenue from operations (net)		**6,809.80**	6,389.89
Other income	22	**95.29**	136.64
Total revenue		**6,905.09**	6,526.53
Expenses			
Cost of raw materials and components consumed	23	**3,921.88**	4,006.75
Purchase of stock-in-trade	24	**734.65**	619.56
Change in inventories of finished goods, work-in-progress and stock-in-trade	25	**(17.83)**	(41.07)
Employee benefits expenses	26	**533.34**	457.26
Finance costs	27	**7.88**	3.79
Depreciation and amortisation expenses	28	**130.04**	82.17
Other expenses	29	**924.57**	798.37
Total expenses		**6,234.53**	5,926.83
Profit before tax		**670.56**	599.70
Tax expense			
Current tax		**153.21**	116.16
Minimum alternate tax (MAT) credit entitlement		**(65.29)**	(50.04)
Deferred tax charge		**57.26**	58.73
Total tax expense		**145.18**	124.85
Profit after tax		**525.38**	474.85
Minority interest		**131.44**	150.59
Profit for the year		**393.94**	324.26
Earning per share - basic		**145.84**	120.11
Earning per share - diluted		**145.04**	119.41
(Face value of Rs 10 per share) (in Rs.)			
See accompanying notes forming part of the consolidated financial statements	**1 to 42**		

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Manjula Banerji
Partner

Place: Gurgaon
Date: February 12, 2014

Lalit Malik
Chief Financial Officer and Compliance Officer

S. Sandilya : Chairman
Siddhartha Lal : Managing Director
R.L. Ravichandran : Executive Director
Priya Brat : Director
M.J. Subbaiah : Director
Prateek Jalan : Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**670.56**	599.70
Adjustments for:		
Depreciation and amortisation expenses	**130.04**	82.17
Exchange differences on conversion	**(0.11)**	(0.16)
Profit on sale of fixed assets	**(0.99)**	(1.08)
Fixed assets discarded	**0.66**	1.01
Dividend on unquoted non trade current investments	**(6.91)**	(14.40)
Loss on sale of fixed assets	**2.29**	0.56
Profit on sale of unquoted non trade current investments	**(29.26)**	(30.05)
Interest income	**(55.44)**	(90.45)
Finance costs	**7.88**	3.79
Operating profit before changes in working capital	**718.72**	551.09
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	**(37.96)**	(60.88)
Trade receivables	**(66.63)**	(101.29)
Short-term loans and advances	**(98.02)**	(56.93)
Long-term loans and advances	**77.60**	11.15
Other current assets	**(14.72)**	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	**236.66**	160.60
Other current liabilities	**41.86**	86.26
Other long-term liabilities	**(2.76)**	5.61
Short-term provisions	**9.42**	(5.29)
Long-term provisions	**3.66**	13.37
Cash generated from operating activities	**867.83**	603.69
Direct taxes paid	**(150.43)**	(107.65)
Net cash from operating activities (A)	**717.40**	496.04
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work-in-progress and pre-operative expenditure)	**(712.27)**	(785.52)
Sale of fixed assets	**6.84**	3.50
Net investment in unquoted non trade current investments	**(186.96)**	(125.88)
Profit on sale of unquoted non trade current investments	**29.26**	30.05
Dividend on unquoted non trade current investments	**6.91**	14.40
Investment in non current fixed deposit under lien (net)	**(0.91)**	(0.42)
Interest received	**66.14**	90.69
Net cash flow from investing activities (B)	**(790.99)**	(773.18)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	**(0.58)**	(6.08)
Increase/ (decrease) in short term borrowings (net)	**61.55**	(11.71)
Interest paid	**(7.98)**	(3.95)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	**1.65**	0.39
Dividend paid	**(87.68)**	(76.96)
Tax on dividend paid	**(14.31)**	(12.56)
Net cash flow from financing activities (C)	**(47.35)**	(110.87)
Net Increase in cash and cash equivalents (A)+(B)+(C)	**(120.94)**	(388.01)
Cash and cash equivalents at the beginning of the year	**803.50**	1,191.51
Cash and cash equivalents at the end of the year	**682.56**	803.50

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013 (Continued)

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
Components of cash and cash equivalents		
Cash on hand	**0.22**	0.16
Cheques/ drafts on hand	**20.76**	45.04
Balances with banks:		
In current accounts	**67.17**	73.67
In unpaid dividend accounts #	**3.61**	3.09
In margin money account	**-**	0.03
In deposit accounts *	**563.45**	676.01
	655.21	798.00
Share of cash and cash equivalents of joint ventures	**27.35**	5.50
Total cash and cash equivalents (refer note 18)	**682.56**	803.50

The Company can utilise these balances only towards settlement of the unpaid dividend liabilities.
* Rs. 333.05 crores (Rs. 250.00 crores) pledged/lien with banks.

See accompanying notes forming part of the financial statements 1 to 42

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Manjula Banerji
Partner

Place: Gurgaon
Date: February 12, 2014

Lalit Malik
Chief Financial Officer and Compliance Officer

S. Sandilya : Chairman
Siddhartha Lal : Managing Director
R.L. Ravichandran : Executive Director
Priya Brat : Director
M.J. Subbaiah : Director
Prateek Jalan : Director

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of consolidation and significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to Eicher Motors Limited (the Company), its subsidiary companies and a joint venture. The Company, its subsidiaries and joint venture constitute the Group.

(i) Basis of preparation

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

(ii) Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the subsidiary companies and joint venture used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended December 31, 2013.

ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.

iii. The financial statements of the joint venture company have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements.

iv. The excess of cost to the Company of its investments in the subsidiary companies and joint venture over its share of equity of the subsidiary companies and joint venture, at the dates on which the investments in the subsidiary companies and joint ventures are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies and joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

v. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iii) The following subsidiary companies are considered in the consolidated financial statements:

Name of the subsidiary company	Country of Incorporation	% voting power held as at December 31, 2013	% voting power held as at December 31, 2012
Direct subsidiary			
VE Commercial Vehicles Limited (VECVL)	India	54.4%	54.4%
Indirect subsidiaries*			
Eicher Engineering Solutions, Inc. (EES, Inc.) (100% subsidiary company of VECVL)	U.S.A.	54.4%	54.4%
Eicher Engineering Solutions (Beijing) Co., Ltd. (Formerly known as Hoff Automotive Design (Beijing) Co. Ltd.) (100% subsidiary company of EES, Inc.)	China	54.4%	54.4%
Eicher Engineering Solutions (Shanghai) Co., Ltd. (Formerly known as Hoff Auto Design (Shanghai) Co. Ltd.) (100% subsidiary company of EES, Inc.)	China	54.4%	54.4%
V E C V Lanka (Private) Limited (VECV Lanka) (incorporated w.e.f. April 9, 2013)(100% subsidiary company of VECVL)	Sri Lanka	54.4%	-

* Effective holding % of the Company through its subsidiary.

(iv) The following joint venture company is considered in the consolidated financial statements:

Name of the joint venture company	Country of Incorporation	% ownership interest as at December 31, 2013	% ownership interest as at December 31, 2012
Eicher Polaris Private Limited	India	50%	50%

(b) Significant accounting policies

(i) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(ii) Inventories

Inventories are valued at the lower of cost and moving weighted average price and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

(iii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(iv) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(v) Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956

Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

Depreciation on addition to fixed assets is provided on pro-rata basis from the month the assets are put to use. Depreciation on sale/ deduction from fixed assets is provided for up to the previous month of sale, deduction, discardment as the case may be.

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of ten years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Depreciation on fixed assets in case of EES Inc., and its subsidiary companies, is charged on the straight line method on a prorata basis from the month the assets are put to use using the estimated lives specified under the Internal Revenue Service. The estimated lives for various categories of the assets are as follows:

Type of Asset	Estimated useful life
Company software	3 years
Office equipment	5 years
Furniture and fixtures	7 years
Plant and machinery	7 years

(vi) Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax. The Company recognises income from services on rendering of services.

Interest income is recognised on a time proportionate basis taking into account the amount invested and rate applicable. Dividend income is accounted for when the right to receive it is established.

(vii) Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Pre-operative expenditure (pending allocation):

Expenses directly related to construction activity or incidental thereto, are allocated to fixed assets at the time of completion of the project.

(viii) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

(ix) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the Balance Sheet date. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions are charged to the Statement of Profit and Loss.

In case of foreign subsidiary companies, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the statement of profit and loss have been translated into Indian Rupees at annual average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in "Foreign currency translation reserve" to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary companies is disposed off.

(x) Investments

Long term investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(xi) Employee benefits

Employee benefits includes compensated absences, long service awards and contribution to provident fund, employees' state insurance, superannuation fund, gratuity fund.

Defined contribution plans:

The Company's contribution to provident fund, employees' state insurance, superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. In respect of certain employees, provident fund contributions are made to a Trust where the interest rate payable to the members of such Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The remaining contributions are made to a government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term employee benefits:

Compensated absences and long service awards which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date and actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

(xii) Leases

Payments under operating leases are recognised in the profit and loss statement with reference to lease terms.

(xiii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xiv) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(xv) Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 and applicable tax laws in case of foreign subsidiary companies. The provision for taxation for the year ended December 31, 2013 comprises the residual tax liability for the assessment year 2013-14 relevant to the year April 1, 2012 to March 31, 2013 and the liability, which has accrued on the profit for the period April 1, 2013 to December 31, 2013, under the provisions of the Income-tax Act, 1961.

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. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

(xvi) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

(xvii) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(xviii) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

(xix) Employee share based payments

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the Company has constituted an Employee Stock Option Plan - 2006. Employee Stock Options granted by the Company are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

(xx) Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2. Share capital

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Authorised			
3,00,00,000 (3,00,00,000) Equity shares of Rs. 10 each		**30.00**	30.00
1,01,000 (1,01,000) Redeemable cumulative preference shares of Rs. 100 each		**1.01**	1.01
	Total	**31.01**	31.01
Issued, subscribed and paid up			
2,70,38,883 (2,70,00,983) Equity shares of Rs. 10 each		**27.04**	27.00
	Total	**27.04**	27.00

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars		As at December 31, 2013		As at December 31 , 2012
At the beginning of the year	**2,70,00,983**	**27.00**	2,69,92,583	26.99
Issued during the year - ESOP	**37,900**	**0.04**	8,400	0.01
Outstanding at the end of the year	**2,70,38,883**	**27.04**	2,70,00,983	27.00

(ii) Details of shareholders holding more than 5% equity shares in the Company

Particulars		As at December 31, 2013		As at December 31 , 2012
The Lal Family Trust	**40,56,482**	**15.00%**	40,56,482	15.02%
Eicher Goodearth Trust	**32,71,723**	**12.10%**	32,71,723	12.12%
Anita Lal	**30,23,167**	**11.18%**	30,23,167	11.20%
The Simran Siddhartha Tara Benefit Trust	**27,43,346**	**10.15%**	27,43,346	10.16%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	**22,75,610**	**8.42%**	22,75,610	8.43%

(iii) Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	Aggregate number of shares As at December 31, 2013	As at December 31 , 2012
Equity shares of Rs. 10 each allotted as fully paid up for consideration other than in cash pursuant to the Composite Scheme of Arrangement relating to merger of Residual Eicher Goodearth Investment Limited into the Company which became effective on November 12, 2009 from the appointed date i.e. January 1, 2009.	**1,40,32,764**	1,40,32,764
Equity shares of face value of Rs. 10 each fully paid up bought back and extinguished during the year ended December 31, 2009 in accordance with Section 77A of the Companies Act, 1956.	**14,08,969**	14,08,969

(iv) Employee stock option plan

a. 1,77,000 (1,77,000) options on September 30, 2006, exercisable over a period of seven years after vesting on October 1, 2009 at an exercise price of Rs.297 (including premium of Rs 287) per option, out of which Nil (6,400) options are outstanding at year end. During the year, 6,400 (Nil) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 297 (including premium of Rs. 287 each) per equity share.

b. 2,08,900 (2,08,900) options on October 22, 2007, exercisable over a period of seven years after vesting on October 23, 2010 at an exercise price of Rs.462 (including premium of Rs. 452) per option, out of which 32,000 (63,500) options are outstanding at year end. During the year, 31,500 (8,400) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 462 (including premium of Rs. 452 each) per equity share.

c. 40,000 (40,000) options on April 29, 2010, exercisable over a period of seven years after vesting on April 29, 2011 at an exercise price of Rs. 695 (including premium of Rs. 685) per option are outstanding as at year end.

d. 15,400 (15,400) options on November 8, 2010, exercisable over a period of seven years after vesting on November 8, 2013 at an exercise price of Rs.1,411 (including premium of Rs. 1,401) per option are outstanding as at year end.

e. 1,08,200 (1,32,200) options on May 6, 2011, exercisable over a period of seven years after vesting on May 6, 2014 at an exercise price of Rs. 1,162 (including premium of Rs. 1,152) per option are outstanding as at year end. During the year, 24,000 (3,000) options were forfeited.

f. 5,400 (12,600) options on February 11, 2012, exercisable over a period of seven years after vesting on February 11, 2015 at an exercise price of Rs. 1,770 (including premium of Rs. 1,760) per option are outstanding as at year end. During the year, 7,200 (Nil) options were forfeited.

g. 5,000 (Nil) options on December 16, 2013, exercisable over a period of seven years after vesting on December 15, 2016 at an exercise price of Rs. 4,915 (including premium of Rs. 4,905) per option are outstanding as at year end.

h. Each option entitles the holders thereof to apply for and be allotted one equity share of the face value of Rs. 10 each.

3. Reserves and surplus

Rs. in crores

	Particulars	As at December 31, 2013	As at December 31 , 2012
A	**Capital reserve**		
	Opening balance	**0.25**	0.25
	Add / (Less): Movement during the year	-	-
	Closing balance	**0.25**	0.25
B	**Capital redemption reserve**		
	Opening balance	**1.41**	1.41
	Add / (Less): Movement during the year	-	-
	Closing balance	**1.41**	1.41
C	**Securities premium account**		
	Opening balance	**598.26**	597.88
	Add / (Less): Movement during the year @	**1.61**	0.38
	Closing balance	**599.87**	598.26
D	**General reserves**		
	Opening balance	**278.39**	230.24
	Add: Amount transferred from surplus in the statement of profit and loss	**43.59**	48.15
	Closing balance	**321.98**	278.39
E	**Surplus in the statement of profit and loss**		
	Opening balance	**850.04**	636.69
	Profit for the year	**393.94**	324.26
	Less: Appropriations		
	Dividend (amount per share Rs. 30.0 (Rs. 20.0))	**81.12**	54.00
	Tax on dividend	**13.80**	8.76
	Transferred to general reserve	**43.59**	48.15
	Total appropriations	**138.51**	110.91
	Net surplus in the statement of profit and loss	**1,105.47**	850.04
F	**Foreign currency translation reserve**		
	Opening balance	**(0.46)**	(0.33)
	Addition	**-**	-
	Deductions	**0.14**	0.13
	Closing balance	**(0.60)**	(0.46)
	Total (A+B+C+D+E+F)	**2,028.38**	1,727.89

@ Represents premium @ Rs. 287 per equity share on 6,400 (Nil) equity shares and @ Rs. 452 per equity share on 31,500 (8,400) equity shares issued and allotted during the year under Employee Stock Option Scheme.

4. Deferred tax liabilities (net)

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Deferred tax liabilities on			
Accelerated depreciation		**247.16**	158.83
	Sub-total (A)	**247.16**	158.83
Less: Deferred tax assets on			
Business loss carried forward		**42.12**	2.95
Accrued expenses deductible on payment		**9.99**	23.47
Provision for gratuity		**2.62**	2.37
Provision for leave encashment and other employee benefits		**6.28**	5.21
Provision for doubtful debts and advances		**5.15**	1.59
Others		**0.55**	0.05
	Sub-total (B)	**66.71**	35.64
Net deferred tax liabilities	**Total (A-B)**	**180.45**	123.19

5. Other long-term liabilities

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Capital creditors		**0.12**	1.35
Advances from customers for goods and services		**3.64**	7.48
Security deposits		**9.84**	8.76
	Total	**13.60**	17.59

6. Long-term provisions

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Provision for employee benefits			
Gratuity		**7.36**	7.07
Compensated absences		**22.79**	19.33
Other employee benefits		**15.14**	9.43
		45.29	35.83
Provision for warranties		**14.44**	20.29
		14.44	20.29
		59.73	56.12
Share of long-term provision of joint venture		**0.05**	-
	Total	**59.78**	56.12

7. Short-term borrowings

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Secured			
- From bank			
Cash credit *		**33.90**	22.35
Unsecured			
Short-term loan from bank		**50.00**	-
	Total	**83.90**	22.35

* Includes :

(a) Rs. 4.00 crores (Rs. 4.00 crores) secured by a first charge by way of hypothecation on inventories and book debts of the Company.
(b) Rs. 3.09 crores (Rs. 18.35 crores) is secured by current assets of the Eicher Engineering Solutions, Inc. and by an irrevocable letter of credit issued by the State Bank of India.
(c) Rs. 18.26 crores (Rs. Nil) is secured by current assets of the Eicher Engineering Solutions, Inc. and by an irrevocable letter of credit issued by the Kotak Mahindra Bank, India
(d) Rs. 8.55 crores (Rs. Nil) is secured by an irrevocable letter of credit issued by the ICICI Bank Limited, India.

8. Trade payables

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Acceptances		**279.89**	225.62
Dues to micro and small enterprises		**37.40**	29.47
Other trade payables		**873.54**	699.57
		1,190.83	954.66
Share of trade payables of joint venture		**0.53**	0.04
	Total	**1,191.36**	954.70

9. Other current liabilities

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Current maturities of long term borrowings		**-**	0.58
Interest accrued but not due on borrowings		**-**	0.10
Capital creditors			
Dues to micro and small enterprises**		**0.10**	0.65
Others		**129.34**	101.40
Unpaid dividend #		**3.61**	3.09
Advance from customers for goods and services		**143.60**	95.03
Employee dues		**70.10**	48.21
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)		**170.54**	208.48
Gratuity payable		**3.96**	4.51
Bank overdraft		**-**	0.49
Book overdraft		**26.28**	16.01
Other payables		**0.01**	0.04
		547.54	478.59
Share of trade payables of joint venture		**8.72**	1.33
	Total	**556.26**	479.92

** The Company has not received any claim of interest from any supplier under the Micro, Small and Medium Enterprise development Act, 2006.

Does not include any amounts outstanding as on December 31, 2013 which are required to be credited to Investor Education and Protection Fund.

10. Short-term provisions

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Provision for employee benefits		
Gratuity	**0.33**	0.24
Compensated absences	**2.45**	2.88
Other employee benefits	**1.15**	0.80
	3.93	3.92
Provision for warranties	**51.44**	42.03
Proposed dividend	**81.12**	54.00
Provision for tax on proposed dividend	**19.61**	14.31
	152.17	110.34
Total	**156.10**	114.26

11. Fixed assets

Rs. in crores

Assets	Gross block (At cost)				Depreciation/Amortisation				Net block	
	As at December 31, 2012	Additions during the year $	Deductions during the year	As at December 31, 2013	As at December 31, 2012	For the year @	Adjust-ments #	As at December 31, 2013	As at December 31, 2013	As at December 31, 2012
(A) Tangible assets										
Land *										
Freehold	33.39	2.80	-	**36.19**	-	-	-	**-**	**36.19**	33.39
Leasehold	58.30	2.25	-	**60.55**	2.15	1.11	-	**3.26**	**57.29**	56.15
Buildings *	208.09	170.15	0.27	**377.97**	34.57	10.25	0.15	**44.67**	**333.30**	173.52
Plant and equipment	903.10	550.52	14.86	**1,438.76**	332.48	86.72	12.19	**407.01**	**1,031.75**	570.62
Furniture and fixtures	63.88	9.14	1.39	**71.63**	12.46	2.43	0.77	**14.12**	**57.51**	51.42
Office equipments	87.86	20.73	3.14	**105.45**	42.22	10.65	1.71	**51.16**	**54.29**	45.64
Vehicles	56.28	16.68	8.55	**64.41**	22.23	9.87	5.89	**26.21**	**38.20**	34.05
Share of tangible assets of joint venture	-	0.90	-	**0.90**	-	0.07	-	**0.07**	**0.83**	-
Sub-total (A)	**1,410.90**	**773.17**	**28.21**	**2,155.86**	**446.11**	**121.10**	**20.71**	**546.50**	**1,609.36**	
Previous year	882.41	556.73	28.24	1,410.90	393.03	77.99	24.91	446.11		964.79
(B) Intangible assets										
Product designs, prototypes etc.	39.38	1.53	-	**40.91**	35.44	0.99	-	**36.43**	**4.48**	3.94
Computer/ production softwares	53.42	29.49	3.03	**79.88**	30.35	10.05	2.53	**37.87**	**42.01**	23.07
Goodwill	22.28	-	-	**22.28**	22.28	-	-	**22.28**	**-**	-
Share of intangible assets of joint venture	-	0.34	-	**0.34**	-	0.05	-	**0.05**	**0.29**	-
Sub-total (B)	**115.08**	**31.36**	**3.03**	**143.41**	**88.07**	**11.09**	**2.53**	**96.63**	**46.78**	
Previous year	106.31	19.23	10.46	115.08	91.27	6.60	9.80	88.07		27.01
(C) Capital work-in-progress (including pre-operative expenditure pending allocation amounting to Rs. 5.64 crores (Rs. 22.09 crores) with share of joint venture amounting to Rs. 4.65 crores (Rs. Nil) (refer note 11A)) (including share of joint venture amounting to Rs. 14.94 crores (Rs. Nil))									**125.29**	279.11
(D) Intangible assets under development (including pre-operative expenditure pending allocation amounting to Rs. 0.29 crore (Rs. Nil) (refer note 11A)) (including share of joint venture amounting to Rs. 12.39 crores (Rs. 1.82 crores))									**338.30**	225.26
Total (A+B+C+D)									**2,119.73**	1,496.17

* Title deeds for land and other properties at Thiruvottiyur, Alwar and Jhajjar are pending for mutation /endorsement in favour of the Company.

Title deeds for lands at SEZ Pithampur and title deeds for lands and other properties at Ahmedabad, Bhiwandi and Gurgaon are pending for mutation/ endorsement in favour of VE Commercial Vehicles Limited (a subsidiary company).

@ Includes Rs. 2.15 crores (Rs. 2.42 crores) transferred to pre-operative expenditure (pending allocation)

$ Includes Rs. 1.61 crores (Rs. 0.33 crore) on account of foreign exchange fluctuation.

Net off by Rs. 1.47 crores (Rs. 0.29 crore) on account of foreign exchange fluctuation.

11A. Pre-operative expenditure (pending allocation)

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Payments to and provisions for employees		
Salaries, wages, bonus etc.	**11.71**	15.62
Contribution to provident and other funds	**0.34**	0.62
Welfare expenses	**1.04**	1.38
Stores and machinery spares consumed (including loose tools)	**1.24**	0.08
Power and fuel	**0.68**	0.75
Insurance	**0.05**	0.19
Repairs and maintenance		
Buildings	**0.33**	0.35
Plant and machinery	**0.12**	0.49
Others	**0.53**	0.73
Rates and taxes	**0.42**	0.10
Freight	**0.45**	0.02
Rent	**0.18**	0.54
Legal and professional charges	**0.30**	2.59
Travelling expenses	**0.71**	4.02
Development expenses	**0.63**	0.05
Depreciation and amortisation expenses	**2.03**	2.42
Miscellaneous expenses	**3.15**	3.22
Exchange Loss/(gain)	**1.43**	(2.92)
Share of pre-operative expenditure of joint venture (include depreciation amounting to Rs. 0.12 crore (Rs. Nil))	**4.65**	-
	29.99	30.25
Add: Balance brought forward from previous year	**22.09**	18.93
	52.08	49.18
Less: Capitalised during the year	**46.15**	27.09
	5.93	22.09

12. Non-current investments

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Long term *		
Unquoted trade investment in :		
50,000 (50,000) Equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	**0.05**	0.05
Unquoted non-trade investment in :		
Government securities		
National Savings Certificates (# Rs.13,000) (Pledged with Government authorities)	**#**	#
	0.05	0.05

* At cost as reduced by diminution in values, if any.

13. Long-term loans and advances

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Unsecured, considered good			
Capital advances		**91.52**	115.28
Security deposits		**19.44**	14.36
Loans and advances to employees		**0.80**	1.23
Balance with government authorities		**20.69**	101.08
Prepaid expenses		**0.21**	3.25
Advance income tax (net of provision for taxation)		**19.46**	14.94
MAT credit entitlement		**137.59**	79.61
Others		**0.12**	0.51
	Sub-total (A)	**289.83**	330.26
Unsecured, considered doubtful			
Capital advances		**0.02**	-
Balance with government authorities		**8.21**	-
		8.23	-
Less: Provision for doubtful advances		**8.23**	-
	Sub-total (B)	**-**	-
	Total (A+B)	**289.83**	330.26
Share of long-term loans and advances of joint venture		**8.64**	0.22
	Total	**298.47**	330.48

14. Other non-current assets

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Fixed deposits #	**7.09**	6.18
	7.09	6.18

Rs. 7.09 crores (Rs. 6.18 crores) pledged with banks.

15. Current investments @

Rs. in crores

Particulars	As at December 31 , 2013	As at December 31 , 2012
Unquoted non-trade investment in:		
Debt mutual funds		
Units of face value Rs. 10 each		
Nil (3,03,03,929) units of IDFC Money Manager Fund - Growth	**-**	50.00
Nil (4,46,40,211) units of HDFC Liquid Fund	**-**	45.52
Nil (2,50,00,000) units of BirlaSunlife Fixed Term Plan Series EP-Growth	**-**	25.00
Nil (50,00,000) units of Religare Fixed Maturity Plan Series XIII plan A	**-**	5.00

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at December 31 , 2013	As at December 31 , 2012
Nil (3,00,00,000) units of DSP BlackRock FMP Series 36 -12M - Growth	**-**	30.00
Nil (5,00,00,000) units of Kotak FMP series 76-Growth	**-**	50.00
Nil (2,00,00,000) units of Reliance fixed Horizon fund XXI series -9	**-**	20.00
Nil (1,50,00,000) units of Reliance fixed Horizon fund XXI series -12	**-**	15.00
Nil (1,99,99,980) units of SBI SDFS 367 Days-19	**-**	20.00
Nil (3,00,00,000) units of ICICI Pru FMP series 62-1year Plan G	**-**	30.00
Nil (3,50,00,000) units of ICICI Pru FMP series 63-1year Plan C	**-**	35.00
Nil (1,00,00,000) units of DWS Series -11	**-**	10.00
Nil (4,00,00,000) units of Kotak FMP series 83-Growth	**-**	40.00
51,66,277 (51,66,277) units of IDFC Super Saver Income Fund	**10.00**	10.00
1,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 21 Direct Plan - Growth	**10.00**	-
1,00,00,000 (Nil) units of Kotak FMP series 104 Direct-Growth	**10.00**	-
1,00,00,000 (Nil) units of Kotak FMP series 116 Direct-Growth	**10.00**	-
1,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 13 Direct Plan - Growth	**10.00**	-
1,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 32 Direct Plan - Growth	**10.00**	-
1,08,62,401 (Nil) units of IDFC Money Manager Fund - Investment Plan - Growth-(Regular Plan)	**15.00**	-
2,00,00,000 (Nil) units of IDFC Yearly Series Interval Fund Regular Plan - Series II - Growth	**20.00**	-
1,14,85,100 (Nil) units of HDFC Medium Term Opp Fund-Growth	**15.00**	-
1,39,21,612 (Nil) units of HDFC Liquid Fund-Direct Plan-Dividend	**14.20**	-
1,50,00,000 (Nil) units of HDFC FMP 372D Feb 2013-1-Regular-GR	**15.00**	-
2,00,00,000 (Nil) units of HDFC AIF-Plan B-Direct Plan-GR	**20.00**	-
70,00,000 (Nil) units of HDFC FMP 370D Aug 2013-3-Direct-GR	**7.00**	-
1,00,00,000 (Nil) units of HDFC FMP 370D Sep 2013-1-Regular-GR	**10.00**	-
2,00,00,000 (Nil) units of HDFC FMP 372D Jan 2013-3-Direct-GR	**20.00**	-
2,00,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series GJ-Growth	**20.00**	-

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at December 31 , 2013	As at December 31 , 2012
2,00,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series HD-GZ	**20.00**	-
1,00,00,000 (Nil) units of BirlaSunlife Interval Inc Annl Plan IX-GZ	**10.00**	-
50,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series IA-Growth Direct	**5.00**	-
2,50,00,000 (Nil) units of DSP BlackRock FMP series 86-12M-Dir-Growth	**30.00**	-
2,50,00,000 (Nil) units of DSP BlackRock FMP series 84-12M-Dir-Growth	**25.00**	-
2,50,00,000 (Nil) units of DSP BlackRock FMP series 87-12M-Dir-Growth	**25.00**	-
40,00,000 (Nil) units of DSP BlackRock FMP series 104-12M-Reg-Growth	**4.00**	-
30,00,000 (Nil) units of DSP BlackRock FMP series 119-12M-Reg-Growth	**3.00**	-
2,00,00,000 (Nil) units of Kotak FMP series 94 Direct-Growth	**20.00**	-
80,00,000 (Nil) units of Reliance Fixed Horizon fund XXIII Series -6-DP-Growth Plan	**8.00**	-
1,50,00,000 (Nil) units of Reliance Fixed Horizon fund XXIV Series -11-Growth Plan	**15.00**	-
50,00,000 (Nil) units of Reliance Interval Fund-II-Series1- Growth Plan	**5.00**	-
4,00,00,000 (Nil) units of Reliance Yearly Interval Fund-Series2-DP-Growth Plan	**40.00**	-
2,20,00,000 (Nil) units of Reliance Yearly Interval Fund-Series5-DP-Growth Plan	**22.00**	-
3,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-22-Dir-Growth	**30.00**	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 66-366 Days Plan H Direct Plan Cumulative	**20.00**	-
1,00,00,000 (Nil) units of ICICI Pru FMP series 67-366 Days Plan D Direct Plan Cumulative	**10.00**	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 66-368 Days Plan B Direct Plan Cumulative	**20.00**	-
2,50,00,000 (Nil) units of ICICI Pru FMP series 67-371 Days Plan E Direct Plan Cumulative	**25.00**	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 68-368 Days Plan G Direct Plan Cumulative	**15.00**	-
1,00,00,000 (Nil) units of ICICI Pru FMP series 68-369 Days Plan K Direct Plan Cumulative	**10.00**	-
30,00,000 (Nil) units of Religare Invesco FMP series XX-Plan F (370 Days) DP-Growth	**3.00**	-

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at December 31 , 2013	As at December 31 , 2012
50,00,000 (Nil) units of Tata FMP series 43 scheme C-DP-Growth- INF277K01TU2	**5.00**	-
1,00,00,000 (Nil) units of DWS FMP Series -30 - Regular Plan - Growth	**10.00**	-
1,00,00,000 (Nil) units of DWS FMP Series -39 - Direct Plan - Growth	**10.00**	-
80,00,000 (Nil) units of DWS FMP Series -24 - Direct Plan - Growth	**8.00**	-
2,00,00,000 (Nil) units of Kotak FMP series 102 Direct-Growth	**20.00**	-
50,00,000 (Nil) units of Kotak FMP series 119 Direct-Growth	**5.00**	-
2,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-25-Reg-Growth	**20.00**	-
2,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-25-Dir-Growth	**20.00**	-
1,50,00,000 (Nil) units of SBI Debt Fund Series 366 Days-23-Dir-Growth	**15.00**	-
1,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-36-Dir-Growth	**10.00**	-
1,00,00,000 (Nil) units of SBI Debt Fund Series 366 Days-37-Dir-Growth	**10.00**	-
50,00,000 (Nil) units of SBI Debt Fund Series 366 Days-46-Dir-Growth	**5.00**	-
1,50,00,000 (Nil) units of UTI Fixed term income fund series XIV-I (366 Days)-Direct Growth Plan	**15.00**	-
1,50,00,000 (Nil) units of UTI Fixed term income fund series XIV-VIII (371 Days)- Direct Growth Plan	**15.00**	-
1,50,00,000 (Nil) units of UTI Fixed term income fund series XV-VIII (368 Days)- Direct Growth Plan	**15.00**	-
10,00,000 (Nil) units of Union KBC Fixed Maturity Plan Series 8 Growth	**1.00**	-
Units of face value Rs. 100 each		
Nil (46,23,135) units of Birla Sun Life Floating Rate Fund- Growth	**-**	46.24
Nil (47,00,350) units of ICICI Prudential Liquid Regular - Daily Dividend	**-**	47.01
Nil (8,06,305) units of DWS Insta Cash Plus	**-**	8.09
13,21,284 (Nil) units of Birla Sun Life Savings Fund- Growth Direct	**30.00**	-

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at December 31 , 2013	As at December 31 , 2012
Units of face value Rs. 1,000 each		
Nil (3,08,180) units of DSP BlackRock Liquidity Fund Institutional Plan - Daily Dividend	**-**	30.83
Nil (6,48,525) units of SBI Premier Liquid Fund Regular Plan - Daily Dividend	**-**	65.07
66,106 (66,106) units of Templeton India Short term Income Plan	**15.00**	15.00
1,52,063 (4,06,672) units of Reliance Liquidity Fund-Daily Dividend Reinvestment Option	**15.21**	40.69
Total	**825.41**	638.45

Repurchase price of unquoted non trade current investments in Debt Mutual funds amounting to Rs. 881.82 crores (Rs. 666.93 crores)

@ At cost or fair value, whichever is lower.

16. Inventories

(At lower of cost and net realisable value)

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Raw materials	**150.59**	136.46
(Includes goods in transit of Rs. 8.65 crores (Rs. 3.92 crores))		
Work in progress	**36.62**	33.75
Finished goods	**246.88**	240.86
(Includes goods in transit of Rs. 0.04 crore (Rs. 0.31 crore))		
Stock-in-trade	**68.69**	59.75
(Includes goods in transit of Rs. 2.85 crores (Rs. 1.27 crores))		
Stores and spares	**14.05**	8.82
Loose tools	**9.97**	9.20
Total	**526.80**	488.84

17. Trade receivables

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Outstanding for a period exceeding six months from the date they were due for payments		
Secured, considered good	**0.27**	0.80
Unsecured - considered good	**12.82**	5.27
- considered doubtful	**4.88**	4.06
	17.97	10.13
Less: Provision for doubtful receivables	**4.88**	4.06
Sub-total (A)	**13.09**	6.07
Others receivables		
Secured, considered good	**2.71**	2.29
Unsecured - considered good	**496.70**	437.51
- considered doubtful	**1.69**	0.43
	501.10	440.23
Less: Provision for doubtful receivables	**1.69**	0.43
Sub-total (B)	**499.41**	439.80
Total (A+B)	**512.50**	445.87

18. Cash and cash equivalents

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Cash on hand	**0.22**	0.16
Cheques/ drafts on hand	**20.76**	45.04
Balances with banks:		
In current accounts	**67.17**	73.67
In unpaid dividend accounts	**3.61**	3.09
In margin money	**-**	0.03
In deposit accounts *	**563.45**	676.01
	655.21	798.00
Share of cash and cash equivalents of joint ventures	**27.35**	5.50
Total	**682.56**	803.50

* Includes, Rs. 333.05 crores (Rs. 250.00 crores) pledged/ lien with banks.

19. Short-term loans and advances

Rs. in crores

Particulars	As at December 31, 2013	As at December 31 , 2012
Unsecured, considered good unless stated otherwise		
A Security Deposits		
Unsecured, considered good	**5.74**	6.36
Unsecured, considered doubtful	**0.25**	0.20
	5.99	6.56
Less: Provision for doubtful security deposit	**0.25**	0.20
	5.74	6.36
B Other loans and advances		
Advance to suppliers	**65.58**	68.07
Advance to joint venture company	**0.07**	0.50
Loans and advances to employees		
Unsecured, considered good	**3.62**	3.26
Unsecured, considered doubtful	**0.04**	0.04
	3.66	3.30
Less: Provision for doubtful advances	**0.04**	0.04
	3.62	3.26
Insurance claims receivable	**0.03**	1.36
Prepaid expenses	**7.72**	5.39
Balance with government authorities		
Unsecured, considered good	**225.10**	121.15
Unsecured, considered doubtful	**0.25**	0.19
	225.35	121.34
Less: Provision for doubtful advances	**0.25**	0.19
	225.10	121.15
Others		
Unsecured considered good	**9.95**	13.76
Unsecured, considered doubtful	**0.04**	0.13
	9.99	13.89
Less: Provision for doubtful advances	**0.04**	0.13
	9.95	13.76
Total (A+B)	**317.81**	219.85
Share of short term loan and advances of joint venture	**0.06**	-
Total	**317.87**	219.85

20. Other current assets

Rs. in crores

Particulars		As at December 31, 2013	As at December 31 , 2012
Interest accrued on fixed deposits		**31.29**	42.09
Unbilled revenue		**14.72**	-
		46.01	42.09
Share of other current asset of joint venture		**0.10**	-
	Total	**46.11**	42.09

21. Revenue from operations

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Revenue from operations			
Sale of products			
Manufactured goods (gross)		**6,404.84**	6,172.09
Less: Excise duty		**623.49**	605.15
Manufactured goods (net)		**5,781.35**	5,566.94
Stock-in-trade		**813.89**	689.89
Sale of services		**90.51**	73.11
	Sub-total (A)	**6,685.75**	6,329.94
Other operating revenue			
Export benefits		**9.69**	12.15
Scrap sale (net of excise duty of Rs. 2.40 crores (Rs. 2.29 crores))		**17.68**	16.42
Income from maintenance contracts		**21.59**	11.88
Provisions no longer required written back		**52.87**	-
Income from other operating revenues		**22.22**	19.50
	Sub-total (B)	**124.05**	59.95
Revenue from operations (net)	**Total (A+B)**	**6,809.80**	6,389.89

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Details of products sold			
Manufactured goods			
Commercial vehicles		**3,821.59**	4,483.97
Two wheelers		**1,763.06**	1,073.65
Spare parts and other components		**680.32**	596.73
Engines and related components		**139.87**	17.74
	Total	**6,404.84**	6,172.09
Stock-in-trade			
Commercial vehicles		**475.52**	358.29
Spare parts and other allied products		**338.37**	331.60
	Total	**813.89**	689.89

21. Revenue from operations (Continued)

Details of services rendered

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Engineering services	**71.45**	53.86
Other allied services	**19.06**	19.25
Total	**90.51**	73.11

22. Other income

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Profit on sale of fixed assets	**0.99**	1.08
Dividend on unquoted non trade current investments	**6.91**	14.40
Profit on sale of unquoted non trade current investments	**29.26**	30.05
Exchange gain (net)	**0.55**	-
Rent Income	**1.20**	-
Interest income		
- from banks on deposits	**54.46**	88.59
- from others	**0.36**	1.86
Other income	**0.94**	0.66
	94.67	136.64
Share of other income of joint venture	**0.62**	-
Total	**95.29**	136.64

23. Cost of raw materials and components consumed

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Inventory at the beginning of the year	**136.46**	120.36
Add: Purchases	**3,968.19**	4,105.44
	4,104.65	4,225.80
Less: inventory at the end of the year	**150.59**	136.46
Less: material cost of vehicles capitalised	**1.72**	2.06
	3,952.34	4,087.28
Less: Sale of raw materials and components to suppliers on cost to cost basis	**30.46**	80.53
Net consumption	**3,921.88**	4,006.75

24. Details of purchase of stock-in-trade

Rs. In crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Commercial Vehicles	**476.68**	357.40
Spare parts and other allied products	**257.97**	262.16
Total	**734.65**	619.56

25. Change in inventories of finished goods, work-in-progress and stock-in-trade

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Inventories at the end of the year			
Finished goods		**246.88**	240.86
Work-in-progress		**36.62**	33.75
Stock-in-trade		**68.69**	59.75
	A	**352.19**	334.36
Inventories at the beginning of the year			
Finished goods		**240.86**	205.71
Work-in-progress		**33.75**	27.10
Stock-in-trade		**59.75**	60.48
	B	**334.36**	293.29
	Net change (B-A)	**(17.83)**	(41.07)

26. Employee benefits expenses

Rs. In crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Salaries, wages, bonus etc.		**458.28**	399.47
Contribution to provident and other funds		**16.34**	17.50
Staff welfare expenses		**58.57**	40.23
		533.19	457.20
Share of employee benefits expenses of joint venture		**0.15**	0.06
	Total	**533.34**	457.26

27. Finance costs

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Interest expense			
On income tax		**0.23**	0.15
On other borrowings		**7.63**	3.64
		7.86	3.79
Share of finance cost of joint venture		**0.02**	-
	Total	**7.88**	3.79

28. Depreciation and amortisation expenses

Rs. in crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Depreciation of tangible assets		**119.00**	75.59
Amortisation of intangible assets		**11.04**	6.58
	Total	**130.04**	82.17

29. Other expenses

Rs. In crores

Particulars		For the year ended December 31, 2013	For the year ended December 31, 2012
Stores and machinery spares consumed (including loose tools and packing material)		**64.77**	48.15
Increase/decrease in excise duty on finished goods		**1.40**	7.27
Loss on sale of fixed assets		**2.29**	0.56
Fixed assets discarded		**0.66**	1.01
Power and fuel		**61.45**	46.11
Insurance		**6.54**	4.37
Repairs and maintenance			
Buildings		**12.38**	10.71
Plant and machinery		**24.71**	23.26
Others		**23.54**	16.84
Rates and taxes		**11.05**	28.49
Advertisement		**28.91**	24.58
Freight and handling charges		**130.06**	121.32
Incentives		**115.54**	103.74
Warranty		**61.70**	45.69
Other selling and distribution expenses		**114.75**	96.56
Rent		**34.34**	25.24
Legal and professional charges		**26.48**	26.84
Travelling expenses		**53.66**	45.36
Development expenses		**29.23**	21.32
Bad debts / advances written off		**0.32**	3.13
Provision for doubtful debts and advances		**11.40**	-
Exchange loss (net)		**-**	2.97
Miscellaneous expenses		**108.84**	94.75
		924.02	798.27
Share of other expenses of joint venture		**0.55**	0.10
	Total	**924.57**	798.37

30. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 318.63 crores (Rs. 361.43 crores) (includes share of joint venture Rs. 27.52 crores (Rs. Nil)).

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

31. Research and development expenses:

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 90.69 crores (Rs. 90.83 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 129.75 crores (Rs 137.34 crores).

32. Provision for liabilities, other than for taxes on income and employee benefits:

Rs. in crores

Warranty provisions	For the year ended December 31, 2013	For the year ended December 31, 2012
Opening balance	**62.32**	70.77
Additions during the year	**61.70**	45.69
Amount utilised during the year	**58.14**	54.14
Closing balance	**65.88**	62.32
Short-term provision	**51.44**	42.03
Long-term provision	**14.44**	20.29

33. Contingent liabilities not provided for in respect of:

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
a) In respect of demands contested by the Company and its subsidiaries:		
- Excise duty matters	**62.61**	61.83
- Sales tax matters	**21.85**	22.07
- Service tax matters	**69.03**	69.31
- Income tax matters	**34.31**	24.92
b) Claims against the Company and its subsidiaries not acknowledged as debts	**8.82**	7.37
c) Bills discounted	**14.02**	15.26

All the above matters other than bills discounted are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company and its subsidiaries.

34. Disclosures under Accounting Standard 15 (Revised):

The details of various employee benefits provided to employees are as under:

A. Employee plans

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
a) Provident fund (includes share of joint venture Rs. 0.08 crore (Rs. Nil))	**15.60**	15.67
b) Superannuation fund	**1.99**	2.45
c) Employee State Insurance Corporation	**1.11**	0.82

Out of the total contribution made for employees' provident fund, Rs. 6.09 crores (Rs. 4.93 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government administered provident fund.
The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2013 is Rs. 59.72 crores as against the total plan assets of Rs. 60.14 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

34. Disclosures under Accounting Standard 15 (Revised): (Continued)

B. Defined benefit plans:

Reconciliation of opening and closing balances of the present value of defined benefit obligation

Rs. in crores

Particulars	For the year ended December 31, 2013		For the year ended December 31, 2012	
	Gratuity	**Leave encashment**	Gratuity	Leave encashment
Present value of obligation as at the beginning	**43.27**	**14.94**	36.12	11.00
Current service cost	**5.17**	**3.22**	4.74	3.02
Interest cost	**3.21**	**1.10**	2.68	0.81
Benefits paid	**(4.49)**	**(1.34)**	(2.87)	(1.45)
Net actuarial (gain) / loss recognised	**0.98**	**(1.04)**	2.60	1.56
Present value of obligation as at the end	**48.14**	**16.88**	43.27	14.94
Add: Share of joint venture	**0.03**	**0.03**	-	-
Total present value of obligation as at the end	**48.17**	**16.91**	43.27	14.94

Reconciliation of opening and closing balances of the present value of plan assets

Rs. in crores

Particulars	Gratuity	
	For the year ended December 31, 2013	For the year ended December 31, 2012
Present Value of plan assets as at the beginning	**31.45**	29.85
Contribution	**5.28**	0.92
Return on plan assets	**2.67**	2.54
Benefit paid	**(3.54)**	(2.10)
Net actuarial gain / (loss) recognised	**0.63**	0.24
Present value of plan assets as at the end@	**36.49**	31.45

@ Funds are managed by VECV Employees Group Gratuity Scheme (Trust).

The major categories of plan assets as percentage of total assets maintained with the approved insurance companies for VECV Trust are as follows:

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Liquid funds	**47%**	59%
Bonds	**53%**	41%

34. Disclosures under Accounting Standard 15 (Revised): (Continued)

Reconciliation of present value of defined benefit obligation and fair value of plan assets:

Rs. in crores

Particulars	For the year ended December 31, 2013		For the year ended December 31, 2012	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	**48.17**	**16.91**	43.27	14.94
Fair value of plan assets at the end	**36.49**	**-**	31.45	-
Net asset/(liability) recognised in balance sheet	**(11.68)**	**(16.91)**	(11.82)	(14.94)
Further classification				
Long-term provisions	**7.39**	**15.23**	7.07	12.83
Short-term provisions	**0.33**	**1.69**	0.24	2.11
Other current liabilities	**3.96**	**-**	4.51	-
Cost for the year				
Current service cost	**5.17**	**3.22**	4.74	3.02
Interest cost	**0.54**	**1.10**	0.14	0.81
Net actuarial (gain) / loss recognised	**0.35**	**(1.04)**	2.36	1.56
Net cost recognised	**6.06**	**3.28**	7.24	5.39
Add: Share of joint venture	**0.03**	**0.03**	-	-
Total cost recognised	**6.09**	**3.31**	7.24	5.39
Experience adjustment on plan liabilities (loss) / gain	**(0.98)**	**1.04**	(2.60)	(1.56)
Experience adjustment on plan assets (loss) / gain	**0.63**	**-**	0.24	-
Principal assumptions:				
Discount rate	**7.50%**	**7.50%**	7.50%	7.50%
Future salary increase	**7.00%**	**7.00%**	7.00%	7.00%
Expected rate of return of plan assets	**8.50%**	**-**	8.50%	-
In service mortality	**IALM (2006-08)**	**IALM (2006-08)**	LIC (1994-96)	LIC (1994-96)

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

Other disclosures:

Rs. in crores

Particulars	For the year ended December 31, 2011		For the year ended December 31, 2010		For the year ended December 31, 2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at the end	36.12	11.00	31.84	9.63	25.65	7.70
Fair value of plan assets at the end	29.85	-	0.86	-	0.80	-
Net Asset/(liability) recognised in balance sheet	(6.27)	(11.00)	(30.98)	(9.63)	(24.85)	(7.70)
Net actuarial loss/(gain) recognised	(0.15)	(0.48)	2.34	-	1.66	0.11

35. The Company has taken certain premises under various operating lease agreements. The total lease rental recognise as expense aggregate to Rs. 34.34 crores (Rs. 25.24 crores).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following year:

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
Not later than one year	**7.38**	3.75
Later than one year and not later than five years	**11.85**	5.50
Later than five years	**0.60**	0.56

36. Earnings per share

Description	For the year ended December 31, 2013	For the year ended December 31, 2012
a) Profit for the year, per statement of profit and loss (Rs. in crores)	**393.94**	324.26
b) Weighted average number of equity shares (Nos.)	**2,70,10,595**	2,69,96,916
c) Effect of potential dilutive equity shares on Employee Stock Options outstanding (Nos.)	**1,49,796**	1,58,078
d) Weighted average number of equity shares in computing diluted earnings per share (Nos.) [(b) + (c)]	**2,71,60,391**	2,71,54,994
e) Earnings per share (in rupees): (face value-Rs. 10 per share)		
- Basic [(a)/(b)]	**145.85**	120.11
- Diluted [(a)/(d)]	**145.04**	119.41

37. Segment reporting:

As the Company's, its subsidiaries' and joint venture business' activities falls within a single primary business segment viz. "Automobile products and related components" and is a single geographical segment, the disclosure requirements of Accounting Standard – 17 "Segment Reporting" notified under the Companies (Accounting Standards) Rules, 2006 are not applicable.

38. Related party disclosures

a. Name of related parties and their relationship:

Name of related party		Nature of Relationship
Eicher Goodearth Private Limited	(EGPL)	Significant influence of key management personnel in the Company
AB Volvo Sweden	(AB Volvo)	Investor in respect of which VECVL is a joint venture
Eicher Polaris Private Limited	(EPPL)	Joint venture company

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. R.L. Ravichandran	Whole Time Director

Transactions with the above key management personnel during the year:

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
Managerial Remuneration@		
- Mr. Siddhartha Lal	**4.75**	4.03
- Mr. R.L. Ravichandran	**0.68**	0.55
Total	**5.43**	4.58

@ Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the company as a whole.

38. Related party disclosures (Continued)

Transactions with the above parties

Rs. in crores

Particulars	EGPL		AB Volvo		EPPL		Total	
	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2013	For the year ended December 31, 2012
Sale of finished goods/services	-	-	0.53	-	5.29	0.33	5.82	0.33
Purchase of finished goods/services	0.05	-	-	-	-	-	0.05	-
Expenses recovered	-	0.04	-	-	0.34	0.30	0.34	0.35
Security deposit given	3.62	0.98	-	-	-	-	3.62	0.98
Rental income	-	-	-	-	1.20	-	1.20	-
Rent Paid	9.27	2.92	-	-	-	-	9.27	2.92
Brand fee payable	24.51	25.32	-	-	-	-	24.51	25.32
Dividend Paid	-	-	26.02	26.02	-	-	26.02	26.02
Aggregate balances outstanding as at the year end								
- Receivables*	-	-	0.53	-	0.38	0.65	0.91	0.65
- Payables	23.91	27.00	-	-	-	-	23.91	27.00
-Security deposit receivable	4.60	0.98	-	-	-	-	4.60	0.98

* Receivables from EPPL includes Rs. Nil (Rs. 0.20 crore) relating to consultancy services provided by VECVL to EPPL (excluding 50% share in joint venture)

39. The unhedged of foreign currency exposures are as under:

Particulars	As at December 31, 2013 Foreign currency in crores	As at December 31, 2013 Rs. in crores	As at December 31, 2012 Foreign currency in crores	As at December 31, 2012 Rs. in crores
Receivables				
USD	0.63	38.30	0.43	23.85
EURO	0.46	39.70	0.07	4.46
GBP	0.01	0.28	0.02	0.20
JPY	6.65	3.92	-	-
		82.20		28.51
Payables				
USD *	0.64	39.14	0.51	28.01
SEK	0.22	2.10	0.43	3.60
EURO	0.21	17.32	0.02	1.64
JPY	12.55	7.41	16.89	10.75
Others	0.35	1.84	0.11	5.83
		67.81		49.83

* includes share of joint venture of 0.05 crore of USD equivalent to Rs. 3.21 crores (USD 0.02 crore equivalent to Rs. 1.36 crores)

40. Information pursuant to direction issued by Ministry of corporate affairs under section 212(8) of the companies Act, 1956.

Rs. in crores

Particulars	VE Commercial Vehicles Limited (VECVL)	Eicher Engineering Solutions, Inc.	Eicher Engineering Solutions (Beijing) Co., Ltd. *	Eicher Engineering Solutions (Shanghai) Co., Ltd. **	V E C V (Lanka) Private Limited #
Country of Incorporation	India	United States of America	China	China	Sri Lanka
Share Capital	10.00	20.32	2.42	1.12	5.43
Reserves	2,291.41	(28.32)	(2.06)	1.09	(0.30)
Total assets	3,833.24	21.96	0.56	3.73	15.17
Total Liabilities	1,531.83	29.96	0.20	1.52	10.04
Investment other than Investment in Subsidiaries	-	-	-	-	-
Turnover / Total Income	5,128.28	57.45	4.60	9.29	12.88
Profit Before Tax	349.81	(0.70)	0.10	0.67	(1.09)
Provision for Taxation	60.72	-	-	-	(0.27)
Profit after tax	289.09	(0.70)	0.10	0.67	(0.82)
Proposed Dividend	75.00	-	-	-	-

* Formerly known as Hoff Automotive Design (Beijing) Co. Ltd.

** Formerly known as Hoff Auto Design (Shanghai) Co. Ltd.

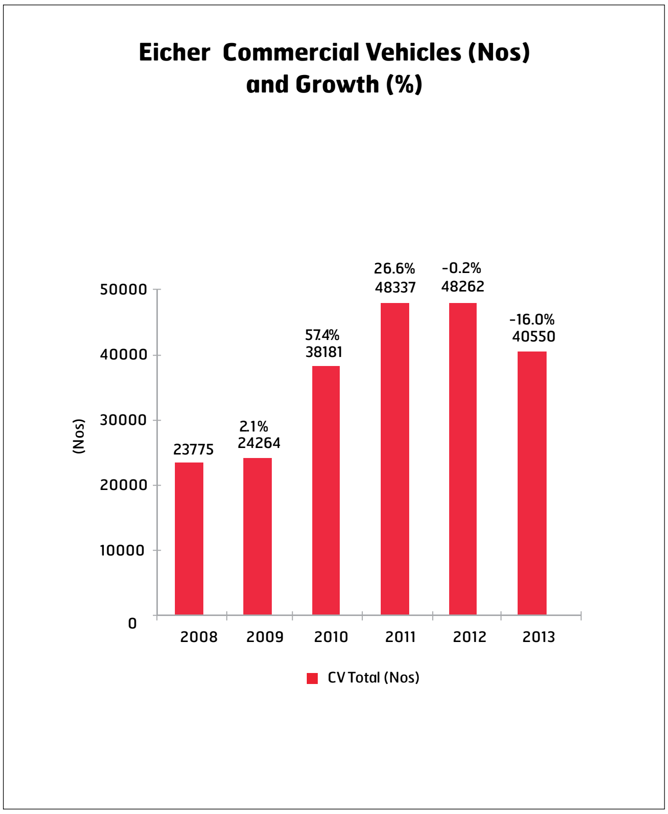
Incorporated w.e.f. April 9, 2013

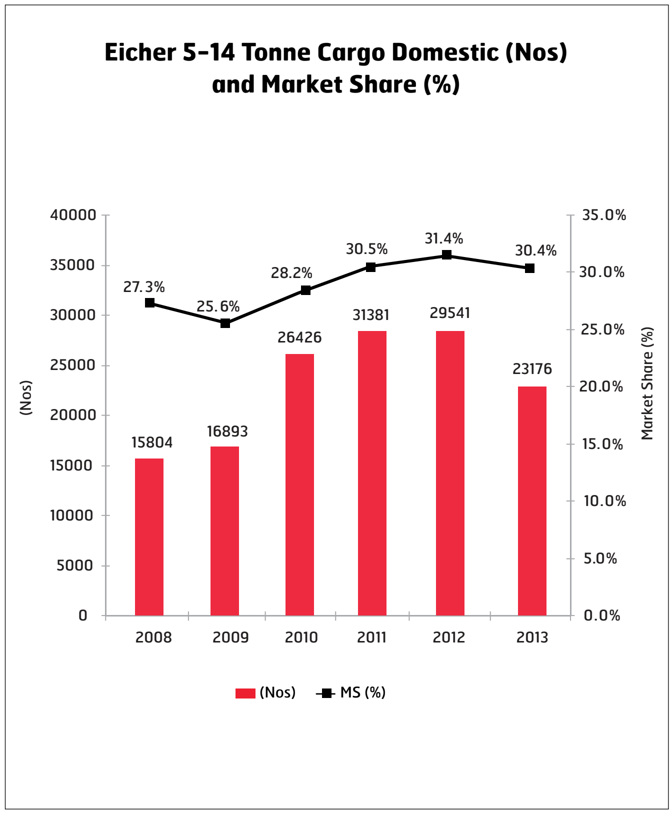
41. Figures in brackets represent previous year's figures.

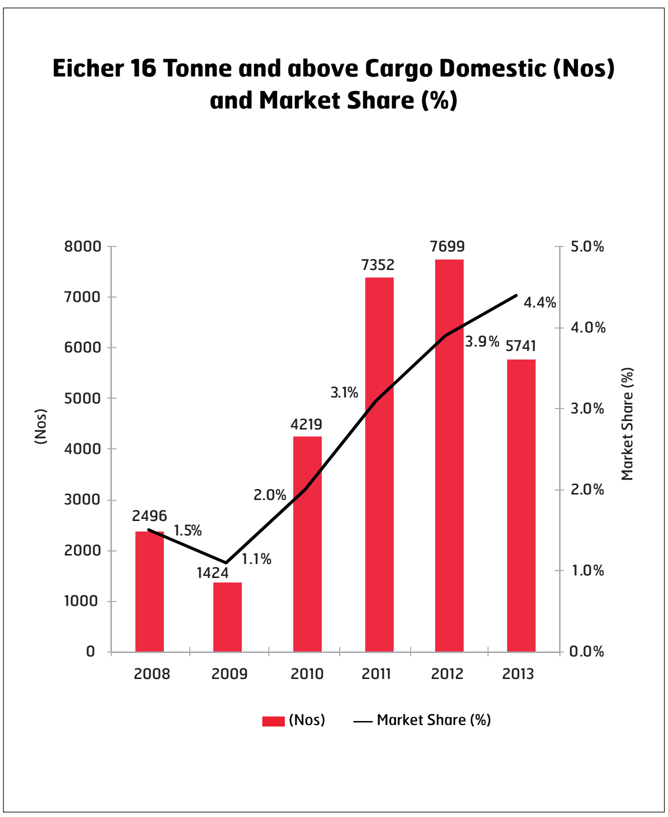
42. Previous year's figures have been recast/regrouped, wherever necessary to confirm the current year's presentation.

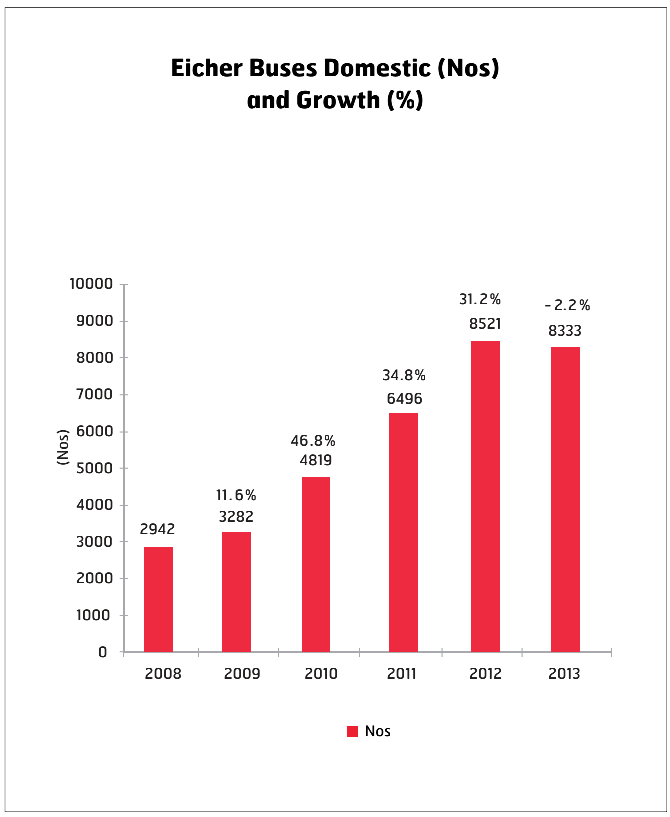
OVERVIEW OF PERFORMANCE OF VE COMMERCIAL VEHICLES LIMITED, A SUBSIDIARY OF THE COMPANY

PERFORMANCE HIGHLIGHTS OF VE COMMERCIAL VEHICLES LIMITED

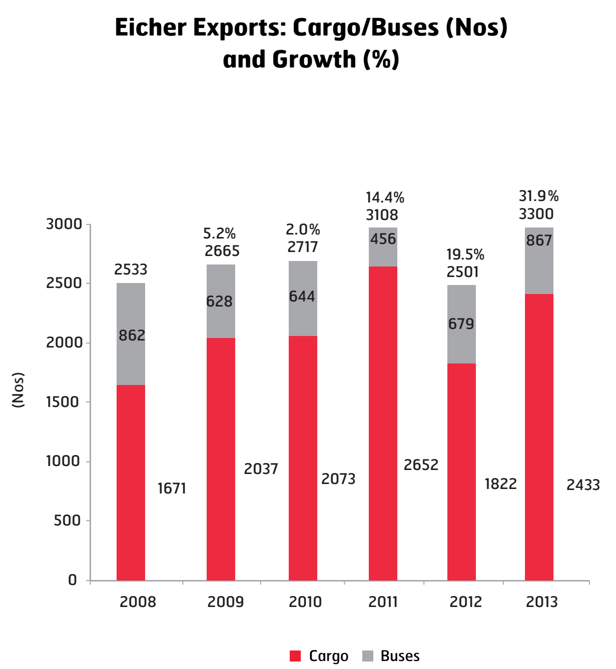


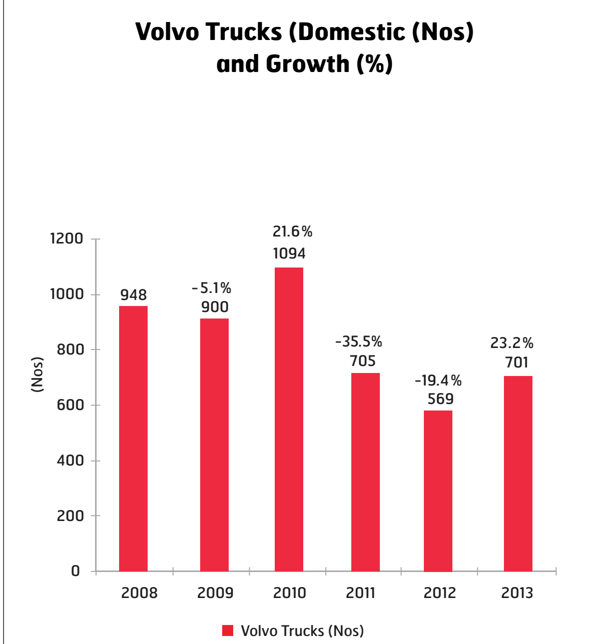


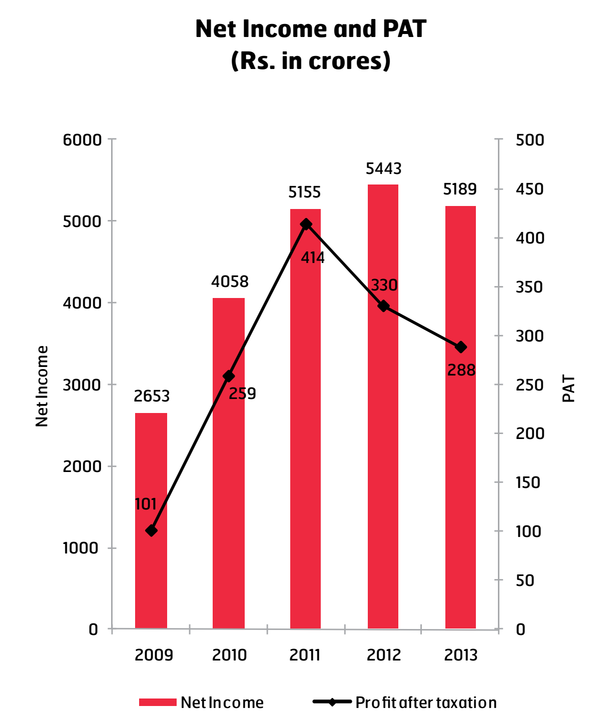


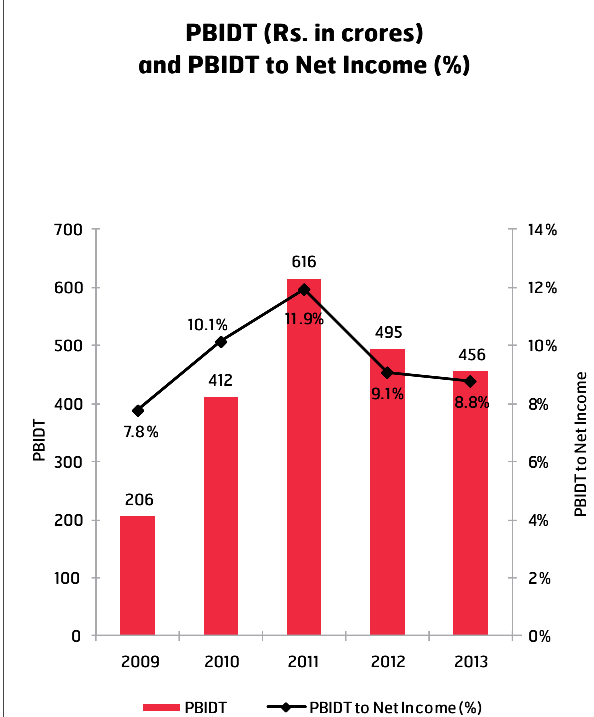


PERFORMANCE HIGHLIGHTS OF VE COMMERCIAL VEHICLES LIMITED









BUSINESS HIGHLIGHTS OF VE COMMERCIAL VEHICLES LIMITED

Eicher Trucks and Buses (ETB)

The Commercial Vehicles (CV) industry (5 Ton and above) declined by 24.7% to 2,97,065 units in 2013 from 3,94,736 units in 2012. Tough market conditions prevailed throughout the year with slowdown in the economy especially new investments and the overall industrial production. The worst hit was the Heavy Duty(HD) segment with a fall of 32.5% followed by Light and Medium Duty (LMD) segment with a fall of 19% and Bus segment with a fall of 12.8%. Exports out of India fell 21.1% in 2013 over 2012.

ETB has done better than industry as it recorded total CV sales of 40,550 against 48,262 units in 2012, a decline of 16% against market decline of 24.7%, thus making a significant gain in overall market share from 12.2% in 2012 to 13.7% in 2013.

Within the domestic CV Industry, the Light and Medium Duty truck segment of 5 to 14 Ton (LMD) where ETB is a strong player, ended the year 2013 with sales of 76,318 as against 94,187 in 2012. VECVL sold 23,176 units in 2013 as its market share decreased by 1% as compared to 2012 to 30.4%. In the domestic Heavy Duty truck segment, industry sales fell to 1,31,689 units in 2013 against 1,95,140 units in 2012. VECVL sold 5,741 units in 2013 as its market share improved to 4.4% from 3.9% in 2012. In the domestic Bus segment, industry ended 2013 with a sale of 61,944 units against 71,042 units in 2012. VECVL sold 8,333 units in 2013 as its market share increased to 13.8% from 12.7% in 2012.

It is significant to note the exports growth of 31.9% with exports of 3,300 trucks and buses as against industry drop of 21.1%.

The tough market conditions intensified competition resulting in high discounting of products and floating of several innovative schemes to attract customers putting pressure on margins. The cost reduction programs in ETB resulted in significant gains and helped in improving the margins. In December 2013, VECV successfully unveiled the Eicher Pro series, representing the future of Indian trucking. This range represents the synergies between the Volvo Group and Eicher Motors Limited and with its launch the Eicher brand enters a new phase of growth and consolidation in the commercial vehicle industry. The new range will deliver higher profitability over the vehicle's life cycle, leading to real productivity improvements through best-in-class efficiency, good driver comfort, better drivability and higher uptime. This mammoth product development initiative for the entire Pro series range, from 5 to 49 tonnes, involved an investment of three million hours of engineering effort, 7.7 million kilometres of testing and 50,000 hours of engine development. The Pro range ensures a level of quality and innovation that will continue to set standards in the commercial transportation industry in India and the developing world. The year also saw revamping and modernisation of the truck plant with a new paint shop and assembly lines.

Volvo Trucks India (VTI)

Volvo Trucks achieved a sale of 701 units as against sale of 569 units in 2012 and witnessed a growth of 23% over 2012. The Total Industry Volume for the high end European segment stood at 1,099 units as against 898 units in 2012, a growth of 22%.

As bulk of the Volvo tippers is sold in the coal mining sector, improvement in coal mining is the key to improvement in overall sales. Overall, coal mining saw a marginal increase of 1.2% in April – December 2013 period over the same period in 2012. VECVL is expecting the situation to improve in 2014.

Eicher Engineering Components (EEC)

At EEC, VECVL has made good progress with global customers resulting in growth in exports business. On the domestic front, the tractor industry saw a double digit growth in 2013 and improvement in share of business with Original Equipment customers, and significant progress in business with Royal Enfield resulting in sizeable growth in business considering overall low sentiments in the auto-components industry.

During the year 2013, EEC achieved a turnover of 2,921 MINR (including inter-segment sales) which is a jump of 8% over last year sales of 2,706 MINR.

VECVL expect good growth in tractor industry continuing in 2014 also. However, recovery in other sectors i.e. CV, three-wheelers and off-the-road vehicles would take some more time.

The Unit – II at Dewas was inaugurated and its capacity was ramped up to 60 MINR per month.

Eicher Engineering Solutions (EES)

This business is operated through an Engineering Design Centre at Gurgaon (EESG) along with Eicher Engineering Solution Inc., (USA) along with its two subsidiaries viz. Eicher Engineering Solutions (Shanghai) Co. Ltd. and Eicher Engineering Solutions (Beijing) Co. Ltd.

EES achieved major breakthroughs with regard to business with strategic customers and Group companies. EES continued to provide product development support to in-house and Group companies.

VE Powertrain (VEPT)

VE Powertrain started commercial production at the technologically most advanced engine manufacturing plant in July 2013. VEPT now manufactures Euro 6 compliant base engines for meeting automotive requirements of medium duty engines of Volvo Group globally. The Euro 6-compliant diesel base engines are being supplied to Volvo Group plant in Venissieux, France where these engines are assembled for the Volvo Group Euro 6 requirements. The same platform has been adapted to Euro 3 and 4 engine (BS3/BS4) technologies to meet VECV requirements and other Volvo Group requirements for this type of engines in Asia.

The manufacturing plant is based on Volvo Group global manufacturing systems and processes and is one of the most modern plants. The setup has passed the most stringent global quality norms of Volvo Group and is now equipped to produce highest quality engines meeting Volvo Group global standards for Euro 6 engines. There is a high level of relevant automation with in process verification on all the critical work stations. Additionally this is the first plant which has most flexible final engine assembly line using automatic guided vehicles and smart cell technology.

In 2013, 2529 long blocks and engines were exported to Volvo Group.

Bus Body and Application Manufacturing Plant (Bus Body Plant)

VECVL has invested in the in-house bus body fabrication plant. The bus plant can manufacture all variants from LD to HD buses in the same set up without any set up change giving enormous flexibility to leverage the capacity. This plant was commissioned in 2013.

This is an extremely contemporary plant with robotic painting and high level of automation which would enable drive high level of quality consistency and productivity with high focus on environment.

The buses fabricated in-house would be better in terms of:

- High quality paint.
- Consistent fit and finish owing to state of the art technology
- 100% leak testing (Shower Testing)
- Compliance with roll over safety norms, AIS 052 and AIS 063

MARKET AND FUTURE PROSPECTS

With the current account deficit coming under control and tightening of expenditure to control fiscal deficit, the government finances are expected to improve. However, containing inflation and boosting business sentiments to improve investments in the country would be the key challenges for the new government.

The market is expected to remain subdued in the near term with expectations of a turnaround in second half of 2014. However, the revival is expected to be slow as any growth would first result in improving the capacity utilization of the transporter's fleet and then the demand for new vehicles is expected to grow.

For **ETB** in 2014, the launch of Pro series vehicles in a phased manner would start contributing to the sales. The Pro series would enable greater penetration in the Heavy Duty truck segment thereby giving a boost to the sales of Eicher Heavy Duty trucks and help in realizing our goal of becoming a significant player in this segment. It would also help in improving VECVL's market share in the Light and Medium Truck and Bus segment as well.

For **Volvo Trucks**, 2014 is expected to be better due to the impetus the government has given to core sectors. The implementation of the projects and sustainability of the coal sector is crucial to the growth of these high performance and high end premium trucks.

For **EEC**, the first quarter of 2014 is likely to witness an increase in volumes over Q4-2013 and the trend is likely to continue for the whole year as the efforts to improve the share of business, development of new products, upgraded manufacturing technologies and meeting the increased requirements of the strategic customers would be major factors in taking VECVL's business to significantly higher levels. VECVL expect exports also to grow as the US market is buoyant and there is better inflow of orders both repeat and fresh. VECVL's ability to offer design and build services will add to its ability to attract business.

For **EES**, the Engineering Services market continues to be an area of high opportunity and potential for growth. The plan is to further work on the initiatives taken in 2013 and to build the infrastructure for rapid growth.

At **VE Powertrain**, the plan is to ramp up its manufacturing set up to achieve high volumes in 2014 ensuring 100% delivery compliance with world class quality of long blocks and Completely Built Units (CBU) for the entire Volvo group.

VECVL is a significant player in the schools bus segment. The **bus plant** would enable VECVL to leverage its market presence in the staff and tourist segment which needs high end and better quality products. There is enormous potential in the exports markets for the sale of buses and quality is the key differentiator for acceptance.

CONSOLIDATED BALANCE SHEET OF VE COMMERCIAL VEHICLES LIMITED AS AT DECEMBER 31, 2013

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	**10.00**	10.00
Reserves and surplus	**2,195.08**	1,994.93
	2,205.08	2,004.93
Non-current liabilities		
Deferred tax liabilities (net)	**167.82**	116.93
Other long-term liabilities	**9.82**	14.36
Long-term provisions	**49.25**	46.86
	226.89	178.15
Current liabilities		
Short-term borrowings	**79.90**	18.35
Trade payables	**877.07**	780.60
Other current liabilities	**336.11**	345.77
Short-term provisions	**133.40**	127.15
	1,426.48	1,271.87
Total	**3,858.45**	3,454.95
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	**1,320.56**	830.96
Intangible assets	**35.21**	23.14
Capital work-in-progress	**101.88**	219.74
Intangible assets under development	**320.46**	222.48
	1,778.11	1,296.32
Non-current investments	**0.05**	0.05
Long-term loans and advances	**237.45**	268.96
	2,015.61	1,565.33
Current assets		
Inventories	**383.35**	413.45
Trade receivables	**508.28**	443.47
Cash and cash equivalents	**636.50**	794.50
Short-term loans and advances	**269.13**	196.40
Other current assets	**45.58**	41.80
	1,842.84	1,889.62
Total	**3,858.45**	3,454.95

CONSOLIDATED STATEMENT OF PROFIT AND LOSS OF VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED DECEMBER 31, 2013

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
INCOME		
Revenue from operations (gross)	**5,537.85**	5,822.83
Less: Excise duty	**408.20**	475.11
Revenue from operations (net)	**5,129.65**	5,347.72
Other income	**58.87**	94.83
Total revenue	**5,188.52**	5,442.55
EXPENSES		
Cost of raw materials and components consumed	**2,864.41**	3,314.00
Purchase of stock-in-trade	**722.09**	619.56
Change in inventories of finished goods, work-in-progress and stock-in-trade	**14.13**	(19.80)
Employee benefits expenses	**422.29**	378.36
Finance costs	**7.59**	3.53
Depreciation and amortisation expenses	**99.63**	65.02
Other expenses	**709.68**	655.82
Total expenses	**4,839.82**	5,016.49
Profit before tax	**348.70**	426.06
Tax expense		
Current tax	**74.85**	86.87
Minimum alternate tax (MAT) credit entitlement	**(65.29)**	(47.45)
Deferred tax charge	**50.89**	56.39
Total tax expense	**60.45**	95.81
Profit for the year	**288.25**	330.25
Earning per share - basic/diluted (Face value of Rs 10 per share) (in Rs.)	**288.25**	330.25

Eicher Pro series range

CONSOLIDATED CASH FLOW STATEMENT OF VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED DECEMBER 31, 2013

Rs. in crores

Particulars	For the year ended December 31, 2013	For the year ended December 31, 2012
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**348.70**	426.06
Adjustments for:		
Depreciation and amortisation expense	**99.63**	65.02
Profit on sale of fixed assets	**(0.81)**	(0.99)
Fixed assets discarded	**0.64**	0.70
Loss on sale of fixed assets	**2.23**	0.48
Exchange differences on conversion	**(0.21)**	(0.16)
Interest income	**(53.80)**	(89.51)
Finance costs	**7.59**	3.53
Operating profit before changes in working capital	**403.97**	405.13
Adjustments for changes in:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	**30.10**	(30.76)
Trade receivables	**(64.81)**	(101.88)
Short-term loans and advances	**(72.73)**	(47.34)
Long-term loans and advances	**79.73**	12.86
Other current assets	**(14.72)**	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	**96.47**	91.25
Other current liabilities	**(39.23)**	330.13
Other long-term liabilities	**(3.31)**	(300.03)
Short-term provisions	**5.33**	(6.86)
Long-term provisions	**2.39**	12.20
Cash generated from operating activities	**423.19**	364.70
Direct taxes paid	**(72.23)**	(74.27)
Net cash from operating activities (A)	**350.96**	290.43
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Pre-operative expenditure and capital advances)	**(547.46)**	(675.90)
Sale of fixed assets	**7.07**	3.03
Interest received	**64.74**	89.77
Net cash flow from investing activities (B)	**(475.65)**	(583.10)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	**-**	(5.98)
Increase/ (decrease) in short term borrowings (net)	**61.55**	(4.54)
Interest paid	**(7.69)**	(3.67)
Dividend paid	**(75.00)**	(75.00)
Tax on dividend	**(12.17)**	(12.17)
Net cash flow from financing activities (C)	**(33.31)**	(101.36)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**(158.00)**	(394.03)
Cash and cash equivalents at the beginning of the year	**794.50**	1,188.53
Cash and cash equivalents at the end of the year	**636.50**	794.50

Rs. in crores

Particulars	As at December 31, 2013	As at December 31, 2012
Components of cash and cash equivalents		
Cash on hand	**0.15**	0.10
Cheques/ drafts on hand	**20.48**	45.03
Balances with banks:		
In current accounts	**66.92**	73.33
In margin money account	**-**	0.03
In deposit accounts#	**548.95**	676.01
Total cash and cash equivalents	**636.50**	794.50

Includes Rs. 322.55 crores (Rs. 250.00 crores) pledged with banks against short term borrowings.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 32nd ANNUAL GENERAL MEETING OF THE MEMBERS OF EICHER MOTORS LIMITED WILL BE HELD AT 10.00 A.M. ON FRIDAY, MARCH 21, 2014 AT LTG AUDITORIUM, COPERNICUS MARG, NEW DELHI-110 001, TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 2013 and Statement of Profit & Loss for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr S. Sandilya who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

   The Company has received a confirmation from M/s Deloitte Haskins & Sells, Chartered Accountants, the retiring Statutory Auditors, that their reappointment if made, will be in accordance with the limits specified in Sub-Section (1B) of Section 224 of the Companies Act, 1956.

Special Business

5. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary resolution:
   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modification(s) or re-enactment(s) thereof and such other approvals, permissions and sanctions, as may be required, consent of the shareholders of the Company be and is hereby accorded to revise the terms and conditions of appointment of Mr. Siddhartha Lal, Managing Director of the Company, as set out herein below w.e.f. April 1, 2014:

   Revised terms & conditions of appointment of Mr. Siddhartha Lal

   Subject to the control and supervision of the Board of Directors, Mr. Siddhartha Lal, Managing Director shall be in charge of the management of the affairs of the Company and he shall perform such duties and exercise such powers as may be entrusted to him from time to time by the Board of Directors except such matters which are specifically to be done by the Board of Directors or the Company Secretary under the Articles of Association of the Company or under the Companies Act, 1956 and the rules thereunder.

   The appointment shall be terminable by either party by giving 3 months' written notice provided that the Company shall have the option to pay salary in lieu of notice for the full period of 3 months or for such period by which such notice falls short of 3 months.

   I. Salary and allowances:

   i) Basic Salary: Rs. 63.25 lacs (Rupees Sixty three lacs twenty five thousand only) per annum with such annual revision as may be decided by Board of Directors from time to time.

   ii) Flexible Payment Allowance (FPA): Rs. 126.50 lacs (Rupees One hundred twenty six lacs fifty thousand only) per annum with such annual revision as may be decided by Board of Directors from time to time.

   II. Perquisites: In addition to the above Salary & Allowances, he shall be entitled to the following perquisites:

   i) Residential Accommodation: Managing Director shall be provided free furnished residential accommodation with free use of all the facilities and amenities provided by the Company.

   ii) Medical Reimbursement: Reimbursement of actual medical expenses incurred by the Managing Director and his family.

   iii) Club Fees: Actual fees of clubs will be paid by the Company.

   iv) Personal Accident Insurance: Actual premium to be paid by the Company.

   v) Car: Facility of two cars with drivers.

   vi) Telephone: Free telephone facility at residence including mobile phone.

   vii) Contribution to provident and superannuation funds: Company's contribution to Provident and Superannuation Funds will be as per the rules of the Company.

   viii) Gratuity: Not exceeding half months salary for each completed year of service.

   ix) Reimbursement of entertainment and all other expenses incurred for the business of the Company as per rules of the Company.

   x) Other Allowance/benefits/perquisites: Any other allowance, benefits and perquisites as per the Rules applicable to Senior Executives of the Company and/or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.

   III. Leave Travel Concession: For the Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.

   Explanation:

   (i) For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents of the Managing Director.

   (ii) Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

IV. Commission:

As the Board of Directors of the Company and/or a Committee of the Board may at their sole discretion approve/decide, from time to time payment of commission provided that the remuneration paid as Basic Salary, Flexible Payment Allowance, Perquisites and Commission shall not exceed 5% of the net profit computed in the manner laid down in Section 198 of the Companies Act, 1956 as amended from time to time.

V. The aggregate of salary, allowances and perquisites including commission in any financial year shall not exceed the limit prescribed from time to time under Sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 as may for the time being in force.

VI. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year, the aggregate of salary, allowances, perquisites shall not exceed the applicable (maximum) ceiling limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time.

VII. The Company shall not pay any commission to Mr. Siddhartha Lal in the event of absence/inadequacy of profits.

RESOLVED FURTHER THAT the said terms and conditions of the appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with the provisions of the Companies Act, 1956 or any amendments made therein or with the approval of Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as it may consider necessary or expedient to give effect to the aforesaid resolution."

By order of the Board

Place: Gurgaon **Lalit Malik**

Date: February 12, 2014 Chief Financial Officer & Compliance Officer

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Notes:

1. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE SAME SHOULD BE DULY SIGNED AND STAMPED IN ORDER TO BE EFFECTIVE.**

3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, March 14, 2014 to Friday, March 21, 2014 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
4. The payment of Dividend as recommended by the Board of Directors, and if, approved by the members at the forthcoming Annual General Meeting, will be made by March 28, 2014 as under:
   a) To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository (India) Limited (CDSL) as on the closure of the business hours on March 13, 2014 and,
   b) To all those shareholders holding shares in physical form after giving effect to all valid share transfers lodged with the Company before the closing hours on March 13, 2014.
5. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the "Investor Education and Protection Fund" (IEPF), constituted by the Central Government and member(s) would not be able to claim any amount of dividend so transferred to the IEPF. As such, member(s) who have not yet encashed his/their dividend warrant(s) is/are requested in his/their own interest to write to the Company immediately for claiming outstanding dividend declared by the Company during the years 2007 and onward.
6. As per the Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee (s) is required to furnish a copy of their PAN card to the Company/ Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
7. Shareholders holding shares in physical form, are requested to intimate their change in address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to M/s MCS Limited, Registrar and Share Transfer Agent, F–65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi 110 020. Beneficial owners holding shares in electronic form are requested to intimate their change in address/ Bank

Mandate/ National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same registered before March 13, 2014.

8. Members are requested to quote their folio numbers /Client ID No. and contact details in all correspondence with the Company/ Registrar and Share Transfer Agent.
9. Members are requested to bring their copies of the Annual Report to the meeting, since additional copies will not be available.
10. Pursuant to provisions of Section 109A of the Companies Act, 1956, every member or joint holders holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or the joint holders and register the same with M/s MCS Limited, Registrar and Share Transfer Agent. Members or joint holders holding shares in demat form may contact their respective DP for availing this facility.
11. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956 will be made available for inspection by the Members on all working days during business hours during the period beginning fourteen days before the date of Annual General Meeting and ending three days after its conclusion.
12. For faster communication and for supporting in full measure, a green initiative taken by the Ministry of Corporate Affairs, allowing services of notice/documents including Annual Report through e-mail, the shareholders holding shares in electronic form are requested to kindly register/update their e-mail addresses with their respective depository participants. The shareholders holding shares in physical form are requested to register/ update their email addresses with M/s MCS Limited, Registrar and Share Transfer Agent of the Company.
13. In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to please forward the same at least 10 days before the date of the Meeting to Mr D. S. Mehta, Dy. Manager at the following address so that the same may be attended appropriately to your entire satisfaction.

By order of the Board
Lalit Malik
Chief Financial Officer &
Compliance Officer

Registered office:
3rd Floor-Select Citywalk
A-3 District Centre, Saket
New Delhi – 110 017
Tel. No.: 011-29563722
Website: www.eicher.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5
Mr. Siddhartha Lal was reappointed as the Managing Director of the Company w.e.f. May 1, 2011 for a period of five years and approved by shareholders of the Company at the Annual General Meeting held on March 18, 2011.

The Board of Directors of the Company at its Board Meeting held on February 12, 2014 has, pursuant to sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII thereto and amendment(s) thereof and subject to shareholders' approval and other statutory approvals as may be necessary, revised the terms and conditions of appointment of Mr. Siddhartha Lal, Managing Director of the Company w.e.f. April 1, 2014 within the ceiling of maximum remuneration permitted under the Companies Act, 1956.

The revised terms and conditions of appointment of Mr. Siddhartha Lal being Managing Director are set out in the proposed resolution and his tenure of appointment as Managing Director will remain unchanged i.e. for a period of 5 years effective from May 1, 2011 upto April 30, 2016.

The explanatory statement together with accompanying notice should be treated as an abstract of revision of the terms and conditions of appointment of the Managing Director of the Company and Memorandum of concern or interest of Director as required under the provisions of Section 302 of the Companies Act, 1956.

The resolution as set out in Item No.5 of this Notice is accordingly commended for your approval.

None of the Directors of the Company except Mr. Siddhartha Lal, being the Managing Director of the Company, is concerned or interested in the above resolution.

Additional information as per Clause 49 of the Listing Agreement

A brief resume of Mr S. Sandilya, Director liable to retire by rotation and is eligible for reappointment at the Annual General Meeting is given below:

Mr. S. Sandilya is the Chairman of the Board and the Company in a non-executive capacity. He has been associated with Eicher since 1975 in various capacities. He is a Commerce graduate with MBA from IIM, Ahmedabad. He has over 44 years of experience.

Mr. S. Sandilya prior to joining Eicher Group in 1975, he was with DCM group of companies at their Group Headquarters in the Finance function. After DCM, he was employed with Union Carbide India Limited where he worked for five years in Systems as well as Finance and Accounts.

He has been part of the growth journey of the Eicher Group and held various positions in different business units. He was the Managing Director of Eicher Motors Limited, the Commercial Vehicles Manufacturing business unit till 1998 before moving to the Group Office to take responsibility for Group Finance and Strategic Planning in addition to being the Managing Director of Eicher Motors Limited. He was appointed Group Chairman and CEO in April 2000.

He is also the President of Association of Indian Automobile Manufacturers. He is on the board of Lean Global Network and also President of International Motorcycle Manufacturers Association (2012-2014).

Name of the Companies in which Mr. S.Sandilya holds the Directorship and the Chairmanship / membership of Committees of the Board:

Name of Company	Designation on Board (As Chairman/ Director)	Name of Committee				
		Shareholders Grievance Committee (As Chairman/ Member)	Audit Committee (As Chairman/ Member)	Compensation Committee (Chairman/ Member)	Compensation & Nomination Committee (Chairman/ Member)	Remuneration Committee (Chairman/ Member)
Eicher Motors Limited	Chairman, Independent & Non-Executive Director	Member	Member	Member	-	-
Tube Investments of India Ltd	Director	-	Chairman	-	Member	-
Rane Brake Lining Limited	Director	-	Chairman	-	-	Chairman
Mastek Limited	Chairman & Non-Executive Director (Independent)	-	Chairman	-	Chairman	-
Mastek UK Limited	Non-Executive Director					
GMR Infrastructure Limited	Director	-	-	-	-	-
Lean Management Institute of India	Director	-	-	-	-	-
Association of Indian Automobile Manufacturers	President	-	-	-	-	-

Proxy Form

EICHER MOTORS LIMITED
Registered Office
3rd Floor-Select Citywalk
A-3 District Centre, Saket
New Delhi – 110017

I/We ______________________ of ______________________

in the district of ______________ being a member/members of the above mentioned Company hereby appoint

______________ of ______________ in the district of ______________ as my our proxy

to vote for me/us on my / our behalf at the 32nd Annual General Meeting of Eicher Motors Limited to be held at LTG Auditorium, Copernicus Marg, New Delhi – 110 001 on Friday, March 21, 2014 at 10.00 A.M. and at any adjournment thereof.

Signed this ________ day of ________ 2014

Member's folio No. ______________ Signature ______________

Revenue Stamp

Note: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Attendance Slip

To be handed over at the entrance of the Meeting Hall

Name of the attending Member ______________________

Member's folio No. ______________ No. of shares held ______________

Name of proxy ______________________

(To be filled in if the proxy attends instead of the Member)

I, hereby record my presence at the 32nd Annual General Meeting of Eicher Motors Limited to be held at LTG Auditorium, Copernicus Marg, New Delhi – 110 001 on Friday, March 21, 2014 at 10.00 A.M.

Member's/Proxy Signature

Note: Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.

Notes

EICHER MOTORS LIMITED

Registered office
3rd Floor-Select Citywalk
A-3 District Centre, Saket
New Delhi – 110 017

tel (011) 29563722

www.eicher.in

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Eicher Motors Limited
2	Annual standalone financial statements for the year ended	31st December, 2013
3	Type of Audit observation	Un-Qualified (Audited Standalone Financial Statements)
4	Frequency of observation	Not applicable

Refer our audit reports dated February 12, 2014 on the Standalone Financial Statements of the Company

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Manjula

Manjula Banerji
Partner
(Membership No. 086423)

For Eicher Motors Limited

Siddhartha Lal

Siddhartha Lal
Managing Director

Priya Brat*
Chairman (Audit Committee)

Lalit

Lalit Malik
Chief Financial Officer

GURGAON, February 12, 2014

*Leave of absence was granted to Mr M J Subbaiah, Chairman of the Audit Committee who was unable to attend the meeting. Mr Priya Brat took the Chair with the consent of all the members present.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Eicher Motors Limited
2	Annual consolidated financial statements for the year ended	31st December, 2013
3	Type of Audit observation	Un-Qualified (Audited Consolidated Financial Statements)
4	Frequency of observation	Not applicable

Refer our audit reports dated February 12, 2014 on the Financial Statements of the Company

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 015125N)

Manjula
Manjula Banerji
Partner
(Membership No. 086423)

For Eicher Motors Limited

Siddhartha Lal
Siddhartha Lal
Managing Director

Priya Brat*
Chairman (Audit Committee)

Lalit
Lalit Malik
Chief Financial Officer

GURGAON, February 12, 2014

*Leave of absence was granted to Mr M J Subbaiah, Chairman of the Audit Committee who was unable to attend the meeting. Mr Priya Brat took the Chair with the consent of all the members present.

SL