

A motorcyclist in full black protective gear and a helmet is riding a white and black Royal Enfield motorcycle through a shallow body of water. The motorcycle is splashing water, and the background is a blurred natural setting. The text 'PURE MOTORCYCLING' is overlaid in large red letters at the bottom right.

# **PURE MOTORCYCLING**

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## Notice

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Eicher Motors Limited (EML) is a leading player in the Indian automotive space. It operates in three distinct business verticals – Motorcycles, Commercial Vehicles and Personal Utility Vehicles.

## Consolidated Financial Highlights

Period of Comparison

■ 1.4.2015 - 31.3.2016

■ 1.4.2014 - 31.3.2015

### Total Revenue From Operations (Rs. Crores)



### Earnings Before Interest, Depreciation & Tax (EBIDTA) (%)



### Operating Margin (EBIT) (%)



### Profit After Tax (PAT) (Rs. Crores)





1

## Motorcycles

### ROYAL ENFIELD

Eicher Motors owns the iconic Royal Enfield motorcycle business, which leads the premium motorcycle segment in India. Royal Enfield is the oldest motorcycle brand in continuous production world-wide. In recent years, Royal Enfield has witnessed a surge in demand, and is now on its way to becoming the leading player in the mid-sized motorcycle segment globally.

**5,08,099**

**MOTORCYCLES SOLD\***

2

## Commercial Vehicles

### VE COMMERCIAL VEHICLES (VECV)

EML operates its commercial vehicles business under VE Commercial Vehicles Limited (VECV), a joint venture with the Volvo Group. VECV designs, manufactures and markets reliable, fuel efficient trucks and buses. VECV is leading the path in driving modernisation in commercial transportation across India and other developing markets.

**52,025**

**VEHICLES SOLD\***

3

## Personal Vehicles

### EICHER POLARIS PRIVATE LIMITED (EPPL)

EML's joint venture with US based Polaris Industries Inc formed in 2012, Eicher Polaris Private Ltd. (EPPL) launched the Multix, a new 3-in-1 vehicle purpose-built for the independent businessman in June 2015.

**1<sup>ST</sup> PUV**

**INDIA'S FIRST PERSONAL  
UTILITY VEHICLE**

\*(for 12 months ended March 31, 2016)

# EICHER MOTORS – A QUICK READ



## Royal Enfield

Royal Enfield is fast becoming a very important player in the global mid-size motorcycle market and is working towards re-inventing this space with motorcycles that are evocative and engaging and great fun to ride. Royal Enfield's product line up in India includes the Bullet, Classic and Thunderbird models in 350 and 500cc displacement along with Continental GT 535cc café racer and the newly launched purpose built Himalayan powered by the new LS410 engine.

Royal Enfield operates through 17 company-operated stores and more than 500 dealers in all major cities and towns in India, and exports to over 50 countries across the world including the USA, Japan, UK, several European and Latin American countries, as well as the Middle East and South Asia.

In 2015-16, Royal Enfield recorded its highest ever sales, and total income. It opened several new stores and rolled out its new Brand Retail Identity across a majority of its dealer network.



## VE Commercial Vehicles (VECV)

In operation since July 2008, the company includes the complete range of Eicher branded trucks and buses, VE Powertrain, Eicher's components and engineering design services businesses, the sales and distribution business of Volvo Trucks as well as aftermarket support to Volvo Buses in India. The trucks and buses business did very well in all segments during the period under review by increasing its market share in Light Medium Duty trucks (5-15 Ton) to 33.9%, 4.0% in Heavy Duty trucks, and to 15.8% in buses.



## Eicher Polaris Pvt Limited (EPPL)

EPPL launched Multix, a new 3-in-1 vehicle for the independent businessman in June 2015. With Multix, EPPL has created a new category of Personal Utility Vehicles in India's automotive industry. Its plant is based in Jaipur, Rajasthan, and it has been rapidly expanding footprint across target markets. EPPL is now present in 34 locations across 8 states. It continues to build a distribution network to gain momentum and has a strong funnel of customers.

## Business Highlights\*

**| ZERO**

EML continues to be debt free company

**| 96%**

Royal Enfield's market share in the mid-size motorcycles<sup>^</sup> segment

**| 6x**

Growth in motorcycle sales in last 5 years

**| 52,096.78**

Market Capitalisation (Rs. Crores) (as on March 31, 2016)

**| 28.3%**

Royal Enfield's EBITDA margin in FY16, a benchmark in the automobile industry

**| 33.9%**

VE Commercial Vehicles market share in domestic LMD<sup>#</sup> (5 - 14 tonne) segment

**| 3,464**

Net Worth (Rs. Crores)

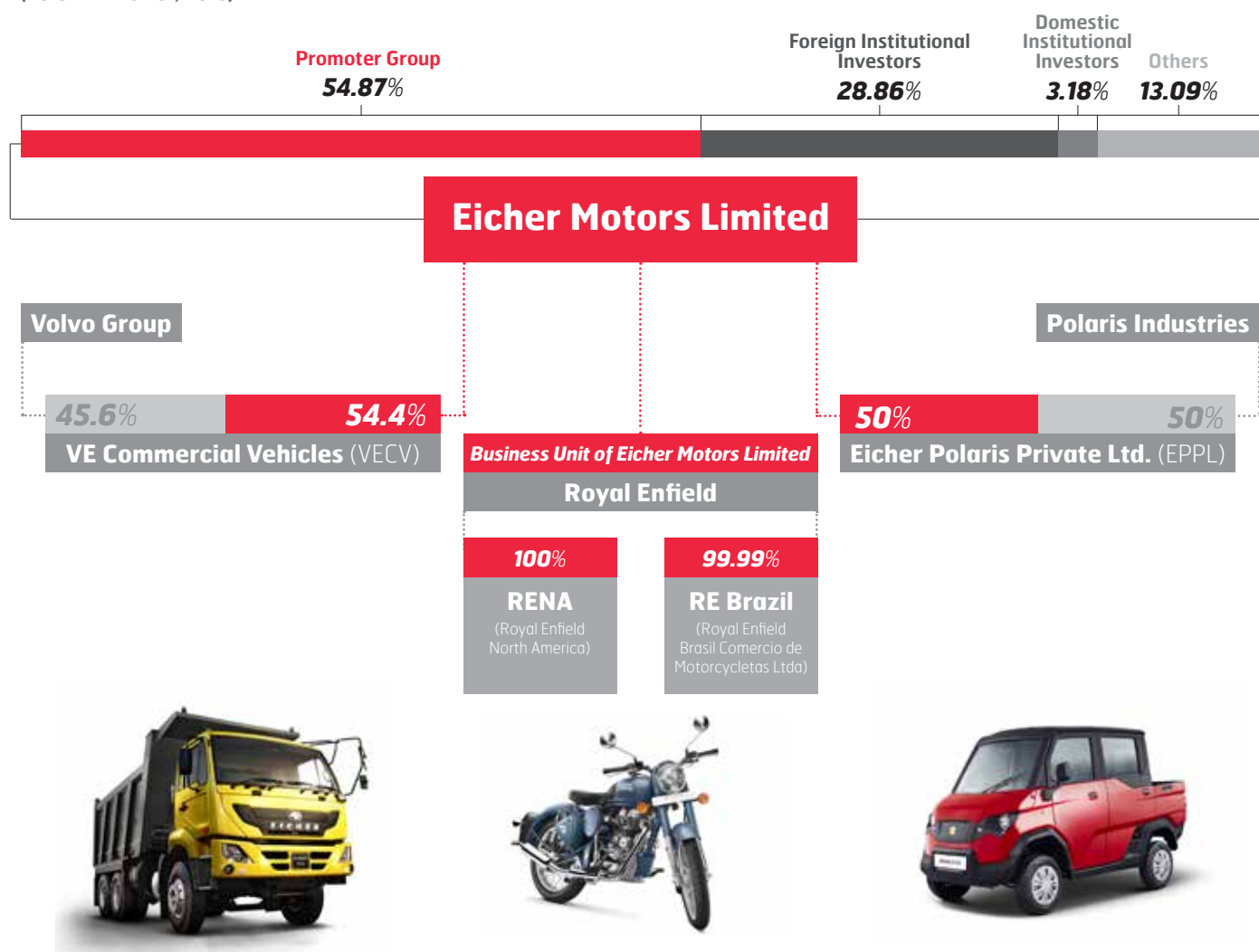
**| 8.1%**

VE Commercial Vehicles EBITDA margin in FY16, best in class

\*All figures mentioned are for period 1st April 15 to 31st March 16 • <sup>^</sup>Mid-size motorcycles refers to engine capacity between 250cc-750cc • <sup>#</sup>Light & Medium Duty Vehicles

## Shareholding Pattern

(AS ON MARCH 31, 2016)



## Key Milestones

**1959**

India's first tractor rolls out of Eicher factory in Faridabad.

**1993**

JV with Mitsubishi ended, enters medium duty bus segment.

**2008**

Forms JV with AB Volvo of Sweden; transfers commercial vehicle business to the JV.

**1984**

JV with Mitsubishi Motors to make 'Canter' trucks.

**2002**

Enters heavy duty truck segment.

**1959**

Forms JV with Polaris Industries Inc. USA, to design, manufacture & market personal vehicles.

**1991**

RE motorcycle acquired.

**2005**

Divests tractor & allied businesses to focus on commercial vehicles and motorcycles.

**2015**

Commencement of business by Eicher Polaris.

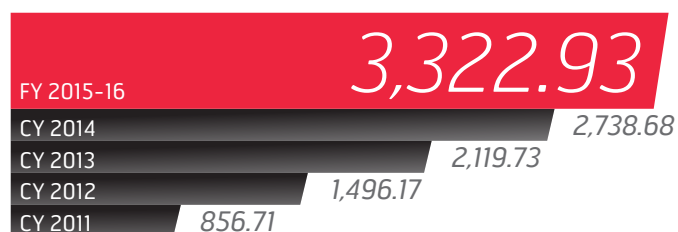


# FINANCIAL POSITION CONSOLIDATED

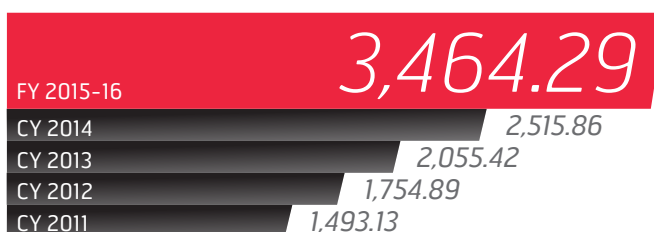
## BALANCE SHEET

	Rs. Crores				
	31.03.2016	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	3,322.93	2,738.68	2,119.73	1,496.17	856.71
Investments	1,628.93	1,067.14	825.46	638.50	512.62
Other Non Current Assets	602.68	485.74	305.56	336.66	254.75
<b>Current Assets</b>					
Inventories	1,014.31	645.52	526.80	488.84	427.96
Debtors	833.61	562.17	512.50	445.87	344.58
Cash and Bank Balances	591.43	480.58	682.56	803.50	1,191.51
Other Current Assets	484.86	427.74	363.98	261.94	205.25
<b>Current Liabilities and Provisions</b>	3,367.14	2,477.60	1,987.62	1,571.23	1,327.19
<b>Net Current Assets</b>	<b>-442.93</b>	<b>-361.59</b>	<b>98.22</b>	<b>428.92</b>	<b>842.11</b>
<b>Total</b>	<b>5,111.61</b>	<b>3,929.97</b>	<b>3,348.97</b>	<b>2,900.25</b>	<b>2,466.19</b>
Share Capital	27.16	27.10	27.04	27.00	26.99
Reserves & Surplus	3,437.13	2,488.76	2,028.38	1,727.89	1,466.14
<b>Net Worth</b>	<b>3,464.29</b>	<b>2,515.86</b>	<b>2,055.42</b>	<b>1,754.89</b>	<b>1,493.13</b>
Minority Interest	1,156.85	1,085.06	1,039.72	948.46	837.65
Deferred Tax Liability (net)	338.18	239.35	180.45	123.19	64.46
Other Non Current Liabilities & Provisions	152.29	89.70	73.38	73.71	70.37
Borrowings	-	-	-	-	0.58
<b>Total</b>	<b>5,111.61</b>	<b>3,929.97</b>	<b>3,348.97</b>	<b>2,900.25</b>	<b>2,466.19</b>
<b>NO. OF SHARES</b>	<b>27,161,183</b>	<b>27,104,783</b>	<b>27,038,883</b>	<b>27,000,983</b>	<b>26,992,583</b>
<b>Book Value per Share (Rs.)</b>	<b>1,144.35</b>	<b>807.10</b>	<b>742.87</b>	<b>639.93</b>	<b>547.59</b>
<b>Market Value per Share (Rs.)</b>	<b>19,180.60</b>	<b>15,075.00</b>	<b>4,975.85</b>	<b>2,906.60</b>	<b>1,488.00</b>
<b>Market Value to Book Value per Share</b>	<b>16.8:1</b>	<b>18.7:1</b>	<b>6.7:1</b>	<b>4.5:1</b>	<b>2.6:1</b>
<b>Market Capitalisation (Rs. Crores)</b>	<b>52,096.78</b>	<b>40,860.46</b>	<b>13,454.14</b>	<b>7,848.11</b>	<b>4,016.50</b>

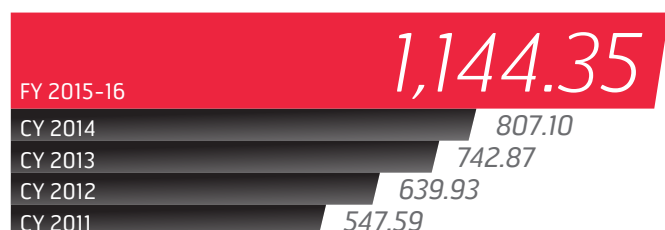
### Net Fixed Assets (Rs. Crores)



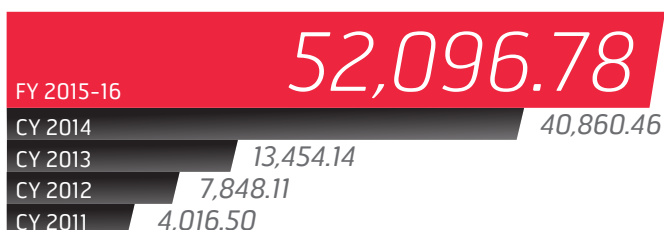
### Net Worth (Rs. Crores)



### Book Value Per Share (Rs.)



### Market Capitalisation (Rs. Crores)



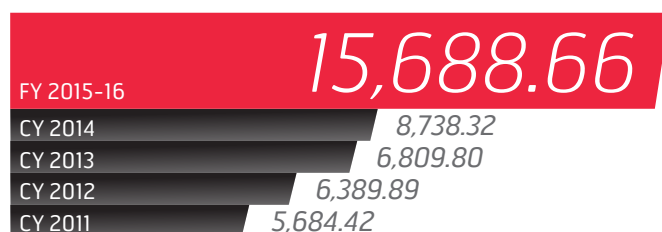
# OPERATIONAL HIGHLIGHTS

## CONSOLIDATED

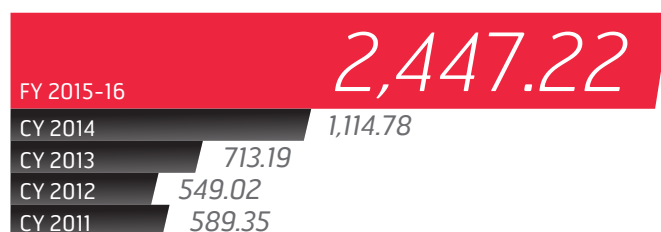
### PROFIT & LOSS ACCOUNT

	Rs. Crores				
	2015-16 (15M)	2014	2013	2012	2011
<b>Sales Volume:</b>					
Commercial Vehicles (Nos.)	63,045	40,783	41,251	48,831	49,042
Two Wheelers (Nos.)	6,00,944	3,02,592	1,78,121	1,13,432	74,626
<b>Total revenue from operations (net of excise)</b>	<b>15,688.66</b>	<b>8,738.32</b>	<b>6,809.80</b>	<b>6,389.89</b>	<b>5,684.42</b>
Manufacturing and other expenses	13,241.44	7,623.54	6,096.61	5,840.87	5,095.07
<b>Earnings before interest, depreciation &amp; tax (EBIDTA)</b>	<b>2,447.22</b>	<b>1,114.78</b>	<b>713.19</b>	<b>549.02</b>	<b>589.35</b>
<b>EBIDTA to Revenue (%)</b>	<b>15.6%</b>	<b>12.8%</b>	<b>10.5%</b>	<b>8.6%</b>	<b>10.4%</b>
Depreciation	451.66	219.82	130.04	82.17	63.96
<b>Earnings before interest &amp; tax (EBIT)</b>	<b>1,995.56</b>	<b>894.96</b>	<b>583.15</b>	<b>466.85</b>	<b>525.39</b>
<b>EBIT to Revenue (%)</b>	<b>12.7%</b>	<b>10.2%</b>	<b>8.6%</b>	<b>7.3%</b>	<b>9.2%</b>
Finance Cost	9.04	9.78	7.88	3.79	7.67
Other Income	111.98	107.44	95.29	136.64	142.48
<b>Profit before tax</b>	<b>2,098.50</b>	<b>992.62</b>	<b>670.56</b>	<b>599.70</b>	<b>660.20</b>
Provision for taxation	646.56	290.88	145.18	124.85	162.80
<b>Profit after taxation (PAT)</b>	<b>1,451.94</b>	<b>701.74</b>	<b>525.38</b>	<b>474.85</b>	<b>497.40</b>
<b>PAT to Revenue (%)</b>	<b>9.3%</b>	<b>8.0%</b>	<b>7.7%</b>	<b>7.4%</b>	<b>8.8%</b>
Minority Interest	174.06	86.38	131.44	150.59	188.63
<b>Profit after taxation and minority interest</b>	<b>1,277.88</b>	<b>615.36</b>	<b>393.94</b>	<b>324.26</b>	<b>308.77</b>
<b>Dividend including Corporate Dividend Tax</b>	<b>326.90</b>	<b>162.62</b>	<b>94.92</b>	<b>62.76</b>	<b>50.20</b>
<b>Equity Dividend (%)</b>	<b>1000%</b>	<b>500%</b>	<b>300%</b>	<b>200%</b>	<b>160%</b>
<b>Basic Earnings per Share (Rs.)</b>	<b>470.90</b>	<b>227.22</b>	<b>145.84</b>	<b>120.11</b>	<b>114.48</b>
<b>Diluted Earnings per Share (Rs.)</b>	<b>469.17</b>	<b>226.11</b>	<b>145.04</b>	<b>119.41</b>	<b>114.03</b>

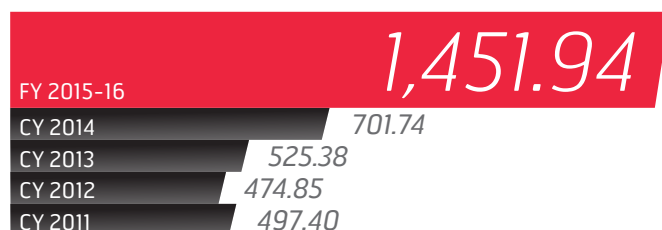
### Total Revenue from Operations (Rs. Crores)



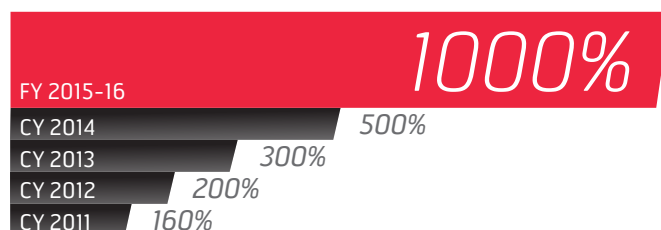
### EBIDTA (Earnings before interest, depreciation & tax) (Rs. Crores)



### Profit after Tax (Rs. Crores)



### Equity Dividend (%)



# LETTER TO THE SHAREHOLDERS







***Our reputation as an organisation that offers a truly differentiated and customer-centric proposition has been reinforced during 2015-16***

## Dear Shareholders,

I am delighted to write to you at the end of what has been a landmark reporting period for us at Eicher Motors Limited (EML). We have moved to financial year reporting because of which this annual report covers the 15-month period of January 1, 2015-March 31, 2016. Wherever possible we have provided a comparison between figures for the twelve months ended March 31, 2015 and the corresponding period ended March 31, 2016, for easier understanding.

In the last fifteen months, EML has once again demonstrated its ability to deliver industry-leading growth across all its businesses. Our reputation as an organisation that offers a truly differentiated and customer-centric proposition has been reinforced during this period. 2015-16 was marked by ground-up product introductions across our motorcycle and joint venture businesses. Our breakthrough go-to market business model, perseverance and single-minded pursuit of our goals have delivered this phenomenal growth trajectory.

### CONSOLIDATED PERFORMANCE

The past year reflected a solid performance at EML. The total revenue from operations for the 15-month period ending March 31, 2016 was Rs.15,688.7 Crores and for the 12-month period ending March 31, 2016 was Rs.13,120.7 Crores, resulting in our best ever performance. Sales volumes for the 12-month period ending March 31, 2016 for VECV were 52,025 units (including Exports and Volvo units) and for Royal Enfield were 5,08,099 units. We have achieved our best ever EBIT margin at 13.0% for the 12-month period ending March 31, 2016.

### STANDALONE PERFORMANCE

The total revenue from operations for the 15-month period ending March 31, 2016 was Rs.6,188 Crores and for the 12-month period ending March 31, 2016 was Rs. 5,226.9 Crores. This phenomenal growth was supported by our best ever EBIT margin at 26.0% for the 12-month period ending March 31, 2016.

## ROYAL ENFIELD

The 15-month period ending March 31, 2016 has been yet another stupendous year for Royal Enfield. We exceeded our own plans and expectations, both in revenue and profit terms. During the 12-month period from April 2015 to March 2016, we sold over half a million motorcycles. Considering that this was just about 52,000 motorcycles in 2010, it gives you a sense of the phenomenal growth Royal Enfield has achieved over the years.

We are winning and continuing to achieve the improbable. We have been able to do this by following a single idea for well over a decade with fearlessness and persistence; and by continually challenging the fundamentals of how business should be run and brands should be created. We didn't take the well-trodden path, and we didn't follow industry conventions; we created our own path which has led us to this outstanding success.

We are working very hard to transform Royal Enfield into a truly front-end consumer and brand-led organisation, rather than what is typically seen at other automotive firms, which are engineering or manufacturing driven. It doesn't mean that engineering and manufacturing are not important to Royal Enfield. In fact, they are more important than ever. It only means that even our most fundamental product, engineering and manufacturing decisions are driven by where we want our brand to go, and where we see our consumers shifting to – or with the right offering, where our consumers may shift to. Most automotive firms are driven by either creating differentiated products through modern technology, or by improving manufacturing processes so much that they will reap the benefits in lower cost or better productivity. We are driven by deep insights into our customer's needs (met or unmet) and understanding the cultural nuances in a way that we can create a more holistic offering that gives an unparalleled experience to our customer.

***We didn't take the well-trodden path, and we didn't follow industry conventions.***

The launch of the Himalayan in March 2016, a motorcycle purpose-built for adventure and touring the Himalayas, in a sense typifies this approach. The Himalayan is the culmination of Royal Enfield's 60 years of enduring history in its spiritual home — the Himalayas. Our single biggest insight in all these years of riding has been that the best motorcycle for the Himalayas is not one that tries to dominate its landscape, but one that is able to go with its flow. Large adventure tourers that currently define this category in developed nations, do not fare well in the Himalayas as they are very heavy, extremely complicated, intimidating and not really designed for this environment.

With a completely ground-up design, and powered by a new LS 410 engine, the Royal Enfield Himalayan paves the way for a purer, non-extreme and more accessible form of adventure touring in India. In fact, its extremely capable off-road capabilities make it adept for riding through potholed urban jungles as it does for treacherous mountain trails. I am absolutely delighted with the response that the Himalayan has received from our customers and other motorcycling enthusiasts.

While we have created and own the leisure motorcycle market in India with our current market share of 96% in the 250cc and above category of motorcycles, we still hold less than 6% market share in the overall motorcycle industry in India. India is the largest commuter motorcycle market in the world, but largely concentrated in the sub-150 cc segment. With the Indian economy growing at a fast clip, a younger demographic and an aspirational environment, the demand for mid-segment motorcycles will continue to grow. Therefore, for a brand like Royal Enfield, the potential to expand the market further and penetrate deeper is significant. We see a significant headroom for growth. We continue to expand our retail footprint with almost all of our 500 stores reflecting our new brand retail identity. This has allowed us to create a truly differentiated retail environment for our customers.

While India continues to be our stronghold market, at Royal Enfield we believe that our next level of growth will also come from our developing international business. Our focused international thrust is based on creating demand and building aspiration for the Royal Enfield brand in identified international markets. This means focusing on cities, rather than countries. Towards this we have opened several beautiful stores in prominent parts of London, Paris, Madrid, Bogota, Medellin, to name a few. This

***Our most fundamental product, engineering and manufacturing decisions are driven by where we want our brand to go, and where we see our consumers shifting to.***

year we also launched the brand in the leading two-wheeler markets of Indonesia and Thailand with exclusive stores in Jakarta and Bangkok. In addition to our evocative motorcycles and gear, we support these stores with several rides and community events that engage our customers in these parts of the world. We believe that a few years down the line, if we are successful in these cities, we will be able to succeed in these countries.

In 2015, as part of our international business growth plans, we also announced our market company in the world's most valued motorcycle market – North America. With the close of the calendar year, we completed our transition from our erstwhile distributor led business to our subsidiary in North America. With the team in place we are now working on our strategy to make a mark in this market.

While we continue to work relentlessly on demand generation, we have also taken significant steps to reinforce our product development capabilities at Royal Enfield. This year we made a strategic decision to buy the UK-based motorcycle engineering and design firm, Harris Performance. We are also on track with setting up both our technology centres in Leicestershire, UK and Chennai, India. In UK, we already have a team of more than 50 engineers with deep experience in design and development of motorcycles. Our third manufacturing facility at Vallam Vadagal, Tamil Nadu will also be ready as per plan. We continue to build a robust team and create capabilities across the organisation.

Encouraged by the performance in the year that went by Royal Enfield plans to manufacture around 6,75,000 motorcycles in 2016-17. We will also be investing Rs.600 Crores towards setting up two technical centres, product development, enhancing our manufacturing capacity and market development activities across geographies.



## VE COMMERCIAL VEHICLES (VECV)

VE Commercial Vehicles (VECV), our joint venture with the Volvo Group, reported a strong performance together with market share growth. The commercial vehicle industry is now coming out of a prolonged downturn and we are positive that it will grow as we continue through this year.

After two successive years of insufficient rains in some parts of India, the forecast for the ensuing year is good. Therefore, this will lead to a positive sentiment, and consequently spur demand across the spectrum. The reduction in interest rates on small saving schemes by Government of India is also indicative of the southward movement of interest rates in the near future. There is significant focus on execution of announced infrastructure projects by Government of India and we can now see some movement at the ground level with pickup in demand for tippers that are mostly used in road constructions and mining applications.

These positive developments are leading to growth in the CV industry and we expect a lot of traction in infrastructure sector in the current year. We believe the construction truck segment will lead the boom in 2016 and we might see a new peak in HD trucks crossing the earlier peak of 2,40,000 units in 2011. LMD trucks started doing well from the second half of 2015. We do hope that in 2016-17, this sector should mirror the growth as recorded by HD trucks in 2014-15 and should cover substantial gap with the earlier peak of 1,00,000 units achieved in 2011.

VECV recorded strong growth across its heavy duty and light and medium segments during the fifteen month period ended March 31, 2016. Building on the remarkable performance of the Pro series range of trucks and buses, VECV successfully launched new variants in the Pro 6000 and the Pro 8000 series across the country. In the FY 2016-17 Eicher Trucks & Buses will enter the sub ST category of commercial vehicles with the launch of Eicher Pro 1049. We are planning to invest Rs. 400 Crores in VECV towards product development and capacity expansion.

**Building on the remarkable performance of the Pro series range of trucks and buses, VECV successfully launched new variants in the Pro 6000 and the Pro 8000 series across the country.**

## EICHER POLARIS PRIVATE LIMITED (EPPL)

EML's joint venture with Polaris Industries – Eicher Polaris Private Limited launched its ground-breaking product – Multix in June 2015. This is India's first 3-in-1 Personal Utility Vehicle, created for the independent businessman. Multix creates a new consumer segment in the Indian automotive industry.

With versatility at its heart, Multix offers the unique power of extreme adaptability to the consumer. Multix has a generous cabin space that can comfortably seat a family of five along with luggage. Multix can be adapted to create large storage space of 1918 litres. Multix is equipped with X-PORT™ – a unique power-take-off point, which can generate power of upto 3 KW that can be used for lighting homes and powering professional equipment such as drilling machines, DJ systems, water pumps and more.

Given its value proposition, Multix has received significant traction amongst its target audience. EPPL has been expanding its footprint across its target markets. It is now present in 34 locations across 8 states and continues to gain momentum in its target markets.

**Multix is India's first 3-in-1 Personal Utility Vehicle, created for the independent businessman. It creates a new consumer segment in the Indian automotive industry.**

## CSR INITIATIVES

Eicher has always been very active in the area of 'corporate social responsibility' and building the local community in the areas where we are located. Over the last decades, we have supported Delhi and North India's premier charitable eye hospital, and extended its reach over time. In these years, we have also put a lot of energy and resource behind education for underprivileged girl children in the tribal areas of Alwar District, Rajasthan. In addition, we are now working on vocational training for under privileged youth in cities across the country, education for the healthcare for Delhi's truck drivers and local area development around our Chennai factories.

At Eicher Motors Limited we have emerged as one of the leading, prominent and well respected players in the automotive segment in India. Our long term approach to business has given us a solid momentum in our core businesses. We are reaping the benefits of that now, while laying the foundation for the next phase of growth in the coming years.

Thanking you for the continued support and faith in our vision.



**Siddhartha Lal**  
Managing Director & CEO  
Eicher Motors Limited



# ***PURE MOTORCYCLING***

I don't want to spend my life in front of a screen.

I don't want to spend my life reading about the experiences of others; I want to have my own. I want to follow the journeys and not the destination. Every time I ride out, it makes me realize there is no greater pleasure or feeling than that of oneness with my motorcycle and the terrain through which I ride. I have found a way of life that fills me with real, authentic experiences.

I call it pure motorcycling.





### ***PURE***

A fundamental experience of life, authentic and real. Connecting at a sensory level with your innermost self and your surroundings. Not being dependent on approval or endorsement from others. Steering clear of the artificial, the superficial, the superfluous and the contrived.

### ***MOTORCYCLING***

Motorcycling includes riding, owning, maintaining, caring, and workmanship - as an active pursuit. Focusing on the essentials and not the excess. Not transforming but reconnecting with the purity of the experience. Engagement with machine and terrain.



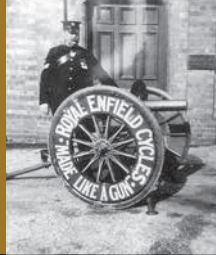
# THE OLDEST MOTORCYCLE BRAND...

**1891**

R.W. Smith and Albert Eadie take over the Townsend Cycle Company in Redditch, UK. Soon after, they start supplying precision machine parts to the Royal Enfield Small Arms Factory in Enfield, Middlesex. Their undertaking is renamed the Enfield Manufacturing Company Limited.

**1893**

Enfield Manufacturing Ltd. becomes Royal Enfield – 'Royal' being taken from the Royal Small Arms Company. The trademark 'Made like a gun' is introduced.

**1898**

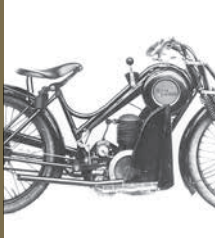
R. W. Smith designs a prototype motorised vehicle, a four wheel bicycle known as a quadricycle. It uses a proprietary 1 1/2 hp De Dion engine.

**1900**

Royal Enfield enters motorsport when one of its quadricycles enters a 1000 Mile Trial. The event does much to persuade the British public about the viability of motorised transport.

**1924**

Continuous development results in a range of 8 models, including the launch of the Sports Model 351, the first Royal Enfield 350cc OHV 4-stroke motorcycle with foot operated gear change. It is powered by a JAP engine. A 225cc 2-stroke step-through 'Ladies Model' is also released.

**1926**

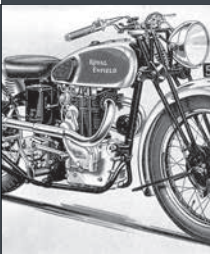
A major fire breaks out at the 18-acre Redditch factory. The company's own fire brigade manages to fight flames that threaten to engulf the entire plant.

**1928**

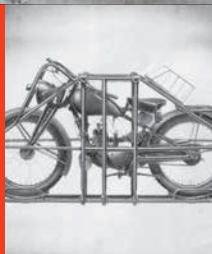
Royal Enfield adopts saddle tanks in place of outmoded flat tanks. It is also one of the first manufacturers to change its front fork system from a Druid design to centre-sprung girder forks.

**1935**

Cecil Barrow, riding a 500cc Bullet at the Isle of Man TT, finishes in 8th place averaging 74 mph. It is Royal Enfield's last factory sponsored entry in the event. The 500cc Bullet is radically changed the following year with the release of a new sporting version, the Model JF, featuring a 4-valve cylinder head.

**1939**

Royal Enfield produces large quantities of motorcycles and bicycles during the Second World War. The most iconic military model is the 125cc 'Airborne' motorcycle known as the Flying Flea. This 125cc 2-stroke can be loaded into a specially fabricated parachute cradle and dropped with paratroops behind enemy lines.

**1948**

The 350cc Bullet prototype, with radical swinging arm rear suspension is previewed in the Colmore Cup Trial of March 1948. Two Bullets form part of the victorious British team in the 1948 ISDT (International Six Day Trial), held in Italy. Both their riders win gold medals.

**1957**

Johnny Brittain wins the Scottish Six Days Trial on a Bullet for the second time and also finishes top of the British Trials Championship. The 250cc Crusader model is launched in Britain. Producing 13 bhp, the motorcycle features a unit construction engine and alternator electrics with coil ignition.

**1964**

The iconic Continental GT café racer is launched to great acclaim when a team of photojournalists ride it from John 'o Groat's to Lands End in under 24 hours, by way of 7 laps at the Silverstone circuit. The GT features a racing petrol tank, clip-on handlebars, rear sets, a humped race seat, rev counter and a swept-back exhaust.

**1967**

With only two models left in production at the start of the year – the 250cc Continental GT and the 736cc Interceptor – Royal Enfield's Redditch facility closes down. Production of the Interceptor continues at Enfield's underground facility in Bradford on Avon.

**1993**

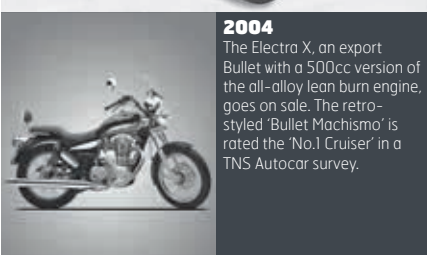
Enfield India produces the world's first and only mass-manufactured diesel motorcycle. Known as the Enfield Diesel, it used a highly fuel efficient 325cc power unit installed in the standard Bullet rolling chassis.

**1994**

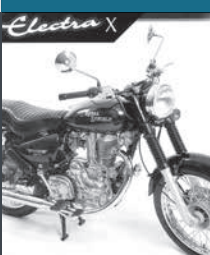
The Eicher Group acquires Enfield India Limited. The company is renamed Royal Enfield Motors Limited.

**1997**

Forty Royal Enfield motorcycles tour Khardung La, the world's highest motorable pass, setting a precedent for epic rides in some of the world's most difficult terrain.

**2004**

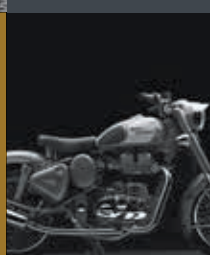
The Electra X, an export Bullet with a 500cc version of the all-alloy lean burn engine, goes on sale. The retro-styled 'Bullet Machismo' is rated the 'No.1 Cruiser' in a TNS Autocar survey.

**2005**

Royal Enfield celebrates its 50th anniversary in India.

**2008**

Royal Enfield begins exporting the Classic, India's first 500cc EFI, Euro III-compliant motorcycle, to European markets. The Thunderbird Twinspark is launched with the new Unit Construction Engine (UCE) in India.

**2013**

Royal Enfield commences manufacturing at its second facility in Oragadam, Tamil Nadu. With increased capacity, the state-of-art factory will be the nucleus of the Company's global ambitions in the future.

**2013**

Forty-eight years after developing the world's first production café racer, Royal Enfield rolls out the all-new Continental GT. Rockers, critics and riders agree that it is the most fun one could ever have on a motorcycle.

**2014**

Royal Enfield introduces a new retail experience with the opening of the first-of-its-kind exclusive gear store at Khan Market, New Delhi.

**2015**

Royal Enfield acquires erstwhile collaborators Harris Performance of the U.K., a motorcycle engineering and design firm to enhance its engineering and product design capabilities.



# ...IN CONTINUOUS PRODUCTION

	<p><b>1901</b> The first Royal Enfield motorcycle is produced. Designed by R. W. Smith and Frenchman Jules Gotiet, it has a 11/2 hp Minerva engine mounted in front of the steering head. The final drive is at the rear wheel by means of a long rawhide belt.</p>		<p><b>1909</b> Royal Enfield's first v-twin is launched at the Stanley Cycle Show. The engine is a 2 1/4 hp unit made by the Swiss company, Motosacoche.</p>		<p><b>1914</b> Royal Enfield's first 2-stroke motorcycle goes into full production. As Britain becomes more deeply involved in World War I, production ceases on all other Royal Enfield motorcycles barring this machine and the company's biggest motorcycle, the 770cc 6 hp V-twin.</p>	
		<p><b>1930</b> The decade begins with a diverse eleven model range, from the 225cc 2-stroke Model A to the 976cc V-twin Model K. Also, the new 350 and 500cc side-valve and overhead valve machines with dry-sump lubrication are also produced.</p>	<p><b>ROYAL ENFIELD MOTOR CYCLES</b></p> 	<p><b>1932</b> The legendary "Bullet" motorcycle is born. It is first displayed in November 1932 at the important Earls Court Motorcycle Show in London. Three versions: 250, 350 and 500cc are available, all with inclined 'sloper' engines, twin-ported cylinder heads, foot operated gear change and high compression pistons.</p>		<p><b>1933</b> Two years following the demise of Albert Eadie, founding partner R.W. Smith passes away. Major Frank Smith assumes control at Enfield.</p>
<p><b>1949</b> The new 350cc Bullet and 500 Twin models are launched in the UK. Both bikes share the same frame, swinging arm suspension, telescopic front forks and gearbox. K. R. Sundaram Iyer launches Madras Motors to import British motorcycles into India. Besides Norton and Matchless machines, he sells Royal Enfields.</p>		<p><b>1952</b> Madras Motors receives an order from the Indian Army for 800 350cc Bullets. The motorcycles arrive from Redditch in early 1953 and prove to be a great success, being both hardy and easy to maintain. Johnny Brittain wins the prestigious Scottish Six Days Trial on his 350cc Bullet, "HNP 331".</p>		<p><b>1955</b> The Redditch company partners Madras Motors in India to form 'Enfield India'. Work commences on the construction of a purpose-built factory at Tiruvottiyur, near Madras.</p>		<p><b>1956</b> The Tiruvottiyur factory opens and Bullets begin to be manufactured under license. Early production is based on machines that come from England in kit form which are then assembled in Madras. A total of 163 Bullets are built by the end of the year.</p>
	<p><b>1970</b> The Enfield Cycle Company in the UK goes out of business. The remaining Interceptor engines are sold to the Rickman Brothers and fit in proprietary Metisse frames. Approximately 90 of these machines are built. Production in India continues without interruption.</p>		<p><b>1977</b> Royal Enfield India begins exporting the 350cc Bullet to the UK and Europe. Sales grow rapidly as the bikes develop a following amongst classic British motorcycle enthusiasts.</p>	<p><b>The High Calibre Bullet</b></p> 	<p><b>1989</b> A new 24 bhp 500cc Bullet is released. The bike is primarily aimed at export markets, where it is available in Classic, Deluxe and Superstar trim along with the 350.</p>	
	<p><b>1999</b> Utilising the design skills of Austrian experts AVL, production of a revised 350cc all-aluminum lean-burn Bullet engine, known as the A350, begins at a new Royal Enfield plant near Jaipur, Rajasthan.</p>		<p><b>2001</b> The Daredevils, the motorcycle display team of the Indian Army Corps of Signals, Jabalpur, forms a human pyramid of 201 men on ten 350cc Enfield motorcycles, riding a distance of more than 200 metres.</p>		<p><b>2002</b> The Thunderbird, a stylish lean burn cruiser is launched in India. It features the first 5-speed gearbox used on a Royal Enfield since 1965 in Redditch. More than a 1000 Royal Enfield motorcycles of all ages descend on Redditch for the Royal Enfield Owner's Club Redditch Revisited event.</p>	
	<p><b>2009</b> The 500cc UCE engine is launched in India. The retro-styled Classic version achieves cult status immediately and sales grow rapidly.</p>		<p><b>2011</b> The company launches its first annual 'One Ride', where all Royal Enfield riders across the world are encouraged to go for a ride on the first Sunday in April. Royal Enfield acquires 50 acres of land at Oragadam near Chennai for its new plant. A factory organised trip crosses the border with 'Tour of Nepal'.</p>		<p><b>2012</b> Royal Enfield launches its first highway cruiser, the all-black Thunderbird 500. Work on the new Oragadam factory continues briskly while the Tiruvottiyur plant sets new production records.</p>	
	<p><b>2015</b> Royal Enfield sets up its first direct distribution subsidiary outside India, in North America. Royal Enfield's North American headquarters are located in Milwaukee, Wisconsin.</p>		<p><b>2016</b> Royal Enfield debuts its first purpose-built motorcycle, the Himalayan. With the all-new LS410 engine and terrain-tested suspension, it promises the ride of a lifetime on all roads and no roads.</p>		<p><b>ROYAL ENFIELD</b> ROYALENFIELD.COM</p>	

# KEY HIGHLIGHTS 2015-16



## Quarter 1

JANUARY - MARCH 2015

- Introduced the Continental GT 535cc cafe racer in a new signature GT Black color in March 2015.
- Opened two exclusive stores in Colombia, in Bogota and Medellin. The gear collection inspired by the Despatch Riders of WWII was introduced in these markets.
- Online gear store – [store.royalenfield.com](http://store.royalenfield.com) goes live.



## Quarter 2

APRIL - JUNE 2015

- Acquired Harris Performance based in U.K., a motorcycle engineering and design firm to enhance its engineering and product design capabilities.
- Announced opening of two new technology centres in Chennai, India and Leicester, UK respectively. The UK Tech Centre already has a team of over 50 engineers working on Royal Enfield's future product line-up.
- Opened the beautifully appointed flagship gear store at Khan Market, one of India's most popular high-street retail spaces. Royal Enfield now has seven exclusive gear stores across key cities in India.
- Launched its first limited edition motorcycles inspired by the Despatch Riders of the World War II era. Only 600 motorcycles in three colours were produced and put on sale – each bearing a unique embossed hallmark detailing particulars of its manufacture and a signature camouflage pattern. In India Royal Enfield sold 200 units of these limited edition motorcycles within 26 minutes of opening the online booking on [store.royalenfield.com](http://store.royalenfield.com).
- Opened first exclusive store in Dubai, one of the nodal markets in the middle-east with a tremendous response from enthusiasts.

## Quarter 3

JULY - SEPTEMBER 2015

- In July 2015, the 12th edition of the Royal Enfield Himalayan Odyssey was conducted successfully. 75 Royal Enfield riders from across the country participated in the ride and covered more than 2,500 kilometres to Khardung-La pass – the world's highest motorable road
- Opened its second exclusive store in London in July 2015 at Surrey.
- Announced its first wholly-owned, direct distribution subsidiary outside of India in North America in August 2015. Headquartered in Milwaukee, Royal Enfield North America sells directly to dealers and customers, in addition to conducting all market development and support activities including marketing, service and after-sales in the region.
- In September 2015, riders from across the world joined Royal Enfield on a ride to the Goodwood Revival festival in UK. The event saw Royal Enfield reviving a '60s-era Enfield dealership with period memorabilia, along with a live restoration of a 1949, 350cc Model G.



## Way forward 2016 and beyond

**Own the 'Pure Motorcycling' mindspace globally.**

**Protect and grow India.**

**Focussed strategic international thrust.**

**Deliver exciting and evocative new motorcycles.**

### Quarter 4

OCTOBER - DECEMBER 2015

- In October 2015, following its strategic city-led approach, Royal Enfield further expanded its international footprint with two exclusive stores in Paris, France and Madrid, Spain.
- The largest gathering of Royal Enfield riders grew even larger in November 2015, with over 6000 riders thumping into Rider Mania at Vagator, Goa for three days of music, mates and motorcycles.



### Quarter 5

JANUARY - MARCH 2016

- In January 2016, Royal Enfield introduced nine new colors for its product line-up that includes its retro street model- Classic, the legendary Bullet, its highway cruiser Thunderbird and the Continental GT café racer.
- With its growing focus on the ASEAN market, Royal Enfield announced its entry in two of the biggest two-wheeler markets in the world - Indonesia and Thailand, by launching its first retail stores in key cities of Bangkok and Jakarta in January & February 2016 respectively.
- Completion of the second phase of Oragadam plant added considerably to Royal Enfield's production capacity. In the fifteen month period from January 2015 to March 2016, Royal Enfield sold 6,00,944 units, enabling an even larger number of people to get out there and ride. Royal Enfield also announced its third upcoming manufacturing facility at Vallam Vadagal in Tamil Nadu, which will contribute to a combined capacity of 9,00,000 motorcycles by 2018.
- In February 2016, Royal Enfield launched the Himalayan, a motorcycle purpose-built for adventure and touring in the Himalayas. Bringing together 60 years of Himalayan riding experiences in a completely ground-up design, and powered by a new LS 410 engine, the Royal Enfield Himalayan paves the way for a purer, non-extreme and more accessible form of adventure touring in India.

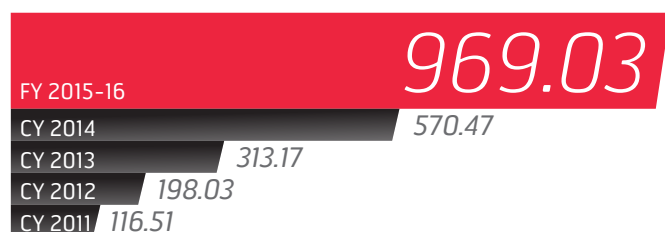


# FINANCIAL POSITION STANDALONE

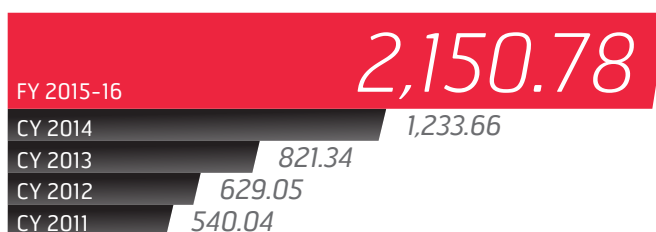
## BALANCE SHEET

	Rs. Crores				
	31.03.2016	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	969.03	570.47	313.17	198.03	116.51
Investments	1,872.69	1,178.03	856.35	649.39	518.01
Other Non Current Assets	111.25	168.83	89.81	67.48	40.57
<b>Current Assets</b>					
Inventories	300.36	205.13	143.84	75.41	45.27
Debtors	46.13	10.70	12.13	6.20	4.10
Cash and Bank Balances	44.52	20.89	18.71	3.50	2.98
Other Current Assets	74.02	74.84	49.17	24.23	54.94
<b>Current Liabilities and Provisions</b>	1,196.37	956.82	634.95	376.44	227.02
<b>Net Current Assets</b>	<b>-731.34</b>	<b>-645.26</b>	<b>-411.10</b>	<b>-267.10</b>	<b>-119.73</b>
<b>Total</b>	<b>2,221.63</b>	<b>1,272.07</b>	<b>848.23</b>	<b>647.80</b>	<b>555.36</b>
Share Capital	27.16	27.10	27.04	27.00	26.99
Reserves & Surplus	2,123.62	1,206.56	794.30	602.05	513.05
<b>Net Worth</b>	<b>2,150.78</b>	<b>1,233.66</b>	<b>821.34</b>	<b>629.05</b>	<b>540.04</b>
Deferred Tax Liability (net)	33.10	20.07	12.63	6.26	3.92
Other Non Current Liabilities & Provisions	37.75	18.34	14.26	12.49	10.82
Borrowings	-	-	-	-	0.58
<b>Total</b>	<b>2,221.63</b>	<b>1,272.07</b>	<b>848.23</b>	<b>647.80</b>	<b>555.36</b>

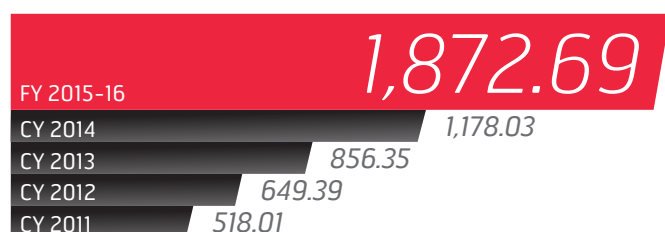
### Net Fixed Assets (Rs. Crores)



### Net Worth (Rs. Crores)



### Investments (Rs. Crores)

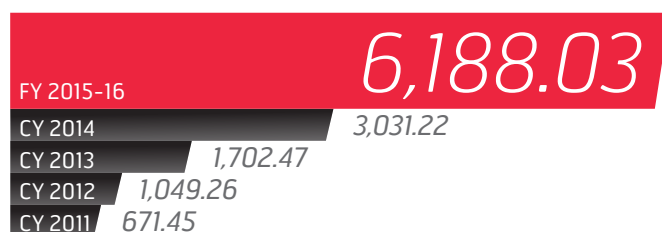


# OPERATIONAL HIGHLIGHTS STANDALONE

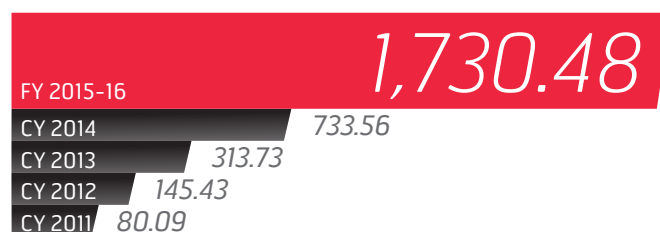
## PROFIT & LOSS ACCOUNT

	Rs. Crores				
	2015-16 (15M)	2014	2013	2012	2011
<b>Sales Volume:</b>					
Two Wheelers (Nos.)	600,944	302,592	178,121	113,432	74,626
<b>Total revenue from operations (net of excise)</b>	<b>6,188.03</b>	<b>3,031.22</b>	<b>1,702.47</b>	<b>1,049.26</b>	<b>671.45</b>
Manufacturing and other expenses	4,457.55	2,297.66	1,388.74	903.83	591.36
<b>Earnings before interest, depreciation &amp; tax (EBIDTA)</b>	<b>1,730.48</b>	<b>733.56</b>	<b>313.73</b>	<b>145.43</b>	<b>80.09</b>
<b>EBIDTA to Revenue (%)</b>	<b>28.0%</b>	<b>24.2%</b>	<b>18.4%</b>	<b>13.9%</b>	<b>11.9%</b>
Depreciation	137.73	50.16	30.41	17.15	13.02
<b>Earnings before interest &amp; tax (EBIT)</b>	<b>1,592.75</b>	<b>683.40</b>	<b>283.32</b>	<b>128.28</b>	<b>67.07</b>
<b>EBIT to Revenue (%)</b>	<b>25.7%</b>	<b>22.5%</b>	<b>16.6%</b>	<b>12.2%</b>	<b>10.0%</b>
Finance Cost	1.41	1.67	0.27	0.26	2.02
Other Income	178.24	116.30	80.10	45.78	76.78
<b>Profit before tax</b>	<b>1,769.58</b>	<b>798.03</b>	<b>363.15</b>	<b>173.80</b>	<b>141.83</b>
Provision for taxation	539.73	239.11	84.53	29.04	17.28
<b>Profit after taxation (PAT)</b>	<b>1,229.85</b>	<b>558.92</b>	<b>278.62</b>	<b>144.76</b>	<b>124.55</b>
<b>PAT to Revenue (%)</b>	<b>19.9%</b>	<b>18.4%</b>	<b>16.4%</b>	<b>13.8%</b>	<b>18.5%</b>
<b>Basic Earnings per Share (Rs.)</b>	<b>453.30</b>	<b>206.38</b>	<b>103.15</b>	<b>53.62</b>	<b>46.18</b>
<b>Diluted Earnings per Share (Rs.)</b>	<b>451.54</b>	<b>205.37</b>	<b>102.58</b>	<b>53.31</b>	<b>46.00</b>

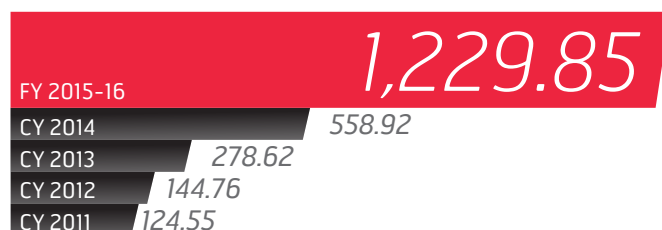
### Total Revenue from Operations (Rs. Crores)



### EBIDTA (Earnings before interest, depreciation & tax) (Rs. Crores)



### Profit after Tax (Rs. Crores)





# ROYAL ENFIELD MOTORCYCLES

Royal Enfield's objective is to disrupt the existing status quo by creating a new category in motorcycling globally – one that heralds a return to fun and evocative mid-size motorcycling (where motorcycling refers to owning, riding, caring for, and living with a motorcycle). These motorcycles are built to be timeless, uncomplicated, engaging, and accessible motorcycles for the city, as well as great touring/adventure/sporty motorcycles. They are not extreme in any way which means that each of these motorcycles is good to use in a variety of occasions and nearly all conditions. It also means that the motorcycles are built to give maximum pleasure at regular road-going speeds, and that they are fun for novices as well as experienced riders.

Royal Enfield motorcycles are intended to bring back values that many people yearn for in the modern sterile context – authenticity, tactility, craftsmanship, physical experience and active pursuit. We will deliver that by firstly ensuring that the company itself is authentic in its approach and interactions; the motorcycles we make will be timeless in sensibility and appeal, yet approachable and relatively affordable and encourage the owner to be hands-on. We will serve all relevant areas around the motorcycle-products and services with the same approach, in order to make the wholesome experience of motorcycling pleasurable – thereby delivering a 'Pure Motorcycling' experience.



# BULLET

The Bullet 500 marked by the iconic, handcrafted design of the legendary Bullet has stood the test of time since its launch in 1932. It has the unique distinction of being the world's longest running production model. The new Bullet 500 comes with a 500cc carbureted UCE engine, a powerful torque, front disc brakes, new rear gas shock absorbers, a pillion backrest and an electric start to ensure comfort, convenience and stability on the road. The Bullet's association with the Indian Army and its endurance over the decades are testimony of its toughness and dependability. The Bullet has earned a bonafide post in automotive royalty.



## Meera Rajendran BULLET OWNER



“After owning the Royal Enfield Bullet, I have not had enough of it as I ride on 45 weekends out of 52 either solo or with my riding group. The Royal Enfield Bullet is an iconic motorcycle and it has been synonymous with toughness and dependability that is why it has stayed relevant to successive generations. The motorcycle is a seamless combination of iconic design philosophy with relevant modern technology. The Bullet invokes a great sense of pride amongst the owners and I always feel I am ready to go on a ride. The experience of motorcycling with a Royal Enfield Bullet draws a lot of passion, enthusiasm and conversation.”



# CLASSIC

The Classic retains the quintessential classic British styling of the 1950's; simple, harmonious, proportioned and finished. Available in 350cc and 500cc displacement and clothed in a disarmingly appealing post war styling, this promises to be the most coveted Royal Enfield in history. For those who want it all. The power, the fuel efficiency, the reliability and simple, yet drop dead gorgeous classic styling. The Classic turns heads not because it wants to but because it can't help it. You will appreciate the beat not just for the music it creates but also for the muted feeling of strength and power that it signifies. The view is simply better when you are astride a Royal Enfield Classic 500 – whether moving or still. Nothing more to be said.



## Deepak Singh CLASSIC OWNER



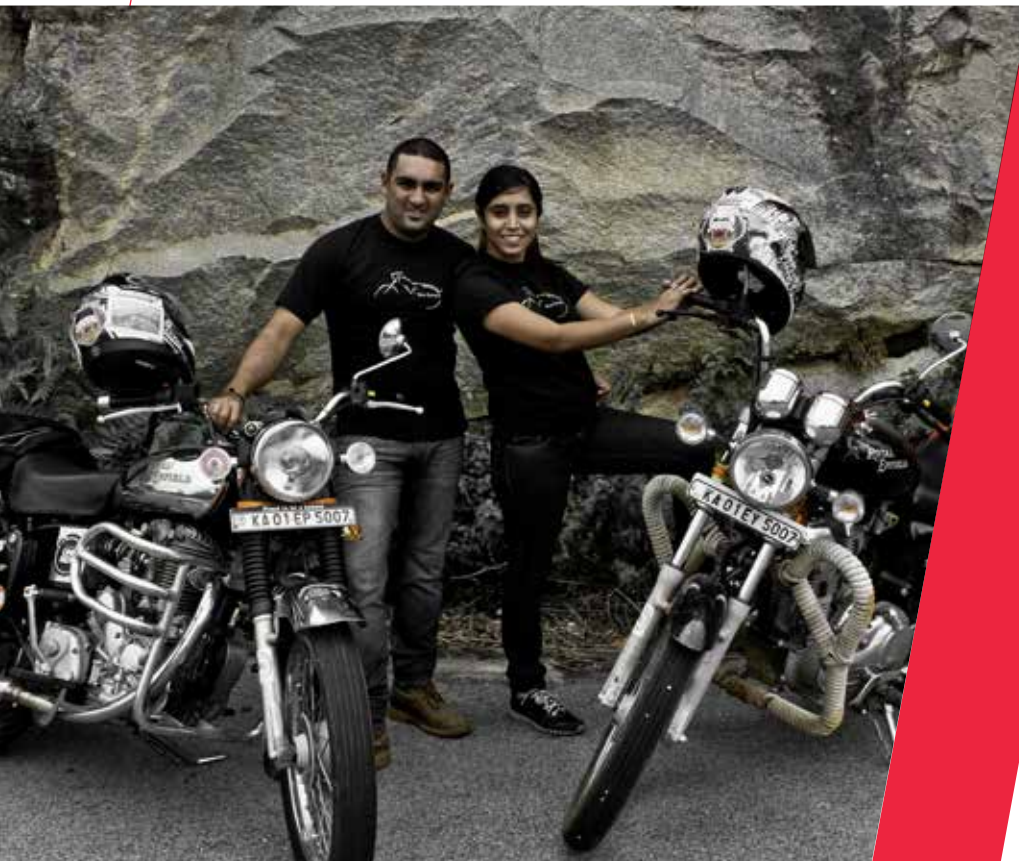
“I fell in love with the Royal Enfield Classic as it has a simple, elegant British motorcycle design. Inspired by the Royal Enfield J2 model that was popular in the 1950's, the Classic has a comfortable upright seating position that gives the rider a very majestic stance while riding on the road. The timeless design language gives the motorcycle a very distinctive look on the road, making it one of the most popular models from the Royal Enfield stable.”

# THUNDERBIRD

Royal Enfield Thunderbird, India's most definitive highway cruiser is designed to enhance the pleasure of leisure motorcycling amongst the touring enthusiasts. Available in 350cc and 500cc engines, equipped with a 20 litre fuel tank, LED ring endowed headlamp and tail lamps, the bike is every rider's ideal mate for comfort cruising on a long, endless highway. A separately mounted removable pillion seat built to accommodate luggage, high rise handlebars ergonomically designed for optimal reach, forward placed foot pegs and a low seat height are enablers in making the Thunderbird a "touring friendly" motorcycle. With touring enthusiasts forming the core of Royal Enfield's customer base, the Thunderbird gives them more power, comfort and style for long-distance riding.



## Pavan Bidappa THUNDERBIRD OWNER



“The Royal Enfield Thunderbird is my second Royal Enfield motorcycle. The Thunderbird is easily the best highway cruiser available in India market right now. The motorcycle has by far the most comfortable seating, amongst any other brand of motorcycles right now and its perfectly designed handlebars ensure that the ride is comfortable over long distances on the highway. The front fork suspensions, taller front and rear wheel tires enable the rider to go through broken roads very comfortably. The Thunderbird also has good stopping power and along with hazard lamps, the motorcycle is well equipped to make the rider feel safe on the highways.”



# CONTINENTAL GT

The Continental GT is the inimitable poster boy of the café racing culture, a phenomenon which is now more than half a century old. The GT is an iconic classic sports motorcycle.

Powered by the tested and upgraded 535cc single-cylinder, air-cooled Unit Construction Engine (UCE) with a re-mapped ECU and lower inertia, the Continental GT delivers that extra punch and responsiveness which is central to the café racer character. It is equipped with low set handlebars and rear set foot pegs enabling a crouched down riding posture – just the way café racers like it. It lends a fun, youthful and sporty air to its rider. Its double cradle frame makes it highly responsive and great fun to ride through the back-roads and twisties. The Pirelli Sport Demon tyres provide excellent grip, and the Brembo brakes give outstanding response and stopping distance. With a simple and customisable machine at its core, the Royal Enfield Continental GT is a fitting ode to motorcycling's finest era – the Swinging Sixties.



## Maurice Leniham CONTINENTAL GT OWNER



“I fell in love with the Royal Enfield Classic as it has a simple, elegant British motorcycle design. Inspired by the Royal Enfield J2 model that was popular in the 1950's, the Classic has a comfortable upright seating position that gives the rider a very majestic stance while riding on the road. The timeless design language gives the motorcycle a very distinctive look on the road, making it one of the most popular models from the Royal Enfield stable.”



# HIMALAYAN

The Himalayan is Royal Enfield's first ever completely ground-up motorcycle, built to provide the purest motorcycling experience in the Himalayas. A grounded stance, terrain tested suspension, dual purpose tyres combined with agile handling make for the perfect ride both on and off the road as it readily complies with the terrain it traverses. It is powered by LS410 single cylinder, 4-stroke, a strong low end torque to clear obstacles and wide useable power to suit a variety of terrains and conditions. The Himalayan is built on a duplex split cradle frame and has low seat height, upright handlebars and footpegs work in perfect sync to unite the rider with the motorcycle for a comfortable upright posture. The inherent mounting points in the front and back let you strap up and set off anytime, while the LCD instrument cluster keeps track of miles to maintenance. Definitely worth the wait. The Himalayan is the much-anticipated harbinger of adventure touring in India.



## Abid Javed

HIMALAYAN OWNER



“I have been riding a Royal Enfield for more than a decade now as I love going to the hills on my motorcycle. I have been eagerly waiting for the Himalayan and I was gifted the motorcycle recently by my wife. I have already taken the Himalayan to Nepal and I enjoyed riding it across a variety of terrains. It is a completely new motorcycle from Royal Enfield with a new LS 410 engine that I felt was adequately powered and retained the Royal Enfield character. The Himalayan is a versatile motorcycle that can go on any sort of terrain, and yet its is comfortable to ride on city roads as well. The Himalayan has opened up a new category for many adventure touring enthusiast like me and I feel that it will encourage many more people to get into the Royal Enfield way of motorcycling.”

# MANUFACTURING EXCELLENCE

To expand its production capacity owing to the growing demand for its motorcycles worldwide, Royal Enfield started production at its second manufacturing facility at Oragadam in Tamil Nadu, in April 2013. Royal Enfield's new state of the art manufacturing facility at Oragadam equipped the 115 year old motorcycle brand for its next level of global growth and achieve the highest level of quality and productivity. Royal Enfield sold over 5,00,000 motorcycles in 2015-16, and the Oragadam plant has been instrumental in achieving this scale and quality standards.

Spread over 50 acres, the Oragadam plant will contribute significantly in Royal Enfield achieving its planned production of 6,75,000 motorcycles in 2016-17.

Built in a record time of 11 months, the Oragadam plant has helped the iconic brand up its production scale in many ways such as: cost optimization through low cost automation, new CED paint shop, a robotic painting system and powder coating system, ergonomically sound new vehicle assembly line and torque controlled tools with feedback

device that allows production of one motorcycle a minute, retooling of parts to achieve exact accuracy and finish, and a modern and strong IT infrastructure that works as a sturdy backbone to the production process in the plant.

A 1.4 kilometer test track within the factory premises allows for the motorcycles to be thoroughly tested before they are dispatched for customers. The latest facility also retains some of its processes such as the legendary pin-striping done through craftsmen, who lend that special human touch to each motorcycle.

The plant has a modern green design with a responsible construction, to ensure sustainable manufacturing operations, featuring initiatives like reduction of effluent generation at source, zero liquid discharge system of treatment, and conserving resources like electricity, water and fuel, to name a few. Its design reflects a well-organized work space with equipment and utilities that warrant effective use of natural elements such as diffused lighting, natural air flow inside plant, and 25% of wooded area.

| 6,75,000  
motorcycles

**PRODUCTION PLANNED IN 2016-17**

***The latest facility also retains some of its processes such as the legendary pin-striping done through craftsmen, who lend that special human touch to each motorcycle.***



***The Oragadam plant has been instrumental in achieving the scale and quality standards***





A Continental GT on the assembly



Royal Enfield's second manufacturing facility at Oragadam, Chennai





# DIFFERENTIATED RETAIL EXPERIENCE

Royal Enfield is striving to provide an immersive retail experience for its customers that forms an integral part of the brand's core retail strategy, globally. Royal Enfield's innate philosophy of 'Pure Motorcycling' came to life as the new unified global retail identity rolled-out across Royal Enfield stores in India and to its exclusive stores in international markets.

The new retail format draws its inspiration from the brand philosophy to create an ambience similar to what would be found in the living room of an avid motorcycle enthusiast living room. In addition to Royal Enfield's entire range of motorcycles, the space is designed to showcase the brand's complete range of Gear that includes - apparel and accessories, protective gear, including helmets, jackets, riding trousers, t-shirts, pit shirts, boots, gloves and much more.

The new stores display an interesting visual merchandising format and innovative product displays, which include the use of bits and bobs from Royal Enfield motorcycles. A full-blown wall display of a stripped-down Continental GT showcasing the bike's internals and frame depicts machine love where the rider derives

sensory joy through tactile interplay with his motorcycle. The space has been designed not just as a point of purchase but as a meeting point for enthusiasts and for conversations around motorcycling.

Throughout 2015, Royal Enfield has been working closely with its dealers in India to convert almost all its stores to reflect the new look. A big step ahead for Royal Enfield, the new face of its stores have created a benchmark in motorcycle retail.

This new retail identity extends itself to every aspect of the Royal Enfield ownership experience. The service centers are also designed along the same lines.

The new-look Royal Enfield stores have driven in more enthusiasts and target customers through its doors, resulting in increased footfalls. It has also led to better appreciation of the products in context of the brand world and the classic motorcycling inspired lifestyle.

**“Royal Enfield's new brand retail identity truly evokes an international store appeal. The store has an excellent display of the gear which is indicative of how much the company cares for the customer's safety and is also looking at adding more options to the safety gear.”**

**Naveen Kachru**  
ROYAL ENFIELD DEALER,  
SOUTH DELHI MOTORCYCLES

**“As a part of their new retail identity, Royal Enfield stores have significantly bettered its customer experience like a global brand. The new stores offer an engaging experience to customer in marrying the motorcycles to the apparels and accessories. The stores follow the same visual language which makes it relevant to a customer in Kolkata or in Madrid or London and it makes the brand more appealing and accessible to newer set of customers.”**

**Aditya Pandey**  
GEAR CUSTOMER, KOLKATA

Store launch evening at the Royal Enfield's first exclusive gear store at Khan Market, New Delhi



**In 2015 Royal Enfield added over 100 new dealerships to help strengthen its retail presence in India**





A limited edition Despatch Rider motorcycle on display against the backdrop of Royal Enfield Gear and accessories, Khan Market, New Delhi

# BUILDING ASPIRATIONS GLOBALLY

Royal Enfield believes that with upgrading customers in emerging markets and more urban customers in mature markets, the potential of the mid-size motorcycle market globally is many times its current size. In Latin America and South-East Asia, motorcycles, like in India, are popular as the favourite means of daily commute. The size of these markets is much larger than in the developed countries, and with low penetration levels these markets are similar to India with enormous potential to upgrade to mid-sized motorcycles. Royal Enfield with its evocative and engaging products is very well placed to catalyse the shift to mid-size motorcycles in such markets.

As part of Royal Enfield's city led approach, the brand has 12 exclusive stores in key international cities. We opened our second store in London and our first exclusive stores in Paris, Madrid and in Dubai in the 'mature' or developed

markets. Colombia in South America was the first emerging 'white-space' market where Royal Enfield launched its retail presence in 2015 with one exclusive store each in Bogota and Medellin. The brand has seen a lot of traction given its highly differentiated design and road presence. Today Royal Enfield has 5 exclusive stores in Colombia in Bogota, Medellin, Cali and Barranquilla. In addition to the look-feel that reflect Royal Enfield's unified global retail identity, these stores have been positioned as destinations for enthusiasts and customers with interesting in-store events and programmes. Riding being at the heart of a Royal Enfield experience, these stores also see a lot of ride-outs on weekends.

**"I love this motorcycle's style and I have not found a motorcycle like this, with this classic and vintage style but at the same time at an affordable price; I think this was the trigger for my purchasing decision."**

**Ivan Ramiro Sanchez Galindo**  
BOGOTA, CLASSIC 500 OWNER

**"Every customer is highly satisfied as of today. We have mostly enthusiast buyers up to now, but slowly the word of mouth is spreading about the easiness to drive it daily as well."**

**Miguel F. Londoño**  
ROYAL ENFIELD DISTRIBUTER,  
THE CORBETAW GROUP, COLOMBIA

A customer ride in progress at Bogota, Colombia



**As part of Royal Enfield's city led approach, the brand has 12 exclusive stores in key international cities**





Customers outside the Royal Enfield store in Bogotá, Colombia



A customer at a Royal Enfield ride in Colombia



# FOR RIDERS, BY RIDERS

Royal Enfield organizes and supports many motorcycling events and rides. Prominent among these are the Rider Mania – an annual gathering of Royal Enfield riders from all over India to the lovely beaches of Goa. The Himalayan Odyssey, the most arduous motorcycle ride over some of the toughest roads and highest mountain passes in the Himalayas is also organised by Royal Enfield every year. Royal Enfield also conducts the popular 'One Ride' where people around the world ride out on their motorcycles on the first Sunday of April.



“Right from my first experience from coming to Rider Mania, when I am trying to get into the front gate and I didn't have my pass yet, someone said “Tiffany I met you half way up Khardungla 2 years ago”. So it's a great reunion for Royal Enfield Riders. It is also an amazing event, there's nothing like it in the world”

## November 2015

Over 6,000 motorcycle enthusiasts participated in Rider Mania 2015 at Vagator Goa.





“Barring a few patches of well-paved stretches, the journey is off-road riding at its most daunting. It snakes through what avid riders call the *Mecca of endurance motorcycling*”

**July 2015**

The 12th Edition of the Royal Enfield Himalayan Odyssey had 57 participants from around India.

**Himalayan Odyssey –  
Engines, spirit and the  
Himalayas.  
United yet again.**

“The sheer pleasure of reaching Khardung La top with fellow riders is still unmatched”







# **MANAGEMENT REVIEW**



# MANAGEMENT DISCUSSION AND ANALYSIS

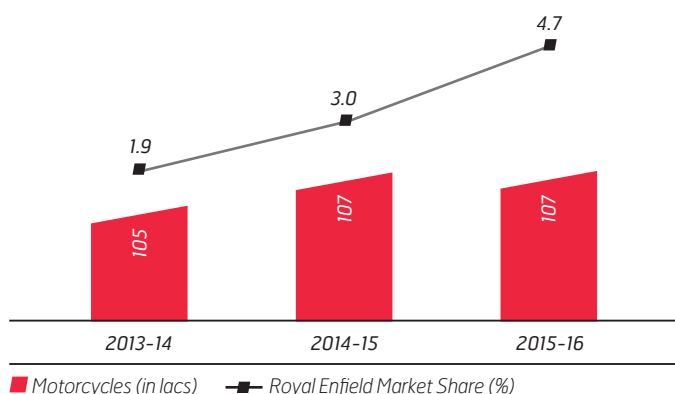
The financial year under review commenced on January 1, 2015 ended on March 31, 2016, being a period of 15 months. In the Management Discussion and Analysis section of the Annual Report, we have considered 12-month periods only. So, 2015-16 refers to period commencing April 1, 2015 and ending March 31, 2016. And the prior periods in this section also refer to 12-month periods. This has been done for better comparability between periods.

## 1. INDUSTRY STRUCTURE AND DEVELOPMENT

The motorcycle industry in India did not grow in 2015-16 over 2014-15. The size of the industry remained at 107 lacs for both the respective years. In 2014-15, however it grew by 1.9% over 2013-14. Royal Enfield, like over the preceding many years continues to outperform the motorcycle industry's sales growth. Royal Enfield's market share has grown from 1.9% in 2013-14 to 4.7% in year 2015-16.

The sales volume of India's motorcycle industry and the market share of Royal Enfield has been provided below:

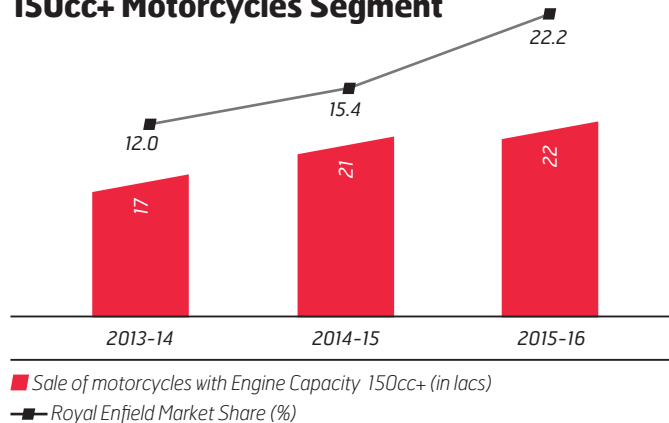
**Chart 1// Royal Enfield's Market Share in the Domestic Market**



Within the motorcycle industry, the sales of motorcycles of engine displacement of 150cc and above has grown from 17 lacs in 2013-14 to 22 lacs in 2015-16. Royal Enfield market share in this segment has grown from 12.0% in 2013-14 to 22.2% in 2015-16.

The sales volume of motorcycles with engine displacement of 150cc and above and market share of Royal Enfield has been provided below:

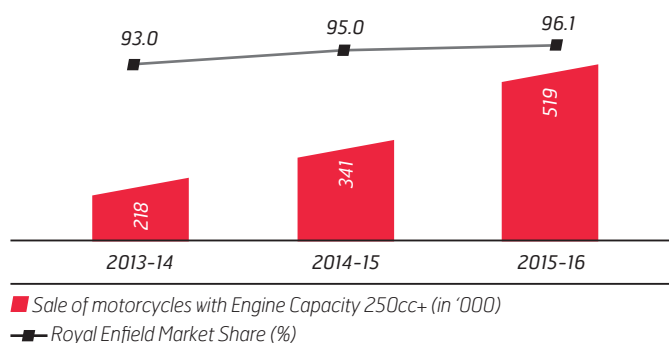
**Chart 2// Royal Enfield Market Share in 150cc+ Motorcycles Segment**



Within the motorcycle industry, the sales volume of motorcycles with engine displacement of 250cc and above has grown from 218 ('000) in 2013-14 to 519 ('000) in 2015-16. Royal Enfield's market share in this segment has grown from 93.0% in 2013-14 to 96.1% in 2015-16.

The sales volume of motorcycles with engine displacement of 250cc and above and market share of Royal Enfield has been provided below:

**Chart 3// Royal Enfield Market Share in 250cc+ Motorcycles Segment**





# 5,08,099

MOTORCYCLES SOLD IN 2015-16

**Eicher Motors Limited is executing many long-term initiatives to further expand the mid-market motorcycle segment.**

With more than 93.0% market share in each year, your Company's Royal Enfield motorcycles continue to dominate the 250cc and above segment.

## 2. OPPORTUNITIES, THREATS AND OUTLOOK

Your Company is determined to emerge as a dominant player in the global mid-size (250 cc to 750 cc) motorcycle market. It is evident from the data presented above that your Company continues to grow handsomely and enjoys a dominant position in 250cc and above segment where it enjoys a 96.1% market share in India. With such a commanding market share, your Company can grow by expanding this segment. Your Company is executing many long-term initiatives to further expand the segment. These initiatives include focussed marketing programmes, network development and product launches.

In the last few years, your Company has been focusing on growing in international markets. Its global strategy combines its learning from the success in India, and is calibrated for specific international geographies. Your Company has received an encouraging response for its unique brand proposition and highly differentiated products.

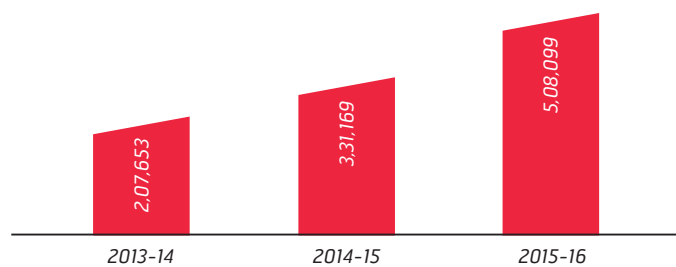
## 3. BUSINESS PERFORMANCE

Your Company sold 5,08,099 motorcycles in 2015-16, registering an annualised growth of 56.4% as compared to 2013-14 sales of 2,07,653 motorcycles. Of 2015-16 sales, 9,309 motorcycles were sold in international markets registering an annualised growth of 16.4% over 2013-14.

The sales volume of Royal Enfield motorcycles and its annualised growth has been provided below:

### Chart 4// Royal Enfield Sales Volume

CAGR\* ↗ **54.6%**



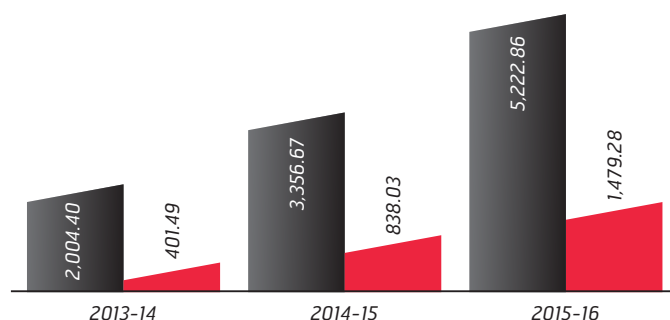
■ Royal Enfield Motorcycles (unit sold)

Total revenue from operations for 2015-16 was Rs. 5,226.87 crores, registering an annualised growth of 61.5% over 2013-14 (Rs. 2,004.40 crores). Like in the past, your Company continued to grow profits faster than net sales from operations. Your Company's earnings before depreciation & tax for 2015-16 was Rs. 1,479.28 crores, registering an annualised growth of 91.9% over 2013-14 (Rs. 401.49 crores).

\* Compound Annual Growth Rate

The Revenue from operations and Earnings before depreciation & tax are as below:

### Chart 5// Revenue and Earnings before Depreciation & Tax



■ Revenue from Operations (Rs. in crores)

■ Earnings before Depreciation and Tax (Rs. in crores)

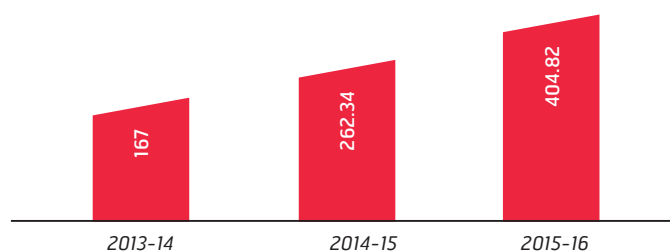
The Earnings before depreciation & tax as a proportion of Revenue from operations has grown from 20.0% in 2013-14 to 28.3% in 2015-16.

Revenue from sale of spare parts and services grew to Rs. 404.82 crores in 2015-16, registering an annualised growth of 55.7% over 2013-14 (Rs. 167.01 crores).

The Revenue from spare parts and services is as below:

### Chart 6// Revenue: Spare Parts & Services

CAGR\* ↗ **55.7%**



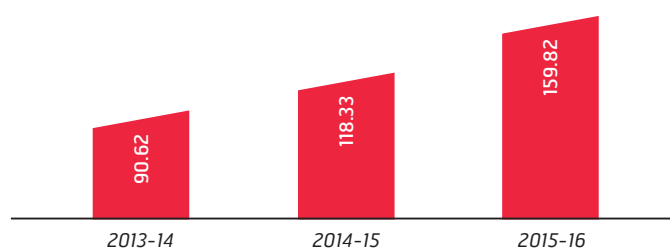
■ Revenue from sale of spare parts and services (Rs. In crores)

Revenue from international markets grew to Rs. 159.82 crores in 2015-16, registering an annualised growth of 32.8% over 2013-14 (Rs. 90.62 crores).

The Revenue from International Markets is as below:

### Chart 7// Revenue: International Markets

CAGR\* ↗ **32.8%**



■ Revenue from international markets (Rs. In crores)

#### 4. DOMESTIC BUSINESS

Royal Enfield has substantially expanded and upgraded its pan-India distribution network. In 2015-16, it added nearly 100 new dealerships taking the total dealership network to over 500. The Company nurtures a culture of customer orientation. Hence, dealers are equipped to help customers in a variety of ways, ranging from sales of motorcycles and gear, supply of spare parts and service of motorcycles.

A couple of years back, the Company embarked on a journey to upgrade all dealerships in a manner that reflect its new "Brand Retail Identity". The objective is to create an ambience inside the stores that reinforces the brand's innate strengths, and its promise of 'Pure Motorcycling'. Now the stores look highly differentiated, and the effort has produced significant results in terms of higher footfalls and stronger sales.

#### 5. FOCUSED INTERNATIONAL THRUST

Your Company sees tremendous growth opportunities in international markets. Your Company is executing geography specific long-term and sustainable strategies to achieve this growth. In the financial year 2015-16, your Company set up a 100% subsidiary in one of the most important markets in the world, North America. This subsidiary, Royal Enfield North America Ltd. took over the distribution in North America market from January 2016. Your Company also set up a 100% subsidiary, Royal Enfield Brasil Comercio de Motocicletas Ltda to manage the distribution in one of the biggest motorcycle markets in the world, Brazil.

During last two years, your Company set up twelve exclusive Royal Enfield stores including five in Colombia, two in London and one each in Jakarta, Bangkok, Paris, Madrid and Dubai. These exclusive stores will be key in establishing the brand in these markets as they will be the beachhead of sales, marketing and riding initiatives of the Company.

The Brand Retail Identity rolled out in Indian market is now being implemented in international markets as well.

#### 6. LAUNCH OF THE HIMALAYAN

Your Company launched the Himalayan, a motorcycle purpose-built for adventure and touring in the Himalayas in March, 2016. Bringing together 60 years of Himalayan riding experiences in a completely ground-up design, and powered by a new LS 410 engine, the Royal Enfield Himalayan paves the way for a purer, non-extreme and more accessible form of adventure touring in India. In fact, its top-notch road capabilities help the rider navigate through potholed urban locations with as much ease as treacherous mountain trails.

One of the most anticipated motorcycles of 2016, Royal Enfield Himalayan is available in two signature colour options — Granite and Snow. Built on a rugged duplex split cradle frame (designed and developed by Harris Performance) the Himalayan is equally stable and agile. A strong mono shock rear suspension with linkage provides convenience in long travels and delivers a hassle-free riding experience, notwithstanding the challenges of terrain.

The Himalayan is powered by a completely new and evolved overhead camshaft engine platform that forms the base for its new long stroke LS 410 engine. The all new engine delivers high torque and usable power at lower RPMs. This makes for smooth riding in higher gears at lower speeds, making it easy to climb hills, or to manoeuvre through dense traffic. Contemporary design and engine strength provide enhanced efficiency and low maintenance; and the engine can perform effortlessly for 10,000 kilometers between oil changes.

Touring utility is built inherently into the Himalayan. A 15-litre fuel tank provides a long range of around 450 kilometers. Luggage mounting points for hard panniers, soft luggage and jerry cans are integral to the motorcycle's design. Most importantly, an ergonomical sync between footpegs, handlebar and seat height provide a comfortable upright riding posture, that is necessary for long rides.

An accessible 800 mm seat height with lower mass-balance ensures the ease of planting feet on ground for complete control. Royal Enfield

Royal Enfield media ride in Paris, France





# 9,00,000

**TOTAL BUILT CAPACITY  
TARGETED BY 2018-19**

# 600

**PERMANENT EMPLOYEES  
ADDED DURING 2015-16**

Himalayan comes fitted with dual-purpose tyres that lend a confident grip and performance across a range of conditions. In addition to complete braking control, the 300 mm front and 240 mm rear disc brakes help to reduce braking effort.

Royal Enfield has also launched meticulously designed, purpose-built protective riding gear that caters to the long range rider, who travels to inhospitable locations, challenging terrains and extreme weather conditions.

The protective gear range includes the 4-season Royal Enfield Darcha riding suit made in collaboration with REV'IT; versatile touring jackets and trousers with Cordura, protective armour, removable thermal liners and breathable waterproof lining. The collection also has riding gear (gloves, trousers and boots).

Himalayan is the result of meticulous testing and benchmarking across multiple terrains, starting from the Bruntingthorpe airfield in the UK to the race track in Sriperumbudur, Chennai; from off-road terrains to urban settings; and then in the Himalayas. The motorcycle has clocked lacs of kilometers and cumulative mileage, before hitting the production line. The Himalayan is a purpose-built versatile motorcycle, inspired by the celebrated strength and grandeur of the Himalayan range.

## 7. STRENGTHENING PRODUCT DEVELOPMENT

Over the years, your Company's growth has been driven by design and development of products that are true to the brand ethos of the Royal Enfield brand. This drives differentiation of your Company's products. Designing and developing evocative and exciting products lies at the heart of your Company's future strategies. To translate its long-term growth objectives into reality, the Company has laid out an elaborate roadmap for developing new generation platforms and products.

Your Company has initiated multiple projects to significantly augment product development infrastructure and capability.

In May 2015, your Company acquired the brand, technical know-how, intellectual property and the business of U.K.-based Harris Performance Products Limited, one of the leading experts in designing, manufacturing and marketing motorcycle chassis and components. Before this acquisition, your Company had a long standing relationship with the firm. Harris Performance was responsible for the chassis development of the Royal Enfield's Continental GT model. Their proven expertise, deep insight and understanding of motorcycling will be invaluable for your Company in its product development journey.

In the financial year 2015-16, your Company commenced the construction of 2 technical centers - a larger technical centre at OMR, Chennai, India and a satellite technical centre in the Leicester area of UK. These centers will provide considerable strength to your Company's product development capability by enhancing ability to attract relevant talent in India and internationally, as well. In UK, your Company already has

a team of more than fifty engineers with deep experience in design and development of motorcycles. These centers once built will be equipped with state of the art testing and validation infrastructure.

## 8. CAPACITY EXPANSION

Your Company's production capacity at its existing manufacturing facilities at Thiruvottiyur and Oragadam in Tamil Nadu, India will soon peak to its maximum. In October 2014, your Company acquired a 50-acre plot at Vallam Vadagal, near Chennai, India. This is the site of your Company's third manufacturing facility.

Your Company has commenced construction of this facility and is expected to be commissioned in the second half of 2017-18. By 2018-19, the total built production capacity of your Company is expected to be 900,000 motorcycles annually.

Through its Supplier Rationalisation Program the Company consolidated its supplier base and brought in best in class supplier partners and worked closely with them in improving the efficiency and quality.

Leveraging scale benefit, value engineering, reduction in non-value added activities in the process, waste eliminations and consolidated buying of raw material and packing costs optimization has helped tremendously in keeping the material cost under control.

## 9. RISKS AND CONCERNS

Your Company evaluates potential risks, and has evolved over the years a comprehensive risk-management strategy. It takes into account changing market trends, competition scenario, emerging customer preferences, potential disruptions in supplies and regulatory changes, among others.

Your Company has established a Risk Management Committee comprising select Board and management members. Risk Management Committee reviews the risks, effectiveness of the mitigation strategies and its implementation progress.

## 10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a comprehensive system of internal control to safeguard its assets against any loss from unauthorised use and ensure proper authorisation of financial transactions.

The Company has internal control systems commensurate with the size and nature of the business. It has experienced personnel, positioned adequately in the organisation to ensure internal control process and compliances. Your Company has a comprehensive internal financial control framework that covers all entity level and process level controls. The Company has deployed a robust ERP system based on SAP platform. This ensures high degree of system-based checks and control and continuous monitoring of the effectiveness of the controls.

Your Company's internal audit team performs audits in all its areas. The audit findings and management's resolution plans are reported on quarterly basis to the Audit Committee of the Board, headed by a Non-executive Independent Director.

## 11. HUMAN RESOURCES

The Company's performance is critically dependent on the knowledge and skills of its people, their ownership of the organisational and functional objectives, an enabling operating environment, and an all-encompassing culture of motivation and enthusiasm to perform with pride.

As part of its growth journey, during the year, the Company added more than 600 permanent employees. It continued to hire and deploy resources in international locations as part of its international growth strategy. At the same time, it continued to align its organisational



A Royal Enfield Squadron Blue limited edition Despatch motorcycle at Khan Market, Delhi

structure with its three-year strategic business plan for enhanced effectiveness. The Company significantly strengthened its brand building, IT and product development capabilities through strategic hiring.

The Company worked on simplifying and automating processes throughout the year; and have implemented on-line systems to manage people processes efficiently. The attrition level remained below 6%, reflecting an engaged and committed workforce.

As an on-going exercise, the Company will continue to undertake initiatives seamlessly to enhance productivity and efficiency. It motivates its people to take challenges in their strides, strengthen their knowledge base and help create a happy, transparent and productive environment.

The Company's talent base (full time), as on March 31, 2016 stands at 1,882.

## 12. ENVIRONMENT AND HEALTH & SAFETY

Your Company's plants are certified for compliance by the Government Pollution Control departments. The Company has a zero-water discharge policy where all water consumption and water treatment is handled in a manner that no water is sent out of the plant. Rain-water harvesting is done to recharge the ground and have been planted around 3000 trees inside the manufacturing plant premises towards carbon neutrality.

Your Company associates and operators are trained on safe working environment to ensure accident-free and safe working environments. All the workstations are ergonomically designed to avoid fatigue while working.

For all the operators your company has a policy of annual health checkup and also conducts health and fitness education as an on-going process. On health and safety, your Company's Oragadam plant is chosen as a model plant by Government of Tamil Nadu for other industries to emulate the systems and process.

## 13. 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 Eicher Motors Limited

**Siddhartha Lal**  
Managing Director  
DIN 00037645

**S. Sandilya**  
Chairman  
DIN 00037542

Place : Gurgaon  
Date : May 05, 2016



# **STATUTORY REPORTS**

*BUSINESS RESPONSIBILITY REPORT  
DIRECTORS' REPORT  
CORPORATE GOVERNANCE REPORT*



# BUSINESS RESPONSIBILITY REPORT

## SECTION A GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identification Number	L34102DL1982PLC129877
2. Name of the Company	Eicher Motors Limited
3. Registered Address	3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi 110017, India
4. Website	www.eichermotors.com
5. Email Id	investors@eicher.in
6. Financial Year reported	2015-16*
7. Sector(s) that the Company is engaged in (industrial activity code)	Automobile
8. Three key products/ services that the Company manufactures/ provides (as in balance sheet)	Motorcycles
9. Locations where business activity is undertaken by the Company	Two plants in Chennai, India; Technical Centres at Chennai, India and UK
10. Markets served by the Company – Local/ State/National/International	India and over 50 countries worldwide

\*The financial year under reporting is for a period of fifteen months commencing from January 1, 2015 and ending on March 31, 2016.

## SECTION B FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	27.16 Crores
2. Total Turnover (INR)	6,188.03 Crores
3. Total Profit after taxes (INR)	1,229.85 Crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer annexure to the Board Report regarding CSR
5. List of activities in which expenditure in 4 above has been incurred	Please refer annexure to the Board Report regarding CSR

## SECTION C OTHER DETAILS

1. Does the Company have any subsidiary companies?	Yes
2. Do the Subsidiary companies participate in the BR initiatives of the parent Company? Then indicate the number of such companies.	Yes
3. Do any other entities (e.g. suppliers, distributors etc) that the Company does business with participate in BR initiatives of the Company?	The Company and its subsidiary VE Commercial Vehicles Limited have incorporated a Section 8 company, Eicher Group Foundation, for the purposes of implementing its CSR policy. Other entities that the Company does business with do not participate in BR initiatives of the Company.

## SECTION D BR INFORMATION

The Corporate Social Responsibility Committee of the Company comprises of Mr. S. Sandilya – Chairman, Non-executive and Independent Director (DIN 00037542), Mr. Prateek Jalan – Non-executive and Independent Director (DIN 02170139) and Mr. Siddhartha Lal – Managing Director (DIN 00037645). Terms of reference of the Committee include (I) Formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and (II) Recommending the amount of expenditure to be incurred on the activities referred to in CSR Policy and monitoring the CSR Policy of the Company from time to time. For further details on CSR, please refer to annexure 4 to the Directors Report.

The Managing Director and the top management of the Company periodically review the BR performance of the Company in the various business reviews in the context of various BR principles. Specifically, the CSR Committee of the Board reviews the social (CSR) performance of the Company as per the Companies Act 2013.

## SECTION E PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

#### 1. Under this principle, the Company has the following Policies:

- Whistle Blower Policy – to provide an avenue for directors and employees to inform about any wrongdoing in the company and reassurance that they will be protected from reprisals or victimization for whistle blowing.
- Policy for Determining Materiality of Events and Information – The objective of this Policy is: (a) to ensure disclosure of any event or information which, pursuant to SEBI regulations is material, (b) to determine whether an event or information is material or not, and (c) to ensure timely, accurate, uniform and transparent disclosure.
- Code of Conduct for Directors & Senior Management – to ensure, inter-alia, protection of confidential information, preventing conflict of interest, ensuring that anti-bribery and corruption laws are complied with, and ensure compliance with all the applicable laws, regulations and Company's policies.



- d. Company's Code of Conduct on (prevention of) Insider Trading – to prevent insider trading and protect of price sensitive information.
  - e. Policy on prevention of sexual harassment.
- These policies cover the Company, subsidiaries and joint ventures.

**2. There were no cases of violation of the Company's Code of Conduct in 2015-16. No case was reported under the Company's Whistle Blower Policy during the year.**

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

**1. Products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- a. Significant reduction in lead content in batteries: Reducing the battery capacity from 14 AH to 8 AH by introduction of Value Regulated Lead Acid batteries. This technology also prevents spillage of battery acid.
- b. Conceptualised & industrialised company most recently launched motorcycle, Himalayan, with reduction in the hazardous metal content.
- c. Alternative Fuel Technology: Design & development /Calibration of parts completed to meet fuel requirement with Ethanol blend of 22% and pilot lot being monitored in Brazil
- d. Designed and developed Automatic Headlamp ON (AHO) and have installed it in all motorcycles sold in the European market. This feature increases the conspicuity of motorcycles and thus, enhances rider's safety.

**2. Procedures for sustainable sourcing (including transportation)**

The Company's manufacturing locations at Thiruvottur and Oragadam have suppliers in close proximity producing critical components and nearly 60% of Supplier base is located within a 100 kilometer radius of the plants. The Company is in the process of increasing this steadily by encouraging suppliers to set up Plants in and around the company.

All imports/exports are carried through Chennai Ports, where the Company's manufacturing facilities are located. Hence, resources and energy used in their transportation is minimal

The Company has adopted Green Logistics Process in the entire supply chain using re-useable trolleys, bins and pallets thereby significantly eliminating use of packaging materials.

**3. Steps taken to procure goods and services from local & small producers, including communities surrounding their place of work.**

The Company's Initiatives for procuring from local suppliers are mentioned in response to the previous question (Principle 2, question 2). Other than the above,

- a. The Company has a well-staffed Supplier Quality Assurance-cum-Supplier Technical Assistance Team that supports and works with the suppliers in process re-engineering, automation, productivity improvements, problem resolutions, training etc.
- b. The Company has deployed its engineers at key supplier locations to provide on-site assistance and support to them.
- c. Suppliers are supported by the senior management team visits to the suppliers' facilities periodically to continuously review and monitor the progress in enhancing the quality and timeliness of supplies.
- d. The Company is establishing a supplier upgradation cell to the focus on the growing needs of customer driven initiatives in product quality

**4. Mechanism to recycle products and waste.**

**Product Waste:**

Presently, there is no regulation for recycling of two wheelers in India. However, Royal Enfield participated in an initiative by the auto industry body SIAM in which a pilot scrapyard was created in Chennai. All Royal Enfield motorcycles are meeting the required recyclable requirements given in the Indian draft regulation of End- Of- Life Vehicles (ELV). All our existing and new models are designed considering the requirements given in draft regulation as a guideline to protect the environment.

**Process Waste:**

The Company has mechanism to recycle process waste and has been sending paint sludge for co-processing to cement industry which results in reducing secured landfills.

**PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES**

**1. Total number of employees.**

TABLE 01 MANPOWER BREAK-UP AS ON MARCH 31, 2016		
Sl. No.	Manpower category	Number
1.	Regular Manpower	
	(a) Assistant Manager and above	943
	(b) Staff and executives	697
	(c) Associates/ technicians/ permanent workmen	242
	<b>Total Regular Manpower (a+b+c)</b>	<b>1,882</b>
2.	Apprentice/ Trainees	3,482
3.	Contractual/ temporary workers	3,748
	<b>Total Manpower (1+2+3)</b>	<b>9,112</b>

**2. Total number of employees hired on temporary/ contractual/ casual basis.**

The total contractual/temporary manpower employed was 3,748 as on March 31, 2016.

**3. The number of permanent women employees.**

There were 41 permanent female employees in the Company, as on March 31, 2016.

**4. The number of permanent employees with disabilities.**

There were 2 regular employees with disabilities as on March 31, 2016.

**5. Employee association that is recognised by management.**

The Company has internal and independent labour unions at its Thiruvottiyur plant and union elections are held as per statutory requirements.

**6. Percentage of permanent employees is members of this recognised employee association.**

100%. All permanent workers at the Thiruvottiyur plant are members of the labour union.

**7. No complaints relating to child labour, forced labour, involuntary labour, sexual harassment were received in the last financial year.**

## 8. Employees were given safety & skill up-gradation training in the last year.

The Company strives to cover majority of employees under training programmes. Training reach for the year 2015-16 has been 80.0% of the total regular employees of the Company.

TABLE 02			
Sl. No.	Category	Man-days per employee	Select examples of training
1.	Assistant Managers & above	2.92	Managerial Skill Development program Team Building, Business Negotiation
2.	Supervisors & above (Including JETs)	3.30	Product Knowledge, 7QC tools, PokeYoke, 5S, Process FMEA, Design FMEA, Communication Skills, Statutory Compliance, Sales, Tax/Service Tax, Export & Import Procedures, Selling skills
3.	Associates/ Workmen	17.75	New Manufacturing Process, New Launch Products, 5S, 7 Wastes, Vehicle and Engine systems Theory, Practical, Health Safety Environment, First Aid Training, and Homologation
4.	Man-days per employee (average)	7.99	

Safety training is a part of the induction process and all employees go through safety training, including firefighting training. For shop floor workers, periodic safety training is organised as per the annual safety calendar.

The Company has set up Training department for capability development of employees of the Company and its dealers and suppliers.

### PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

#### 1. Internal and external stakeholders mapped by the Company

The Company has identified six direct stakeholder groups:

1. Employees and their families
2. Local community and society
3. Environment and regulatory authorities
4. Customers and their families
5. Shareholders and investors
6. Dealers, suppliers and other business partners

#### 2. The disadvantaged, vulnerable & marginalised stakeholders identified by the Company

The Company has identified the following vulnerable sections:

1. Local community
2. Socio-economically disadvantaged sections of the society

#### 3. Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders.

For the local community at Chennai, in the aftermath of the devastating floods, the Company carried out relief measures by distribution of relief kits. Repairing and reconstruction of identified damaged dwellings in local areas is under progress.

For socio-economically disadvantaged sections of the society, the Company is implementing following three CSR programmes:

**Skill development:** The Company is executing an initiative under which unemployed youth are being trained to take up jobs as technical assistants in the two wheeler industry. This program which started in 2015-16 will continue in 2016-17.

**Eradication of blindness and deafness:** The company has been supporting a reputed charity eye hospital with operations in North India.

**Road safety:** VE Commercial Vehicles Ltd. (VECV), a subsidiary company of Eicher Motors Ltd., runs a large nationwide skill building programme for mechanics and drivers of commercial vehicles.

Industry Institution tie up, an another unique project where VECV establishes state of art automobile labs to teach students latest Automobile technology to ITI/engineering students to make them ready for Industry. These labs are equipped with dynamic cut section models, practice units of automobiles. Nine such auto labs are supported by VECV and over 1000 candidates were trained during last year.

VECV supports a unique concept of Low Cost Driver Training Institute, by providing training content, and other support initiative. Four such centres trained over 500 drivers during last year. Another six centres were started in last quarter of 2015-16.

### PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. The Company doesn't have a standalone Human Rights policy. Aspects of human rights such as child labour, forced labour, occupational safety, non-discrimination are covered by its various Human Resource policies.
2. The Company did not receive any stakeholder complaint in 2015-16 regarding human rights.

### PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. The company does not have a specific environment policy. Many facets of respecting and protects environment are embedded in the company's operations as also its products. These have been covered above.

#### 2. Strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.

To minimise the environmental impacts of its products, the Company continuously improves products in terms of fuel efficiency, material use and recyclability. All the Company's models are designed by taking the guidelines according the draft ELV regulation released for Two Wheelers in India.

#### 3. Potential environmental risks

Potential environmental risks are identified as a part of the Company's risk management identification process and these feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.



4. All emissions and waste generated by the Company are within the permissible limits given by CPCB/SPCB in 2015-16.

5. No show cause notices from SPCB or CPCB are pending as at end of the financial year 2015-16.

**PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

**1. Trade and chamber or association that the Company is a member of :**

The Company regularly engages with other industry members & expert agencies to contribute in policy making process to align with Global Standards.

The list of Company's memberships:

- Society of Indian Automobile Manufacturers (SIAM)
- Society of Automotive Fitness and Environment (SIAM SAFE)
- Confederation of Indian Industry (CII)
- Federation of Indian Chambers and Commerce and Industry (FICCI)

**2. Advocating through above associations for the advancement or improvement of public good.**

The Company participates actively in committees set up by the automobile industry association Society of Indian Automobile Manufacturers (SIAM) and the government on future regulations, policies and implementation plans.

Along with SIAM, the Company discusses issues pertinent to the automobile sector and jointly engages with the government. The Company provides the Bureau of Indian Standards (BIS) inputs for new regulations for vehicles, study new standards feasibility etc.

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Specified programmes/initiatives/projects in pursuit of the policy related to Principle 8.**

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. Details on the same have been shared in Principle 4.

The Company has aligned its CSR programmes with the requirements of the Companies Act 2013. The Company has set up a three members CSR Committee of the Board. The Company's CSR Policy has been approved by the CSR Committee and the Board. The CSR programmes are clearly mentioned in the CSR policy.

**2. The CSR programmes of the Company are overseen largely by in-house teams. Wherever needed services of NGO partners and other agencies with subject expertise are taken.**

3. The CSR programmes and their impacts/ outcomes are monitored and reviewed by the management periodically as also by the CSR committee of the Board.

4. Details on the Company's CSR programmes on community development have been shared in Annexure 4 to the Directors Report.

**5. Steps taken to ensure that this community development initiative is successfully adopted by the community**

To ensure successful implementation of community development programmes in collaboration with community members, the Company adopts following approach:

- a. Rapport building with community leaders and opinion makers
- b. Project identification in association with community members
- c. Involvement of community members in project implementation
- d. Maintaining continuous and close interaction with community members through field teams
- e. Impact assessment and perception survey to measure impact of social initiatives
- f. Necessary approvals are taken from the community prior to the start of work

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

1. Effective redressal mechanism is in place for addressing customer complaints and handling consumer cases. This is periodically reviewed by management team as well. The number of such cases are insignificant in comparison to the number of customers in fold.

2. The customers have access to the Company website which provides host of information on products and services. There is a well-defined process for vehicle delivery, during which time the customer is educated about the features of products & services, vehicle handling etc. Information is disseminated to customers through display boards at point of sale or service as well. A number of rides are conducted during which time lot of useful information is shared with customer on product and service while educating them on safe and secure ride.

3. Consumer surveys are conducted on a regular basis to drive continuous improvement. Some mechanisms through which the Company engages with customers are in Table 03, below:

**TABLE  
03**

Engagement mechanism	Details
Customer meets	To gauge customers' satisfaction level regarding products and services
Customer satisfaction feedback	To analyse customer feedback and take suitable measures for upgrading products and services. A survey is being set-up and is likely to be rolled out in second quarter of year 2016.
Mega Service Camps	A means to receive first-hand customer feedback and resolve complaints on the spot
Customer Care Cell Complaints	A 24x7 toll-free number has been set up for receiving and redressing customer complaints
Product Clinics	To collect product-specific feedback from customers
Free check-up camps and customer meets	To address customers' concerns and complaints.
Customer feedback	A system of collecting feedback through feedback cards, e-mails, telephonic surveys etc.

4. No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

# DIRECTORS' REPORT

## To the Members of Eicher Motors Limited

The Directors have pleasure in presenting the Thirty Fourth Annual Report along with the Audited Financial Statements of your Company for the financial period/year ended March 31, 2016.

## FINANCIAL RESULTS

Your Company achieved an all-time high top line growth during the financial year 2015-2016 with revenue from operations (net) at Rs. 6,188.03 crores. The profit before depreciation and interest amounted to Rs. 1,730.48 crores, which is 28.0% of the total revenue. After accounting for interest and dividend income of Rs. 178.24 crores, interest expense of Rs. 1.41 crores and depreciation of Rs. 137.73 crores, profit before tax amounted to Rs. 1,769.58 crores. Profit after tax amounted to Rs. 1,229.85 crores after income tax provision of Rs. 539.73 crores.

TABLE 01	THE FINANCIAL RESULTS ARE SUMMARIZED BELOW		RS. IN CRORES
	For the Financial year ended March 31, 2016 (15 months period)	For the Financial year ended December 31, 2014 (12 months period)	
<b>Gross sales</b>	6,959.14	3,303.72	
Less : Excise duty	795.95	289.01	
<b>Net sales</b>	6,163.19	3,014.71	
Other operating revenue	24.84	16.51	
<b>Revenue from operations (net)</b>	6,188.03	3,031.22	
<b>Profit before depreciation and interest</b>	1,730.48	733.56	
Interest	1.41	1.67	
Depreciation	137.73	50.16	
<b>Profit before other income and tax</b>	1591.34	681.73	
Interest and dividend income	178.24	116.30	
<b>Profit before tax</b>	1,769.58	798.03	
Provision for tax (including Deferred tax)	539.73	239.11	
<b>Net profit after tax</b>	1,229.85	558.92	
Balance in statement of profit and loss brought forward from previous year	967.11	618.54	
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets (Net of deferred tax)	3.79	-	
<b>Amount available for appropriation:</b>	2,193.17	1,177.46	
- Interim Dividend	271.61	-	
- Proposed Final Dividend	-	135.52	
- Corporate Dividend Tax	42.14	18.94	
- Transfer to General Reserve Account	122.98	55.89	
- Balance carried to Balance Sheet	1,756.44	967.11	
<b>Earnings per share</b>			
- Basic (Rs.)	453.20	206.38	
- Diluted (Rs.)	451.54	205.37	



## CHANGE IN FINANCIAL YEAR

Pursuant to the provisions of Section 2(41) of the Companies Act, 2013, the financial year of every Company shall end on March 31 every year. The Company followed "January-December" as its financial year. The Board of Directors in its meeting held on February 13, 2015 decided to align the financial year of the Company with the requirements of Companies Act, 2013. Therefore the financial year under review commenced on January 1, 2015 and ended on March 31, 2016, being a period of 15 months.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the financial year, the Company has altered the object clause of its Memorandum of Association by incorporating therein;

- business of dealing in all types of garments, merchandise, clothing accessories, sports apparel, protective gear, footwear and leather articles, motorcycle attachments and accessories, protective accessories including helmets.
- business of running and operating restaurants, cafeterias, pubs, breweries, driver and mechanic training centers and to organize tours, events, let out motorcycles and other related activities.

Approval of shareholders was obtained through postal ballot for above amendment in the object clause of the Memorandum of Association.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT HAVE OCCURRED AFTER MARCH 31, 2016 TILL THE DATE OF THIS REPORT

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2016 till the date of this report.

## DIVIDEND

The Board of Directors in its meeting held on March 12, 2016 had approved payment of interim dividend of Rs. 100/- per Equity Share (@ 1000%) on 2,71,61,183 Equity Shares of the Company of face value of Rs. 10/- each fully paid-up aggregating to Rs. 271,61,18,300/- out of the profits for the financial year 2015-2016. Interim dividend was paid to the shareholders as per their shareholding in the Company as on March 23, 2016 (Record Date)

The total dividend appropriation for the financial year is Rs. 2,71,61,18,300/-, as against Rs. 1,35,53,64,150/- in the previous financial year.

## AMOUNTS TRANSFERRED TO RESERVES

A sum of Rs. 122.98 crores being 10% of the Profit after Tax of the Financial Year has been transferred to the General Reserve of the Company.

## BRIEF DESCRIPTION OF THE STATE OF COMPANY'S AFFAIRS/ BUSINESS PERFORMANCE

Your Company's Royal Enfield unit continues to grow significantly. It sold 6,00,944 motorcycles in the financial year 2015-16 (15 months), 98.6% more when compared to 2014 (12 months) sales of 3,02,592. Out of 6,00,944 motorcycles sold in 2015-16 (15 months), 11,653 were exported, a growth of 87.3% over previous year volume of 6,221 motorcycles in 2014 (12 months).

Revenue from operations (net) for 2015-16 (15 months) year was Rs. 6,188.03 crores, 104.1% growth over previous year (Rs. 3031.22 crores for 12 months). Net Sales of spare parts, gears and services increased to Rs. 487.49 crores in 2015-16 (15 months) from Rs. 229.31 crores in the previous year (12 months), registering a growth of 112.6%.

Maximizing operating leverage is a key focus in your Company. This enabled your Company to grow profits faster than net sales from

operations. Your Company's profit before depreciation, interest and Tax was Rs. 1,730.48 crores in 2015-16 (15 months), a growth of 135.9% over Rs. 733.56 crores recorded in 2014 (12 months)

## MARKET AND FUTURE PROSPECTS

Please refer to Management Discussion & Analysis Report which forms part of the Annual Report.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and out go, as required to be given pursuant to provisions of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is provided under Annexure-1.

## DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES AND EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any Sweat Equity Shares or Equity Shares with Differential Rights during the financial year.

## CHANGES IN SHARE CAPITAL & EICHER EMPLOYEE STOCK OPTION PLAN 2006

The paid up Equity Share Capital of the Company as on March 31, 2016 was Rs. 27,16,11,830/-. During the year under review, the Company has issued 56,400 Equity Shares of face value of Rs. 10 each pursuant to its Employees Stock Option Plan.

The Statement giving complete details as at March 31, 2016 under SEBI Regulations form part of the Directors' Report.

Further, details of options granted and exercised is included at Note 2(iii) in the notes to accounts forming part of financial statements.

## DEPOSITS

The Company has not accepted any deposits from the public/members under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the financial year. The Company has not renewed / accepted fixed deposits after May 29, 2009. There are no deposits that remain unclaimed.

## BOARD OF DIRECTORS

During the financial year, the Company had appointed Mr Srinivasan Sandilya, Mr Priya Brat, Mr M J Subbaiah, Mr Prateek Jalan and Ms Manvi Sinha as Independent Directors of the Company pursuant to section 149 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement for a term of five year each, not liable to retire by rotation.

In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company that he/she meets the criteria of independence as laid down under Section 149(6) of the Act and Clause 49 of the Listing Agreement/ Regulation 16(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors in its meeting held on April 27, 2016 has, subject to the approval of the shareholders and approval of the central government, re-appointed Mr Siddhartha Lal as Managing Director of the Company for a further period of 5 years effective from May 1, 2016. Mr Siddhartha Lal shall be liable to retire by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013. The proposal for re-appointment of Mr Siddhartha Lal and the terms and conditions of his reappointment including remuneration are set out in the notice convening the 34th Annual General Meeting.

## COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

### Company's Hiring & Employment Policy:

A number of factors are considered towards selecting candidates at the Board level which include:

- Ability to contribute to strategic thinking;
- Proficiency in Governance norms, policies and mechanisms at the Board level;
- Relevant cross industry/functional experience, educational background, skills and experience;
- Wherever relevant, independence of Directors in terms of applicable regulations.

It is expected that the Individual Board members are willing to learn the business of the company and to devote the necessary time and effort to be well-informed.

With respect to core competencies and personal reputation, our practices ensure through the selection process that all Directors:

- Exhibit integrity and accountability;
- Exercise informed judgment;
- Are financially literate;
- Are mature and confident individuals;
- Operate with high performance standards.

### Removal of Directors

Under extreme circumstances and in highly unusual situations it may become necessary to remove a member from the Board of Directors. Reasons for doing so, may relate to any of the following (indicative; other than as provided under the Companies Act 2013):

- i. Breach of confidentiality in anyway;
- ii. Failure to meet obligatory procedures in the disclosure of conflict of interest;
- iii. Failure to fulfil the fiduciary duties of a Director for the Company;
- iv. Acting in any other manner which is against the interests of the company.

### Company's Remuneration Policy:

The Company's Compensation Strategy defines the values underlying compensation philosophy for its employees. Compensation is a critical piece of overall human-resources strategy and more broadly refers to all forms of financial returns and tangible benefits employees receive as a part of their employment relationship.

The Remuneration/Compensation Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to directors and senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

The compensation strategy revolves around getting the "most suited talent in the market".

### Policy:

The remuneration of the Managing Director, Executive Director, Key Managerial Personnel (KMPs) and other employees of the Company is based on a policy framed by the Nomination and Remuneration committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities and performance assessment. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components).

Loans/ advances may be extended to employees below the executive level subject to approval of Human Resources department.

Additionally, in the event of exigencies arising due to calamities, the Company may provide financial assistance to any affected employee by way of extending interest free loan in an amount not exceeding his/her two months' gross salary.

Remuneration by way of commission to the Non Executive Directors is decided by the Board of Directors. The Members have approved the payment of remuneration by way of commission to the non Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act.

Remuneration of KMPs and employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee levels and are governed by industry patterns, qualifications and experience of the employee and his/her responsibility areas, employee performance assessment etc.

## ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

During the financial year, formal annual evaluation of the Board, its committees and individual Directors was carried out pursuant to the Board Performance Evaluation Policy of the Company.

The performance of the Board and committees was evaluated after seeking inputs from all the Directors on the basis of the criteria such as Board/ committee constitutions, frequency of meetings, effectiveness of processes etc. The performance of individual Directors (including Independent Directors) was evaluated by the Board and Nomination & Remuneration committee (excluding the Director being evaluated) after seeking inputs from all Directors on the basis of the criteria such as thought contribution, business insights and applied knowledge.

A separate meeting of Independent Directors was also held to review the performance of Managing Director, performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

## MEETINGS OF BOARD OF DIRECTORS

Six (6) meetings of the Board of Directors of the Company were conducted during the financial year. The details of board/committee/shareholders meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

## DETAIL OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE ACT

The detail of loans, guarantees and investments made by the Company during the year which are covered under section 186 of the Act is provided under Annexure - 2

## PARTICULARS OF RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Related Party Transactions were placed before the Audit Committee for its prior approval. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, subsidiaries and associate Companies which may have a potential conflict with the interest of the Company. There are no transactions that are required to be reported in Form AOC-2 hence said form does not form part of this report. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

The Company has a Policy on materiality of and dealing with Related Party Transactions, as approved by the Board, which is available at its website [www.eichermotors.com](http://www.eichermotors.com).



## AUDIT COMMITTEE

The Audit committee of the Company as on the date of this report is constituted of following Directors:

TABLE 02	
Sl. No.	Name
1	Mr M J Subbaiah, Chairman
2	Mr S Sandilya
3	Mr Siddhartha Lal
4	Mr Priya Brat
5	Mr Prateek Jalan

## REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Pursuant to the provisions of Section 129(3) of the Act, a statement containing performance & salient features of the financial statements of Company's subsidiaries, associate and joint venture Companies in Form AOC-1 is attached as Annexure-3.

## COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

Companies which have become Company's subsidiaries, joint ventures or associate Companies during the year:

TABLE 03			
Sl. No.	Name	Status	Date
1	Royal Enfield North America Limited	100% subsidiary of the Company	23/03/2015
2	Eicher Group Foundation (Section 8 Company)	Joint Venture	19/11/2015
3	VECV South Africa (PTY) Ltd.	100% subsidiary of VE Commercial Vehicles Limited	22/01/2016

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations. However, Members attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

## DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Details of internal financial controls and its adequacy are included in the Management Discussion and Analysis Report, which forms part of the Annual Report.

## DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation

of the Company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility Committee and has framed a Corporate Social Responsibility Policy and identified Healthcare, Children's education, Road safety and Environmental sustainability as some of the key areas. The Company will continue to support social projects that are consistent with the policy.

Corporate Social Responsibility Committee of the Company is constituted of:

TABLE 04	
Sl. No.	Name
1	Mr S Sandilya – Chairman
2	Mr Siddhartha Lal
3	Mr Prateek Jalan

Annual Report on CSR activities is annexed as Annexure-4.

## KEY MANAGERIAL PERSONNEL

The following are the whole-time key managerial personnel of the Company:

TABLE 05	
Sl. No.	Name
1	Mr Siddhartha Lal as Managing Director;
2	Mr Lalit Malik as Chief Financial Officer; and
3	Mr Manhar Kapoor as Company Secretary.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended March 31, 2016 are provided in the Annual Report.

A statement containing the salient features of the financial statements of each of the subsidiary and joint venture in the prescribed Form AOC-1 is annexed (Annexure-3).

Pursuant to Section 136 of the Act, the financial statements of the subsidiary and joint venture companies are kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide free of cost, the copy of the financial statements of its subsidiary and joint venture companies to the shareholders upon their request. The statements are also available on the website of the Company [www.eichermotors.com](http://www.eichermotors.com). The consolidated net profit of the Company and its subsidiaries amounted to Rs. 1,277.88 crores for the financial year as compared to Rs. 615.36 crores for the previous year.

## STATUTORY AUDITORS AND AUDITORS' REPORT

M/s Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration Number: 015125N) were reappointed as Statutory Auditors of the Company in the 33rd (Thirty Third) Annual General Meeting of the Company for a period of three years i.e. until the conclusion of the 36th (Thirty Sixth) Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting by the shareholders. The Board proposes ratification of appointment of M/s Deloitte Haskins & Sells as Statutory Auditors of the Company for approval of the shareholders in the ensuing Annual General Meeting.

M/s Deloitte Haskins & Sells have furnished a certificate to the effect that the ratification of their appointment would be in accordance with the provisions of Sections 139 and 141 of the Act. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' Report is annexed hereto and forms part of the Annual Report. The Auditors' report does not contain any qualifications, reservations or adverse remarks.

### SECRETARIAL AUDITORS AND THEIR REPORT

The Board has appointed M/s. RDA & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year ended March 31, 2016. The Secretarial Audit Report as required under Section 204 of the Act is annexed herewith marked as Annexure-5 to this Report. The Secretarial Auditors' report does not contain any qualifications, reservations or adverse remarks.

### COST AUDITORS

Mr V Kalyanraman, a qualified Cost Accountant, is appointed as the cost auditor to carry out audit of the cost records of the Company for the year 2015-16 pertaining to manufacture of engines and parts thereof.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis report is part of the Annual Report.

A report on Corporate Governance together with the Auditors' Certificate regarding the compliance of conditions of Corporate Governance is part of the Annual Report.

### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the financial year, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is part of the Annual Report.

### EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Act, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-6.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual Financial Statements for the year ended 31st March 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual Financial Statements have been prepared on a going concern basis;
- that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively; and
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### PARTICULARS OF EMPLOYEES

Disclosures as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1) Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the Financial Year:

TABLE 06				
Sl. No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage Increase on Remuneration FY 2015-16 over 2014
1	Mr S Sandilya	Chairman and Non-Executive Independent Director	8.4	36.7%
2	Mr Siddhartha Lal	Managing Director and CEO	98.2	44.8%
3	Mr Priya Brat	Non-Executive Independent Director	1.9	32.4%
4	Mr M J Subbaiah	Non-Executive Independent Director	1.8	43.8%
5	Mr Prateek Jalan	Non-Executive Independent Director	4.8	39.9%
6	Ms Manvi Sinha	Non-Executive Independent Director	1.7	NA
7	Mr Lalit Malik	Chief Financial Officer	-	44.1%
8	Mr Manhar Kapoor*	General Counsel and Company Secretary	-	122.7%

NOTE: The increase is for a 15 month period of January 2015 – March 2016 over January 2014 – December 2014 period

\* Remuneration for 2014 for part year, hence not comparable



2) Percentage increase in the median remuneration of the employees in the financial year	50.0%
3) Number of permanent employees on the rolls of Company as at March 31, 2016	1,882
4) Explanation on the relationship between average increase in remuneration and Company performance	The revenue from operations of the company increased by 104.1% & PBT increased by 121.7%. Apart from difference in the period of two financial years being compared (15 months vs 12 months), excellent company performance was the key reason for employee remuneration growing faster than the market salary increase rate.

5) Comparison of the remuneration of the key Managerial Personnel against performance of the Company	Total Revenue	Rs. 6,188.03 crores
	Profit Before Tax	Rs. 1,769.58 crores
	Total Remuneration of KMPs	Rs. 9.71 crores
	Total Remuneration of KMPs as % to -	
	Total Revenue	0.16%
	Profit Before Tax	0.55%

6) i) Variations in the market capitalisation of the company	The market capitalization as on March 31, 2016 was 52,096.8 crores (Rs. 40,860.5 crores as at December 31, 2014)
ii) Price Earnings ratio of the Company	40.7 as at March 31, 2016 and 66.4 as at December 31, 2014 Note: The share price of the Company's consolidated performance including its subsidiaries and joint venture. Hence, EPS has been taken for consolidated accounts. Also, EPS for financial year ending March 31, 2016 is for fifteen months and hence PE ratio is not comparable with PE ratio of the year ending December 31, 2014.
iii) Percentage increase over/decrease in the market quotation of the shares of the Company as compared to the rate at which the Company came out with the last public offer	The Company came out with an IPO in year 1985 wherein price of one share was Rs. 10/-. The Company came out with Rights Issue in year 1995 wherein price of one share was Rs. 10/-. As on May 4, 2016, closing price of one equity share of the Company was Rs. 19,760 which is 197600% of the price of IPO in year 1985 and Rights Issue in year 1995.
7) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in median remuneration of the employees other than managerial personnel was 50% as compared to the increase in the managerial remuneration by 71%. The salary increases are based on external benchmarking, internal parity, company performance and individual performance. For workmen covered under Long Term Settlement, salary is as per terms of the applicable settlement. There are no exceptional circumstances for salary increase of managerial remuneration.

8) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Name of the KMPs	Remuneration in FY 2015-16 (Crores)	Revenue (Rs. in Crores)	Remuneration (as % of Revenue)	Profit Before Tax (Rs. in Crores)	Remuneration (as % of PBT)
Mr Siddhartha Lal	6.77	6,188.03	0.11%	1,769.58	0.38%
Mr Lalit Malik	2.27		0.04%		0.13%
Mr Manhar Kapoor	0.67		0.01%		0.04%

9) The key parameters for any variable component of remuneration availed by the Directors	The remuneration, including commission, of the Managing Director is recommended by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities and performance assessment.
10) Ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
11) Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for Directors, KMPs and other Employees.

The statement containing particulars of employees who were in receipt of remuneration of not less than Rs. 60 lakhs during the year or Rs. 5 lakhs per month during any part of the said year as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided under Annexure-7.

## RISK MANAGEMENT

Necessary information is provided under Management Discussion and Analysis Report which forms part of the Annual Report.

## SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All

employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any employees of the Company.

## ACKNOWLEDGEMENT

We thank our customers, business associates and bankers for their continued support during the financial year.

We wish to convey our deep appreciation to the dealers of the Company for their achievements in the area of sales and service, and to suppliers/vendors for their valuable support.

We also place on record our sincere appreciation for the enthusiasm and commitment of Company's employees for the growth of the Company and look forward to their continued involvement and support.

For and on behalf of the Board

**Siddhartha Lal**  
Managing Director  
DIN00037645

**S. Sandilya**  
Chairman  
DIN 00037542

Place: Gurgaon  
Date: May 5, 2016

CIN: L34102DL1982PLC129877  
Regd. Off: 3rd Floor-Select Citywalk  
A-3 District Centre, Saket  
New Delhi – 110017  
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Website: [www.eichermotors.com](http://www.eichermotors.com), E-mail: [investors@eicher.in](mailto:investors@eicher.in)



## EMPLOYEE STOCK OPTION PLAN

Statement as at March 31, 2016, pursuant to Section 62 of The Companies Act, 2013, Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI Regulations for the year ended March 31, 2016

a)	Number of Options granted	Under Eicher Employee Stock Option Plan, 2006: 1. 3,01,400 options granted in year ended March 31, 2007 2. 2,89,200 options granted in year ended March 31, 2008 3. 55,400 options granted in year ended December 31, 2010 out of forfeited options 4. 1,08,200 options granted in year ended December 31, 2011 out of forfeited options 5. 5,400 options granted in year ended December 31, 2012 out of forfeited options 6. 5,000 options granted in year 2013 out of forfeited options 7. 27,900 options granted in year 2014 out of forfeited options. 8. 9,300 option granted out of forfeited options and 89,090 fresh options granted in year 2015-2016
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 year ended March 31, 2007 2. 462 for options granted in year ended March 31, 2008 3. 695 for 40,000 options granted in year 2010 4. 1,411 for 15,400 options granted in year 2010 5. 1,162 for 1,08,200 options granted in year 2011 6. 1,770 for 5,400 options granted in year 2012 7. 4,915 for 5,000 options granted in year 2013 8. 8,477.50 for 22,500 options granted in year 2014 9. 12,993.65 for 5,400 options granted in year 2014 10. 14,739 for 22,300 options granted in year ended March 2016 11. 16,112 for 4,500 options granted in year ended March 2016 12. 14,807 for 53,000 options granted in year ended March 2016 13. 21,248 for 6,590 options granted in year ended March 2016 14. 17,678 for 7,800 options granted in year ended March 2016 15. 16,894 for 4,200 options granted in year ended March 2016
c)	Total number of Options vested	5,55,100
d)	Total number of Options exercised	4,76,200
e)	Total number of Ordinary Shares arising as a result of exercise of Options.	4,76,200
f)	Total number of Options lapsed (Lapsed Options include those forfeited)	NIL
g)	Variation of terms of Options	NIL
h)	Money realized by exercise of Options	Rs. 26.10 Crores
i)	Total number of Options in force	2,03,490
j)	Details of Options granted during the period	
	i) Key Managerial Personnel	Two key managerial personnel were granted 14,100 options
	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.	Four employees were granted 49,000 options in aggregate
	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. 451.54
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 March 31, 2016 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. 17.99 crores on account of Options granted in the year ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014 and March 2016.														
(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, December 31, 2013, December 31, 2014 and March 2016 the employee compensation cost would have been higher by Rs. 17.99 crores, Profit after tax lower by Rs. 17.99 crores and the basic and diluted earnings per share would have been lower by Rs. 7.19 and Rs. 7.16 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 October, 2006							297				154.62			
		22nd October, 2007							462				243.90			
		29th April, 2010							695				154.62			
		8th November, 2010							1,411				243.90			
		6th May, 2011							1,162				625.14			
		11th February, 2012							1,770				967.06			
		16th December, 2013							4,915				2,522.03			
		11th August, 2014							8,477.5				4,336.33			
		12th November, 2014							12,993.65				6,555.65			
		12th January, 2015							14,739.00				7,626.61			
		20th March, 2015							16,112.00				8,295.62			
		8th May 2015							14,807.00				7,741.96			
		21st July 2015							21,248.00				11,112.50			
		6th November 2015							17,678.00				9,010.46			
5th February 2016							16,894.00				8,565.87					
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, 16th December, 2013, 11th August 2014, 12th November 2014, 12th January, 2015, 20th March, 2015, 8th May 2015, 21st July 2015, 6th November 2015 and 5th February 2016 is estimated using the Black-Scholes Option Pricing Model after applying the following key assumptions:														
i) Risk free interest rate	1st Oct. 2006	22nd Oct. 2007	29th Apr. 2010	8th Nov. 2010	6th May 2011	11th Feb. 2012	16th Dec. 2013	11th Aug. 2014	12th Nov. 2014	12th Jan. 2015	20th Mar. 2015	8th May. 2015	21st Jul. 2015	6th Nov. 2015	5th Feb. 2016	
ii) Expected life	7.68%	7.95%	7.68%	7.95%	8.29%	8.25%	8.65%	8.92%	8.24%	7.90%	7.78%	8.01%	8.10%	7.69%	7.79%	
iii) Expected volatility	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	
iv)Expected dividend	49.86%	49.66%	49.86%	49.66%	49.03%	46.63%	44.20%	42.24%	41.88%	38.69%	40.85%	38.86%	38.59%	37.73%	37.05%	
v) The price of the underlying share in market at the time of Option grant	1.58%	1.49%	1.58%	1.49%	1.48%	1.44%	1.38%	1.76%	1.21%	1.21%	1.21%	0.94%	0.94%	0.94%	0.94%	

For and on behalf of the Board

**Siddhartha Lal**

Managing Director

DIN00037645

**S. Sandilya**

Chairman

DIN 00037542

Place: Gurgaon  
Date: May 5, 2016



# ANNEXURE-1

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

### (A) CONSERVATION OF ENERGY

#### (i) The steps taken or impact on conservation of Energy

##### 1. Energy Conservation in Plating Shop

- a. Thyristor rectifiers replaced by IGBT rectifiers resulting in savings of 20,217 KWH
- b. Electric heaters in chemical mixing tanks replaced by hot water coils resulting in savings of 11,232 KWH
- c. DOL (Direct On Line starter) control of blowers replaced by Variable Frequency Drive (VFD) controls resulting in savings of 15,453 KWH

##### 2. Energy Conservation in Painting, Lacquer & CED coating Shop

- a. In liquid painting & lacquer line, air supply unit and booth filters replaced with the make spectrum from existing filter for better quality and operations. Energy saving in Liquid painting & Lacquer is 59,904 KWH and 41,184 KWH respectively
- b. In PTCED, earth fault is minimised after re-modification so that transformer and Thyristor charging current is reduced resulting in savings of 30,000 KWH

##### 3. Energy Conservation in Powder Coating Shop

- a. DOL (Direct On Line starter) control of blowers replaced by VFD controls resulting in savings of 30,37 KWH

##### 4. Energy Conservation in Machine/ Engine Shop

- a. Automatic floor lighting control implemented resulting in savings of 9,600 KWH
- b. All machine transfer pump switched off during machine idle time resulting in savings of 21,042 KWH
- c. Sigma Air Management implemented in engine plant for all compressors to switch off in idle condition resulting in saving of 1,07,550 KWH

##### 5. Energy Conservation in other areas

- a. Sub- Station Cable transmission loss reduced by improving power factor by the addition of Automatic power factor control panel & Harmonic filter panel resulting in savings of 20,467 KWH
- b. Lamp fittings replaced by LED light fittings resulted in savings of 1,27,493 KWH
- c. Installed auto On/Off delay timer for street light. Energy saving is 15,000 KWH
- d. Interlock with operator foot switch implemented in Fuel tank line welding machine to cut off the pressure and reduce the energy consumption resulting in savings of 8,000 KWH
- e. Fuel tank line buffing machine blower motor continuous running reduced after introduction of interlocking with buffing motor On/ Off. This results in blower motor switching off during idle condition resulting in saving of 6,500 KWH

#### (ii) The steps taken by the company for utilizing alternate sources of energy

Shop floor lightings not used in day time due to the provision of transparent roof sheets resulting in savings of 47,124 KWH

#### (iii) The Capital Investment on Energy conservation Equipment Rs. 0.74 crores

### (B) TECHNOLOGY ABSORPTION

Introduced the following new technologies in the model 'Himalayan' which was launched recently

1. Half duplex split cradle frame for enhanced stiffness

2. Linkage type mono-shock
3. Battery less starting system which can work even when motorcycle is bump started
4. New features in Instrument cluster - Digital compass, Ambient temperature indicator, Gear position indicator, Four layer PCB to reduce packaging size
5. Shunt RR unit for battery less operation & higher current handling capacity
6. BMC reflector base with clear lens headlamp for better heat dissipation and LED type front position lamp & license plate illuminator

#### New Technology adoption in Engines

1. Over-head cam arrangement with roller follower
2. Mass balancer shaft for reducing primary vibrations
3. Silent chain drive for less noise and better speed, power
4. Anti-reversal mechanism to eliminate crank reversals & noise
5. Lift off type cam clutch for enhanced starting system reliability
6. Three piece crank shaft for better rigidity
7. Gear drive for primary gear reduction for better efficiency and reduced noise
8. Oil cooler for less wear of parts, increased life and longer oil drain intervals
9. Cam barrel type gear shift mechanism for smooth and positive engagement
10. Progressive damper spring for less vibration and smooth clutch operation

#### Technology adoption in existing products

1. Introduction of Hydro printing technology for sheet metal parts in DON - R Model.
2. Bimetallic contact in switch module for better reliability & enhanced life
3. Maintenance free VRLA battery for all 350cc models for better performance and extended life
4. Chain link material improvement for primary and secondary chain to enhance life
5. AHO (Automatic Headlamp On) introduction in Europe market
6. Introduction of resistive spark plugs to meet EMI/EMC requirements
7. Introduction of Rubber damping arrangement in fuel tank front & rear mounting for enhanced durability
8. Introduction of improved clutch cable with soldered end in place of die cast for improved durability

#### The expenditure incurred on Research and Development:

- a) Revenue: Rs. 32.20 crores
- b) Capital: Rs. 59.33 crores

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, total exports (FOB value) were Rs. 177.49 crores (Previous year Rs. 91.73 crores). Foreign Exchange amounting to Rs. 199.32 crores (Previous year Rs. 93.23 crores) was used on account of import of components, spare parts, capital goods, business travel and consulting fees during the year under review.

## ANNEXURE-2

THE DETAIL OF LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY DURING THE YEAR WHICH ARE COVERED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

TABLE 01	
RS. IN CRORES	
Loans	Principal Amount
Opening Balance	-
Addition	8.90
Reduction	4.15
Closing Balance	4.75

TABLE 02	
RS. IN CRORES	
Guarantees	Amount
Opening Balance	-
Addition	24.08
Reduction	-
Closing Balance	24.08

TABLE 03	
RS. IN CRORES	
Investments	Amount
Opening Investment *	135.98
Additional investment during the year	125.83
Reduction	-
Closing Investment **	261.81

\* Opening investment includes Rs. 25.00 crores of advance given to Eicher Polaris Private Limited for subscription of equity shares which has been allocated during the year and Rs. 0.04 crore of advance given for acquiring Royal Enfield Brasil Comércio de Motocicletas Ltda.

\*\* Closing investment includes Rs. 18.00 crores of advance given to Eicher Polaris Private Limited for subscription of equity shares which has been allocated subsequent to year end.



# ANNEXURE-3

## FORM AOC 1 STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES (PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

TABLE 01		PART A- SUBSIDIARIES							
		RS. IN CRORES							
1	Sl. No.	1	2	3	4	5	6	7	8
2	Name of the subsidiary	VE Commercial Vehicles Ltd. (VECV)	Eicher Engineering Solutions Inc.	Eicher Engineering Solutions (Shanghai) Co. Ltd.	Eicher Engineering Solutions (Beijing) Co. Ltd.	V E C V Lanka (Private) Limited	VECV South Africa (Pty) Ltd. **	Royal Enfield Brasil Comércio de Motocicletas Ltda	Royal Enfield North America Limited
		Subsidiary of Company	Subsidiary of VECV	100% subsidiaries of Eicher Engineering Solutions, Inc.		Subsidiary of VECV		Subsidiary of Company	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	USD 1 USD = Rs. 66.33	RMB 1 RMB = Rs. 10.27	RMB 1 RMB = Rs. 10.27	LKR 1 LKR = Re. 0.44	ZAR 1 ZAR = Rs. 4.50	BRL 1 BRL = Rs. 18.38	USD 1 USD = Rs. 66.33
5	Share capital	10.00	25.31	1.14	2.46	5.43	-	1.49	15.54
6	Reserves & surplus	2,529.97	(36.95)	2.34	(2.47)	(2.40)	-	(0.86)	(8.87)
7	Total assets	5,130.76	13.83	4.46	0.25	15.73	-	0.84	24.82
8	Total Liabilities	2,590.79	25.47	0.98	0.27	12.70	-	0.21	18.15
9	Investments	0.05	-	-	-	-	-	-	-
10	Turnover	9,593.58	61.94	17.77	4.23	61.55	-	NIL	2.14
11	Profit before taxation	485.22	(5.20)	1.04	(0.46)	(2.81)	-	(1.21)	(13.37)
12	Provision for taxation	111.22	0.60	0.19	-	(0.18)	-	(0.40)	(4.51)
13	Profit after taxation	374.00	(5.80)	0.85	(0.46)	(2.63)	-	(0.81)	(8.86)
14	Proposed Dividend	-	-	-	-	-	-	-	-
15	% of shareholding *	54.40%	54.40%	54.40%	54.40%	54.40%	54.40%	99.99%	100.00%

\* EML holds 54.4% in VECV. VECV holds 100% in Eicher Engineering Solutions Inc., V E C V Lanka (Private) Limited and VECV South Africa (Pty) Ltd.. Eicher Engineering Solutions (Shanghai) Co. Ltd. and Eicher Engineering Solutions (Beijing) Co. Ltd. are 100% subsidiaries of Eicher Engineering Solutions Inc.

\*\* VECV South Africa (Pty) Ltd is yet to commence operations as on March 31, 2016

TABLE 02		PART B- JOINT VENTURES	
Sl. No.	Name of Associates/Joint Ventures	Eicher Polaris Private Limited	Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)
1	Latest audited Balance Sheet Date	March 31, 2016	March 31, 2016
2	Shares of Associate/Joint Ventures held by the company on the year end		
	No. as on March 31, 2016	22,13,00,000 shares*	25,000 shares
	Amount of Investment in Associates/Joint Venture- Rs. crores	221.30	0.025 #
	Extend of Holding %	50.00%	50.00% ^
3	Description of how there is significant influence	There is no significant influence by Eicher Motors Limited since it is a joint venture company with 50% shareholding and control.	There is no significant influence by Eicher Motors Limited since it is a joint venture company with 50% shareholding and control.
4	Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet- Rs. Crores	193.30	3.90
6	Profit / Loss for the year		
	i. Considered in Consolidation- Rs. Crores	(40.51)	-
	i. Not Considered in Consolidation- Rs. Crores	(40.51)	3.85

\*Subsequent to year end March 31, 2016, additional 1,80,00,000 Equity Shares have been issued and allotted to the company for value of Rs. 18.00 crores

# Cost of investment of Rs. 2,50,000 has been charged to the Statement of Profit and Loss in the current period since the same cannot be distributed to the members in the event of liquidation

^ Balance 50% is held by VE Commercial Vehicles Ltd. (VECV)

## ANNEXURE-4

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Board of Directors of the Company at its meeting held on November 12, 2014 had approved the Corporate Social Responsibility Policy of the Company pursuant to Section 135 of the Companies Act 2013 and relevant rules prescribed therein.</p> <p>The Policy lays down the criteria for identifying programmes eligible for financial assistance and for determining the quantum of assistance in relation with such programmes. Programmes that are eligible in accordance with the Act and are consistent with the CSR themes of the Company shall be eligible for grants.</p> <p>CSR themes of the Company include:</p> <ol style="list-style-type: none"> <li>1. Road safety</li> <li>2. Environmental sustainability</li> <li>3. Children's Education, and</li> <li>4. Healthcare</li> </ol> <p>CSR programs and estimated expenditures with other details are recommended by the CSR Committee to the Board for approval.</p> <p>All CSR programs are monitored through field visits, comprehensive documentation, and regular interaction with beneficiary Communities.</p> <p>Eicher Group Foundation (EGF), a section 8 Company has been incorporate by the Company and its unlisted subsidiary VE Commercial Vehicles Limited (VECV) with a view to facilitate and monitor CSR initiatives of the Company and VECV.</p> <p>Your Company will continue to support social projects that are consistent with the policy.</p> <p>CSR Policy of the Company is available at <a href="http://www.eicher.in/uploads/1427718324_EMLCSR.pdf">http://www.eicher.in/uploads/1427718324_EMLCSR.pdf</a></p> <p>Details of Company's CSR Projects and Programs is provided under Annexure A</p>
2. The Composition of the CSR Committee	<p>The CSR Committee comprising of:</p> <ol style="list-style-type: none"> <li>1. Mr S Sandilya – Chairman</li> <li>2. Mr Siddhartha Lal</li> <li>3. Mr Prateek Jalan</li> </ol>
3. Average net profit of the company for last three financial years	Rs. 417.79 Crores
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 8.36 Crores
5. Details of CSR spent during the financial year. (1) Total amount to be spent for the FY (2) Amount unspent, if any; (3) Manner in which the amount spent during the financial year :	Rs. 8.36 Crores Nil The manner in which the amount is spent is provided under Annexure A.
6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Not Applicable
7. We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.	

**Siddhartha Lal**  
 Managing Director  
 DIN00037645

**S. Sandilya**  
 Chairman, CSR Committee  
 DIN00037542



TABLE 01		ANNEXURE A						RS. CRORES
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
5.	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was Undertaken	Sector in which the project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
1.	Infrastructure development and operational expenses for schools	Other. Alwar and surrounding areas, Rajasthan.	Promoting Education	5.72	3.72	3.72	Direct and through Goodearth Education Foundation	
2.	Disaster relief	Local. Chennai and surrounding areas, Tamil Nadu	Promoting health care, eradicating hunger, poverty and malnutrition, sanitation and making available safe drinking water	2.00	0.74	0.74	Networking and Development Centre for Service Organizations; Habitat for Humanity India Trust	
3.	Vocational training	Other. Various States.	Promoting education, enhancing vocational skills	2.25	0.12	0.12	Kesarwasi Social Welfare Association	
4.	Local Area Development: 1. Improve employment opportunities for school dropouts, unemployed youth by skill building 2. Health care- cancer detection in view of high incidences of cancer. 3. Sanitation facilities in Government schools especially for girls	Local. Chennai and surrounding areas, Tamil Nadu.	Enhancing vocational skills, promoting healthcare, sanitation	3.00	Nil	Nil	-	
5.	Eradication of blindness and deafness	Various states.	Promoting Healthcare	0.90	0.87	0.87	Shroff Charity Eye Hospital	
6.	Eicher Group Foundation		SI No 1 to 5 above	3.54	3.54	3.54		
7.	Total				8.99	8.99		
8.	Overheads (included in the Total above)				0.63	0.63		

## ANNEXURE-5

### SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2016

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

To,  
The Members,  
**Eicher Motors Limited,**  
3rd Floor, Select Citywalk, A-3, District Centre,  
Saket, New Delhi-110017

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Eicher Motors Limited" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Eicher Motor Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vi) The Motor Vehicles Act, 1988 and rules made thereunder (the law, which is applicable specifically to the Company, being manufacturer/dealer of Automobile products and related components).

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations under the Companies Act, 2013 (the Act) and the rules made there under:

1. The Company has suo-moto initiated steps with revenue authorities regarding determination of sums payable, if any;
2. The Company has generally filed the e-forms prescribed under the provisions of the Companies Act, 2013 within time except in two circumstances where the relevant forms have been filed with delay.

#### **We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

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

We further report that, during the audit period, the Company has:

- (i) declared and paid dividend including interim dividend and necessary compliances of the Companies Act, 2013 was made.
- (ii) amended its object and liability clause of the Memorandum of Association and necessary compliances of the Companies Act, 2013 was made.

For **RDA & Associates**  
Company Secretaries

**CS Ranjeet Pandey**  
Partner

Place: New Delhi  
Date: May 5, 2016

FCS- 5922, CP No.- 6087

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

Annexure-I

To,

The Members,

**Eicher Motors Limited,**

3rd Floor, Select Citywalk, A-3, District Centre,

Saket, New Delhi-110017

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

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RDA & Associates**

Company Secretaries

**CS Ranjeet Pandey**

Partner

Place: New Delhi

Date: May 5, 2016

FCS- 5922, CP No.- 6087



# ANNEXURE-6

## EXTRACT OF ANNUAL RETURN

### Form MGT.9

(As on the financial year ended on 31.03.2016)

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

TABLE 01 REGISTRATION AND OTHER DETAILS		
i)	CIN	L34102DL1982PLC1298
ii)	Registration Date	March 14, 1982
iii)	Name of the Company	Eicher Motors Limited
iv)	Category / Sub-Category of the Company	Public Limited – Limited by Shares
v)	Address of the Registered office and contact details	3rd floor, Select city Walk, A-3, District Centre, Saket, New Delhi-110017
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, 2nd Floor, Community Centre Naraina Industrial Area Phase-I, New Delhi 110028 Phone No: 011-41410592/3/4 Fax No: 011-41410591 E-Mail: delhi@linkintime.co.in

TABLE 02 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED:			
Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of motorcycles	3091	93%

TABLE 03 PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	VE Commercial Vehicles Ltd.	U74900DL2008PLC175032	Subsidiary	54.4%	2(87)
2.	Eicher Engineering Solutions, INC, USA (EES, Inc.)	06584A	Subsidiary	54.4%	2(87)
3.	Eicher Engineering Solutions (Beijing) Co. Ltd. (EES, Beijing)	10000410281580	Subsidiary	54.4%	2(87)
4.	Eicher Engineering Solutions (Shanghai) Co. Ltd. (EES, Shanghai)	310115400198915	Subsidiary	54.4%	2(87)
5.	VECV Lanka Private Limited (VECV, Lanka)	PV91985	Subsidiary	54.4%	2(87)
6.	VECV South Africa (PTY) Ltd.	2016/007012/07	Subsidiary	54.4%	2(87)
7.	Eicher Polaris Private Limited (EPPL)	U34300DL2012PTC243453	Joint Venture	50%	2(6)
8.	Royal Enfield North America Limited (RENA)	N.A.	Subsidiary	100%	2(87)
9.	Royal Enfield Brasil Comércio de Motocicletas Ltda (RE Brazil)	N.A.	Subsidiary	99.99%	2(87)
10.	Eicher Group Foundation (Section 8 Company)	U74900DL2015NPL287551	Joint Venture	50%	2(6)

TABLE 04	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
I) CATEGORY-WISE SHARE HOLDING										
Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	TOTAL	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS										
(1) Indian										
a) Individual/ HUF	43,30,629	-	43,30,629	15.98	43,30,629	-	43,30,629	15.94	(0.03)	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	15,143	-	15,143	0.06	15,143	-	15,143	0.06	-	
e) Banks/FI	-	-	-	-	-	-	-	-	-	
f) Any Other (Trusts)	1,05,57,258	-	1,05,57,258	38.95	1,05,57,258	-	1,05,57,258	38.87	(0.08)	
Sub-total (A)(1)	1,49,03,030	-	1,49,03,030	54.98	1,49,03,030	-	1,49,03,030	54.87	(0.11)	
(2) Foreign										
a) NRIs Individuals	-	-	-	-	-	-	-	-	-	
b) Other Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks/ FI	-	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	-	
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,49,03,030	-	1,49,03,030	54.98	1,49,03,030	-	1,49,03,030	54.87	(0.11)	
B. PUBLIC SHAREHOLDING										
1. Institutions										
a) Mutual Funds	10,91,446	2,180	10,93,626	4.03	8,43,402	-	8,43,402	3.11	(0.93)	
b) Banks/FI	2,548	333	2,881	0.01	20,141	-	20,141	0.07	0.06	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt(s).	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	176583	-	176583	0.65	-	-	-	-	(0.65)	
g) FIs	52,75,887	740	52,76,627	19.47	39,79,539	-	39,79,539	14.65	(4.82)	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	65,46,464	3,253	65,49,717	24.16	48,43,082	0	48,43,082	17.83	(6.33)	
2. Non-Institutions										
a) Bodies Corp.	3,53,596	10,618	3,64,214	1.34	4,45,067	12,461	4,57,528	1.68	0.34	
i) Indian	-	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18,69,070	7,78,509	26,47,579	9.77	17,80,280	5,46,796	23,27,076	8.57	(1.20)	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,64,516	-	3,64,516	1.34	3,28,972	-	3,28,972	1.21	(0.13)	
c) Others (specify)	-	-	-	-	-	-	-	-	-	
(1) Trust	117	-	117	-	27778	-	27,778	0.10	0.10	
(2) Foreign Nationals	-	-	-	-	-	-	-	-	-	
(3) Non Resident Indians	-	-	-	-	2,03,823	1,25,361	3,29,184	1.21	1.21	
(4) Overseas Corporate Bodies	-	-	-	-	-	980	980	-	-	
(5) Clearing Members	-	-	-	-	36,874	-	36,874	0.14	0.14	
(6) HUF	-	-	-	-	45,239	-	45,239	0.17	0.17	
(7) Foreign Corporate Bodies	22,75,610	-	22,75,610	8.40	38,58,513	-	38,58,513	14.21	5.81	
(8) Others	-	-	-	-	2,927	-	2,927	0.01	0.01	
Sub-total (B)(2)	48,62,909	7,89,127	56,52,036	20.85	67,29,473	6,85,598	74,15,071	27.30	6.45	
Total Public Shareholding (B) = (B)(1) + (B)(2)	1,14,09,373	7,92,380	1,22,01,753	45.02	1,15,72,555	6,85,598	1,22,58,153	45.13	0.11	
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS										
Grand Total (A+B+C)	2,63,12,403	7,92,380	2,71,04,783	100	2,64,75,585	6,85,598	2,71,61,183	100.00		

ii) SHAREHOLDING OF PROMOTERS								
Sl. No.	Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Simran Lal	3,15,241	1.16	-	3,15,241	1.16	-	-
2	Tara Lal	3,14,994	1.16	-	3,14,994	1.16	-	-
3	Rukmani Joshi	3,60,083	1.33	-	3,60,083	1.33	-	-
4	Siddhartha Lal	2,94,694	1.09	-	2,94,694	1.08	-	(0.01)
5	Anita Lal	30,23,167	11.15	-	30,23,167	11.13	-	(0.02)
6	Vikram Lal	22,450	0.08	-	22,450	0.08	-	-
7	Eicher Goodearth Pvt Ltd	15,143	0.06	-	15,143	0.06	-	-
8	Simran Siddhartha Tara Benefit Trust Trustee Vikram Lal	67,99,828	25.09	-	67,99,828	25.04	-	(0.05)
9	Eicher Goodearth Trust Trustee Vikram Lal	32,71,723	12.07	-	32,71,723	12.05	-	(0.02)
10	Brinda Lal Trust Trustee Vikram Lal	4,85,707	1.79	-	4,85,707	1.79	-	-
<b>Total</b>		<b>1,49,03,030</b>	<b>54.98</b>	<b>-</b>	<b>1,49,03,030</b>	<b>54.87</b>	<b>-</b>	<b>(0.11)</b>

iii) CHANGE IN PROMOTERS' SHAREHOLDING					
Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	1,49,03,030	54.98	-	-
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
	At the End of the year	1,49,03,030	54.87	-	-

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)					
Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year (01-01-2015)		Shareholding at the end of the year (31-03-2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Aktiebolaget Volvo	22,75,610	8.40%	-	0.00%
2	Cartica Capital Ltd	7,59,018	2.80%	9,86,002	3.63%
3	Tiaa-Cref Institutional Mutual Funds-International Equity Fund	5,35,861	1.98%	2,59,335	0.95%
4	Amansa Holdings Private Limited	3,60,000	1.33%	1,98,410	0.73%
5	Tree Line Asia Master Fund (Singapore) Pte Ltd	3,05,000	1.13%	2,35,000	0.87%
6	Franklin Templeton Investment Funds	1,81,920	0.67	-	-
7	Fidelity Investment Trust Fidelity Series Emerging Markets	1,67,391	0.62	1,21,368	0.45
8	Steadview Capital Mauritius Limited	1,44,840	0.53%	2,22,457	0.82%
9	Morgan Stanley Investment Management, Inc A/C Morgan Stanley	1,44,759	0.53	98,132	0.36
10	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Fund	1,18,952	0.44%	1,87,768	0.69%



v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:							
Sl. No.	Name of Director /KMP	Date	Reason	Shareholding at the beginning of the year (01-01-2015)		Shareholding at the end of the year (31-03-2016)	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	S Sandilya	1-Jan-2015 31-Mar-2016	At the beginning of the year At the end of the year	12,766	0.05%	12,766 12,766	0.05% 0.05%
2	Siddhartha Lal	1-Jan-2015 31-Mar-2016	At the beginning of the year At the end of the year	2,94,694	1.09%	2,94,694 2,94,694	1.08% 1.08%
3	Lalit Malik	1-Jan-2015 31-Mar-2016	At the beginning of the year Increase/decrease during the year At the end of the year	8,400	0.02%	(3,400) 5,000	0.01% 0.02%

TABLE  
05

## INDEBTEDNESS: NIL

TABLE  
06

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: (IN RS.)

Sl. No.	Particulars of Remuneration paid during the year	Name of MD/WT/ Manager	Total Amount
1.	Gross salary	Siddhartha Lal-MD	Siddhartha Lal-MD
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,78,22,438	2,78,22,438
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	98,74,516	98,74,516
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others	3,00,00,000	3,00,00,000
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>6,76,96,954</b>	<b>6,76,96,954</b>
	Ceiling as per the Act	88,88,16,785	

B. REMUNERATION TO OTHER DIRECTORS:							
Sl. No.	Particulars of Remuneration paid during the year	Name of Directors					Total Amount
1.	Independent Directors	S. Sandilya	Priya Brat	M. J. Subbaiah	Prateek Jalan	Manvi Sinha	
	Fee for attending board/ committee meetings	3,10,000	2,80,000	2,20,000	2,90,000	1,20,000	12,20,000
	Commission	40,00,000	7,50,000	7,50,000	22,00,000	-	77,00,000
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>43,10,000</b>	<b>10,30,000</b>	<b>9,70,000</b>	<b>24,90,000</b>	<b>1,20,000</b>	<b>89,20,000</b>
2.	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1 + 2)</b>	<b>43,10,000</b>	<b>10,30,000</b>	<b>9,70,000</b>	<b>24,90,000</b>	<b>1,20,000</b>	<b>89,20,000</b>
	Total Managerial Remuneration	7,66,16,954					
	Overall Ceiling as per the Act	1,95,53,96,927					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD				
Sl. No.	Particulars of Remuneration paid during the year	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	65,97,922	2,26,60,384	2,92,58,306
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	52,800	55,091	1,07,891
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	2,100	12,000	14,100
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>66,50,722</b>	<b>2,27,15,475</b>	<b>2,93,66,197</b>

TABLE  
07

## PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016 under the Companies Act, 2013

## ANNEXURE-7

### DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013

#### STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 60,00,000/- PER ANNUM.								
Sl. No.	Name of Employee	Age	Qualifications	Experience (in years)	Date of Commencement of employment	Designation	Remuneration (Amount in lacs)	Last Employment
1	Siddhartha Lal	42	PGDME, MSc. (Automotive Engg.)	19	May 2001	Managing Director & Chief Executive Officer	676.97	Eicher Limited
2	Lalit Malik	48	CA, MBA	22	October 2010	Chief Financial Officer	227.15	Max India Limited
3	B Govindarajan	47	B.E., PGDMM	26	June 2011	Chief Operating Officer, Royal Enfield (a unit of Eicher Motors Limited)	180.50	Patil Rail Private Limited
4	Pierre Terblanche	60	M Des	25	November 2014	Head- Industrial Design	159.85	Confederate Motors
5	Shaji Koshy	55	B.Tech	30	May 2006	Head- Sales, Service & Spares	130.05	Hindustan Motors Limited
6	James Young	44	Bachelor of Engineering	18	November 2014	Head- Engines	118.49	Trident Powersports Ltd
7	N Krishnan	56	B.E., MS	31	June 2011	Head- Quality Assurance	116.79	GE India Technology Private Limited
8	Arun Gopal	48	MBA	23	June 2014	Head- International Business	116.37	3M India
9	Vikas Gautam	37	B.Tech	12	May 1998	Country Manager, UK	112.13	International Tractors Ltd.
10	Samrat Som	42	PG Dip in Textile Design & Devp, MA (Design)	17	December 2013	Head- Gear	111.30	Madura Fashion & Lifestyle
11	Anbuselvan R	56	B.Sc., B.Tech	33	June 1983	Head- Aggregates, Technology & Testing	105.28	-
12	Venkatesan S	54	BE, MBA	29	September 2011	Head- Procurement	88.14	Aurangabad Electricals Ltd. (Balga Group)
13	Sudhakar Bhagavatula	49	B.E	25	July 2014	Chief Information Officer	87.06	General Electric
14	K Ramesh	57	M Com, FCMA	32	June 2006	Finance Controller	86.84	India Motor Parts & Accessories Limited
15	Syed Saleem Saveen	46	B.Tech	19	September 2011	Head- Strategic Sourcing	68.44	Supply chain engg.-Business partner
16	Manhar Kapoor	37	CS, LL.B., MBA	15	March 2014	General Counsel & Company Secretary	66.51	Punj Lloyd Ltd

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 60,00,000/- PER ANNUM.								
Sl. No.	Name of Employee	Age	Qualifications	Experience (in years)	Date of Commencement of employment	Designation	Remuneration (Amount in lacs)	Last Employment
17	G Rajagopal	55	M.E.	23	August 2008	Head- Manufacturing Engineering & Projects	64.47	Sundaram Claytons
18	N Chockalingam	45	M.S	22	September 2012	Head- Quality Control	62.43	Asia motor works
19	N Shashi Kumar	46	B.E, M.Sc	24	October 2013	Head- Production (Oragadam Plant)	61.53	IFB APL
20	Abhijit Singh Brar	37	MBA	13	January 2012	Head- Marketing	61.45	Bacardi india ltd.
21	N Baskaran	55	B.Tech	31	September 1984	Head- Non Current Parts Procurement	61.29	-
22	Harsh Man Rai	55	B.A	26	May 2014	Head- Projects	60.97	MN Rolling stone magazine
23	Mohit Vini	38	B.Sc.,	11	May 2012	Group Manager- Gear	60.66	Aravind life style



**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)**
**B EMPLOYED FOR A PART OF THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 5,00,000/- PER MONTH.**

Sl. No.	Name of Employee	Age	Qualifications	Experience (in years)	Date of Commencement of employment	Designation	Remuneration (Amount in lacs)	Last Employment
1	Rudratej Singh	44	B.Com, M.B.A.,	20	January 2015	President	210.86	Hindustan Unilever Ltd
2	Anuj Bansal	40	CA, MBA	16	January 2015	Head- Financial Planning & Analysis	82.05	Aviva Life
3	Ian Wride	37	B.A. (Transportation Design)	14	February 2015	Head- Industrial Design	121.76	Xenophia
4	Mark Wells	38	Bachelors in Transport Design, Northumbria Univ	16	February 2015	Head-Global Product Strategy	157.05	Xenophia
5	Filippo Corticelli	45	B.Sc	20	April 2015	Group Manager-Industrial Design	87.50	Own Business- Design CAS Surfacing Services
6	Martin Neczaj	44	B.E	13	April 2015	Group Manager- Chassis	81.08	Triumph Designs Ltd.
7	Mike Baker	37	B.E	13	April 2015	Group Manager- Chassis	89.26	Changan UK R&D centre
8	Ben Hine	33	B.E	5	June 2015	Team Manager- Chassis	55.16	Triumph Motorcycles Ltd
9	David Verrall	36	Chartered Engineer	5	June 2015	Engineer- Chassis	53.76	Triumph Motorcycles Ltd
10	Mike Coombs	33	M.E.	10	June 2015	Team Leader-PT Y Platform	59.34	Triumph Motorcycles Ltd
11	Paul Hunt	33	B.E	10	June 2015	Team Manager- Chassis	63.00	Triumph Motorcycles Ltd
12	Rod Giles	56	B.Sc (Manufacturing Eng.)	24	June 2015	CAE, Lead	59.78	Triumph Designs Ltd.
13	Jonathan Bennett	43	B.E	25	September 2015	Program Manager	51.30	Triumph Motorcycles Ltd
14	Rajeev Sharma	44	B.E, PGDPMIR (Human Resources)	20	November 2015	Chief Human Resource Officer	49.56	Tetra Pak India Pvt Ltd
15	Milton Ho	44	Master of Commerce	20	January 2016	Head- Globle Service Excellence	24.97	Harley Davidson
16	Simon Warburton	51	B.Sc Engineering	19	January 2016	Head- PD,UK	124.80	Triumph Motorcycles Ltd
17	Adrian Sellers	34	M.A. (Automotive Design.)	12	January 2016	Team Manager- Industrial Design	14.62	Honda R&D Europe
18	Edward Cobb	31	B.Sc (Motorsport Engg) 2006	11	January 2016	Team Manager- Product Strategy	14.66	Triumph Motorcycles Ltd
19	Jayaraman Subramanian	54	B.E.	30	February 2016	Head- Manufacturing	10.10	TaTa Advanced Systems Ltd
20	Simon Shaw	54	B.E	28	February 2016	Team Manager- Projects	9.57	Triumph Motorcycles Ltd

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)**

<b>B EMPLOYED FOR A PART OF THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 5,00,000/- PER MONTH.</b>								
<b>Sl. No.</b>	<b>Name of Employee</b>	<b>Age</b>	<b>Qualifications</b>	<b>Experience (in years)</b>	<b>Date of Commencement of employment</b>	<b>Designation</b>	<b>Remuneration (Amount in lacs)</b>	<b>Last Employment</b>
21	Terry Parkerpayne	40	B.E	15	February 2016	Team Manager- Projects	9.57	Fogwood Prescience Consultancy
22	Arvind Iyer	33	M.B.A.	11	March 2016	Head- Strategic Initiatives (Rides & Community)	5.48	Hindustan Unilever Ltd
23	Uwe Maciejonczyk	53	BBA	32	December 2015	Regional Manager - Central Europe Cluster	35.84	Triumph Motorcycles Ltd
24	Rajesh Rai *	40	BSc (H), PGDPMIR (Human Resources)	17	May 2014	Chief People Officer	95.02	Expedia Asia Pacific
25	G Sundararaman *	50	BE	20	March 2015	Head - Manufacturing	16.84	JCB India

\* Left Organisation

1 Rajesh Rai on November 2015

2 G Sundararaman on May 2015

Notes:

1 All appointments are contractual and terminable by notice on either side.

2 Remuneration includes basic salary, allowances, Company's contribution to provident fund and other funds and monetary value of perquisites as per Income Tax Rules, 1962.

3 None of the employees mentioned above is related to any director of the Company.

4 Information about qualifications and last employment is based on particulars furnished by the concerned employee.

# CORPORATE GOVERNANCE REPORT

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

Corporate Governance continues to be a strong focus area for the Company.

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.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Earlier, Clause 49 of the listing agreement of the Stock Exchanges.) The Company has adopted best practices mandated in SEBI (LODR) Regulations, 2015.

## 2. BOARD OF DIRECTORS

### 2.1 Composition

The Board is responsible for the management of the affairs of the Company's businesses. As on March 31, 2016, the Board strength comprises of the following:

TABLE 01		
Sl. No.	Name of the Director	Category
1.	Mr S. Sandilya DIN No. 00037542	Chairman - Non-executive Independent Director
2.	Mr Siddhartha Lal DIN No. 00037645	Promoter – Executive – Managing Director
3.	Mr Priya Brat DIN No. 00041859	Non-executive Independent Director
4.	Mr M. J. Subbaiah DIN No. 00044799	Non-executive Independent Director
5.	Mr Prateek Jalan DIN No. 02170139	Non-executive Independent Director
6.	Ms Manvi Sinha DIN No. 07038675	Non-executive Independent Director

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

Your Company's Board has an optimum combination of Executive, Non-executive and Independent Directors with one women Director, as per the requirements of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). The composition of the Board and the Independent Directors of the Company meet all the criteria mandated by SEBI Listing Regulations and the Companies Act, 2013.



## 2.2 Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment. The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website [www.eichermotors.com](http://www.eichermotors.com).

## 2.3 Meetings and Attendance

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

TABLE 02				
Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended the 33rd AGM held on March 20, 2015
1.	Mr S. Sandilya – Chairman – Non-executive and Independent Director	6	5	Yes
2.	Mr Siddhartha Lal – Managing Director	6	5	Yes
3.	Mr Priya Brat – Non-executive and Independent Director	6	5	Yes
4.	Mr M. J. Subbaiah – Non-executive and Independent Director	6	5	Yes
5.	Mr Prateek Jalan – Non-executive and Independent Director	6	6	Yes
6.	Ms Manvi Sinha – Non-executive and Independent Director	6	6	Yes

Meetings of the Board of Directors were held on February 13, 2015, May 8, 2015, July 21, 2015, November 6, 2015, February 5, 2016 and March 12, 2016.

#### Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on July 21, 2015 without the attendance of non-independent directors and members of management to:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 2.4 Other Directorships

TABLE 03					
Sl. No.	Name of the Director /DIN No.	Category Independent/ Non executive / Executive	Number of Directorship held in other Companies#*	Number of Committee memberships /Chairmanships held in other Companies*	
				Memberships	Chairmanships
1.	Mr S. Sandilya-Chairman DIN No. 00037542	Non-executive Independent Director	4	-	4
2.	Mr Siddhartha Lal- Managing Director DIN No. 00037645	Promoter, Managing Director and Executive Director	1	-	1
3.	Mr Priya Brat – Director DIN No. 00041859	Non-executive Independent Director	3	3	1
4.	Mr M. J. Subbaiah –Director DIN No.00044799	Non-executive Independent Director	-	-	-
5.	Mr Prateek Jalan – Director DIN No. 02170139	Non-executive Independent Director	1	1	-
6.	Ms Manvi Sinha – Director DIN No. 07038675	Non-executive Independent Director	-	-	-

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 under regulation 26 of SEBI Listing Regulations.

#For the purpose of this disclosure directorship in public limited companies alone, whether listed or not, is considered.

\*(i) For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 or Section 25 of the Companies Act, 1956 shall be excluded.

(ii) For the purpose of reckoning the limit under this sub-clause, Chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee (formerly "Shareholders' and Investors' Grievance Committee) alone is considered.

## 2.5 Shareholding of Directors

The details of Shareholding of Directors as on March 31, 2016 are as under:

TABLE 04		
Sl. No.	Name of the Director	No. of Equity Shares
1.	Mr S. Sandilya, Chairman and Non-executive and Independent Director	12,766
2.	Mr Siddhartha Lal, Managing Director	2,94,694

Mr Priya Brat, Mr M.J. Subbaiah, Mr Prateek Jalan and Ms Manvi Sinha do not hold any shares in the Company. The Company has not issued any convertible instruments.

## 2.6 Induction and Familiarization Program for Directors

The Company has a program to familiarize Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the weblink <http://www.eicher.in/corporate-governance>

## 2.7 Information supplied to the Board

The Board has complete access to all information of the Company. The following information is provided to the Board as a part of the agenda papers:-

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Annual and Quarterly results for the Company
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important, if any.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- H. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- J. Details of joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions, wherever necessary. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if any

While formulating and approving policies concerning appointment of directors and other senior officers, board diversity, remuneration and evaluation, the Board seeks to ensure business continuity with due weightage to succession planning.

## 3. AUDIT COMMITTEE

In terms of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations, Audit Committee of the Board of Directors presently consists of four Non-executive Directors who are Independent Directors and one Executive Director. 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, 2013 and SEBI Listing Regulations.

Constitution of the Audit Committee complies with requirements of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with all members being financially literate and most having accounting or related financial management expertise.

### 3.1 Major terms of reference

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- (iii) Reviewing with the management the quarterly, half yearly and annual financial statements and auditors' report thereon before submission to the Board for approval.
- (iv) Reviewing the Company's financial and risk management policies.
- (v) Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
- (vi) Approval or any subsequent modification of transactions of the Company with related parties.
- (vii) Scrutiny of inter-corporate loans and investments.
- (viii) evaluation of internal financial controls and risk management systems;
- (ix) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (x) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xi) discussion with internal auditors of any significant findings and follow up there on;
- (xii) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- (xiii) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xiv) to review the functioning of the whistle blower mechanism;
- (xv) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Company has system and procedures in place to ensure that the audit committee mandatorily reviews:

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of significant related party transactions submitted by management;
- (iii) internal audit reports relating to internal control weaknesses.

### 3.2 Meetings and Attendance

TABLE 05			
Sl. No.	Name of the Member	No. of meetings held	No. of meetings attended
1.	Mr M. J. Subbaiah - Chairman - Non-executive Independent Director	5	4
2.	Mr Siddhartha Lal - Managing Director	5	2*
3.	Mr Priya Brat - Non-executive Independent Director	5	5
4.	Mr S. Sandilya - Non-executive Independent Director	5	4
5.	Mr Prateek Jalan - Non-executive Independent Director	5	5

\*Mr Siddhartha Lal was appointed as member of Audit Committee in the Board meeting held on July 21, 2015. After his appointment, only 2 Audit Committee meetings were conducted which were attended by him.

Meetings of the Audit Committee of the Board of Directors were held on February 13, 2015, May 8, 2015, July 21, 2015, November 6, 2015 and February 5, 2016.

The Chief Financial Officer, the Head of Internal Audit and the Statutory Auditors are permanent invitees at the Audit Committee meetings. Mr Manhar Kapoor, the Company Secretary acts as the Secretary to the Audit Committee.

### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of provisions of Clause 49 of the erstwhile Listing Agreement, a 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 has been re-nomenclated as Stakeholders Relationship Committee. 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.

#### 4.1 Meetings and Attendance

TABLE 06			
Sl. No.	Name of the Member	No. of meetings held	No. of meetings attended
1.	Mr Priya Brat - Chairman Non-executive Independent Director	4	4
2.	Mr S. Sandilya - Non-executive Independent Director	4	4

Meetings of the Stakeholders Relationship Committee of Board of Directors were held on February 13, 2015, May 8, 2015, July 21, 2015 and November 6, 2015.

The Managing Director and the Chief Financial Officer are the permanent invitees at the Stakeholders Relationship Committee meetings. Mr Manhar Kapoor, the Company Secretary acts as the Secretary to the Shareholders Relationship Committee. He is the compliance officer of the Company.

### 4.2 Status of Complaints

TABLE 07		
Sl. No.	Particulars	Numbers
1	No. of complaints received	359
2	No. of complaints not resolved to the satisfaction of the shareholders	0
3	No. of pending complaints	0

### 5. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of Companies Act, 2013, the Nomination and Remuneration Committee of the Board of Directors was formed by the Board of Directors on May 9, 2014 and presently consists of three Non-Executive Independent Directors.

#### 5.1 Major terms of Reference

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal
- Carrying out evaluation of every director's performance.
- Laying down the evaluation criteria for performance evaluation of Independent Directors.
- Formulating the criteria for determining qualifications, positive attributes and independence of a director.

Change in terms of reference of Nomination and Remuneration Committee and dissolution of Compensation Committee:

SEBI (Share Based Employee Benefits) Regulations, 2014, provided that the Compensation Committee shall be consisted of three or more non-executive Directors out of which not less than one-half shall be Independent Directors. The regulations also provided that the Company may designate such of its other committees as compensation committee if they fulfill the criteria as specified above.

The Compensation Committee of the Company was responsible for the administration and superintendence of Employee Stock Option Plan – 2006 (ESOP – 2006) of the Company and related activities. The Board of Directors of the Company in their meeting held on May 8, 2015 designated Nomination and Remuneration Committee for administration of ESOP related activities of the Company by changing terms of reference of Nomination and Remuneration Committee and dissolved the Compensation Committee. Before dissolution, two meetings of the compensation committee were held on January 12, 2015 and March 20, 2015.

#### 5.2 The additional terms of reference, role, responsibilities and powers of Nomination and Remuneration Committee are as under:

- To undertake and perform all such functions, powers for administration and superintendence of ESOS – 2006, inter alia as contained under SEBI (Share Based Employee Benefit) Regulations, 2014 including any amendments thereof.
- The Nomination and Remuneration Committee shall meet at least once a year.
- To review and approve any other matter relating to the aforesaid Employee Stock Option Scheme – 2006 (ESOS) which may be considered necessary and incidental thereto.



### 5.3 Meetings and Attendance

TABLE 08			
Sl. No.	Name of the Member	No. of meetings held	No. of meetings attended
1.	Mr Prateek Jalan - Chairman, Non-executive Independent Director	5	5
2.	Mr S. Sandilya - Non-executive Independent Director	5	4
3.	Mr M J Subbaiah - Non-executive Independent Director	5	4

Meetings of the Nomination and Remuneration Committee of the Board of Directors were held on February 13, 2015, May 8, 2015, July 21, 2015, November 6, 2015 and February 5, 2016.

Mr Manhar Kapoor, the Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

### 5.4 Remuneration Policy

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to directors and senior management including its Key Managerial Personnel (KMP) and other employees of the Company. The compensation strategy revolves around getting the "most suited talent in the market".

The remuneration of the Managing Director, Executive Director and KMPs of the Company is recommended by the Nomination and Remuneration Committee based on established criteria. The Company generally pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components).

Remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors in line with the approval granted by shareholders.

### 5.5 Evaluation Criteria

The Company has adopted an Evaluation policy to evaluate performance of each director, the Board as a whole and its committees. Evaluation is also carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 and Code for Independent Directors' as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors various criteria including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc.

During the financial period, formal annual evaluation of the Board, its committees, the Chairman and individual Directors was carried out pursuant to the Board Performance Evaluation Policy on July 21, 2015.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of Companies Act, 2013, the Corporate Social Responsibility Committee of the Board of Directors was formed by the Board of Directors on 9th May, 2014 and presently consists of three Directors.

### 6.1 Major terms of Reference

- Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommending the amount of expenditure to be incurred on the activities referred to in CSR Policy.
- Monitoring the CSR Policy of the Company from time to time.

### 6.2 Meetings and Attendance

TABLE 09			
Sl. No.	Name of the Member	No. of meetings held	No. of meetings attended
1.	Mr S. Sandilya - Chairman, Non-executive Independent Director	2	1
2.	Mr Siddhartha Lal - Managing Director	2	2
3.	Mr Prateek Jalan - Non-executive Independent Director	2	2

Meeting of the Corporate Social Responsibility Committee of Board of Directors was held on February 13, 2015 and February 5, 2016.

Mr Manhar Kapoor, the Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

## 7. RISK MANAGEMENT COMMITTEE

In terms of Clause 49 of the erstwhile Listing Agreement, a Risk Management Committee of the Board of Directors was constituted by the Board of Directors on May 9, 2014 and reconstituted on November 12, 2014 and presently consists of two Directors and the Chief Financial Officer.

### 7.1 Major Terms of Reference

- To assist the Board in formulating the Risk Management Plan and practices;
- To monitor and review risk management plan and practices of the Company as approved by the Board.

### 7.2 Members of the Committee

TABLE 10	
Sl. No.	Name of the Member
1.	Mr Siddhartha Lal - Managing Director, Chairman of the committee
2.	Mr S. Sandilya - Non-executive Independent Director
3.	Mr Lalit Malik - Chief Financial Officer

## 8. 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 Manhar Kapoor - Company Secretary to look after and approve transfer of equity shares including dematerialisation, issue of duplicate certificates, transmission of securities, etc.

During the fifteen months ended March 31, 2016, 27 meetings of the Committee were held whereby 12182 shares were transferred by the Committee and 1445 requests for dematerialisation, 115 requests for duplicate certificates and 36 requests for transmission of securities were approved.

## 9. REMUNERATION OF DIRECTORS

### 9.1 Remuneration to Managing Director

The remuneration of the Managing Director is fixed by the Board of Directors and approved by shareholders in the Annual General Meeting. The details of remuneration to Managing Director for the fifteen months ended March 31, 2016 is as under:

TABLE 11					
RS. IN CRORES					
Name of the Director	Remuneration	Commission	Perquisites	Service Contract	
				Tenure	Notice period
Mr Siddhartha Lal – Managing Director	2.78	4.50	1.21	5 years (Mr Siddhartha Lal was reappointed as Managing Director w.e.f. May 1, 2011 up to 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.

Total remuneration paid as Salary and allowances, Perquisites and Commission does not exceed 5% of the net profits computed in the manner laid down in Sections 198 of the Companies Act, 2013.

No sitting fee has been paid to Mr Siddhartha Lal during the fifteen months ended March 31, 2016.

### 9.2 Remuneration to Non-Executive and Independent Directors

The remuneration comprising sitting fees and commission to Non-executive and Independent Directors for the fifteen months ended March 31, 2016 is as under:

TABLE 12			RS. IN LACS	
Name of the Director	Remuneration			
	Sitting fees*	Commission#		
Mr S. Sandilya – Non-executive and Independent Director	3.10	55.00		
Mr Priya Brat – Non-executive and Independent Director	2.80	10.31		
Mr M. J. Subbaiah – Non-executive and Independent Director	2.20	10.31		
Mr Prateek Jalan – Non-executive and Independent Director	2.90	30.25		
Ms Manvi Sinha – Non-executive and Independent Director	1.20	10.31		
<b>Total</b>	<b>12.20</b>	<b>116.18</b>		

\*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/- for attending each meeting of Nomination and Remuneration Committee, Stakeholders' Relationship Committee (formerly Shareholders' and Investors' Grievance Committee) and the Corporate Social Responsibility Committee.

The members of the Company in their 33rd Annual General Meeting held on March 20, 2015 had approved payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 2013, for a period of five years with effect from the financial year ended December 31, 2014.

Independent Directors are not entitled to any stock options.

Further, there has been no other material pecuniary relationship or business transactions by the Company with any Non-executive and Independent Directors of the Company.

## 10. SUBSIDIARY COMPANIES

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:

- Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.
- All minutes of Board meetings of subsidiary company are placed before the Company's Board on regular basis.
- All significant transactions and arrangements entered into by the subsidiary company are reviewed on regular basis.
- Mr Prateek Jalan, a non-executive independent director of the Company is a director on the board of unlisted material subsidiary, incorporated in India.

## 11. OTHER DISCLOSURES

### 11.1 Related Party Transactions

In terms of the Accounting Standard-18 "Related Party Disclosures", as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, 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 ordinary course of business and 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) for its prior approval or omnibus approval. There is no materially significant related party transaction during the fifteen months ended March 31 2016.

### 11.2 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.

### 11.3 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 available on Company's website at [www.eichermotors.com](http://www.eichermotors.com).

### 11.4 Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window for dealing in securities of the Company is closed as per the provisions of the code.

### 11.5 CEO / CFO Certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of SEBI Listing Regulations and that the certificate forms part of the Annual Report.

### 11.6 Status of compliance of Non-Mandatory requirements under regulation 27(1) of SEBI Listing Regulations

The Company complies with the following non-mandatory requirements:

1. A non-executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
2. The Auditors have expressed no qualification in their report.
3. The Company has appointed separate persons to the post of the Chairman and the Managing Director/CEO.
4. The Internal auditor periodically reports to the Audit Committee.

### 11.7 Accounting treatment in preparation of the financial statements

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 section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

### 11.8 Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy to establish a vigil mechanism and the same is available on Company's website at [www.eichermotors.com](http://www.eichermotors.com). No person has been denied access to the Audit Committee.

## 12. MEANS OF COMMUNICATION

- (i) The consolidated quarterly and annual results are published in the Business Standard (English) – All Editions and Business Standard (Hindi), Delhi edition. The Standalone and Consolidated quarterly and annual results of the Company are available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com)
- (ii) The Standalone and Consolidated quarterly and annual results are filed with the Stock Exchanges in terms of Regulation 33(3) of SEBI Listing Regulations.
- (iii) The following are displayed on the Website of the Company i.e. [www.eichermotors.com](http://www.eichermotors.com):

- Business of the Company;
- Terms and conditions of appointment of Independent Directors;
- Composition of various committees of the Board
- Whistle Blower Policy
- Annual Report of the Company;
- Policy on dealing with related party transactions;
- Policy for determining material subsidiaries;
- Details of familiarization programs for Independent Directors;
- Standalone and Consolidated Quarterly and Annual Financial Results of Company;
- Shareholding Pattern;
- Company Profile;
- Press Releases;
- Schedule of analyst or institutional investor meet and presentations made to them;
- Code of Conduct for the Directors and Senior Management;
- Investors/analysts conference call information and transcripts; and
- Contact information – for solving any investor's queries.
- Other information as required under regulation 46 of SEBI Listing Regulations.

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

## 13. GENERAL SHAREHOLDER INFORMATION

- |             |   |   |
|-------------|---|---|
| <b>13.1</b> | Day, date, time and venue of the Annual General Meeting | Saturday, June 18, 2016 at 10:00 A.M at Shri Ram Centre 4, Safdar Hashmi Marg, New Delhi-110001 |
|-------------|---|---|

### 13.2 Financial Year

The period under review is for 15 (fifteen) months from January 1, 2015 to March 31, 2016.



### 13.3 General Body Meetings

TABLE 13					
Year	Date	Day	Time	Location	Whether passed any Special Resolution
December 31, 2014	20.03.2015 (AGM)	Friday	10.00 A.M	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	Yes*
December 31, 2013	21.03.2014 (AGM)	Friday	10.00 A.M	LTG Auditorium, Copernicus Marg, New Delhi – 110 001.	No
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 20, 2015, passed two special resolutions for the following:

- Approval of payment of remuneration by way of commission not exceeding one percent of the net profits of the Company in every financial year for five years, effective from the financial year ended on December 31, 2014 to the Directors of the Company (other than the managing director(s) or whole-time director(s), if any)
- Approval for increase in limit of investment by FII in the Company to 49% of Company's total capital.

### 13.4 Postal Ballot

Detail of postal ballot conducted by the Company during last year is as follows:

TABLE 14				
Special Resolutions Passed	Votes in favor		Votes against	
	No. of votes	%	No. of votes	%
Alteration of Objects clause of Memorandum of Association of the Company	2,11,13,849	99.99%	1,003	0.01%
Alteration of Liability clause of Memorandum of Association of the Company	2,11,15,348	99.99%	1,734	0.01%

M/s. RDA & Associates, Company Secretaries were appointed as Scrutinizer for the postal ballot. CS Ranjeet Pandey, Partner, RDA & Associates signed the scrutinizers report.

#### Procedure for Postal Ballot:

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Act, read with related Rules, the Company provided electronic voting facility to all its Members, to enable them to cast their votes electronically. The Company engaged the services of NSDL for the purpose of providing e-voting facility to all its Members. The Members had the option to vote either by physical ballot or by e-voting.

The Company dispatched the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members/ the List of beneficiaries as on the cut-off date. The Postal Ballot Notice was sent to members in electronic form to

the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's Registrar and Transfer Agents (in case of physical shareholding). The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

Voting rights are reckoned on the paid-up value of shares registered in names of Members as on the cut-off date. Valid Votes cast physically and through e-voting were considered by the scrutinizer for the purpose of their report.

The Scrutinizer submitted their report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by shareholders. The Chairman announced the result on December 29, 2015. The result was placed on the website of the Company [www.eichermotors.com](http://www.eichermotors.com) besides being communicated to the Stock Exchanges, Depositories and the Registrar and Transfer Agent.

### 13.5 Financial Calendar – 2015-2016

TABLE 15			
Adoption of Quarterly/ Annual Results for the quarter/period ended	Date of Board Meetings	Date of publication	Name of Newspapers
March 31, 2015 (Quarterly Results)	08/05/2015	09/05/2015	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
June 30, 2015 (Quarterly Results)	21/07/2015	22/07/2015	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
September 30, 2015 (Quarterly Results)	06/11/2015	07/11/2015	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
December 31, 2015 (Quarterly Results)	05/02/2016	06/02/2016	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
March 31, 2016 (Annual Results)	05/05/2016	06/05/2016	Business Standard- All Editions (English), and Business Standard

#### Tentative Financial Calendar – for the financial year ending March 31, 2017

Quarterly results for the quarters ending June 30, 2016, September 30, 2016, December 31, 2016 and annual results for the year ending March 31, 2017 will be approved in the Board Meetings which will be tentatively held in the months of July 2016, November 2016, February 2017 and May 2017 respectively (subject to the finalization of dates by the Board of Directors). The Consolidated quarterly and annual results will be published in the Business Standard (English) in all Editions and in Business Standard (Hindi), Delhi edition. The Standalone and Consolidated quarterly and annual results will be intimated to Stock Exchanges. Additionally, the same will be posted on Company's website at [www.eichermotors.com](http://www.eichermotors.com).

**13.6 Cut-Off Date** : June 11, 2016

**13.7 Interim Dividend payment date** : Interim dividend declared by the Board on March 12, 2016 was paid on or before March 31, 2016

#### 13.8 Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai - 400 001

National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, Plot No. C/1, G Block

Bandra Kurla Complex, Bandra (E)

Mumbai - 400 051

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2016-17 have been paid.

#### 13.9 Name of Depositories for dematerialisation of equity shares

TABLE 16	
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

### 13.10 Registrar and Share Transfer Agent / Address for correspondence:

Share transfer and other communication regarding change of address, dividends, share certificates, investor complaints, etc. may be addressed to

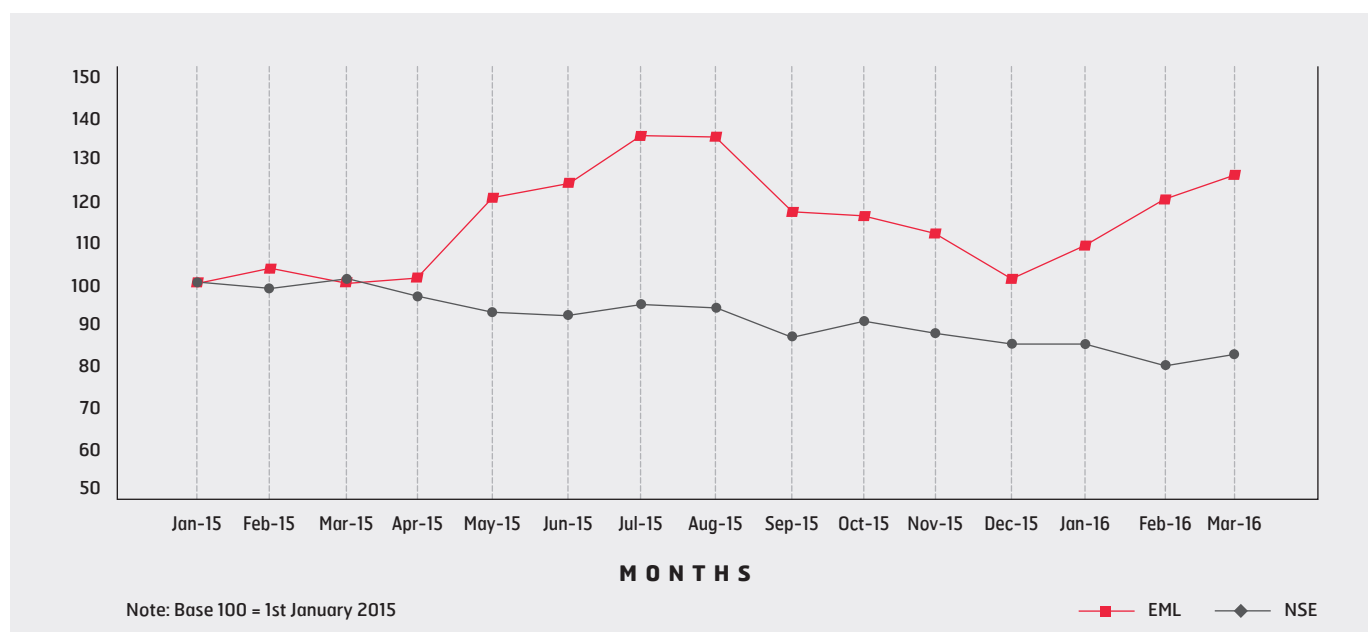
M/s Link Intime India Pvt. Ltd.  
Registrar and Share Transfer Agent  
44, 2nd Floor, Community Centre  
Naraina Industrial Area, Phase-I, New Delhi 110028  
Phone No: 011-41410592  
Fax No: 011-41410591  
E-Mail: delhi@linkintime.co.in

Members may write for any queries / information to Mr Manhar Kapoor, General Counsel and Company Secretary at Eicher Motors Limited, 3rd Floor - Select Citywalk, A-3 District Centre, Saket, New Delhi-110017, or at # 96, Sector 32, Gurgaon- 122001, Haryana, or any query can be sent by email to investors@eicher.in.

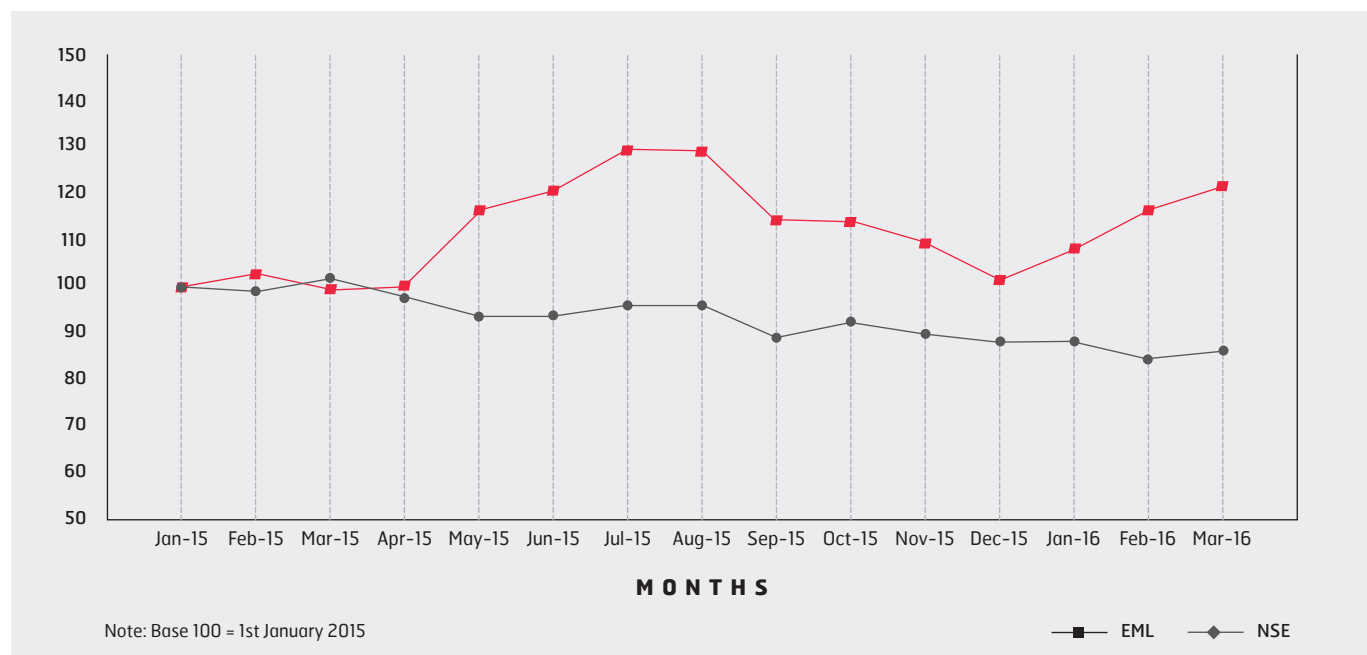
### 13.11 Market Price Data at BSE and NSE:

January 2015 to March 2016	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 2015	16,650.00	14,560.00	67,270	16,650.20	14,550.00	9,65,059
February 2015	17,200.00	14,777.00	1,46,696	17,200.00	14,755.05	9,63,339
March 2015	16,699.00	15,108.65	14,83,803	16,700.00	15,111.00	13,04,880
April 2015	16,800.00	13,930.00	99,692	16,700.00	13,900.10	12,77,602
May 2015	19,525.00	14,498.60	2,55,383	19,545.00	14,494.95	38,96,210
June 2015	20,020.00	16,651.90	14,70,833	20,049.90	16,649.75	25,01,848
July 2015	21,618.30	18,689.00	2,20,207	21,620.00	18,695.00	18,61,086
August 2015	21,578.00	17,805.15	1,96,251	21,596.00	17,821.00	15,42,216
September 2015	19,113.60	16,731.85	1,27,143	19,088.00	16,711.10	15,39,343
October 2015	19,050.00	17,288.05	96,424	19,005.25	17,273.80	11,19,652
November 2015	18,300.00	15,032.45	1,22,468	18,186.65	15,020.00	11,54,377
December 2015	16,890.00	15,107.00	67,632	16,920.00	15,100.00	9,24,587
January 2016	17,974.45	14,817.75	92,658	17,974.90	14,800.00	9,10,904
February 2016	19,441.15	16,607.15	1,38,391	19,420.00	16,600.25	15,09,921
March 2016	20,274.40	17,906.80	1,08,812	20,272.50	17,895.00	14,30,599

### Chart 1// Share Price Performance Eicher Motors Limited (EML) vs BSE Index





**Chart 2// Share Price Performance Eicher Motors Limited (EML) vs NSE Index****13.12 Share transfer system**

Shares of the Company were transferred through M/s. MCS Limited till September 4, 2015. Thereafter shares of the Company are transferred through M/s. Link Intime India Pvt. Ltd., the Registrar and Share Transfer Agents of the Company and the Shares Committee of the Company approves the said share transfers.

Total number of shares transferred within the stipulated period during the fifteen months ended March 31, 2016 was 16,976 shares.

**13.13 Dematerialisation of shares and liquidity**

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

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 dematerialized 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 March 31, 2016, 2,64,75,585 shares constituting 97.48% of the total paid up equity share capital of the Company have been dematerialized with NSDL and CDSL.

**13.14 Shareholding Pattern as on March 31, 2016**

TABLE 18		
Category	No. of Shares	Percentage (%)
Promoters	1,49,03,030	54.87
Institutional Investors	87,01,595	32.04
Body Corporates	4,57,528	1.68
Individuals	30,99,030	11.41
Total	2,71,61,183	100.00

**13.15 Distribution of shareholding as on March 31, 2016**

TABLE 19				
Category	No. of shareholder	% holders	No of shares	% Shareholding
1-500	65,284	98.44	21,76,943	8.01
501-1,000	392	0.59	2,84,910	1.05
1,001-2,000	210	0.32	3,04,754	1.12
2,001-3,000	78	0.12	1,90,940	0.70
3,001-4,000	45	0.07	1,59,020	0.59
4,001-5,000	35	0.05	1,57,709	0.58
5,001-10,000	98	0.15	6,97,795	2.57
10,001-50,000	123	0.19	25,27,978	9.31
50,001-1,00,000	24	0.04	17,07,153	6.29
1,00,001 and above	27	0.04	1,89,53,981	69.78
	<b>66,316</b>	<b>100.00</b>	<b>2,71,61,183</b>	<b>100.00</b>

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

### 13.16 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:

TABLE 20	
For the Financial Year	Due date for transfer to the Central Government
2008 (April to December)	July 5, 2016
2009 (January to December)	April 18, 2017
2010 (January to December)	April 25, 2018
2011 (January to December)	April 25, 2019
2012 (January to December)	April 25, 2020
2013 (January to December)	April 25, 2021
2014 (January to December)	April 25, 2022
2015-2016 (January to March)*	April 18, 2023

\*Interim Dividend declared by the Board of Director on March 12, 2016

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

### 13.17 Investors' services

Correspondence / complaints received during the fifteen months ended March 31, 2016:

TABLE 21			
Sl. No.	Nature of correspondence / complaints	Received (in Nos.)	Cleared (in Nos.)
1.	Non-receipt of share certificates	147	147
2.	Letters from Stock Exchange(s), SEBI, Advocate Letters, etc.	13	13
3.	Non receipt of Dividend Warrants / Annual Reports	199	199
	<b>Total</b>	<b>359</b>	<b>359</b>

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 fifteen months ended March 31, 2016.

### 13.18 Unclaimed shares suspense account

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.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details with respect to the unclaimed shares of the Company for the fifteen months ended March 31, 2016 are as under:

TABLE 22			
Sl. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	874	22,042
(ii)	Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the period	10	402
(iii)	Number of shareholders to whom shares were transferred from the Suspense Account during the period	10	402
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the period	864	21,640

The voting rights on shares in suspense account shall remain frozen till the rightful owner of such shares claims the shares.

### 13.19 Nomination facility

Your Company is pleased to offer the facility of nomination to members. Pursuant to Section 72 of the Companies Act, 2013, 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. 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.

### 13.20 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 13.25, indicating the folio numbers to be consolidated.

### 13.21 National Electronic Clearing Services (NECS) Mandate

Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrars and Transfer Agents.

**13.22 Registered Office**

3rd Floor- Select Citywalk  
A-3 District Centre, Saket  
New Delhi- 110 017  
Tel. No. (011)- 29563722  
Website: [www.eichermotors.com](http://www.eichermotors.com)

**13.23 Corporate Office**

#96, Sector 32,  
Gurgaon- 122 001, Haryana.  
Tel. No. (0124)- 4415600  
Website: [www.eichermotors.com](http://www.eichermotors.com)

**13.24 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)

**13.25 Address for Correspondence with Registrar**

M/s Link Intime India Pvt. Ltd.  
Registrar and Share Transfer Agent  
44, 2nd Floor, Community Centre  
Naraina Industrial Area, Phase-I New Delhi 110028  
Phone No: 011-41410592  
Fax No: 011-41410591  
E-Mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

The Board of Director in its meeting held on July 21, 2015 had appointed M/s Link Intime India Pvt. Ltd. as Company's registrar and shares transfer agent in place of MCS Limited.

**13.26 Web Links in terms of Regulation 46 of SEBI Listing Regulations**

Policy for determining Material Subsidiaries:  
[http://www.eicher.in/uploads/1454671647\\_policy-for-determining-material-subsidiaries.pdf](http://www.eicher.in/uploads/1454671647_policy-for-determining-material-subsidiaries.pdf)

Policy on Related Party Transactions:  
[http://www.eicher.in/uploads/1427720283\\_PMDRPT.pdf](http://www.eicher.in/uploads/1427720283_PMDRPT.pdf)

Familiarization program for Independent Directors:  
<http://www.eicher.in/corporate-governance>

Other Code and Policies:  
<http://www.eicher.in/code-of-conduct>

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

For Eicher Motors Limited

**Siddhartha Lal**

Managing Director

DIN 00037645

**S. Sandilya**

Chairman

DIN 00037542

Place : Gurgaon

Date : May 05, 2016

**DECLARATION**

As per regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct of Board of Directors and Senior Management for the fifteen months ended March 31, 2016.

For Eicher Motors Limited

**Siddhartha Lal**

Managing Director

DIN 00037645

**S. Sandilya**

Chairman

DIN 00037542

Place : Gurgaon

Date : May 05, 2016



## **INDEPENDENT AUDITOR'S CERTIFICATE TO THE MEMBERS OF EICHER MOTORS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by EICHER MOTORS LIMITED ("the Company"), for the fifteen months ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from January 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from January 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the fifteen months ended March 31, 2016.
5. We 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.

Place : Gurgaon  
Date : May 05, 2016

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

**Jaideep Bhargava**  
Partner  
(Membership No 090295)

## **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 financial year ended March 31, 2016 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 financial year ended March 31, 2016 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. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) we have indicated to the Auditors and the Audit Committee that:
  - (i) there have not been any significant changes in internal controls over financial reporting during the year ended March 31, 2016;
  - (ii) there have not been any significant changes in accounting policies during the year ended March 31, 2016 and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there has not been any instance during the financial year ended March 31, 2016 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 : May 05, 2016

**Lalit Malik**  
Chief Financial Officer  
ICAI Mem. No. 92890

**Siddhartha Lal**  
Managing Director  
DIN 00037645

# **FINANCIAL STATEMENTS**

STANDALONE  
CONSOLIDATED





# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**Eicher Motors Limited**

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of EICHER MOTORS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the fifteen months then ended and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the fifteen months ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 33 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 52 to the financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer note 53 to the financial statements.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)

**Jaideep Bhargava**

Partner

(Membership No. 090295)

Place: GURGAON

Date: May 5, 2016

# 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)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the period by the Management in accordance with a regular program 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.

(ii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals other than for inventories lying with third parties at the end of the period for which confirmations have been obtained in most of the cases.

(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 not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.

(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 with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weaknesses in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the period within the meaning of Section 73 to 76 or any other relevant provisions of the Act.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act for the goods manufactured by the Company and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) There are no disputed dues in respect of Wealth Tax, Customs Duty and Cess which have not been deposited. Details of disputed dues not deposited/deposited under protest of Income Tax, Sales Tax, Service Tax and Excise Duty as at March 31, 2016 are as follows:



RS. IN CRORES					
Nature of the Statute	Nature of dues	Forum where pending	Amount*	Amount paid under protest	Period to which amount relate
Central Excise Act	Excise Duty	Assessing Authority	0.05	-	2011-12
		Appellate Authority up to Commissioner's level	0.02	0.01	1995-96 and 1996-97
		CESTAT	2.05	0.26	1983-84 to 2000-01, 2002-03 to 2004-05
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority up to Commissioner's level	2.62	1.20	1987-88, 1989-90 to 1991-92, 1993-94, 1996-97 to 1999-00, 2000-01 to 2003-04, 2005-06, 2007-08 to 2010-11, 2012-13, 2013-14
		Appellate Tribunal	2.16	0.49	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	1.75	0.61	1984-85, 1985-86, 1993-94, 2000-01, 2001-02, 2004-05
		Supreme Court	1.96	0.55	1986-87, 1990-91, 1991-92, 2001-02 to 2003-04
		Appellate Authority up to Commissioner's level	0.39	0.02	2006-07 to 2011-12
Finance Act, 1994	Service Tax	Appellate Authority up to Commissioner's level	0.09	-	2010-11
Income Tax Act, 1961	Income Tax	Appellate Authority up to Commissioner's level	0.16	-	2008-09 and 2009-10
		Income Tax Appellate Tribunal			

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

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(viii) The Company does not have any accumulated losses at the end of the financial period and has not incurred cash losses during the financial period covered by our audit and the immediately preceding financial year.

(ix) 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 issued any debentures during the period.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks are not, prima facie, prejudicial to the interest of the Company.

(xi) As the Company has not taken any term loan during the period, paragraph 3(xi) of the Order is not applicable.

(xii) 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 period.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 015125N)

**Jaideep Bhargava**

Partner  
(Membership No. 090295)

Place: GURGAON  
Date: May 5, 2016

# BALANCE SHEET

AS AT MARCH 31, 2016

			RS. IN CRORES	
Particulars	Note No.	As at March 31, 2016	As at December 31, 2014	
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital	2	27.16	27.10	
Reserves and surplus	3	2,123.62	1,206.56	
		<b>2,150.78</b>	<b>1,233.66</b>	
<b>Non-current liabilities</b>				
Deferred tax liabilities (net)	4	33.10	20.07	
Other long-term liabilities	5	5.87	4.52	
Long-term provisions	6	31.88	13.82	
		<b>70.85</b>	<b>38.41</b>	
<b>Current liabilities</b>				
Short-term borrowings	7	22.57	-	
Trade payables	8			
- total outstanding dues of micro enterprises and small enterprises		11.06	13.35	
- total outstanding dues of creditors other than micro enterprises and small enterprises		731.49	476.89	
Other current liabilities	9	404.78	296.56	
Short-term provisions	10	26.47	170.02	
		<b>1,196.37</b>	<b>956.82</b>	
<b>Total</b>		<b>3,418.00</b>	<b>2,228.89</b>	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets	11			
Tangible assets		845.71	488.65	
Intangible assets		29.04	11.93	
Capital work-in-progress		33.31	42.67	
Intangible assets under development		51.62	16.67	
		<b>959.68</b>	<b>559.92</b>	
Non-current investments	12	1,172.26	271.49	
Long-term loans and advances	13	86.75	139.00	
Other non-current assets	14	24.50	29.83	
		<b>2,243.19</b>	<b>1,000.24</b>	
<b>Current assets</b>				
Current investments	15	709.78	917.09	
Inventories	16	300.36	205.13	
Trade receivables	17	46.13	10.70	
Cash and cash equivalents	18	44.52	20.89	
Short-term loans and advances	19	72.72	73.91	
Other current assets	20	1.30	0.93	
		<b>1,174.81</b>	<b>1,228.65</b>	
<b>Total</b>		<b>3,418.00</b>	<b>2,228.89</b>	
See accompanying notes forming part of the financial statements	1 to 56			

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

**Manhar Kapoor**  
Company Secretary  
M No: FCS 5564

**Lalit Malik**  
Chief Financial Officer  
M No: 92890

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurgaon  
Date: May 5, 2016

**M. J. Subbaiah**  
Director  
DIN: 00044799

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# STATEMENT OF PROFIT AND LOSS

FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

		RS. IN CRORES	
Particulars	Note No.	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>INCOME</b>			
Revenue from operations (gross)	21	6,983.98	3,320.23
Less: Excise duty		795.95	289.01
Revenue from operations (net)		<b>6,188.03</b>	<b>3,031.22</b>
Other income	22	178.24	116.30
<b>Total revenue</b>		<b>6,366.27</b>	<b>3,147.52</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	23	3,423.41	1,819.08
Purchase of stock-in-trade	24	74.04	31.73
Change in inventories of finished goods, work-in-progress and stock-in-trade	25	(53.22)	(43.17)
Employee benefits expenses	26	319.64	160.90
Finance costs	27	1.41	1.67
Depreciation and amortisation expenses	28	137.73	50.16
Other expenses	29	693.68	329.12
<b>Total expenses</b>		<b>4,596.69</b>	<b>2,349.49</b>
Profit before tax		1,769.58	798.03
Tax expense			
Current tax		524.69	231.67
Deferred tax charge		15.04	7.44
<b>Total tax expense</b>		<b>539.73</b>	<b>239.11</b>
<b>Profit for the period/year</b>		<b>1,229.85</b>	<b>558.92</b>
<b>Earning per share - basic</b>		453.20	206.38
<b>Earning per share - diluted</b>		451.54	205.37
(Face value of Rs. 10 per share) (in Rs.)			
See accompanying notes forming part of the financial statements	1 to 56		

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

**Manhar Kapoor**  
Company Secretary  
M No: FCS 5564

**Lalit Malik**  
Chief Financial Officer  
M No: 92890

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

**Place: Gurgaon**  
Date: May 5, 2016

**M. J. Subbaiah**  
Director  
DIN: 00044799

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859



# CASH FLOW STATEMENT

FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

RS. IN CRORES		
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	1,769.58	798.03
Adjustments for:		
Depreciation and amortisation expenses	137.73	50.16
Profit on sale of fixed assets	(0.06)	(0.27)
Fixed assets discarded	1.35	0.09
Dividend on unquoted non trade current investments	(1.83)	(4.84)
Rent income	(3.39)	(2.70)
Loss on sale of fixed assets	0.12	0.55
Dividend on long term unquoted trade investment in subsidiary company	(105.40)	(40.80)
Profit on sale of unquoted non trade current investments	(58.33)	(60.75)
Interest income	(4.07)	(2.57)
Finance costs	1.41	1.67
<b>Operating profit before changes in working capital</b>	<b>1,737.11</b>	<b>738.57</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(95.23)	(61.29)
Trade receivables	(35.43)	1.43
Short-term loans and advances	1.19	(25.17)
Long-term loans and advances	(4.57)	(4.60)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	252.31	168.82
Other current liabilities	97.66	84.10
Other long-term liabilities	1.35	0.74
Short-term provisions	10.91	5.50
Long-term provisions	18.06	3.34
<b>Cash generated from operating activities</b>	<b>1,983.36</b>	<b>911.44</b>
Direct taxes paid	(518.65)	(225.48)
<b>Net cash flow from operating activities (A)</b>	<b>1,464.71</b>	<b>685.96</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets ( Including capital work-in-progress and Pre-operative expenditure)	(499.31)	(371.36)
Sale of fixed assets	0.60	1.47
Investment in subsidiary company	(17.07)	-
Investment in a joint venture company	(108.80)	(75.00)
Net investment in unquoted non trade current investments	207.31	(91.68)
Proceeds from sale of unquoted non trade non-current investments	100.00	-
Investment in non trade non-current investments	(869.10)	(150.00)
Profit on sale of unquoted non trade current investments	58.33	60.75
Dividend on long term unquoted trade investment from subsidiary company	105.40	40.80
Dividend on unquoted non trade current investments	1.83	4.84
Investment in non current fixed deposit under lien (net)	5.33	(22.74)
Rent received	3.34	2.70
Interest received	3.75	2.07
<b>Net cash flow from investing activities (B)</b>	<b>(1,008.39)</b>	<b>(598.15)</b>

# CASH FLOW STATEMENT (CONTD.)

FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

RS. IN CRORES		
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in short term borrowings (net)	22.57	(4.00)
Interest paid	(1.41)	(1.67)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	4.81	7.86
Dividend paid	(397.58)	(80.96)
Tax on dividend paid	(61.08)	(6.86)
<b>Net cash flow from financing activities (C)</b>	<b>(432.69)</b>	<b>(85.63)</b>
<b>Net Increase in cash and cash equivalents (A)+(B)+(C )</b>	<b>23.63</b>	<b>2.18</b>
Cash and cash equivalents at the beginning of the period/year	20.89	18.71
Cash and cash equivalents at the end of the period/year	<b>44.52</b>	<b>20.89</b>

RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.07	0.06
Cheques/ drafts on hand	0.09	0.22
<b>Balances with banks:</b>		
In current accounts	22.75	16.84
In unpaid dividend accounts *	13.32	3.77
In deposit accounts	8.29	-
<b>Total cash and cash equivalents (Refer Note No. 18)</b>	<b>44.52</b>	<b>20.89</b>

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

See accompanying notes forming part of the financial statements 1 to 56

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

**Manhar Kapoor**  
Company Secretary  
M No: FCS 5564

**Lalit Malik**  
Chief Financial Officer  
M No: 92890

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

**Place: Gurgaon**  
Date: May 5, 2016

**M. J. Subbaiah**  
Director  
DIN: 00044799

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note  
01

### 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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. 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 period. 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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the

Companies Act, 2013 except in respect of moulds and dies depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

Leasehold land are amortised over the period of lease term

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 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.

#### (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) Fixed Assets (Tangible/ Intangible)

Fixed assets are carried at cost less accumulated depreciation/ amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion 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 the project is ready for its intended use.

#### 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.



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

### Intangible assets under development:

Expenditure on Research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.”

### (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 period-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.

### (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 gratuity, compensated absences, long service award and contribution to provident fund, employees’ state insurance and 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 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 period/year when the employees render the service

### (xii) Leases

Lease arrangements where the risk and rewards incidental to ownership of the assets substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss.

### (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 period.

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) Taxes on income

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 period January 1, 2015 to March 31, 2016 comprises the residual tax liability for the assessment year 2015-16 relevant to the year April 1, 2014 to March 31, 2015 and the liability, which has accrued on the profit for the year April 1, 2015 to March 31, 2016, under the provisions of the Income-tax Act, 1961.

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## FORMING PART OF THE FINANCIAL STATEMENTS

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.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### (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 Fixed assets (Tangible/Intangible).

### (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 Guidelines. The Scheme provide for grant of options to employees of the Company 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.

### (xxi) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>02</b>	SHARE CAPITAL	RS. IN CRORES	
		As at March 31, 2016	As at December 31, 2014
	Particulars		
	<b>Authorised</b>		
	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
	<b>Total</b>	<b>31.01</b>	<b>31.01</b>
	<b>Issued, subscribed and fully paid up</b>		
	2,71,61,183 (2,71,04,783) Equity shares of Rs. 10 each	27.16	27.10
	<b>Total</b>	<b>27.16</b>	<b>27.10</b>

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 NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD/YEAR

Particulars	As at March 31, 2016		As at December 31, 2014	
	Nos.	Rs. in crores	Nos.	Rs. in crores
At the beginning of the period/year	2,71,04,783	27.10	2,70,38,883	27.04
Issued during the period/year - ESOP	56,400	0.06	65,900	0.06
Outstanding at the end of the period/year	2,71,61,183	27.16	2,71,04,783	27.10

### (ii) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES IN THE COMPANY

Particulars	As at March 31, 2016		As at December 31, 2014	
	Nos.	% holding in the class	Nos.	% holding in the class
Eicher Goodearth Trust	32,71,723	12.05%	32,71,723	12.07%
Anita Lal	30,23,167	11.13%	30,23,167	11.16%
The Simran Siddhartha Tara Benefit Trust	67,99,828	25.04%	67,99,828	25.09%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	-	-	22,75,610	8.40%

### (iii) EMPLOYEE STOCK OPTION PLAN

- 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 3,000 (29,500) options are outstanding at period/year end. During the period/year, 26,500 (2,500) 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.
- 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 period/year end.
- 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 out of which Nil (Nil) options are outstanding at period/year end. During the period/year, Nil (15,400) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,411 (including premium of Rs. 1,401 each) per equity share.
- 1,08,200 (1,08,200) 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 out of which 32,100 (60,200) options are outstanding at period/year end. During the period/year, 28,100 (48,000) equity shares were

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

issued and allotted as fully paid up at an exercise price of Rs. 1,162 (including premium of Rs. 1,152 each) per equity share.

- e. 5,400 (5,400) 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 out of which 3,600 (5,400) options are outstanding at period/year end. During the period/year, 1,800 (Nil) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,770 (including premium of Rs. 1,760 each) per equity share.
- f. 5,000 (5,000) 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 period/year end.
- g. 22,500 (22,500) options on August 11, 2014, exercisable over a period of seven years after vesting on August 11, 2017 at an exercise price of Rs. 8,477.50 (including premium of Rs. 8,467.50) per option out of which 16,000 (22,500) options are outstanding at period/year end. During the period/year, 6,500 (Nil) options were forfeited.
- h. 5,400 (5,400) options on November 12, 2014, exercisable over a period of seven years after vesting on November 12, 2017 at an exercise price of Rs. 12,993.65 (including premium of Rs. 12,983.65) per option are outstanding as at period/year end.
- i. 22,300 (Nil) options on January 12, 2015, exercisable over a period of seven years after vesting on January 11, 2016 at an exercise

price of Rs. 14,739 (including premium of Rs. 14,729) per option are outstanding as at period/year end.

- j. 4,500 (Nil) options on March 20, 2015, exercisable over a period of seven years after vesting on March 19, 2018 at an exercise price of Rs. 16,112 (including premium of Rs. 16,102) per option are outstanding as at period/year end.
- k. 53,000 (Nil) options on May 08, 2015, exercisable over a period of seven years after vesting on May 07, 2018 at an exercise price of Rs. 14,807 (including premium of Rs. 14,797) per option are outstanding as at period/year end.
- l. 6,590 (Nil) options on July 21, 2015, exercisable over a period of seven years after vesting on July 20, 2018 at an exercise price of Rs. 21,248 (including premium of Rs. 21,238) per option are outstanding as at period/year end.
- m. 7,800 (Nil) options on November 06, 2015, exercisable over a period of seven years after vesting on November 05, 2018 at an exercise price of Rs. 17,678 (including premium of Rs. 17,668) per option are outstanding as at period/year end.
- n. 4,200 (Nil) options on February 05, 2016, exercisable over a period of seven years after vesting on February 04, 2019 at an exercise price of Rs. 16,894 (including premium of Rs. 16,884) per option are outstanding as at period/year end.
- o. Each option entitles the holders thereof to apply for and be allotted one equity share of the face value of Rs. 10 each.

Note 03	RESERVES AND SURPLUS		RS. IN CRORES
Particulars	As at March 31, 2016	As at December 31, 2014	
<b>A Capital reserve</b>			
Opening balance	0.25	0.25	
Add / Less: Movement during the period/year	-	-	
<b>Closing balance</b>	<b>0.25</b>	<b>0.25</b>	
<b>B Capital redemption reserve</b>			
Opening balance	1.41	1.41	
Add / Less: Movement during the period/year	-	-	
<b>Closing balance</b>	<b>1.41</b>	<b>1.41</b>	
<b>C Securities premium account</b>			
Opening balance	20.88	13.08	
Add / Less: Movement during the period/year @	4.75	7.80	
<b>Closing balance</b>	<b>25.63</b>	<b>20.88</b>	
<b>D General reserves</b>			
Opening balance	216.91	161.02	
Add: Amount transferred from surplus in the statement of profit and loss	122.98	55.89	
<b>Closing balance</b>	<b>339.89</b>	<b>216.91</b>	



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note 03 RESERVES AND SURPLUS (CONTD.)		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>E Surplus in the statement of profit and loss</b>		
Opening balance	967.11	618.54
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (net of deferred tax) (also refer note no. 51)	3.79	-
Add: Profit for the period/year	1,229.85	558.92
Less: Appropriations		
Interim dividend (amount per share Rs. 100.0 (Rs. Nil))	271.61	
Proposed final dividend (amount per share Rs. Nil (Rs. 50.0))	-	135.52
Tax on dividend	42.14	18.94
Transferred to general reserve	122.98	55.89
<b>Total appropriations</b>	<b>436.73</b>	<b>210.35</b>
Net surplus in the statement of profit and loss	1,756.44	967.11
<b>Total (A+B+C+D+E)</b>	<b>2,123.62</b>	<b>1,206.56</b>

@ Represents premium @ Rs. 452 per equity share on 26,500 (2,500) equity shares, @ Rs. 1,152 per equity share on 28,100 (48,000) equity shares, @1401 per equity share on Nil (15,400) equity shares and @ Rs. 1,760 per equity share on 1,800 (Nil) equity shares issued and allotted during the period/year under Employee Stock Option Scheme.

Note 04 DEFERRED TAX LIABILITIES (NET)		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>Deferred tax liabilities on</b>		
Accelerated depreciation *	41.73	26.82
<b>Sub-total (A)</b>	<b>41.73</b>	<b>26.82</b>
<b>Less: Deferred tax assets on</b>		
Accrued expenses deductible on payment	2.26	1.52
Provision for gratuity	-	3.40
Provision for compensated absences and other employee benefits	2.89	1.67
Provision for doubtful debts and advances	0.53	0.15
Others	2.95	0.01
<b>Sub-total (B)</b>	<b>8.63</b>	<b>6.75</b>
<b>Total (A-B)</b>	<b>33.10</b>	<b>20.07</b>

\* Refer note 51

Note 05 OTHER LONG-TERM LIABILITIES		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
Security deposits received	5.87	4.52
<b>Total</b>	<b>5.87</b>	<b>4.52</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note 06 LONG-TERM PROVISIONS		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>Provision for employee benefits</b>		
Gratuity	-	8.66
Compensated absences (including leave encashment)	7.34	4.04
Other employee benefits	1.57	1.12
	<b>8.91</b>	<b>13.82</b>
Provision for warranties	22.97	-
	<b>22.97</b>	<b>-</b>
<b>Total</b>	<b>31.88</b>	<b>13.82</b>

Note 07 SHORT-TERM BORROWINGS		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>Unsecured</b>		
Loan repayable on demand		
- From bank		
Overdraft facility	22.57	-
<b>Total</b>	<b>22.57</b>	<b>-</b>

Note 08 TRADE PAYABLES		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises *	11.06	13.35
<b>Sub-total (A)</b>	<b>11.06</b>	<b>13.35</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	145.41	95.12
Other trade payables	586.08	381.77
<b>Sub-total (B)</b>	<b>731.49</b>	<b>476.89</b>
<b>Total (A+B)</b>	<b>742.55</b>	<b>490.24</b>

\* Refer Note No. 34

Note 09 OTHER CURRENT LIABILITIES		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
Capital creditors other than micro and small enterprises	10.91	9.90
Unpaid dividend *	13.32	3.77
Advance from customers	241.97	163.11
Employee dues	42.89	19.92
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	89.14	99.86
Book overdraft	6.55	-
<b>Total</b>	<b>404.78</b>	<b>296.56</b>

\* Does not include any amounts outstanding as at March 31, 2016 which are required to be credited to Investor Education and Protection Fund.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note	SHORT-TERM PROVISIONS		RS. IN CRORES	
10				
Particulars	As at March 31, 2016	As at December 31, 2014		
Provision for employee benefits				
Gratuity	-	0.21		
Compensated absences (including leave encashment)	1.04	0.87		
Other employee benefits	0.04	0.09		
<b>Sub-total (A)</b>	<b>1.08</b>	<b>1.17</b>		
Provision for warranties	25.39	14.39		
Provision for proposed equity dividend	-	135.52		
Provision for tax on proposed equity dividend	-	18.94		
<b>Sub-total (B)</b>	<b>25.39</b>	<b>168.85</b>		
<b>Total (A+B)</b>	<b>26.47</b>	<b>170.02</b>		

Note	FIXED ASSETS		RS. IN CRORES							
11										
Assets	Gross block ( At cost )				Depreciation/ Amortisation				Net block	
	As at December 31, 2014	Additions during the period/ year	Deductions during the period/ year	As at March 31, 2016	As at December 31, 2014	For the period/ year #	Adjustments	As at March 31, 2016	As at March 31, 2016	As at December 31, 2014
<b>(A) Tangible assets</b>										
Land *										
- Freehold	85.89	0.06	-	85.95	-	-	-	-	85.95	85.89
- Leasehold	88.58	0.04	-	88.62	1.25	1.12	-	2.37	86.25	87.33
Buildings *	81.10	96.20	-	177.30	10.62	8.33	-	18.95	158.35	70.48
Plant and equipment	312.04	358.93	12.69	658.28	96.38	107.29	11.48	192.19	466.09	215.66
Furniture and fixtures	3.18	7.59	0.24	10.53	1.16	2.04	0.18	3.02	7.51	2.02
Office equipments	26.08	25.19	0.16	51.11	7.15	11.77	0.09	18.83	32.28	18.93
Vehicles	14.21	5.24	0.93	18.52	5.87	3.88	0.51	9.24	9.28	8.34
<b>Sub-total (A)</b>	<b>611.08</b>	<b>493.25</b>	<b>14.02</b>	<b>1,090.31</b>	<b>122.43</b>	<b>134.43</b>	<b>12.26</b>	<b>244.60</b>	<b>845.71</b>	
Previous year	393.31	256.57	38.80	611.08	105.34	43.97	26.88	122.43		488.65
<b>(B) Intangible assets</b>										
Product designs, prototypes etc.	9.37	15.34	-	24.71	6.42	1.28	-	7.70	17.01	2.95
Computer softwares	18.40	9.92	0.02	28.30	9.42	6.86	0.01	16.27	12.03	8.98
<b>Sub-total (B)</b>	<b>27.77</b>	<b>25.26</b>	<b>0.02</b>	<b>53.01</b>	<b>15.84</b>	<b>8.14</b>	<b>0.01</b>	<b>23.97</b>	<b>29.04</b>	
Previous year	21.58	7.31	1.12	27.77	10.30	5.72	0.18	15.84		11.93
<b>(C) Capital work-in-progress (including pre-operative expenditure pending allocation amounting to Rs. 0.32 crore (Rs. 1.98 crores) (Refer Note No. 11A))</b>									33.31	42.67
<b>(D) Intangible assets under development</b>									51.62	16.67
<b>Total (A+B+C+D)</b>									<b>959.68</b>	<b>559.92</b>

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

# Rs. 5.80 crores (Rs. Nil) adjusted from the opening balance of retained earnings on account of schedule II to the Companies Act, 2013. Also refer note 51

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>11.A</b>	PRE-OPERATIVE EXPENDITURE (PENDING ALLOCATION)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Payments to and provisions for employees			
	Salaries, wages, bonus etc.	0.72	0.82	
	Contribution to provident and other funds	0.03	0.05	
	Repairs and maintenance			
	Plant and machinery	-	0.01	
	Legal and professional charges	-	0.01	
	Travelling expenses	-	0.04	
	Development expenses	-	0.15	
		0.75	1.08	
	Add: Balance brought forward from previous year	1.98	0.90	
		2.73	1.98	
	Less: Capitalised during the period/year	2.41	-	
	<b>Total</b>	<b>0.32</b>	<b>1.98</b>	

Note <b>12</b>	NON- CURRENT INVESTMENTS		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	<b>Long term *</b>			
	Unquoted trade investment in :			
	<b>Subsidiary company</b>			
	54,40,000 (54,40,000) Equity shares of Rs. 10 each fully paid up of VE Commercial Vehicles Limited	5.44	5.44	
	8,10,348 (Nil) shares of BRL 1 each fully paid up of Royal Enfield Brasil Comércio de Motocicletas Ltda	1.53	-	
	1,00,000 (Nil) shares of Royal Enfield North America Limited (no face value)	15.54	-	
	<b>Joint Venture company</b>			
	22,13,00,000 (10,55,00,000) Equity shares of Rs. 10 each fully paid up of Eicher Polaris Private Limited	221.30	105.50	
	Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013) acquired during the period \$	-	-	
	<b>Sub-total (A)</b>	<b>243.81</b>	<b>110.94</b>	
	\$ Cost of investment is stated as Rs. Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of Rs. 2,50,000 has been charged to the Statement of Profit and Loss in the current period.			
	Unquoted non-trade investment in :			
	<b>Debt mutual funds</b>			
	<b>Units of face value Rs. 10 each</b>			
	Nil (1,00,00,000) units of HDFC FMP 370 D Sep 2013-1-Regular-GR	-	10.00	
	Nil (1,50,00,000) units of Reliance Fixed Horizon fund XXIV Series -11-Growth Plan	-	15.00	
	Nil (1,50,00,000) units of ICICI Pru FMP series 68-368 Days Plan G Regular Plan Cumulative	-	15.00	
	Nil (50,00,000) units of SBI Debt Fund Series 366 Days-46-Dir-Growth	-	5.00	
	Nil (2,00,00,000) units of ICICI Pru FMP series 72-368 Days Plan A Direct Plan Cumulative	-	20.00	
	Nil (1,83,07,306) units of Reliance Interval Fund-II-Series 4-DP-Growth Plan	-	20.00	
	Nil (1,50,00,000) units of Reliance Interval Fund-III-Series1-DP-Growth Plan	-	15.00	
	10,00,00,000 (10,00,00,000) units of Kotak FMP-Series 150 (1109 Days) Direct Growth	10.00	10.00	



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>12</b>	NON- CURRENT INVESTMENTS (CONTD.)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	15,00,00,000 (15,00,00,000) units of ICICI Prudential FMP Series 75-1100 Days Plan N-Direct-Growth	15.00	15.00	
	10,00,00,000 (10,00,00,000) units of ICICI Prudential FMP Series 75-1100 Days Plan T-Regular-Growth	10.00	10.00	
	15,00,00,000 (15,00,00,000) DWS Fixed Maturity Plan-Series 82 (1100 Days) Direct Growth	15.00	15.00	
	2,50,00,000 (Nil) units of UTI Fixed Term Income Fund-Series XXII-X-Direct Growth	25.00	-	
	1,00,00,000 (Nil) units of DWS Fixed Maturity Plan-Series 91 (1100 Days) Direct Growth	10.00	-	
	1,50,00,000 (Nil) units of UTI Fixed Term Income Fund-Series XVII-XIII-Direct Growth	15.00	-	
	1,50,00,000 (Nil) units of Reliance Interval Fund-IV Series 3-Direct -Growth	15.00	-	
	1,36,59,709 (Nil) units of HDFC FMP 370 Days February 2014 (1) Series 29 - Regular	13.66	-	
	2,00,00,000 (Nil) units of HDFC FMP 369 Days February 2014 (2) Series 29 - Regular	20.00	-	
	1,00,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXIX-Series 8-Growth Direct	10.00	-	
	3,00,00,000 (Nil) units of HDFC FMP 370 Days March 2014 (1) Series 29 - Regular	30.00	-	
	90,96,615 (Nil) units of UTI Fixed Term Income Fund-Series XVII-XVI-Direct Growth	9.10	-	
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 73-368 Days Plan D-Direct Plan-Cumulative	20.00	-	
	2,00,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXIX-Series 1-Growth Direct	20.00	-	
	1,37,33,497 (Nil) units of Birla Sun Life Fixed Term Plan-Series KZ-Direct Growth	13.73	-	
	2,50,00,000 (Nil) units of ICICI Prudential FMP series 74-369 Days Plan B-Direct Plan Growth	25.00	-	
	2,50,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXVI-Series 9-Direct Plan - Growth	25.00	-	
	1,00,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXVI-Series 9-Regular Plan Growth	10.00	-	
	1,00,00,000 (Nil) units of UTI Fixed Term Income Fund-Series XVIII-V-Direct Growth	10.00	-	
	2,50,00,000 (Nil) units of HDFC FMP 369 Days April 2014 (2) Series 31 - Regular	25.00	-	
	2,00,00,000 (Nil) units of HDFC FMP 367 Days April 2014 (1) Series 31 - Regular	20.00	-	
	1,50,00,000 (Nil) units of HDFC FMP 370 Days May 2014 (1) Series 31 Regular Growth	15.00	-	
	1,30,00,000 (Nil) units of HDFC FMP 366 Days May 2014 (1) - Direct Growth	13.00	-	
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 74-369 Days Plan K-Direct Plan Cum	20.00	-	
	80,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXVI -Series 31-Direct Plan Growth	8.00	-	
	1,50,00,000 (Nil) units of ICICI Prudential FMP Series 74-369 Days Plan T Regular Plan-Growth	15.00	-	
	80,00,000 (Nil) units of HDFC FMP 370 Days June 2014 (2) Series 31 - Regular Growth Option	8.00	-	
	1,50,00,000 (Nil) units of ICICI Prudential FMP Series 74-370 Days Plan X Direct Plan Cumulative	15.00	-	
	2,00,00,000 (Nil) units of SBI Debt Fund Series A-35 (369 Days) Regular Plan-Growth	20.00	-	

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note 12	NON-CURRENT INVESTMENTS (CONTD.)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	3,50,00,000 (Nil) units of SBI Debt Fund Series B-27 (1100 Days) Direct Plan-Growth	35.00	-	
	50,00,000 (Nil) units of Birla Sun Life Fixed Term Plan-Series LQ -Direct Growth	5.00	-	
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 76-1155 Days Plan K-Direct Plan-Growth	20.00	-	
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 76-1142 Days Plan M-Direct-Growth	20.00	-	
	2,00,00,000 (Nil) units of SBI Debt Fund Series B-9 (1105 Days) Direct-Growth	20.00	-	
	1,50,00,000 (Nil) units of ICICI Prudential FMP Series 78-1212 Days Plan A-Direct Growth	15.00	-	
	1,50,00,000 (Nil) units of ICICI Prudential FMP Series 76-1132 Days Plan P-Direct-Growth	15.00	-	
	2,00,00,000 (Nil) units of Birla Sun Life Fixed Term Plan-Series NE (1100 Days)	20.00	-	
	2,00,00,000 (Nil) units of Religare Invesco FMP Series 27 Plan C (1100 Days) Direct Sub Plan Growth	20.00	-	
	2,00,00,000 (Nil) units of Kotak FMP-Series 185 (1176 Days) Direct Growth	20.00	-	
	2,50,00,000 (Nil) units of HDFC FMP 1176 Days January 2016 (1) Direct Growth Series-35	25.00	-	
	1,00,00,000 (Nil) units of ICICI Prudential FMP Series 78-1190 Days Plan E-Direct Plan-Cumulative	10.00	-	
	2,50,00,000 (Nil) units of HDFC FMP 1167 Days January 2016 (1) Direct Growth Series-35	25.00	-	
	6,00,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXX-Series 4-Direct Growth Plan	60.00	-	
	1,00,00,000 (Nil) units of HDFC FMP 1155 Days February 2016 (1) Direct Growth Series-35	10.00	-	
	3,00,00,000 (Nil) units of Birla Sun Life Fixed Term Plan-Series NK (1196 Days) Growth Direct	30.00	-	
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 78-1170 Days Plan I-Direct Plan-Cumulative	20.00	-	
	4,00,00,000 (Nil) units of ICICI Prudential FMP Series 78-1150 Days Plan N-Direct Plan-Cumulative	40.00	-	
	1,18,48,125 (Nil) units of Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	11.85	-	
	<b>Units of face value Rs. 1,000 each</b>			
	25,670 (Nil) units of PFC Tax Free Bond	2.57	-	
	1,41,940 (Nil) units of IRFC Tax Free Bond	14.19	-	
	<b>Sub-total (B)</b>	<b>919.10</b>	<b>150.00</b>	
	Repurchase price of unquoted non-trade investments in Debt Mutual funds amounting to Rs. 1,010.85 crores (Rs. 160.19 crores)			
	* At cost as reduced by diminution in values, if any.			
	<b>Investment property (at written down value)</b>			
	Land (including buildings and plant and equipments thereon)			
	Cost	20.34	23.58	
	Less: Depreciation to date	10.99	13.03	
	(includes depreciation for the period/year Rs. 0.96 crore (Rs. 0.47 crore))			
	<b>Sub-total (C)</b>	<b>9.35</b>	<b>10.55</b>	
	<b>Total (A+B+C)</b>	<b>1,172.26</b>	<b>271.49</b>	

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>13</b>	LONG-TERM LOANS AND ADVANCES		RS. IN CRORES
	Particulars	As at March 31, 2016	As at December 31, 2014
	<b>Unsecured, considered good</b>		
	Capital advances	39.49	83.27
	Advance given to joint venture company for subscription of equity shares *	18.00	25.00
	Security deposits	12.73	9.64
	Loans and advances to employees	-	0.02
	Balance with government authorities	8.96	7.42
	Advance income tax (net of provision for taxation)	7.57	13.61
	Others	-	0.04
	<b>Total</b>	<b>86.75</b>	<b>139.00</b>

\* Subsequent to the period/year end, 1,80,00,000 equity shares (2,50,00,000) equity shares of face value of Rs. 10 per share have been issued and allotted to the Company by its joint venture company.

Note <b>14</b>	OTHER NON-CURRENT ASSETS		RS. IN CRORES
	Particulars	As at March 31, 2016	As at December 31, 2014
	Fixed deposits @	24.50	29.83
	<b>Total</b>	<b>24.50</b>	<b>29.83</b>

@ Pledged with banks

Note <b>15</b>	CURRENT INVESTMENTS #		RS. IN CRORES
	Particulars	As at March 31, 2016	As at December 31, 2014
	<b>Unquoted non-trade investment in :</b>		
	<b>Debt mutual funds</b>		
	<b>Units of face value Rs. 10 each</b>		
	Nil (51,66,277) units of IDFC Super Saver Income Fund	-	10.00
	Nil (1,08,62,401) units of IDFC Money Manager Fund - Investment Plan - Growth-(Regular Plan)	-	15.00
	Nil (2,00,00,000) units of IDFC Fixed Term Plan Series 69 Direct Plan - Growth	-	20.00
	Nil (1,30,00,000) units of HDFC FMP 366D May 2014-1-Direct-GR	-	13.00
	Nil (2,00,00,000) units of HDFC FMP 367D Apr 2014-1-Regular-GR	-	20.00
	Nil (2,50,00,000) units of HDFC FMP 369D Apr 2014-2-Regular-GR	-	25.00
	Nil (2,00,00,000) units of HDFC FMP 369D Feb 2014-2-Regular-GR	-	20.00
	Nil (2,00,00,000) units of HDFC FMP 370D Feb 2014-1-Regular-GR	-	20.00
	Nil (80,00,000) units of HDFC FMP 370D Jun 2014-2-Regular-GR	-	8.00
	Nil (3,00,00,000) units of HDFC FMP 370D Mar 2014-1-Regular-GR	-	30.00
	Nil (1,50,00,000) units of HDFC FMP 370D May 2014-1-Regular-GR	-	15.00
	Nil (2,30,00,000) units of BirlaSunlife Fixed Term Plan Series JZ-Growth Direct	-	23.00
	Nil (2,20,00,000) units of BirlaSunlife Fixed Term Plan Series JZ-Growth Regular	-	22.00
	Nil (2,00,00,000) units of BirlaSunlife Fixed Term Plan Series KZ-Growth Direct	-	20.00
	Nil (50,00,000) units of BirlaSunlife Fixed Term Plan Series LQ-Growth Direct	-	5.00
	Nil (80,00,000) units of Reliance Fixed Horizon Fund XXVI Series -31- DP-Growth Plan	-	8.00
	Nil (2,50,00,000) units of Reliance Fixed Horizon Fund XXVI Series -9- DP-Growth Plan	-	25.00
	Nil (1,00,00,000) units of Reliance Fixed Horizon Fund XXVI Series -9- Growth Plan	-	10.00

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note 15	CURRENT INVESTMENTS # (CONTD.)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Nil (1,00,00,000) units of Kotak FMP series 138 Direct-Growth	-	10.00	
	Nil (1,00,00,000) units of Tata FMP series 46 scheme L-DP - Growth- INF277K01XM1	-	10.00	
	Nil (1,00,00,000) units of Tata FMP series 46 scheme P-DP - Growth- INF277K01YC0	-	10.00	
	Nil (2,00,00,000) units of SBI Debt Fund Series 369 Days-A 35-Dir-Growth	-	20.00	
	Nil (1,50,00,000) units of SBI Debt Fund Series 366 Days-52-Dir-Growth	-	15.00	
	Nil (1,50,00,000) units of UTI Fixed Term Income Fund Series XVII-XIII (369 Days)- Direct Growth Plan	-	15.00	
	Nil (3,00,00,000) units of UTI Fixed Term Income Fund Series XVII-XVI (367 Days)- Direct Growth Plan	-	30.00	
	Nil (1,00,00,000) units of UTI Fixed Term Income Fund Series XVIII-V (370 Days)- Direct Growth Plan	-	10.00	
	Nil (2,50,00,000) units of ICICI Pru FMP series 74-369 Days Plan B Direct Plan Cumulative	-	25.00	
	Nil (2,00,00,000) units of ICICI Pru FMP series 72-366 Days Plan M Direct Plan Cumulative	-	20.00	
	Nil (2,00,00,000) units of ICICI Pru FMP series 73-368 Days Plan D Direct Plan Cumulative	-	20.00	
	Nil (2,00,00,000) units of ICICI Pru FMP series 74-369 Days Plan K Direct Plan Cumulative	-	20.00	
	Nil (1,50,00,000) units of ICICI Pru FMP series 74-369 Days Plan T Regular Plan Cumulative	-	15.00	
	Nil (1,50,00,000) units of ICICI Pru FMP series 74-370 Days Plan X Direct Plan Cumulative	-	15.00	
	Nil (1,50,00,000) units of Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	-	15.00	
	1,14,85,100 (1,14,85,100) units of HDFC Medium Term Opportunity Fund-Growth	15.00	15.00	
	1,00,00,000 (1,00,00,000) units of IDFC Fixed Term Plan-Series 21-Direct Growth	10.00	10.00	
	1,80,85,308 (1,80,85,308) units of Birla Sun Life Interval Income Fund Annual Plan-Series X-Direct Growth	20.00	20.00	
	50,00,000 (50,00,000) units of Reliance Interval Fund-II-Series 1-Regular Growth	5.00	5.00	
	1,00,00,000 (1,00,00,000) units of ICICI Prudential FMP Series 72-368 Days Plan D-Direct Plan-Cumulative	10.00	10.00	
	1,70,95,461.38 (45,82,531) units of IDFC Yearly Interval Fund-Series II-Direct Growth	20.00	5.00	
	1,00,00,000 (1,00,00,000) unit of Birla Sun Life Fixed Term Plan-Series KD-Direct Growth	10.00	10.00	
	3,00,00,000 (3,00,00,000) units of ICICI Prudential FMP Series 72-366 Days Plan K-Direct Plan-Cumulative	30.00	30.00	
	1,82,37,359 (5,50,00,000) units of Reliance Fixed Horizon Fund-XXV-Series 18-Direct Plan - Growth Option	18.24	55.00	
	5,96,88,759 (3,20,99,784) units of Reliance Yearly Interval Fund-Series 2-Regular Growth Option	68.00	35.00	
	1,80,00,000 (1,80,00,000) units of DSP BlackRock Fixed Maturity Plan-Series 146-12 Months-Direct Growth	18.00	18.00	
	3,00,00,000 (3,00,00,000) units of DSP BlackRock Fixed Maturity Plan-Series 149-12 Months-Regular Growth	30.00	30.00	
	45,39,257 (1,00,00,000) units of Kotak FMP-Series 143 (370 Days) Direct Growth	4.54	10.00	
	1,84,28,933 (1,84,28,933) units of Reliance Yearly Interval Fund-Series 8-Growth	20.00	20.00	
	92,05,730 (92,05,730) units of DWS Interval Fund Annual Plan Series-1 Direct Plant -Growth	10.00	10.00	



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## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>15</b>	CURRENT INVESTMENTS # (CONTD.)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	1,00,00,000 (1,00,00,000) units of Birla Sun Life Interval Income Fund Annual Plan-Series IX-Direct Growth	10.00	10.00	
	2,10,81,857 (Nil) Units of IDFC Ultra Short Term Fund	42.00	-	
	2,26,87,349 (Nil) Units of HDFC Medium Term Opportunity Fund-Direct-Growth	35.00	-	
	1,43,38,048 (Nil) Units of L&T Mutual Fund-Short Term Opportunities	20.00	-	
	1,50,00,000 (Nil) Units of ICICI Prudential FMP Series 68-368 Days Plan G Regular-Growth	15.00	-	
	1,50,00,000 (Nil) Units of Reliance Fixed Horizon Fund-XXIV-Series 11-Direct Growth	15.00	-	
	1,00,00,000 (Nil) Units of HDFC FMP 370 Days September 2013 (1) Regular Growth	10.00	-	
	50,00,000 (Nil) Units of SBI Debt Fund Series-366 Days-46 Direct Plan-Growth	5.00	-	
	2,00,00,000 (Nil) Units of ICICI Prudential FMP Series 72-368 Days Plan A-Direct Plan-Cumulative	20.00	-	
	1,50,00,000 (Nil) Units of Reliance Interval Fund-III Series 1 Growth Plan	15.00	-	
	1,83,07,306 (Nil) Units of Reliance Interval Fund-II-Series 4-Direct Growth	20.00	-	
	83,17,876 (Nil) Units of IDFC Yearly Interval Fund-Series III-Direct Growth	10.00	-	
	1,82,11,453 (Nil) Units of ICICI Prudential Interval Series-VII Annual Interval Plan C Regular-Growth	20.00	-	
	1,67,79,931 (Nil) Units of Reliance Yearly Interval Fund-Series I-Growth	20.00	-	
	<b>Units of face value Rs. 100 each</b>			
	20,64,894 (13,21,284) units of Birla Sun Life Savings Fund-Growth	50.00	30.00	
	13,38,587 (Nil) Units of Birla Sun Life Floating Rate Fund-Long Term Plan-Growth	23.00	-	
	<b>Units of face value Rs. 1,000 each</b>			
	Nil (66,106) units of Templeton India Short term Income Plan	-	15.00	
	Nil (2,00,268) units of SBI Premier Liquid Fund Regular Plan - Daily Dividend	-	20.09	
	4,33,511 (Nil) Units of SBI Ultra Short Term Fund-Growth	80.00	-	
	35,878 (Nil) Units of Kotak Liquid Scheme Direct-Growth	11.00	-	
	<b>Total</b>	<b>709.78</b>	<b>917.09</b>	

Repurchase price of unquoted non trade current investments in Debt Mutual funds amounting to Rs. 814.43 crores (Rs. 998.60 crores)

# At cost or fair value, whichever is lower.

Note <b>16</b>	INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Raw materials (Includes goods in transit of Rs. 12.87 crores (Rs. 14.42 crores))	113.93	75.52	
	Work in progress	9.43	7.74	
	Finished goods	148.44	107.69	
	Stock-in-trade	19.48	8.70	
	Stores and spares	5.64	3.59	
	Loose tools	3.44	1.89	
	<b>Total</b>	<b>300.36</b>	<b>205.13</b>	

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note 17 TRADE RECEIVABLES		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>Outstanding for a period exceeding six months from the date they were due for payments</b>		
Secured, considered good	0.05	0.01
Unsecured - considered good	0.33	0.02
- considered doubtful	0.43	0.43
	<b>0.81</b>	<b>0.46</b>
Less: Provision for doubtful receivables	0.43	0.43
<b>Sub-total (A)</b>	<b>0.38</b>	<b>0.03</b>
<b>Others receivables</b>		
Secured, considered good	0.10	0.05
Unsecured - considered good	45.65	10.62
<b>Sub-total (B)</b>	<b>45.75</b>	<b>10.67</b>
<b>Total (A+B)</b>	<b>46.13</b>	<b>10.70</b>

Note 18 CASH AND CASH EQUIVALENTS		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
Cash on hand	0.07	0.06
Cheques/ drafts on hand	0.09	0.22
<b>Balances with banks:</b>		
In current accounts	22.75	16.84
In unpaid dividend accounts	13.32	3.77
In deposit accounts	8.29	-
<b>Total</b>	<b>44.52</b>	<b>20.89</b>

Note 19 SHORT-TERM LOANS AND ADVANCES		
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>Unsecured, considered good unless stated otherwise</b>		
<b>A Loans and advances to related parties</b>		
Unsecured, considered good*	-	0.10
<b>Sub-total (A)</b>	<b>-</b>	<b>0.10</b>
<b>B Other loans and advances</b>		
Advance to suppliers	26.66	14.97
Loans and advances to employees	9.44	2.02
Prepaid expenses	2.75	2.86
Balance with government authorities		
Considered good	29.25	51.45
Considered doubtful	1.11	-
	<b>30.36</b>	<b>51.45</b>
Less: Provision for doubtful advances	1.11	-
	<b>29.25</b>	<b>51.45</b>
Gratuity fund (net)	0.31	-

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>19</b>	SHORT-TERM LOANS AND ADVANCES (CONTD.)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Insurance claim receivable	2.52	2.51	
	Others			
	Considered good	1.79	-	
	Considered doubtful	-	0.02	
		1.79	0.02	
	Less: Provision for doubtful advances	-	0.02	
		<b>1.79</b>	<b>-</b>	
	<b>Sub-total (B)</b>	<b>72.72</b>	<b>73.81</b>	
	<b>Total (A+B)</b>	<b>72.72</b>	<b>73.91</b>	

\* Advance to joint venture company includes receivable from a Private Limited Company in which a director is director amounting to Rs. Nil (Rs. 0.10 crore)

Note <b>20</b>	OTHER CURRENT ASSETS		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Interest accrued on fixed deposits	1.25	0.93	
	Lease rent receivable	0.05	-	
	<b>Total</b>	<b>1.30</b>	<b>0.93</b>	

Note <b>21</b>	REVENUE FROM OPERATIONS		RS. IN CRORES	
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	
	<b>Revenue from operations</b>			
	Sale of products			
	Manufactured goods (gross)	6,810.98	3,248.73	
	Less: Excise duty	795.95	289.01	
	Manufactured goods (net)	6,015.03	2,959.72	
	Stock-in-trade	148.16	54.99	
	<b>Sub-total (A)</b>	<b>6,163.19</b>	<b>3,014.71</b>	
	Other operating revenue			
	Export benefits	5.87	2.88	
	Scrap sale (net of excise duty of Rs. 1.72 crores (Rs. 1.57 crores))	15.80	10.13	
	Income from other operating revenues	3.17	3.50	
	<b>Sub-total (B)</b>	<b>24.84</b>	<b>16.51</b>	
	<b>Revenue from operations (net) Total (A+B)</b>	<b>6,188.03</b>	<b>3,031.22</b>	

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>Details of products sold</b>		
Manufactured goods		
Two wheelers	6,471.65	3,074.41
Spare parts and other components	339.33	174.32
<b>Total</b>	<b>6,810.98</b>	<b>3,248.73</b>
Stock-in-trade		
Spare parts and other allied products	148.16	54.99
<b>Total</b>	<b>148.16</b>	<b>54.99</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>22</b>	OTHER INCOME		RS. IN CRORES
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
	Profit on sale of fixed assets	0.06	0.27
	Dividend on unquoted non trade current investments	1.83	4.84
	Dividend on long term unquoted trade investment in subsidiary company	105.40	40.80
	Profit on sale of unquoted non trade current investments	58.33	60.75
	Rent income	3.39	2.70
	Interest income		
	- from banks on deposits	3.78	2.57
	- from others	0.29	-
	Other income	5.16	4.37
	<b>Total</b>	<b>178.24</b>	<b>116.30</b>

Note <b>23</b>	COST OF RAW MATERIALS AND COMPONENTS CONSUMED		RS. IN CRORES
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
	Inventory at the beginning of the period/year	75.52	58.39
	Add: Purchases	3,473.74	1,844.23
		<b>3,549.26</b>	<b>1,902.62</b>
	Less: Inventory at the end of the period/year	113.93	75.52
	Less: Material cost of vehicles capitalised	0.54	0.12
		3,434.79	1,826.98
	Less: Sale of raw materials and components to suppliers on cost to cost basis	11.38	7.90
	<b>Net consumption</b>	<b>3,423.41</b>	<b>1,819.08</b>

Note <b>24</b>	PURCHASE OF STOCK-IN-TRADE		RS. IN CRORES
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
	Spare parts and other allied products	74.04	31.73
	<b>Total</b>	<b>74.04</b>	<b>31.73</b>

Note <b>25</b>	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		RS. IN CRORES
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
	<b>Inventories at the end of the period/year</b>		
	Finished goods	148.44	107.69
	Work-in-progress	9.43	7.74
	Stock-in-trade	19.48	8.70
	<b>A</b>	<b>177.35</b>	<b>124.13</b>
	<b>Inventories at the beginning of the period/year</b>		
	Finished goods	107.69	67.66
	Work-in-progress	7.74	10.13
	Stock-in-trade	8.70	3.17
	<b>B</b>	<b>124.13</b>	<b>80.96</b>
	<b>Net change (B-A)</b>	<b>(53.22)</b>	<b>(43.17)</b>



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note 26 EMPLOYEE BENEFITS EXPENSES		
	RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Salaries, wages, bonus etc.	271.05	134.37
Contribution to provident and other funds	9.08	5.17
Staff welfare expenses	39.51	21.36
<b>Total</b>	<b>319.64</b>	<b>160.90</b>

Note 27 FINANCE COSTS		
	RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>Interest expense</b>		
On income tax	0.11	1.13
On other borrowings	1.30	0.54
<b>Total</b>	<b>1.41</b>	<b>1.67</b>

Note 28 DEPRECIATION AND AMORTISATION EXPENSES*		
	RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Depreciation of tangible assets	128.63	43.97
Depreciation of investment property	0.96	0.47
Amortisation of intangible assets	8.14	5.72
<b>Total</b>	<b>137.73</b>	<b>50.16</b>

\*Excludes Rs. 5.80 crores (Rs. Nil) adjusted from the opening balance of retained earnings on account of Schedule II to the Companies Act, 2013. Also refer note no. 51

Note 29 OTHER EXPENSES		
	RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Consumption of Stores and machinery spares (including loose tools and packing material)	117.30	63.82
Increase/decrease of excise duty on finished goods	13.25	6.25
Loss on sale of fixed assets	0.12	0.55
Fixed assets discarded	1.35	0.09
Power and fuel	46.17	23.23
Insurance	7.41	2.58
Repairs and maintenance		
Buildings	4.08	3.34
Plant and machinery	26.62	11.69
Others	12.36	5.84
Rates and taxes	10.48	6.19
Advertisement	34.09	5.53
Freight and handling charges	87.99	41.63
Incentives	9.72	6.45
Warranty	68.68	20.13
Other selling and distribution expenses	72.48	43.85
Rent	26.16	12.59
Legal and professional charges	37.45	17.47
Travelling expenses	28.69	17.73
Development expenses	4.44	3.72

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note 29	OTHER EXPENSES (CONTD.)			
	RS. IN CRORES			
Particulars	For the fifteen months ended March 31, 2016		For the year ended December 31, 2014	
Corporate social responsibility expenditure (refer note no. 50)	8.99		-	
Bad debts / advances written off	0.03		0.57	
Less: Charged against provision for doubtful debts and advances	0.02	0.01	0.55	0.02
Provision for doubtful debts and advances	1.11		0.01	
Exchange loss (net)	1.35		1.45	
Miscellaneous expenses	73.38		34.96	
<b>Total</b>	<b>693.68</b>		<b>329.12</b>	

Note 30	CAPITAL AND OTHER COMMITMENTS			

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 96.92 crores (Rs. 139.79 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.

Note 31	RESEARCH AND DEVELOPMENT EXPENSES			

Revenue expenditure on research and development incurred and expensed off during the period/year through the appropriate heads of account aggregate Rs. 32.20 crores (Rs. 19.26 crores). The capital expenditure incurred during the period/year for research and development purposes aggregate Rs. 59.33 crores (Rs. 14.75 crores). The details of capital expenditure and revenue expenditure are as below:

	RS. IN CRORES	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>Capital expenditure</b>		
Building - factory	-	0.10
Plant and equipment	2.40	2.15
Furniture and fittings	0.15	0.34
Office equipment	1.58	0.89
Vehicles	1.00	0.67
Intangible assets	17.32	2.14
Capital work in progress including intangible assets under development	36.88	8.46
<b>Total</b>	<b>59.33</b>	<b>14.75</b>

	RS. IN CRORES	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>Revenue expenditure</b>		
Employees costs	17.48	9.78
Development expenses	2.23	2.94
Depreciation	6.37	3.57
Overheads	6.12	2.97
<b>Total</b>	<b>32.20</b>	<b>19.26</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>32</b>	PROVISION FOR LIABILITIES, OTHER THAN FOR TAXES ON INCOME AND EMPLOYEE BENEFITS	
	RS. IN CRORES	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Warranty provisions		
Opening balance	14.39	9.07
Additions during the period/year	68.68	20.13
Amount utilised during the period/year	34.71	14.81
Closing balance	48.36	14.39
<b>Further classification</b>		
Short-term provision	25.39	14.39
Long-term provision	22.97	-

Note <b>33</b>	CONTINGENT LIABILITIES NOT PROVIDED FOR	
	RS. IN CRORES	
Particulars	As at March 31, 2016	As at December 31, 2014
a) In respect of following:		
- Excise duty matters	2.12	54.98
- Sales tax matters	6.25	5.06
- Service tax matters	0.39	0.39
- Income tax matters	0.17	4.26
b) Claims against the Company not acknowledged as debts	6.87	6.13
c) Guarantees given:-	24.08	-
to bank/others for credit facility granted to 100% subsidiary Company		
- Dues outstanding	-	-

All the above matters other than guarantee given by the Company 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.

Note <b>34</b>	DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006	
	RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting period/year.	10.99	13.14
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period/year.	-	0.05
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	22.46	18.39
(iv) The amount of interest due and payable for the period/year	0.41	0.17
(v) The amount of interest accrued and remaining unpaid at the end of the accounting period/year	0.07	0.21
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	0.08

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

**Note  
35**
**DISCLOSURES UNDER ACCOUNTING STANDARD 15 (REVISED)**

RS. IN CRORES

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

**A. Employee plans**

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
a) Provident fund*	8.74	4.92
b) Superannuation fund	0.51	0.37
c) Employee State Insurance Corporation	1.69	0.86

Out of the total contribution made for employees' provident fund, Rs. 2.28 crores (Rs. 1.44 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, 2015 is Rs. 96.22 crores as against the total plan assets of Rs. 97.26 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

\*includes Rs. 0.14 crore (Rs. 0.07 crore) capitalised during the period/year and Rs. 0.03 crore (Rs. 0.05 crore) considered in pre-operative expenditure (pending allocation).

**B. Defined benefit plans:**
**Reconciliation of opening and closing balances of the present value of defined benefit obligation**

Particulars	For the fifteen months ended March 31, 2016		For the year ended December 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the beginning	8.87	2.85	7.69	1.81
Current service cost	1.49	2.19	2.05	1.10
Interest cost	0.71	0.22	0.54	0.13
Benefits paid	(0.99)	(0.46)	(1.17)	(0.26)
Net actuarial (gain) / loss recognised	1.26	(0.76)	(0.24)	0.07
Present value of obligation as at the end	11.34	4.04	8.87	2.85

**Reconciliation of opening and closing balances of the present value of fund**

Particulars	Gratuity	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Present Value of fund as at the beginning	-	-
Contribution	11.65	-
Return on plan assets	0.12	-
Benefit paid	(0.26)	-
Net actuarial gain / (loss) recognised	0.14	-
Present value of fund as at the end@	11.65	-

@funds managed by EML Employees Group Gratuity Scheme (Trust).

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

Particulars	As at March 31, 2016	As at December 31, 2014
Liquid funds	100%	-



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

**Note  
35**
**DISCLOSURES UNDER ACCOUNTING STANDARD 15 (REVISED) (CONTD.)**

RS. IN CRORES

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

Particulars	For the fifteen months ended March 31, 2016		For the year ended December 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	11.34	4.04	8.87	2.85
Fair value of plan assets at the end	11.65	-	-	-
Net asset/( liability) recognised in balance sheet	0.31	(4.04)	(8.87)	(2.85)
<b>Further classification</b>				
Long-term provisions	-	3.95	8.66	2.76
Short-term provisions	-	0.09	0.21	0.09
Short-term loans and advances - Gratuity fund (net)	0.31	-	-	-
<b>Cost for the period/year</b>				
Current service cost	1.49	2.19	2.05	1.10
Interest cost / (return on plan assets)	0.59	0.22	0.54	0.13
Net actuarial (gain) / loss recognised	1.12	(0.76)	(0.24)	0.07
<b>Net cost recognised</b>	3.20	1.65	2.35	1.30
<b>Experience adjustment on plan liabilities (loss) / gain</b>	(1.12)	0.76	0.24	(0.07)
<b>Experience adjustment on plan assets (loss) / gain</b>	(0.14)	-	-	-
<b>Principal assumptions:</b>				
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)	IALM (2006-08)	IALM (2006-08)

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.

The estimated contribution during next year is Rs. 1.26 crores (Rs. Nil).

**Other disclosures**

Particulars	For the year ended December 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	7.69	1.81	7.31	1.31	6.27	1.15
Net Asset/(liability) recognised in balance sheet	(7.69)	(1.81)	(7.31)	(1.31)	(6.27)	(1.15)
Experience adjustment on plan liabilities (loss) / gain	0.46	(0.07)	0.02	0.11	0.49	(0.35)

**Note  
36**
**AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX)**

RS. IN CRORES

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
As auditors		
a) Audit fee	0.27	0.24
b) Limited reviews of unaudited financial results	0.23	0.16
Audit of accounts for the fiscal year	0.06	0.05
Certification and other services	0.13	0.03
Out of pocket expenses	0.01	0.01

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

**Note  
37**

### EARNINGS PER SHARE

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
a) Profit for the period/year, per statement of profit and loss (Rs. in crores)	1,229.85	558.92
b) Weighted average number of equity shares (Nos.)	2,71,37,015	2,70,81,961
c) Effect of potential dilutive equity shares on Employee Stock Options outstanding (Nos.)	99,768	1,33,474
d) Weighted average number of equity shares in computing diluted earnings per share [(b) + (c)]	2,72,36,783	2,72,15,435
e) Earnings per share (in rupees):		
(face value-Rs. 10 per share)		
- Basic [(a)/(b)]	453.20	206.38
- Diluted [(a)/(d)]	451.54	205.37

**Note  
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" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 are not applicable.

**Note  
39**

### RELATED PARTY DISCLOSURES

RS. IN CRORES

#### 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	(VECV 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
Royal Enfield North America Ltd.*	(RENA)	Subsidiary company
Royal Enfield Brasil Comercio de Motocicletas Ltda#	(RE Brasil)	Subsidiary company
Eicher Group Foundation \$	(EGF)	Joint venture company

\* Incorporated w.e.f. March 23, 2015

# acquired on August 18, 2014

\$Incorporated w.e.f. November 19, 2015

#### 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 period/year:

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Managerial remuneration@		
- Mr Siddhartha Lal	8.49	5.37
- Mr R.L. Ravichandran	-	0.68
<b>Total</b>	<b>8.49</b>	<b>6.05</b>

@ 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.

\* Whole Time Director upto December 31, 2014

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

**Note  
39****RELATED PARTY DISCLOSURES (CONTD.)**

RS. IN CRORES

**Transactions with the above parties**

Particulars	VECVL		EPPL		EGPL		RENA		RE Brasil		EGF		Total	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Purchase of finished goods/ services	116.97	50.96	-	-	-	-	-	-	-	-	-	-	116.97	50.96
Investment in shares capital of joint venture/subsidiary company	-	-	115.80	80.00	-	-	15.54	-	1.53	-	-	-	132.87	80.00
Contribution for CSR Expenditure	-	-	-	-	-	-	-	-	-	-	3.93	-	3.93	-
Guarantee given	-	-	-	-	-	-	24.08	-	-	-	-	-	24.08	-
Sale of finished goods/ services	-	-	-	-	-	-	15.32	-	-	-	-	-	15.32	-
Advance given to joint venture company for subscription of equity shares	-	-	18.00	25.00	-	-	-	-	-	-	-	-	18.00	25.00
Expenses recovered	-	-	0.08	0.38	-	-	0.19	-	-	-	-	-	0.27	0.38
Expenses reimbursed	0.23	0.07	-	-	0.02	-	-	-	-	-	-	-	0.25	0.07
Security deposit given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate service charges	3.04	3.09	-	-	0.91	-	-	-	-	-	-	-	3.95	3.09
Tooling advance given	0.21	-	-	-	-	-	-	-	-	-	-	-	0.21	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent income	-	-	3.28	2.49	-	-	-	-	-	-	-	-	3.28	2.49
Rent paid	-	-	-	-	3.77	2.19	-	-	-	-	-	-	3.77	2.19
Brand fee	-	-	-	-	15.30	7.54	-	-	-	-	-	-	15.30	7.54
Dividend received	105.40	40.80	-	-	-	-	-	-	-	-	-	-	105.40	40.80
<b>Aggregate balances outstanding as at the year end</b>														
- Receivables	-	-	-	0.10	-	-	15.04	-	-	-	-	-	15.04	0.10
- Payables	26.63	14.07	-	-	15.51	7.54	-	-	-	-	-	-	42.14	21.61
- Advances	0.21	-	18.00	25.00	-	-	-	-	-	-	-	-	18.21	25.00
- Investment in equity share capital	5.44	5.44	221.30	105.50	-	-	15.54	-	1.53	-	-	-	243.81	110.94
- Guarantee given	-	-	-	-	-	-	24.08	-	-	-	-	-	24.08	-
- Security deposit receivable	-	-	-	-	1.09	1.09	-	-	-	-	-	-	1.09	1.09

**Note  
40****DISCLOSURE IN RESPECT OF OPERATING LEASES**

RS. IN CRORES

**(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. 26.16 crores (Rs. 12.59 crores).

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

Particulars	As at March 31, 2016	As at December 31, 2014
Not later than one year	9.03	5.68
Later than one year and not later than five years	6.29	7.99

**(B) 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. 3.28 crores (Rs. 2.49 crores).

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

Particulars	As at March 31, 2016	As at December 31, 2014
Not later than one year	2.78	2.61
Later than one year and not later than five years	12.57	11.84
Later than five years	7.27	11.45

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

**Note  
41**

The details of disputed excise duty, sales tax, service tax and income tax dues as on March 31, 2016 which have not been deposited or deposited under protest are as follows:

RS. IN CRORES					
Nature of the Statute	Nature of dues	Forum where pending	Amount*	Amount paid under protest	Period to which amount relate
Central Excise Act	Excise Duty	Commissioner of Central Excise	0.05	-	2011-12
		Appellate Authority upto Commissioner's level	0.02	0.01	1995-96 and 1996-97
		CESTAT	2.05	0.26	1983-84 to 2000-01, 2002-03 to 2004-05
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority upto Commissioner's level	2.62	1.20	1987-88, 1989-90 to 1991-92, 1993-94, 1996-97 to 1999-00, 2000-01 to 2003-04, 2005-06, 2007-08 to 2010-11, 2012-13, 2013-14
		Appellate Tribunal	2.16	0.49	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	1.75	0.61	1984-85, 1985-86, 1993-94, 2000-01, 2001-02, 2004-05
		Supreme Court	1.96	0.55	1986-87, 1990-91, 1991-92, 2001-02 to 2003-04
Finance Act, 1994	Service Tax	Commissioner	0.39	0.02	2006-07 to 2011-12
Income Tax Act, 1961	Income Tax	Appellate Authority upto Commissioner's level	0.09	-	2010-11
		Appellate Tribunal	0.16	-	2008-09 and 2009-10

\*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.

**Note  
42**

THE UNHEDGED OF FOREIGN CURRENCY EXPOSURES ARE AS UNDER

Particulars	As at March 31, 2016		As at December 31, 2014	
	Foreign currency in crores	Rs. in crores	Foreign currency in crores	Rs. in crores
<b>Receivables</b>	0.30	19.83	0.01	0.86
USD	0.20	14.71	0.08	6.21
EURO	0.28	2.76	-	-
GBP		37.30		7.07
<b>Payables</b>				
USD	0.01	0.24	0.01	0.62
EURO	0.01	1.06	0.01	0.95
GBP	0.04	3.30	0.01	0.71
JPY	3.13	1.85	1.75	0.92
Others	4.11	0.48	-	-
		6.93		3.20



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

**Note  
43**
**DISCLOSURE IN RESPECT OF FINANCIALS OF JOINT VENTURE**

RS. IN CRORES

The Company has a joint venture with Polaris Industries, Inc., U.S.A., Eicher Polaris Private Limited (EPPL) with an investment of Rs. 239.30 crores (including advance for equity Rs. 18.00 crores)(investment of Rs. 130.50 crores (including advance for equity Rs. 25.00 crores)) as at March 31, 2016, representing 50% shareholding in EPPL.

The proportionate share of assets and liabilities and Income and Expenditure for the period/year as per their audited financial statements are given below:

Particulars	As at March 31, 2016	As at December 31, 2014
<b>i) Reserves and surplus</b>	(46.00)	(5.49)
<b>ii) Share application money pending allotment</b>	18.00	25.00
<b>iii) Non-current liabilities</b>		
Long term provisions	0.98	0.22
<b>iv) Current liabilities</b>		
Trade payables	10.79	3.57
Other current liabilities	6.30	9.35
Short term provisions	0.08	0.01
	<b>18.15</b>	<b>13.15</b>
<b>v) Non current assets</b>		
Fixed assets	160.31	95.02
Long term loans and advances	2.97	25.73
Other non current assets	5.36	-
<b>vi) Current assets</b>		
Inventories	11.20	-
Trade receivables	0.04	-
Cash and cash equivalents	19.45	16.89
Short-term loans and advances	12.06	0.46
Other current assets	0.06	0.07
	<b>211.45</b>	<b>138.17</b>
Capital commitments	4.11	16.06

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>i) Revenue</b>	<b>10.91</b>	<b>0.96</b>
<b>ii) Expenses</b>		
Cost of raw materials and components consumed	12.71	-
Purchase of stock-in-trade	0.12	-
Change in inventories of finished goods, work-in-progress and stock-in-trade	(4.48)	-
Employee benefits expense	12.84	1.30
Finance costs	-	0.02
Depreciation and amortisation expense	11.50	-
Other expenses	18.63	4.37
Tax expenses	0.10	0.31
Total Expenses	<b>51.42</b>	<b>6.00</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Note <b>44</b>	PARTICULARS OF IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS, STORES AND MACHINERY SPARES (INCLUDING LOOSE TOOLS AND PACKING MATERIAL)			
	RS. IN CRORES			
Particulars	For the fifteen months ended March 31, 2016		For the year ended December 31, 2014	
	%	Value	%	Value
<b>a) Raw materials and components</b>				
Imported	1.70	58.12	2.77	50.41
Indigenous	98.30	3,365.29	97.23	1,768.67
	<b>100.00</b>	<b>3,423.41</b>	<b>100.00</b>	<b>1,819.08</b>
<b>b) Stores and machinery spares consumed (including loose tools and packing material)</b>				
Imported	0.49	0.58	-	-
Indigenous	99.51	116.72	100.00	63.82
	<b>100.00</b>	<b>117.30</b>	<b>100.00</b>	<b>63.82</b>

Note <b>45</b>	PARTICULARS OF RAW MATERIALS AND COMPONENTS CONSUMED	
	RS. IN CRORES	
Description	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Iron and steel	2.79	3.30
Others including Components and spare parts*	3,420.62	1,815.78
	<b>3,423.41</b>	<b>1,819.08</b>

\* 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.

Note <b>46</b>	CIF VALUE OF IMPORTS	
	RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Components and spare parts	68.84	49.22
Capital goods	86.98	23.35
Others	-	2.94
	<b>155.82</b>	<b>75.51</b>

Note <b>47</b>	EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)	
	RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Travelling	3.86	2.91
Consultancy fees	4.17	1.35
Salaries & Wages	8.32	-
Advertisement and sales promotion expenses	21.20	9.84
Others	5.95	3.62
	<b>43.50</b>	<b>17.72</b>

Note <b>48</b>	EARNINGS IN FOREIGN CURRENCY	
	RS. IN CRORES	
Export of goods (FOB Value)	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Two wheelers	166.32	87.79
Gears, components and spare parts	8.64	3.21
Other automobile products	2.53	0.73
	<b>177.49</b>	<b>91.73</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

### Note 49

#### REMITTANCE IN FOREIGN CURRENCY TOWARD DIVIDEND

The particulars of dividends declared during the period/year and payable to non-resident shareholders are as under

Particulars		For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
(i) Number of non-resident shareholders			
(a) For 2014	Nos.	-	
(b) For 2013	Nos.		1
(ii) Number of shares held by them			
(a) For 2014	Nos.	-	
(b) For 2013	Nos.		22,75,610
(iii) Gross amount of dividend			
(a) For 2014	Rs. in crores	-	
(b) For 2013	Rs. in crores		6.83

### Note 50

#### EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

RS. IN CRORES

Particulars		For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
(a) Gross amount required to be spent		8.36	-
(b) Amount spent:			
(i) Construction/acquisition of any asset		-	-
(ii) On purpose other than (i) above		8.99	-
(c) Details of related party transactions:			
- Contribution to Eicher Group Foundation (EGF)		3.93	-

### Note 51

Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), the Company, w.e.f. January 1, 2015, has reviewed the estimated economic useful lives of its fixed assets generally in accordance with that provided in the Schedule II to the Act. As a result (after considering the transitional provision specified in the Schedule II), the depreciation charge for the fifteen months from January 1, 2015 to March 31, 2016 is higher by Rs. 41.86 crores and depreciation amounting to Rs. 3.79 crores (net of deferred tax amounting to Rs. 2.01 crores) has been adjusted from the opening balance of retained earnings.

### Note 52

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

### Note 53

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### Note 54

Figures in brackets represent previous year's figures.

### Note 55

The figures for the current period are for a period of fifteen months from January 1, 2015 to March 31, 2016, whereas the corresponding previous years figures are for twelve months from January 1, 2014 to December 31, 2014. As such corresponding figures for the previous year are not directly comparable with those of current period.

### Note 56

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

# 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 (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the fifteen months then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 judgment, 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the fifteen months ended on that date.

## OTHER MATTERS

We did not audit the financial statements of subsidiaries incorporated outside India 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. 29.22 crores as at March 31, 2016, total revenues (net) of Rs. 123.49 crores and net cash flows amounting to Rs. 3.44 crores for the fifteen months 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 on the consolidated financial statements, 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 on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done



and the reports of the other auditors and the financial statements certified by the management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary company and jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and jointly controlled

company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity – Refer note 33 to the financial statements.
- ii. The Group and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer note 44 to the financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and jointly controlled company incorporated in India – Refer note 45 to the financial statements.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 015125N)

**Jaideep Bhargava**

Partner

(Membership No. 090295)

Place: GURGAON

Date: May 5, 2016

# 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)

(i) In respect of fixed assets of the Holding Company, Subsidiary Company and jointly controlled company incorporated in India:

(a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the period by the Management of the respective entities in accordance with a regular program 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.

(ii) In respect of inventories of the Holding Company, Subsidiary company and jointly controlled company incorporated in India:

(a) As explained to us, the inventories were physically verified during the period by the Management of the respective entities at reasonable intervals other than for inventories lying with third parties at the end of the period for which confirmations have been obtained in most of the cases.

(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 of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the respective entities has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Holding Company, subsidiary company and jointly controlled company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act by the respective entities.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system in the Holding Company, subsidiary company and jointly controlled company incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weaknesses in such internal control system.

(v) According to the information and explanations given to us, the Holding Company, subsidiary company and jointly controlled company incorporated in India have not accepted any deposit during the period within the meaning of Section 73 to 76 or any other relevant provisions of the Act.

(vi) We have broadly reviewed the cost records maintained by the Holding Company, Subsidiary Company and jointly controlled entity pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act for the goods manufactured by the Holding Company, Subsidiary Company and Jointly controlled entity and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues of the Holding Company, subsidiary company and jointly controlled company incorporated in India:

(a) The respective entities have been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

(b) There are no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) There are no disputed dues in respect of Wealth Tax, Customs Duty and Cess which have not been deposited by the respective entities. There are no disputed dues in respect of Income Tax, Sales Tax, Service Tax and Excise duty which have not been deposited by the jointly controlled company. Details of disputed dues not deposited/deposited under protest by the Holding Company and subsidiary company of Income Tax, Sales Tax, Service Tax and Excise Duty as at March 31, 2016 are as follows:

RS. IN CRORES					
Nature of the Statute	Nature of dues	Forum where pending	Amount*	Amount paid under protest	Period to which amount relate
Central Excise Act	Excise Duty	Assessing Authority	0.05	-	2011-12
		Appellate Authority up to Commissioner's level	0.21	0.01	1991-92 to 1997-98, 2000-01 to 2006-07, 2009-10 to 2014-15
		CESTAT	3.30	0.68	1983-84 to 2000-01, 2002-03 to 2015-16
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority up to Commissioner's level	11.92	2.22	1987-88, 1989-90 to 1991-92, 1993-94, 1995-96 to 1999-00, 2000-01 to 2014-15
		Appellate Tribunal	2.80	0.68	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	2.28	0.64	1984-85, 1985-86, 1993-94, 2000-01, 2001-02, 2004-05
		Supreme Court	1.96	0.55	1986-87, 1990-91, 1991-92, 2001-02 to 2003-04
Finance Act, 1994	Service Tax	Assessing Authority	0.39	0.02	2006-07 to 2011-12
		Appellate Authority upto Commissioner's level	0.27	0.00	2009-10 to 2014-15
		CESTAT	9.65	0.48	2003-04 to 2013-14
Income Tax Act	Income Tax	Appellate Authority upto Commissioner's level	0.24	-	2010-11
		Appellate Tribunal	0.16	-	2008-09 and 2009-10

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

(d) There were no amounts which were required to be transferred by the aforesaid entities to the Investor Education and Protection Fund.

(viii) The Group does not have any accumulated losses at the end of the financial period and has not incurred cash losses during the financial period covered by our audit and the immediately preceding financial year. As the jointly controlled company was incorporated for less than 5 years, paragraph 3(viii) of the order is not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Holding Company, subsidiary company and jointly controlled company incorporated in India have not defaulted in the repayment of dues to banks. The respective entities have not taken any loan from financial institutions and have not issued any debentures during the period.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company and subsidiary company for loans taken by others from banks are not, prima facie, prejudicial to the interest of the Holding Company and subsidiary company. The Jointly controlled company has not given any guarantees for loans taken by others from banks or financial institutions.

(xi) As the Holding Company, subsidiary company and jointly controlled company has not taken any term loans during the period, paragraph 3(xi) of the order is not applicable.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company, its subsidiary company and jointly controlled company and no material fraud on the Holding Company, its subsidiary company and jointly controlled company has been noticed or reported during the period.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)

**Jaideep Bhargava**

Partner

(Membership No. 090295)

Place: GURGAON

Date: May 5, 2016

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

			RS. IN CRORES	
Particulars	Note No.	As at March 31, 2016	As at December 31, 2014	
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital	2	27.16	27.10	
Reserves and surplus	3	3,437.13	2,488.76	
		<b>3,464.29</b>	<b>2,515.86</b>	
<b>Minority interest</b>				
		1,156.85	1,085.06	
<b>Non-current liabilities</b>				
Deferred tax liabilities (net)	4	338.18	239.35	
Other long-term liabilities	5	15.85	16.87	
Long-term provisions	6	136.44	72.83	
		<b>490.47</b>	<b>329.05</b>	
<b>Current liabilities</b>				
Short-term borrowings	7	85.87	58.36	
Trade payables	8			
- total outstanding dues of micro enterprises and small enterprises		76.88	37.64	
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,432.44	1,475.03	
Other current liabilities	9	688.93	653.76	
Short-term provisions	10	83.02	248.47	
		<b>3,367.14</b>	<b>2,473.26</b>	
<b>Total</b>		<b>8,478.75</b>	<b>6,403.23</b>	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets	11			
Tangible assets		2,547.68	1,981.09	
Intangible assets		356.11	328.24	
Capital work-in-progress		117.91	236.34	
Intangible assets under development		291.88	182.46	
		<b>3,313.58</b>	<b>2,728.13</b>	
Non-current investments	12	928.50	160.60	
Long-term loans and advances	13	512.91	478.07	
Other non-current assets	14	89.77	134.93	
		<b>4,844.76</b>	<b>3,501.73</b>	
<b>Current assets</b>				
Current investments	15	709.78	917.09	
Inventories	16	1,014.31	645.52	
Trade receivables	17	833.61	562.17	
Cash and cash equivalents	18	591.43	353.32	
Short-term loans and advances	19	475.68	375.36	
Other current assets	20	9.18	48.04	
		<b>3,633.99</b>	<b>2,901.50</b>	
<b>Total</b>		<b>8,478.75</b>	<b>6,403.23</b>	
See accompanying notes forming part of the consolidated financial statements				
	1 to 49			

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

**Manhar Kapoor**  
Company Secretary  
M No: FCS 5564

**Lalit Malik**  
Chief Financial Officer  
M No: 92890

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurgaon  
Date: May 5, 2016

**M. J. Subbaiah**  
Director  
DIN: 00044799

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

RS. IN CRORES			
Particulars	Note No.	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>INCOME</b>			
Revenue from operations (gross)	21	17,184.80	9,351.74
Less: Excise duty		1,496.14	613.42
Revenue from operations (net)		<b>15,688.66</b>	<b>8,738.32</b>
Other income	22	111.98	107.44
<b>Total revenue</b>		<b>15,800.64</b>	<b>8,845.76</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	23	8,568.83	4,904.29
Purchase of stock-in-trade	24	1,840.71	946.41
Change in inventories of finished goods, work-in-progress and stock-in-trade	25	(288.31)	(84.72)
Employee benefits expenses	26	1,057.48	659.64
Finance costs	27	9.04	9.78
Depreciation and amortisation expenses	28	451.66	219.82
Other expenses	29	2,062.73	1,197.92
<b>Total expenses</b>		<b>13,702.14</b>	<b>7,853.14</b>
Profit before tax		2,098.50	992.62
Tax expense			
Current tax		650.41	284.89
Minimum alternate tax (MAT) credit entitlement		(108.39)	(52.91)
Deferred tax charge		104.54	58.90
<b>Total tax expense</b>		<b>646.56</b>	<b>290.88</b>
<b>Profit after tax</b>		<b>1,451.94</b>	<b>701.74</b>
Minority interest		174.06	86.38
<b>Profit for the period/year</b>		<b>1,277.88</b>	<b>615.36</b>
<b>Earning per share - basic</b>		470.90	227.22
<b>Earning per share - diluted</b>		469.17	226.11
(Face value of Rs. 10 per share) (in Rs.)			
See accompanying notes forming part of the consolidated financial statements	1 to 49		

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

**Manhar Kapoor**  
Company Secretary  
M No: FCS 5564

**Lalit Malik**  
Chief Financial Officer  
M No: 92890

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurgaon  
Date: May 5, 2016

**M. J. Subbaiah**  
Director  
DIN: 00044799

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

RS. IN CRORES		
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	2,098.50	992.62
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	451.66	219.82
Exchange differences on conversion	(0.50)	(0.17)
Profit on sale of fixed assets	(2.60)	(0.80)
Fixed assets discarded	1.79	0.92
Loss on sale of fixed assets	2.56	1.97
Rent income	(2.55)	(2.70)
Dividend on unquoted non-trade current investments	(1.83)	(4.84)
Profit on sale of unquoted non-trade current investments	(58.33)	(60.75)
Interest income	(38.22)	(29.36)
Finance Costs	9.04	9.78
<b>Operating profit before changes in working capital</b>	<b>2,459.52</b>	<b>1,126.49</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	(368.79)	(118.72)
Trade receivables	(271.44)	(49.67)
Short-term loans and advances	(100.32)	(61.83)
Long-term loans and advances	16.92	(41.45)
Other current assets	41.66	(27.53)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	996.65	321.31
Other current liabilities	75.35	141.84
Other long-term liabilities	(1.62)	1.35
Short-term provisions	4.51	23.64
Long-term provisions	63.61	13.05
<b>Cash generated from operating activities</b>	<b>2,916.05</b>	<b>1,328.48</b>
Direct taxes paid	(634.33)	(281.01)
<b>Net cash flow from operating activities (A)</b>	<b>2,281.72</b>	<b>1,047.47</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital work-in-progress and pre-operative expenditure)	(1,069.84)	(971.95)
Sale of fixed assets	7.64	3.74
Net investment in unquoted non-trade current investments	207.31	(91.68)
Proceeds from sale of non-trade non-current investment	100.00	-
Net investment in unquoted non-trade non current investments	(869.10)	(150.00)
Profit on sale of unquoted non-trade current investments	58.33	60.75
Dividend on unquoted non-trade current investments	1.83	4.84
Investment in/ proceeds from non current fixed deposit under lien (net)	45.16	(127.84)
Rent received	2.50	2.70
Interest received	35.47	54.96
<b>Net cash flow from investing activities (B)</b>	<b>(1,480.70)</b>	<b>(1,214.48)</b>

# CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

RS. IN CRORES		
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in short term borrowings (net)	27.50	(25.54)
Interest paid	(9.04)	(9.78)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	4.81	7.86
Dividend paid	(485.93)	(115.16)
Tax on dividend paid	(100.25)	(19.61)
<b>Net cash flow from financing activities (C)</b>	<b>(562.91)</b>	<b>(162.23)</b>
<b>Net Increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>238.11</b>	<b>(329.24)</b>
Cash and cash equivalents at the beginning of the period/year	353.32	682.56
Cash and cash equivalents at the end of the period/year	591.43	353.32

RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.20	0.15
Cheques/ drafts on hand	58.35	21.56
<b>Balances with banks:</b>		
In current accounts	118.90	102.94
In unpaid dividend accounts #	13.32	3.77
In deposit accounts	381.21	208.01
	571.98	336.43
Share of cash and cash equivalents of joint ventures	19.45	16.89
<b>Total cash and cash equivalents (Refer Note No. 18)</b>	<b>591.43</b>	<b>353.32</b>

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

See accompanying notes forming part of the consolidated financial statements 1 to 49

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

**Manhar Kapoor**  
Company Secretary  
M No: FCS 5564

**Lalit Malik**  
Chief Financial Officer  
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**S. Sandilya**  
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**M. J. Subbaiah**  
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Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note

01

### 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 consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### (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. fifteen months ended March 31, 2016.

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 March 31, 2016	% voting power held as at December 31, 2014
<b>Direct subsidiary</b>			
VE Commercial Vehicles Limited (VECVL)	India	54.4%	54.4%
Royal Enfield North America Limited (incorporated w.e.f. March 23, 2015)	U.S.A.	100.0%	NA
Royal Enfield Brasil Comercio De Motocicletas LTDA (acquired on August 18, 2014)	Brazil	99.9%	NA
<b>Indirect subsidiaries*</b>			
Eicher Engineering Solutions, Inc. (EES, Inc.) (100% subsidiary company of VECVL)	U.S.A.	54.4%	54.4%
Eicher Engineering Solutions (Beijing) Co., Ltd. (100% subsidiary company of EES, Inc.)	China	54.4%	54.4%
Eicher Engineering Solutions (Shanghai) Co., Ltd. (100% subsidiary company of EES, Inc.)	China	54.4%	54.4%
V E C V Lanka (Private) Limited (VECV Lanka) (100% subsidiary company of VECVL)	Sri Lanka	54.4%	54.4%

\* Effective holding % of the Company through its subsidiary.



# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Name of the joint venture company	Country of Incorporation	% voting power held as at March 31, 2016	% voting power held as at December 31, 2014
Eicher Polaris Private Limited (EPPL)	India	50%	50%

### (b) Significant accounting policies

#### (i) Use of estimates

The preparation of the consolidated 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 period/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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of moulds and dies depreciated over the useful life of 5 to 15 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

Leasehold land are amortised over the period of lease term

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 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

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.

#### (vii) Fixed assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation/ amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### Intangible assets under development

Expenditure on Research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

### (viii) 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 period/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 period/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.

### (ix) 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.

### (x) Employee benefits

Employee benefits includes compensated absences (leave encashment and sick leave), 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 period/year when the employees render the service.

### (xi) Employee share based payments

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the SEBI Guidelines. The Scheme provide for grant of options to employees of the Company 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.

### (xii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### (xiii) Leases

Lease arrangements where the risk and rewards incidental to ownership of the assets substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss.

### (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 period/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) Taxes on income

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 period from January 1, 2015 to March 31, 2016 comprises the residual tax liability for the assessment year 2015-16 relevant to the year April 1, 2014 to March 31, 2015 and the liability, which has accrued on the profit for the period April 1, 2015 to March 31, 2016, 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.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### (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 policy stated for Fixed assets (Tangible/Intangible).

### (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) 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.

### (xx) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note <b>02</b>	SHARE CAPITAL	RS. IN CRORES	
		As at March 31, 2016	As at December 31, 2014
	Particulars		
	<b>Authorised</b>		
	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
	<b>Total</b>	<b>31.01</b>	<b>31.01</b>
	<b>Issued, subscribed and fully paid up</b>		
	2,71,61,183 (2,71,04,783) Equity shares of Rs. 10 each	27.16	27.10
	<b>Total</b>	<b>27.16</b>	<b>27.10</b>

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.

<b>(i) RECONCILIATION OF THE NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD/YEAR</b>				
Particulars	As at March 31, 2016		As at December 31, 2014	
	Nos.	Rs. in crores	Nos.	Rs. in crores
At the beginning of the period/year	2,71,04,783	27.10	2,70,38,883	27.04
Issued during the period/year - ESOP	56,400	0.06	65,900	0.06
Outstanding at the end of the period/year	<b>2,71,61,183</b>	<b>27.16</b>	<b>2,71,04,783</b>	<b>27.10</b>

<b>(ii) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES IN THE COMPANY</b>				
Particulars	As at March 31, 2016		As at December 31, 2014	
	Nos.	% holding in the in the class	Nos.	% holding in the class
Eicher Goodearth Trust	32,71,723	12.05%	32,71,723	12.07%
Anita Lal	30,23,167	11.13%	30,23,167	11.16%
The Simran Siddhartha Tara Benefit Trust	67,99,828	25.04%	67,99,828	25.09%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	-	-	22,75,610	8.40%

<b>(iii) EMPLOYEE STOCK OPTION PLAN</b>				
a.	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 3,000 (29,500) options are outstanding at period/year end. During the period/year, 26,500 (2,500) 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.			
b.	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 period/year end.			
c.	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 out of which Nil (Nil) options are outstanding at period/year end. During the period/year, Nil (15,400) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,411 (including premium of Rs. 1,401 each) per equity share.			
d.	1,08,200 (1,08,200) 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 out of which 32,100 (60,200) options are outstanding at period/year			



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- end. During the period/year, 28,100 (48,000) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,162 (including premium of Rs. 1,152 each) per equity share.
- e. 5,400 (5,400) 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 out of which 3,600 (5,400) options are outstanding at period/year end. During the period/year, 1,800 (Nil) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,770 (including premium of Rs. 1,760 each) per equity share.
- f. 5,000 (5,000) 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 period/year end.
- g. 22,500 (22,500) options on August 11, 2014, exercisable over a period of seven years after vesting on August 11, 2017 at an exercise price of Rs. 8,477.50 (including premium of Rs. 8,467.50) per option out of which 16,000 (22,500) options are outstanding at period/year end. During the period/year, 6,500 (Nil) options were forfeited.
- h. 5,400 (5,400) options on November 12, 2014, exercisable over a period of seven years after vesting on November 12, 2017 at an exercise price of Rs. 12,993.65 (including premium of Rs. 12,983.65) per option are outstanding as at period/year end.
- i. 22,300 (Nil) options on January 12, 2015, exercisable over a period of seven years after vesting on January 11, 2016 at an exercise price of Rs. 14,739 (including premium of Rs. 14,729) per option are outstanding as at period/year end.
- j. 4,500 (Nil) options on March 20, 2015, exercisable over a period of seven years after vesting on March 19, 2018 at an exercise price of Rs. 16,112 (including premium of Rs. 16,102) per option are outstanding as at period/year end.
- k. 53,000 (Nil) options on May 08, 2015, exercisable over a period of seven years after vesting on May 07, 2018 at an exercise price of Rs. 14,807 (including premium of Rs. 14,797) per option are outstanding as at period/year end.
- l. 6,590 (Nil) options on July 21, 2015, exercisable over a period of seven years after vesting on July 20, 2018 at an exercise price of Rs. 21,248 (including premium of Rs. 21,238) per option are outstanding as at period/year end.
- m. 7,800 (Nil) options on November 06, 2015, exercisable over a period of seven years after vesting on November 05, 2018 at an exercise price of Rs. 17,678 (including premium of Rs. 17,668) per option are outstanding as at period/year end.
- n. 4,200 (Nil) options on February 05, 2016, exercisable over a period of seven years after vesting on February 04, 2019 at an exercise price of Rs. 16,894 (including premium of Rs. 16,884) per option are outstanding as at period/year end.
- o. Each option entitles the holders thereof to apply for and be allotted one equity share of the face value of Rs. 10 each.

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Note <b>03</b>	RESERVES AND SURPLUS		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
<b>A Capital reserve</b>				
	Opening balance	0.25	0.25	
	Add / Less: Movement during the period/year	-	-	
	<b>Closing balance</b>	<b>0.25</b>	<b>0.25</b>	
<b>B Capital redemption reserve</b>				
	Opening balance	1.41	1.41	
	Add / Less: Movement during the period/year	-	-	
	<b>Closing balance</b>	<b>1.41</b>	<b>1.41</b>	
<b>C Securities premium account</b>				
	Opening balance	607.67	599.87	
	Add / Less: Movement during the period/year @	4.75	7.80	
	<b>Closing balance</b>	<b>612.42</b>	<b>607.67</b>	
<b>D General reserves</b>				
	Opening balance	388.33	321.98	
	Add: Amount transferred from surplus in the statement of profit and loss	143.33	66.35	
	<b>Closing balance</b>	<b>531.66</b>	<b>388.33</b>	
<b>E Surplus in the statement of profit and loss</b>				
	Opening balance	1,491.86	1,105.47	
	Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (net of deferred tax) (also refer note no. 43)	7.61	-	
	Add: Profit for the period/year	1,277.88	615.36	
	Less: Appropriations			
	Interim dividend (amount per share Rs. 100.0 (Rs. Nil))	271.61	-	
	Proposed final dividend (amount per share Rs. Nil (Rs. 50.0))	-	135.52	
	Tax on dividend	55.29	27.10	
	Transferred to general reserve	143.33	66.35	
	<b>Total appropriations</b>	<b>470.23</b>	<b>228.97</b>	
	Net surplus in the statement of profit and loss	<b>2,291.90</b>	<b>1,491.86</b>	
<b>F Foreign currency translation reserve</b>				
	Opening balance	(0.76)	(0.60)	
	Addition during the period/year	0.25	-	
	Deductions during the period/year	-	0.16	
	<b>Closing balance</b>	<b>(0.51)</b>	<b>(0.76)</b>	
	<b>Total (A+B+C+D+E+F)</b>	<b>3,437.13</b>	<b>2,488.76</b>	

@ Represents premium @ Rs. 452 per equity share on 26,500 (2,500) equity shares, @ Rs. 1,152 per equity share on 28,100 (48,000) equity shares, @1401 per equity share on Nil (15,400) equity shares and @ Rs. 1,760 per equity share on 1,800 (Nil) equity shares issued and allotted during the period/year under Employee Stock Option Scheme.

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Note <b>04</b>	DEFERRED TAX LIABILITIES (NET)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	<b>Deferred tax liabilities on</b>			
	Accelerated depreciation *	387.67	324.31	
	<b>Sub-total (A)</b>	<b>387.67</b>	<b>324.31</b>	
	<b>Less: Deferred tax assets on</b>			
	Business loss carried forward and unabsorbed depreciation	12.21	53.38	
	Accrued expenses deductible on payment	10.75	11.69	
	Provision for gratuity	-	3.40	
	Provision for compensated absences and other employee benefits	12.22	9.49	
	Provision for doubtful debts and advances	5.85	4.94	
	Others	8.46	2.06	
	<b>Sub-total (B)</b>	<b>49.49</b>	<b>84.96</b>	
	<b>Net deferred tax liabilities Total (A-B)</b>	<b>338.18</b>	<b>239.35</b>	

\* Refer note 43

Note <b>05</b>	OTHER LONG-TERM LIABILITIES		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Capital creditors	1.42	2.04	
	Advances from customers	2.35	3.94	
	Security deposits received	12.08	10.89	
	<b>Total</b>	<b>15.85</b>	<b>16.87</b>	

Note <b>06</b>	LONG-TERM PROVISIONS		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	<b>Provision for employee benefits</b>			
	Gratuity	-	8.66	
	Compensated absences (including leave encashment)	39.15	32.14	
	Other employee benefits	14.53	4.42	
	<b>Sub-total (A)</b>	<b>53.68</b>	<b>45.22</b>	
	Provision for warranties	81.78	27.39	
	<b>Sub-total (B)</b>	<b>81.78</b>	<b>27.39</b>	
	<b>Total (A+B)</b>	<b>135.46</b>	<b>72.61</b>	
	Share of long-term provision of joint venture	0.98	0.22	
	<b>Total</b>	<b>136.44</b>	<b>72.83</b>	

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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note <b>07</b>	SHORT-TERM BORROWINGS		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	<b>Secured</b>			
	Loan repayable on demand			
	- From bank			
	Cash credit *	26.29	27.56	
	Short term loan#	37.01	30.80	
	<b>Unsecured</b>			
	Loan repayable on demand			
	- From bank			
	Overdraft facility	22.57	-	
	<b>Total</b>	<b>85.87</b>	<b>58.36</b>	

\* Includes:

- (a) Rs. 21.56 crores (Rs. 25.33 crores) 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.
- (b) Rs. 4.73 crores (Rs. 2.23 crores) is secured by an irrevocable letter of credit issued by the ICICI Bank Limited, India.

# Rs. 37.01 crores (Rs. 30.80 crores) secured by way of first pari passu hypothecation charge on all existing and future receivables and current assets of the Company.

Note <b>08</b>	TRADE PAYABLES		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Total outstanding dues of micro enterprises and small enterprises			
	Dues to micro and small enterprises*	76.88	37.64	
	<b>Sub-total (A)</b>	<b>76.88</b>	<b>37.64</b>	
	Total outstanding dues of creditors other than micro enterprises and small enterprises			
	Acceptances	774.10	349.60	
	Other trade payables	1,647.55	1,121.86	
	<b>Sub-total (B)</b>	<b>2,421.65</b>	<b>1,471.46</b>	
	<b>Total (A+B)</b>	<b>2,498.53</b>	<b>1,509.10</b>	
	Share of trade payables of joint venture #	10.79	3.57	
	<b>Total</b>	<b>2,509.32</b>	<b>1,512.67</b>	

\* Refer Note No. 34

# share of trade payable of joint venture does not include any dues of micro enterprises and small enterprises

Note <b>09</b>	OTHER CURRENT LIABILITIES		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Capital creditors			
	Dues to micro enterprises and small enterprises	0.85	0.62	
	Others	39.88	89.84	
	Unpaid dividend*	13.32	3.77	
	Advance from customers	329.92	245.92	
	Employee dues	135.13	88.27	
	Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	156.98	209.22	
	Gratuity payable	-	6.77	
	Bank overdraft	6.55	-	
		682.63	644.41	
	Share of trade payables of joint venture	6.30	9.35	
	<b>Total</b>	<b>688.93</b>	<b>653.76</b>	

\* Does not include any amounts outstanding as at March 31, 2016 which are required to be credited to Investor Education and Protection Fund.



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Note <b>10</b>	SHORT-TERM PROVISIONS		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Provision for employee benefits			
	Gratuity	-	0.21	
	Compensated absences (including leave encashment)	2.85	2.55	
	Other employee benefits	0.86	11.78	
	<b>Sub-total (A)</b>	<b>3.71</b>	<b>14.54</b>	
	Provision for warranties	78.76	64.45	
	Provision for income tax	0.47	-	
	Proposed dividend	-	135.52	
	Provision for tax on proposed dividend	-	33.94	
	<b>Sub-total (B)</b>	<b>79.23</b>	<b>233.91</b>	
	<b>Total (A+B)</b>	<b>82.94</b>	<b>248.45</b>	
	Share of short term provision of joint venture	0.08	0.02	
	<b>Total</b>	<b>83.02</b>	<b>248.47</b>	

Note <b>11</b>	FIXED ASSETS		RS. IN CRORES								
	Gross block (At cost)				Depreciation / Amortisation				Net block		
Assets	As at December 31, 2014	Additions during the period/ year \$	Deductions during the period/ year	As at March 31, 2016	As at December 31, 2014	For the period/ year @	Adjustments <sup>^</sup>	As at March 31, 2016	As at March 31, 2016	As at December 31, 2014	
<b>(A) Tangible assets</b>											
Land *											
- Freehold	119.83	0.06	-	119.89	-	-	-	-	119.89	119.83	
- Leasehold	130.48	0.04	-	130.52	4.05	3.47	-	7.52	123.00	126.43	
Buildings *	406.23	120.25	0.26	526.22	51.80	24.96	0.25	76.51	449.71	354.43	
Plant and equipment	1,726.43	615.20	17.49	2,324.14	524.69	292.63	15.50	801.82	1,522.32	1,201.74	
Furniture and fixtures	86.43	17.76	0.55	103.64	16.86	8.29	0.46	24.69	78.95	69.57	
Office equipments	121.06	43.64	9.27	155.43	58.27	43.33	7.26	94.34	61.09	62.79	
Vehicles	78.18	45.33	9.63	113.88	33.65	20.15	5.63	48.17	65.71	44.53	
Share of tangible assets of joint venture	2.07	135.21	0.68	136.60	0.30	9.38	0.09	9.59	127.01	1.77	
<b>Sub-total (A)</b>	<b>2,670.71</b>	<b>977.49</b>	<b>37.88</b>	<b>3,610.32</b>	<b>689.62</b>	<b>402.21</b>	<b>29.19</b>	<b>1,062.64</b>	<b>2,547.68</b>		
Previous year	2,155.86	565.73	50.88	2,670.71	546.50	178.32	35.20	689.62		1,981.09	
<b>(B) Intangible assets</b>											
Product designs, prototypes etc.	341.87	42.07	0.36	383.58	61.73	40.21	0.10	101.84	281.74	280.14	
Computer/ production softwares	101.49	22.22	1.15	122.56	54.09	23.26	0.47	76.88	45.68	47.40	
Goodwill	22.28	-	-	22.28	22.28	-	-	22.28	-	-	
Share of intangible assets of joint venture	1.01	30.79	-	31.80	0.31	2.80	-	3.11	28.69	0.70	
<b>Sub-total (B)</b>	<b>466.65</b>	<b>95.08</b>	<b>1.51</b>	<b>560.22</b>	<b>138.41</b>	<b>66.27</b>	<b>0.57</b>	<b>204.11</b>	<b>356.11</b>		
Previous year	143.41	324.36	1.12	466.65	96.63	41.94	0.16	138.41		328.24	
<b>(C) Capital work-in-progress (including pre-operative expenditure pending allocation amounting to Rs. 0.75 crore (Rs. 18.60 crores) with share of joint venture amounting to Rs. 0.43 crore (Rs. 16.62 crores) (Refer Note No. 11A)) (including share of joint venture amounting to Rs. 2.23 crores (Rs. 69.24 crores))</b>											
										117.91	236.34
<b>(D) Intangible assets under development (including share of joint venture amounting to Rs. 2.38 crores (Rs. 23.31 crores))</b>											
										291.88	182.46
<b>Total (A+B+C+D)</b>										<b>3,313.58</b>	<b>2,728.13</b>

\* Title deeds for land and other properties at Alwar, Chennai 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. 0.58 crore (Rs. 0.42 crore) transferred to capital work-in-progress

- Rs. 16.53 crores (Rs. Nil) adjusted from the opening balance of retained earnings on account of schedule II to the Companies Act, 2013. Also refer note 43.

- Rs. 0.67 crore (Rs. 0.49 crore) transferred to pre-operative expenditure (pending allocation).

\$ Includes Rs. 0.55 crore (Rs. 0.26 crore) on account of foreign exchange fluctuation.

<sup>^</sup> Net off by Rs. 0.48 crore (Rs. 0.21 crore) on account of foreign exchange fluctuation.

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Note <b>11.A</b>	PRE-OPERATIVE EXPENDITURE (PENDING ALLOCATION)		RS. IN CRORES
	Particulars	As at March 31, 2016	As at December 31, 2014
	Payments to and provisions for employees		
	Salaries, wages, bonus etc.	0.72	0.82
	Contribution to provident and other funds	0.03	0.05
	Repairs and maintenance		
	Plant and machinery	-	0.01
	Legal and professional charges	-	0.01
	Travelling expenses	-	0.04
	Development expenses	-	0.15
	Share of pre-operative expenditure of joint venture (including contribution to provident fund Rs. 0.18 crore (Rs. 0.18 crore), depreciation and amortisation amounting to Rs. 0.67 crore (Rs. 0.49 crore))	11.22	11.97
		11.97	13.05
	Add: Balance brought forward from previous year (including share of joint venture Rs. 16.62 crores (Rs. 4.65 crores))	18.60	5.93
		30.57	18.98
	Less: Capitalised during the year (including share of joint venture Rs. 27.41 crores (Rs. Nil))	29.82	0.38
	<b>Total</b>	<b>0.75</b>	<b>18.60</b>

Note <b>12</b>	NON-CURRENT INVESTMENTS		RS. IN CRORES
	Particulars	As at March 31, 2016	As at December 31, 2014
	<b>Long term *</b>		
	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
	<b>Joint Venture company</b>		
	Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013) acquired during the period \$	-	-
	<b>Sub-total (A)</b>	<b>0.05</b>	<b>0.05</b>
	\$ Cost of investment is stated as Rs. Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of Rs. 5,00,000 has been charged to the Statement of Profit and Loss in the current period.		
	<b>Unquoted non-trade investment in :</b>		
	<b>Debt mutual funds</b>		
	<b>Units of face value Rs. 10 each</b>		
	Nil (1,00,00,000) units of HDFC FMP 370 D Sep 2013-1-Regular-GR	-	10.00
	Nil (1,50,00,000) units of Reliance Fixed Horizon fund XXIV Series -11-Growth Plan	-	15.00
	Nil (1,50,00,000) units of ICICI Pru FMP series 68-368 Days Plan G Regular Plan Cumulative	-	15.00
	Nil (50,00,000) units of SBI Debt Fund Series 366 Days-46-Dir-Growth	-	5.00
	Nil (2,00,00,000) units of ICICI Pru FMP series 72-368 Days Plan A Direct Plan Cumulative	-	20.00
	Nil (1,83,07,306) units of Reliance Interval Fund-II-Series 4-DP-Growth Plan	-	20.00
	Nil (1,50,00,000) units of Reliance Interval Fund-III-Series1-DP-Growth Plan	-	15.00
	10,00,00,000 (10,00,00,000) units of Kotak FMP-Series 150 (1109 Days) Direct Growth	10.00	10.00
	15,00,00,000 (15,00,00,000) units of ICICI Prudential FMP Series 75-1100 Days Plan N-Direct-Growth	15.00	15.00

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Note <b>12</b>	NON-CURRENT INVESTMENTS (CONTD.)	RS. IN CRORES	
		As at March 31, 2016	As at December 31, 2014
	Particulars		
	10,00,00,000 (10,00,00,000) units of ICICI Prudential FMP Series 75-1100 Days Plan T-Regular-Growth	10.00	10.00
	15,00,00,000 (15,00,00,000) DWS Fixed Maturity Plan-Series 82 (1100 Days) Direct Growth	15.00	15.00
	2,50,00,000 (Nil) units of UTI Fixed Term Income Fund-Series XXII-X-Direct Growth	25.00	-
	1,00,00,000 (Nil) units of DWS Fixed Maturity Plan-Series 91 (1100 Days) Direct Growth	10.00	-
	1,50,00,000 (Nil) units of UTI Fixed Term Income Fund-Series XVII-XIII-Direct Growth	15.00	-
	1,50,00,000 (Nil) units of Reliance Interval Fund-IV Series 3-Direct -Growth	15.00	-
	1,36,59,709 (Nil) units of HDFC FMP 370 Days February 2014 (1) Series 29 - Regular	13.66	-
	2,00,00,000 (Nil) units of HDFC FMP 369 Days February 2014 (2) Series 29 - Regular	20.00	-
	1,00,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXIX-Series 8-Growth Direct	10.00	-
	3,00,00,000 (Nil) units of HDFC FMP 370 Days March 2014 (1) Series 29 - Regular	30.00	-
	90,96,615 (Nil) units of UTI Fixed Term Income Fund-Series XVII-XVI-Direct Growth	9.10	-
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 73-368 Days Plan D-Direct Plan-Cumulative	20.00	-
	2,00,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXIX-Series 1-Growth Direct	20.00	-
	1,37,33,497 (Nil) units of Birla Sun Life Fixed Term Plan-Series KZ-Direct Growth	13.73	-
	2,50,00,000 (Nil) units of ICICI Prudential FMP series 74-369 Days Plan B-Direct Plan Growth	25.00	-
	2,50,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXVI-Series 9-Direct Plan - Growth	25.00	-
	1,00,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXVI-Series 9-Regular Plan Growth	10.00	-
	1,00,00,000 (Nil) units of UTI Fixed Term Income Fund-Series XVIII-V-Direct Growth	10.00	-
	2,50,00,000 (Nil) units of HDFC FMP 369 Days April 2014 (2) Series 31 - Regular	25.00	-
	2,00,00,000 (Nil) units of HDFC FMP 367 Days April 2014 (1) Series 31 - Regular	20.00	-
	1,50,00,000 (Nil) units of HDFC FMP 370 Days May 2014 (1) Series 31 Regular Growth	15.00	-
	1,30,00,000 (Nil) units of HDFC FMP 366 Days May 2014 (1) - Direct Growth	13.00	-
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 74-369 Days Plan K-Direct Plan Cum	20.00	-
	80,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXVI -Series 31-Direct Plan Growth	8.00	-
	1,50,00,000 (Nil) units of ICICI Prudential FMP Series 74-369 Days Plan T Regular Plan-Growth	15.00	-
	80,00,000 (Nil) units of HDFC FMP 370 Days June 2014 (2) Series 31 - Regular Growth Option	8.00	-
	1,50,00,000 (Nil) units of ICICI Prudential FMP Series 74-370 Days Plan X Direct Plan Cumulative	15.00	-
	2,00,00,000 (Nil) units of SBI Debt Fund Series A-35 (369 Days) Regular Plan-Growth	20.00	-
	3,50,00,000 (Nil) units of SBI Debt Fund Series B-27 (1100 Days) Direct Plan-Growth	35.00	-
	50,00,000 (Nil) units of Birla Sun Life Fixed Term Plan-Series LQ -Direct Growth	5.00	-

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Note 12	NON-CURRENT INVESTMENTS (CONTD.)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 76-1155 Days Plan K-Direct Plan-Growth	20.00	-	
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 76-1142 Days Plan M-Direct-Growth	20.00	-	
	2,00,00,000 (Nil) units of SBI Debt Fund Series B-9 (1105 Days) Direct-Growth	20.00	-	
	1,50,00,000 (Nil) units of ICICI Prudential FMP Series 78-1212 Days Plan A-Direct Growth	15.00	-	
	1,50,00,000 (Nil) units of ICICI Prudential FMP Series 76-1132 Days Plan P-Direct-Growth	15.00	-	
	2,00,00,000 (Nil) units of Birla Sun Life Fixed Term Plan-Series NE (1100 Days)	20.00	-	
	2,00,00,000 (Nil) units of Religare Invesco FMP Series 27 Plan C (1100 Days) Direct Sub Plan Growth	20.00	-	
	2,00,00,000 (Nil) units of Kotak FMP-Series 185 (1176 Days) Direct Growth	20.00	-	
	2,50,00,000 (Nil) units of HDFC FMP 1176 Days January 2016 (1) Direct Growth Series-35	25.00	-	
	1,00,00,000 (Nil) units of ICICI Prudential FMP Series 78-1190 Days Plan E-Direct Plan-Cumulative	10.00	-	
	2,50,00,000 (Nil) units of HDFC FMP 1167 Days January 2016 (1) Direct Growth Series-35	25.00	-	
	6,00,00,000 (Nil) units of Reliance Fixed Horizon Fund-XXX-Series 4-Direct Growth Plan	60.00	-	
	1,00,00,000 (Nil) units of HDFC FMP 1155 Days February 2016 (1) Direct Growth Series-35	10.00	-	
	3,00,00,000 (Nil) units of Birla Sun Life Fixed Term Plan-Series NK (1196 Days) Growth Direct	30.00	-	
	2,00,00,000 (Nil) units of ICICI Prudential FMP Series 78-1170 Days Plan I-Direct Plan-Cumulative	20.00	-	
	4,00,00,000 (Nil) units of ICICI Prudential FMP Series 78-1150 Days Plan N-Direct Plan-Cumulative	40.00	-	
	1,18,48,125 (Nil) units of Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	11.85	-	
	<b>Units of face value Rs. 1,000 each</b>			
	25,670 (Nil) units of PFC Tax Free Bond	2.57	-	
	1,41,940 (Nil) units of IRFC Tax Free Bond	14.19	-	
	<b>Sub-total (B)</b>	<b>919.10</b>	<b>150.00</b>	
	Repurchase price of unquoted non-trade current investments in Debt Mutual funds amounting to Rs. 1,010.85 crores (Rs. 160.19 crores) * At cost as reduced by diminution in values, if any.			
	<b>Investment property (at written down value)</b>			
	<b>Land (including buildings and plant and equipments thereon)</b>			
	Cost	20.34	23.58	
	Less: Depreciation to date (includes depreciation for the period/year Rs. 0.96 crore (Rs. 0.47 crore))	10.99	13.03	
	<b>Sub-total (C)</b>	<b>9.35</b>	<b>10.55</b>	
	<b>Total (A+B+C)</b>	<b>928.50</b>	<b>160.60</b>	



# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note <b>13</b>	LONG-TERM LOANS AND ADVANCES		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	<b>Unsecured, considered good</b>			
	Capital advances	126.81	167.86	
	Security deposits	27.53	23.68	
	Loans and advances to employees	2.25	2.03	
	Balance with government authorities	54.46	52.65	
	Advance income tax (net of provision for taxation)	-	15.58	
	MAT credit entitlement	298.89	190.50	
	Others	-	0.04	
	<b>Sub Total (A)</b>	<b>509.94</b>	<b>452.34</b>	
	<b>Unsecured, considered Doubtful</b>			
	Balance with government authorities	8.21	8.21	
		8.21	8.21	
	Less: Provision for doubtful advances	8.21	8.21	
	<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>	
	<b>Sub Total (A+B)</b>	<b>509.94</b>	<b>452.34</b>	
	Share of long-term loans and advances of joint venture	2.97	25.73	
	<b>Total</b>	<b>512.91</b>	<b>478.07</b>	

Note <b>14</b>	OTHER NON-CURRENT ASSETS		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Fixed deposits <sup>#</sup>	84.41	134.93	
		84.41	134.93	
	Share of other non-current assets of joint venture <sup>#</sup>	5.36	-	
	<b>Total</b>	<b>89.77</b>	<b>134.93</b>	

# Pledged with banks

Note <b>15</b>	CURRENT INVESTMENTS <sup>#</sup>		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	<b>Unquoted non-trade investment in :</b>			
	Debt mutual funds			
	Units of face value Rs. 10 each			
	Nil (51,66,277) units of IDFC Super Saver Income Fund	-	10.00	
	Nil (1,08,62,401) units of IDFC Money Manager Fund - Investment Plan - Growth-(Regular Plan)	-	15.00	
	Nil (2,00,00,000) units of IDFC Fixed Term Plan Series 69 Direct Plan - Growth	-	20.00	
	Nil (1,30,00,000) units of HDFC FMP 366D May 2014-1-Direct-GR	-	13.00	
	Nil (2,00,00,000) units of HDFC FMP 367D Apr 2014-1-Regular-GR	-	20.00	
	Nil (2,50,00,000) units of HDFC FMP 369D Apr 2014-2-Regular-GR	-	25.00	
	Nil (2,00,00,000) units of HDFC FMP 369D Feb 2014-2-Regular-GR	-	20.00	
	Nil (2,00,00,000) units of HDFC FMP 370D Feb 2014-1-Regular-GR	-	20.00	
	Nil (80,00,000) units of HDFC FMP 370D Jun 2014-2-Regular-GR	-	8.00	
	Nil (3,00,00,000) units of HDFC FMP 370D Mar 2014-1-Regular-GR	-	30.00	
	Nil (1,50,00,000) units of HDFC FMP 370D May 2014-1-Regular-GR	-	15.00	
	Nil (2,30,00,000) units of BirlaSunlife Fixed Term Plan Series JZ-Growth Direct	-	23.00	
	Nil (2,20,00,000) units of BirlaSunlife Fixed Term Plan Series JZ-Growth Regular	-	22.00	

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15	CURRENT INVESTMENTS # (CONTD.)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Nil (2,00,00,000) units of BirlaSunlife Fixed Term Plan Series KZ-Growth Direct	-	20.00	
	Nil (50,00,000) units of BirlaSunlife Fixed Term Plan Series LQ-Growth Direct	-	5.00	
	Nil (80,00,000) units of Reliance Fixed Horizon Fund XXVI Series -31- DP- Growth Plan	-	8.00	
	Nil (2,50,00,000) units of Reliance Fixed Horizon Fund XXVI Series -9- DP- Growth Plan	-	25.00	
	Nil (1,00,00,000) units of Reliance Fixed Horizon Fund XXVI Series -9- Growth Plan	-	10.00	
	Nil (1,00,00,000) units of Kotak FMP series 138 Direct-Growth	-	10.00	
	Nil (1,00,00,000) units of Tata FMP series 46 scheme L-DP - Growth-INF277K01XM1	-	10.00	
	Nil (1,00,00,000) units of Tata FMP series 46 scheme P-DP - Growth-INF277K01YCO	-	10.00	
	Nil (2,00,00,000) units of SBI Debt Fund Series 369 Days-A 35-Dir-Growth	-	20.00	
	Nil (1,50,00,000) units of SBI Debt Fund Series 366 Days-52-Dir-Growth	-	15.00	
	Nil (1,50,00,000) units of UTI Fixed Term Income Fund Series XVII-XIII (369 Days)- Direct Growth Plan	-	15.00	
	Nil (3,00,00,000) units of UTI Fixed Term Income Fund Series XVII-XVI (367 Days)- Direct Growth Plan	-	30.00	
	Nil (1,00,00,000) units of UTI Fixed Term Income Fund Series XVIII-V (370 Days)- Direct Growth Plan	-	10.00	
	Nil (2,50,00,000) units of ICICI Pru FMP series 74-369 Days Plan B Direct Plan Cumulative	-	25.00	
	Nil (2,00,00,000) units of ICICI Pru FMP series 72-366 Days Plan M Direct Plan Cumulative	-	20.00	
	Nil (2,00,00,000) units of ICICI Pru FMP series 73-368 Days Plan D Direct Plan Cumulative	-	20.00	
	Nil (2,00,00,000) units of ICICI Pru FMP series 74-369 Days Plan K Direct Plan Cumulative	-	20.00	
	Nil (1,50,00,000) units of ICICI Pru FMP series 74-369 Days Plan T Regular Plan Cumulative	-	15.00	
	Nil (1,50,00,000) units of ICICI Pru FMP series 74-370 Days Plan X Direct Plan Cumulative	-	15.00	
	Nil (1,50,00,000) units of Reliance Fixed Horizon Fund-XXV Series 26- Regular Growth	-	15.00	
	1,14,85,100 (1,14,85,100) units of HDFC Medium Term Opportunity Fund-Growth	15.00	15.00	
	1,00,00,000 (1,00,00,000) units of IDFC Fixed Term Plan-Series 21-Direct Growth	10.00	10.00	
	1,80,85,308 (1,80,85,308) units of Birla Sun Life Interval Income Fund Annual Plan-Series X-Direct Growth	20.00	20.00	
	50,00,000 (50,00,000) units of Reliance Interval Fund-II-Series 1-Regular Growth	5.00	5.00	
	1,00,00,000 (1,00,00,000) units of ICICI Prudential FMP Series 72-368 Days Plan D-Direct Plan-Cumulative	10.00	10.00	
	1,70,95,461.38 (45,82,531) units of IDFC Yearly Interval Fund-Series II-Direct Growth	20.00	5.00	
	1,00,00,000 (1,00,00,000) unit of Birla Sun Life Fixed Term Plan-Series KD-Direct Growth	10.00	10.00	
	3,00,00,000 (3,00,00,000) units of ICICI Prudential FMP Series 72-366 Days Plan K-Direct Plan-Cumulative	30.00	30.00	
	1,82,37,359 (5,50,00,000) units of Reliance Fixed Horizon Fund-XXV-Series 18-Direct Plan - Growth Option	18.24	55.00	
	5,96,88,759 (3,20,99,784) units of Reliance Yearly Interval Fund-Series 2-Regular Growth Option	68.00	35.00	
	1,80,00,000 (1,80,00,000) units of DSP BlackRock Fixed Maturity Plan-Series 146-12 Months-Direct Growth	18.00	18.00	
	3,00,00,000 (3,00,00,000) units of DSP BlackRock Fixed Maturity Plan-Series 149-12 Months-Regular Growth	30.00	30.00	
	45,39,257 (1,00,00,000) units of Kotak FMP-Series 143 (370 Days) Direct Growth	4.54	10.00	
	1,84,28,933 (1,84,28,933) units of Reliance Yearly Interval Fund-Series 8-Growth	20.00	20.00	

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note <b>15</b>	CURRENT INVESTMENTS # (CONTD.)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	92,05,730 (92,05,730) units of DWS Interval Fund Annual Plan Series-1 Direct Plant -Growth	10.00	10.00	
	1,00,00,000 (1,00,00,000) units of Birla Sun Life Interval Income Fund Annual Plan-Series IX-Direct Growth	10.00	10.00	
	2,10,81,857 (Nil) Units of IDFC Ultra Short Term Fund	42.00	-	
	2,26,87,349 (Nil) Units of HDFC Medium Term Opportunity Fund-Direct-Growth	35.00	-	
	1,43,38,048 (Nil) Units of L&T Mutual Fund-Short Term Opportunities	20.00	-	
	1,50,00,000 (Nil) Units of ICICI Prudential FMP Series 68-368 Days Plan G Regular-Growth	15.00	-	
	1,50,00,000 (Nil) Units of Reliance Fixed Horizon Fund-XXIV-Series 11-Direct Growth	15.00	-	
	1,00,00,000 (Nil) Units of HDFC FMP 370 Days September 2013 (1) Regular Growth	10.00	-	
	50,00,000 (Nil) Units of SBI Debt Fund Series-366 Days-46 Direct Plan-Growth	5.00	-	
	2,00,00,000 (Nil) Units of ICICI Prudential FMP Series 72-368 Days Plan A-Direct Plan-Cumulative	20.00	-	
	1,50,00,000 (Nil) Units of Reliance Interval Fund-III Series 1 Growth Plan	15.00	-	
	1,83,07,306 (Nil) Units of Reliance Interval Fund-II-Series 4-Direct Growth	20.00	-	
	83,17,876 (Nil) Units of IDFC Yearly Interval Fund-Series III-Direct Growth	10.00	-	
	1,82,11,453 (Nil) Units of ICICI Prudential Interval Series-VII Annual Interval Plan C Regular-Growth	20.00	-	
	1,67,79,931 (Nil) Units of Reliance Yearly Interval Fund-Series I-Growth	20.00	-	
	Units of face value Rs. 100 each			
	20,64,894 (13,21,284) units of Birla Sun Life Savings Fund-Growth	50.00	30.00	
	13,38,587 (Nil) Units of Birla Sun Life Floating Rate Fund-Long Term Plan-Growth	23.00	-	
	Units of face value Rs. 1,000 each			
	Nil (66,106) units of Templeton India Short term Income Plan	-	15.00	
	Nil (2,00,268) units of SBI Premier Liquid Fund Regular Plan - Daily Dividend	-	20.09	
	4,33,511 (Nil) Units of SBI Ultra Short Term Fund-Growth	80.00	-	
	35,878 (Nil) Units of Kotak Liquid Scheme Direct-Growth	11.00	-	
	<b>Total</b>	<b>709.78</b>	<b>917.09</b>	

Repurchase price of unquoted non trade current investments in Debt Mutual funds amounting to Rs. 814.43 crores (Rs. 998.60 crores)

# At cost or fair value, whichever is lower.

Note <b>16</b>	INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Raw materials	235.98	175.03	
	(Includes goods in transit of Rs. 19.34 crores (Rs. 17.80 crores))			
	Work in progress	51.57	41.22	
	Finished goods	520.77	312.68	
	(Includes goods in transit of Rs. 5.57 crores (Rs. 3.55 crores))			
	Stock-in-trade	148.40	83.01	
	(Includes goods in transit of Rs. 7.17 crores (Rs. 6.97 crores))			
	Stores and spares	32.13	21.62	
	Loose tools	14.26	11.96	
		1,003.11	645.52	
	Share of inventories of joint venture	11.20	-	
	<b>Total</b>	<b>1,014.31</b>	<b>645.52</b>	

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note <b>17</b>	TRADE RECEIVABLES		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	<b>Outstanding for a period exceeding six months from the date they were due for payments</b>			
	Secured, considered good	0.93	0.57	
	Unsecured - considered good	8.45	19.31	
	- considered doubtful	14.46	11.60	
		23.84	31.48	
	Less: Provision for doubtful receivables	14.46	11.60	
	<b>Sub-total (A)</b>	<b>9.38</b>	<b>19.88</b>	
	<b>Others receivables</b>			
	Secured, considered good	3.48	3.13	
	Unsecured - considered good*	820.71	539.16	
	- considered doubtful	-	2.30	
		824.19	544.59	
	Less: Provision for doubtful receivables	-	2.30	
	<b>Sub-total (B)</b>	<b>824.19</b>	<b>542.29</b>	
	<b>Total (A+B)</b>	<b>833.57</b>	<b>562.17</b>	
	Share of trade receivables of joint venture	0.04	-	
	<b>Total</b>	<b>833.61</b>	<b>562.17</b>	

\* Trade receivables includes receivable from a Private Limited Company in which a director is director amounting to Rs. 0.32 crore (Rs. 0.37 crore).

Note <b>18</b>	CASH AND CASH EQUIVALENTS		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	Cash on hand	0.20	0.15	
	Cheques/ drafts on hand	58.35	21.56	
	<b>Balances with banks:</b>			
	In current accounts	118.90	102.94	
	In unpaid dividend accounts	13.32	3.77	
	In deposit accounts	381.21	208.01	
		571.98	336.43	
	Share of cash and cash equivalents of joint venture	19.45	16.89	
	<b>Total</b>	<b>591.43</b>	<b>353.32</b>	

Note <b>19</b>	SHORT-TERM LOANS AND ADVANCES		RS. IN CRORES	
	Particulars	As at March 31, 2016	As at December 31, 2014	
	<b>Unsecured, considered good unless stated otherwise</b>			
<b>A</b>	<b>Security Deposits</b>			
	Unsecured, considered good	4.62	5.67	
	Unsecured, considered doubtful	0.75	0.25	
		<b>5.37</b>	<b>5.92</b>	
	Less: Provision for doubtful security deposits	0.75	0.25	
	<b>Sub-total (A)</b>	<b>4.62</b>	<b>5.67</b>	
<b>B</b>	<b>Loans and advances to related parties</b>			
	Unsecured, considered good*	0.04	0.08	
	<b>Sub-total (B)</b>	<b>0.04</b>	<b>0.08</b>	



# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19 SHORT-TERM LOANS AND ADVANCES (CONTD.)		RS. IN CRORES	
Particulars	As at March 31, 2016	As at December 31, 2014	
<b>C Other loans and advances</b>			
Advance to suppliers	165.19	77.30	
Loans and advances to employees	13.08	4.63	
Insurance claims receivable	2.52	2.51	
Prepaid expenses	9.23	6.39	
Balance with government authorities			
Unsecured, considered good	242.29	260.17	
Unsecured, considered doubtful	1.31	0.24	
	243.60	260.41	
Less: Provision for doubtful advances	1.31	0.24	
	242.29	260.17	
Gratuity fund (net)	0.31	-	
Others			
Unsecured considered good	26.34	18.15	
Unsecured, considered doubtful	0.39	0.41	
	26.73	18.56	
Less: Provision for doubtful advances	0.39	0.41	
	26.34	18.15	
<b>Sub-total (C)</b>	<b>458.96</b>	<b>369.15</b>	
<b>Total (A+B+C)</b>	<b>463.62</b>	<b>374.90</b>	
Share of short term loan and advances of joint venture	12.06	0.46	
<b>Total</b>	<b>475.68</b>	<b>375.36</b>	

\* Advance to related parties includes receivable from a Private Limited Company in which a director is director amounting to Rs. 0.04 crore (Rs. 0.08 crore)

Note 20 OTHER CURRENT ASSETS		RS. IN CRORES	
Particulars	As at March 31, 2016	As at December 31, 2014	
Interest accrued on fixed deposits	8.47	5.72	
Lease rent receivable	0.05	-	
Unbilled revenue	0.60	42.25	
	9.12	47.97	
Share of other current asset of joint venture	0.06	0.07	
<b>Total</b>	<b>9.18</b>	<b>48.04</b>	

Note 21 REVENUE FROM OPERATIONS		RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	
<b>Revenue from operations</b>			
Sale of products			
Manufactured goods (gross)	14,643.53	8,032.35	
Less: Excise duty	1,496.14	613.42	
Manufactured goods (net)	13,147.39	7,418.93	
Stock-in-trade	2,161.91	1,068.26	
Sale of services	110.22	111.51	
<b>Sub-total (A)</b>	<b>15,419.52</b>	<b>8,598.70</b>	

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

<div> <div>Note</div> <div>21</div> <div>REVENUE FROM OPERATIONS (CONTD.)</div> </div>			RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014		
<b>Other operating revenue</b>				
Export benefits	48.76	19.53		
Scrap sale (net of excise duty of Rs. 3.56 crores (Rs. 3.65 crores))	40.84	27.03		
Income from maintenance contracts	38.39	28.73		
Provisions no longer required written back	17.16	0.11		
Provisions for doubtful debts written back	3.60	-		
Industrial promotion subsidy	74.30	37.00		
Income from other operating revenues	36.78	27.22		
<b>Sub-total (B)</b>	<b>259.83</b>	<b>139.62</b>		
<b>Total (A+B)</b>	<b>15,679.35</b>	<b>8,738.32</b>		
Share of revenue from operation of joint venture (net of excise duty of Rs. 1.29 crores (Rs. Nil))	9.31	-		
<b>Revenue from operations (net)</b>	<b>15,688.66</b>	<b>8,738.32</b>		
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014		
<b>Details of products sold</b>				
<b>Manufactured goods</b>				
Commercial vehicles	6,531.10	3,900.85		
Two wheelers	6,458.92	3,074.41		
Spare parts and other components	1,095.91	733.13		
Engines and related components	557.60	323.96		
	14,643.53	8,032.35		
Share of sales of manufactured goods of joint venture	10.49	-		
<b>Total</b>	<b>14,654.02</b>	<b>8,032.35</b>		
<b>Stock-in-trade</b>				
Commercial vehicles	1,411.40	655.40		
Spare parts and other allied products	750.51	412.86		
	<b>2,161.91</b>	<b>1,068.26</b>		
Share of stock-in-trade sale of joint venture	0.06	-		
<b>Total</b>	<b>2161.97</b>	<b>1068.26</b>		
<b>Details of services rendered</b>				
Engineering services	79.35	93.78		
Other allied services	30.87	17.73		
<b>Total</b>	<b>110.22</b>	<b>111.51</b>		

<div> <div>Note</div> <div>22</div> <div>OTHER INCOME</div> </div>			RS. IN CRORES	
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014		
Profit on sale of fixed assets	2.60	0.80		
Dividend on unquoted non trade current investments	1.83	4.84		
Profit on sale of unquoted non trade current investments	58.33	60.75		
Exchange gain (net)	-	3.57		
Rent Income	2.55	2.70		
Interest income				
- from banks on deposits	29.50	26.29		
- from others	7.12	2.11		
Service charges recovered	0.02	0.15		
Other income	8.43	5.27		
	110.38	106.48		
Share of other income of joint venture	1.60	0.96		
<b>Total</b>	<b>111.98</b>	<b>107.44</b>		

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note <b>23</b>	COST OF RAW MATERIALS AND COMPONENTS CONSUMED		RS. IN CRORES
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
	Inventory at the beginning of the period/year	175.03	150.59
	Add: Purchases	8,691.52	4,953.47
		8,866.55	5,104.06
	Less: Inventory at the end of the period/year	235.98	175.03
	Less: Material cost of vehicles capitalised	15.76	5.09
		8,614.81	4,923.94
	Less: Sale of raw materials and components to suppliers on cost to cost basis	57.73	19.65
		8,557.08	4,904.29
	Share of cost of raw materials and components consumed of joint venture	11.75	-
	<b>Net consumption</b>	<b>8,568.83</b>	<b>4,904.29</b>

Note <b>24</b>	DETAILS OF PURCHASE OF STOCK-IN-TRADE		RS. IN CRORES
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
	Commercial Vehicles	1,311.92	621.58
	Spare parts and other allied products	528.67	324.83
		1,840.59	946.41
	Share of purchase of stock in trade of joint venture	0.12	-
	<b>Total</b>	<b>1,840.71</b>	<b>946.41</b>

Note <b>25</b>	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		RS. IN CRORES
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
	<b>Inventories at the end of the period/year</b>		
	Finished goods	520.77	312.68
	Work-in-progress	51.57	41.22
	Stock-in-trade	148.40	83.01
	<b>A</b>	<b>720.74</b>	<b>436.91</b>
	<b>Inventories at the beginning of the period/year</b>		
	Finished goods	312.68	246.88
	Work-in-progress	41.22	36.62
	Stock-in-trade	83.01	68.69
	<b>B</b>	<b>436.91</b>	<b>352.19</b>
	<b>Net change (B-A)</b>	<b>(283.83)</b>	<b>(84.72)</b>
	Share of change in inventories of joint venture	(4.48)	-
	<b>Total</b>	<b>(288.31)</b>	<b>(84.72)</b>

Note <b>26</b>	EMPLOYEE BENEFITS EXPENSES		RS. IN CRORES
	Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
	Salaries, wages, bonus etc.	911.43	569.13
	Contribution to provident and other funds	30.94	20.10
	Staff welfare expenses	102.27	69.11
		1,044.64	658.34
	Share of employee benefits expenses of joint venture	12.84	1.30
	<b>Total</b>	<b>1,057.48</b>	<b>659.64</b>

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27 FINANCE COSTS			RS. IN CRORES
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	
<b>Interest expense</b>			
On income tax	0.11	1.17	
On other borrowings	8.93	8.59	
	<b>9.04</b>	<b>9.76</b>	
Share of finance cost of joint venture	-	0.02	
<b>Total</b>	<b>9.04</b>	<b>9.78</b>	

Note 28 DEPRECIATION AND AMORTISATION EXPENSES			RS. IN CRORES
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	
Depreciation of tangible assets	375.73	177.67	
Depreciation of investment property	0.96	0.47	
Amortisation of intangible assets	63.47	41.68	
	<b>440.16</b>	<b>219.82</b>	
Share of depreciation expenses of joint venture	11.50	-	
<b>Total</b>	<b>451.66</b>	<b>219.82</b>	

Note 29 OTHER EXPENSES			RS. IN CRORES
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	
Consumption of Stores and machinery spares(including loose tools and packing material)	166.53	96.12	
Increase in excise duty on finished goods	21.40	3.87	
Loss on sale of fixed assets	2.56	1.97	
Fixed assets discarded	1.79	0.92	
Power and fuel	112.50	74.07	
Insurance	26.08	7.43	
Repairs and maintenance			
Buildings	20.20	12.44	
Plant and machinery	57.20	30.97	
Others	47.25	28.42	
Rates and taxes	24.57	15.27	
Advertisement	71.97	33.54	
Freight and handling charges	260.18	164.08	
Incentives	316.62	171.27	
Warranty	165.14	88.08	
Other selling and distribution expenses	224.67	136.09	
Rent	65.44	38.64	
Legal and professional charges	74.51	42.90	
Travelling expenses	90.17	65.20	
Development expenses	48.73	36.30	
Corporate social responsibility expenditure	17.17	-	
Bad debts / advances written off	0.01	0.06	
Provision for doubtful debts and advances	8.38	8.99	
Exchange loss (net)	2.08	-	
Miscellaneous expenses	221.74	136.93	
	<b>2,046.89</b>	<b>1,193.56</b>	
Share of other expenses of joint venture	15.84	4.36	
<b>Total</b>	<b>2,062.73</b>	<b>1,197.92</b>	



# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note  
**30**

### CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 265.23 crores (Rs. 303.29 crores) (includes share of joint venture Rs. 4.11 crores (Rs. 16.87 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.

Note  
**31**

### RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure on research and development incurred and expensed off during the period/year through the appropriate heads of account aggregate Rs. 189.73 crores (Rs. 121.44 crores). The capital expenditure incurred during the period/year for research and development purposes aggregate Rs. 201.92 crores (Rs. 151.60 crores).

Note  
**32**

### PROVISION FOR LIABILITIES, OTHER THAN FOR TAXES ON INCOME AND EMPLOYEE BENEFITS

	RS. IN CRORES	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Warranty provisions		
Opening balance	91.84	65.88
Additions during the period/year*	165.25	88.08
Amount utilised during the period/year	96.49	62.12
Closing balance	160.60	91.84
Short-term provision #	78.82	64.45
Long-term provision	81.78	27.39

\* Including share of joint venture Rs. 0.11 crore (Rs. Nil)

# Including share of joint venture Rs. 0.06 crore (Rs. Nil)

Note  
**33**

### CONTINGENT LIABILITIES NOT PROVIDED FOR

	RS. IN CRORES	
Particulars	As at March 31, 2016	As at December 31, 2014
a) In respect of following by the Company and its subsidiaries:		
- Excise duty matters	15.11	65.90
- Sales tax matters	179.73	165.59
- Service tax matters	99.22	98.44
- Income tax matters	1.67	32.92
b) Claims against the Company and its subsidiaries not acknowledged as debts*	14.87	12.04
c) Bills discounted	18.68	27.89

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.

\* includes share of joint venture Rs. 4.77 crores (Rs. 1.88 crores)

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**Note  
34**

### DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

		RS. IN CRORES	
Particulars		For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting period/year.	77.66	38.26
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting period/year.	-	0.05
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	22.46	18.39
(iv)	The amount of interest due and payable for the period/year	0.41	0.17
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting period/year	0.07	0.21
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	0.08

**Note  
35**

### DISCLOSURES UNDER ACCOUNTING STANDARD 15 (REVISED)

		RS. IN CRORES	
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The details of various employee benefits provided to employees are as under

#### A. Employee plans

Particulars		For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
a)	Provident fund (includes share of joint venture Rs. 0.58 crore (Rs. 0.23 crore))*	29.83	18.86
b)	Superannuation fund	2.54	2.25
c)	Employee State Insurance Corporation (includes share of joint venture Rs. 0.05 crore (Rs. Nil))	2.88	1.59

Out of the total contribution made for employees' provident fund, Rs. 8.86 crores (Rs. 6.83 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, 2015 is Rs. 96.22 crores as against the total plan assets of Rs. 97.26 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

\* includes Rs. 0.82 crore (Rs. 0.73 crore) capitalised during the period/year and Rs. 0.03 crore (Rs. 0.05 crore) considered in Pre-operative expenditure (pending allocation).

#### B. Defined benefit plans:

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

Particulars	For the fifteen months ended March 31, 2016		For the year ended December 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the beginning	55.81	24.21	48.17	16.91
Current service cost	7.78	6.98	6.43	4.64
Interest cost	5.11	2.20	3.57	1.24
Benefits paid	(5.14)	(2.17)	(5.28)	(1.72)
Net actuarial (gain) / loss recognised	3.29	(3.04)	2.95	3.17
Present value of obligation as at the end	66.85	28.18	55.84	24.24
Add: Share of joint venture	0.26	0.37	0.07	0.10
<b>Total present value of obligation as at the end</b>	<b>67.11</b>	<b>28.55</b>	<b>55.91</b>	<b>24.34</b>

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**Note  
35**
**DISCLOSURES UNDER ACCOUNTING STANDARD 15 (REVISED) (CONTD.)**

RS. IN CRORES

**Reconciliation of opening and closing balances of the present value of fund**

Particulars	Gratuity	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Present Value of plan assets as at the beginning	40.17	36.49
Contribution	25.66	4.39
Return on plan assets	4.39	3.10
Benefit paid	(4.40)	(4.11)
Net actuarial gain / (loss) recognised	1.34	0.30
Present value of plan assets as at the end@	67.16	40.17

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

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

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Liquid funds	54%	41%
Bonds	37%	59%
Others	9%	-

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

Particulars	RS. IN CRORES			
	For the fifteen months ended March 31, 2016		For the year ended December 31, 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	67.11	28.55	55.91	24.34
Fair value of plan assets at the end	67.16	-	40.17	-
Net asset/(liability) recognised in balance sheet	0.05	(28.55)	(15.74)	(24.34)
<b>Cost for the year</b>				
Current service cost	7.78	6.98	6.43	4.64
Interest cost	0.72	2.20	0.47	1.24
Net actuarial (gain) / loss recognised	1.95	(3.04)	2.65	3.17
<b>Net cost recognised</b>	10.45	6.14	9.55	9.05
Add: Share of joint venture	0.26	0.37	0.07	0.10
<b>Total cost recognised</b>	<b>10.71</b>	<b>6.51</b>	<b>9.62</b>	<b>9.15</b>
<b>Experience adjustment on plan liabilities (loss) / gain</b>	(3.29)	3.04	(2.95)	(3.17)
<b>Experience adjustment on plan assets (loss) / gain</b>	1.34	-	0.30	-
<b>Principal assumptions:</b>				
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)	IALM (2006-08)	IALM (2006-08)

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.

The estimated contribution during next year is Rs. 7.02 crores (Rs. 7.12 crores).

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Other disclosures:

Particulars	RS. IN CRORES					
	For the year ended December 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	48.17	16.91	43.27	14.94	36.12	11.00
Fair value of plan assets at the end	36.49	-	31.45	-	29.85	-
Net Asset/(liability) recognised in balance sheet	(11.68)	(16.91)	(11.82)	(14.94)	(6.27)	(11.00)
Net actuarial loss/(gain) recognised	0.35	(1.04)	0.79	(1.22)	(0.15)	(0.48)
Experience adjustment on plan liabilities (loss) / gain	(0.98)	1.04	(2.60)	(1.42)	(0.71)	0.17
Experience adjustment on plan assets (loss) / gain	0.63	-	2.78	-	1.51	-

### Note 36

### DISCLOSURE IN RESPECT OF OPERATING LEASES

RS. IN CRORES

The Company has taken certain premises under various operating lease agreements. The total lease rental recognise as expense aggregate to Rs. 66.55 crores (Rs. 38.64 crores). Lease payments recognized as pre-operative expenditure pending allocation Rs. 2.25 crores (Rs.3.28 crores).

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

Particulars	As at March 31, 2016	As at December 31, 2014
Not later than one year	17.42	9.40
Later than one year and not later than five years	23.11	12.39
Later than five years	4.81	0.25

### Note 37

### DISCLOSURE IN RESPECT OF FINANCIAL LEASES

RS. IN CRORES

The Company has entered into finance lease arrangements for certain vehicles. Future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments are as under:

Particulars	As at March 31, 2016	As at December 31, 2014
Future minimum lease payments		
- not later than one year	14.70	11.96
- later than one year and not later than five years	22.10	30.38
- later than five years	-	-
Less: Unearned finance income	6.55	8.79
Present value of minimum lease payments receivable	-	-
- not later than one year	11.02	7.94
- later than one year and not later than five years	19.23	25.61
- later than five years	-	-
Unguaranteed residual value	-	-
Accumulated provision for uncollectible minimum lease payments receivable	-	-
Contingent rents recognised in Statement of Profit or loss during the year	-	-



# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**Note  
38**

The details of disputed excise duty, sales tax, service tax and income tax dues as on March 31, 2016 which have not been deposited or deposited under protest are as follows

RS. IN CRORES					
Nature of the Statute	Nature of dues	Forum where pending	Amount*	Amount paid under protest	Period to which amount relate
Central Excise Act	Excise Duty	Commissioner of Central Excise	0.05	-	2011-12
		Appellate Authority upto Commissioner's level	0.21	0.01	1991-92 to 1997-98, 2000-01 to 2006-07, 2009-10 to 2014-15
		CESTAT	3.30	0.68	1983-84 to 2000-01, 2002-03 to 2015-16
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority upto Commissioner's level	11.92	2.22	1987-88, 1989-90 to 1991-92, 1993-94, 1995-96 to 1999-00, 2000-01 to 2014-15
		Appellate Tribunal	2.80	0.68	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	2.28	0.64	1984-85, 1985-86, 1993-94, 1995-96, 2000-01, 2004-05, 2005-06 and 2008-09
		Supreme Court	1.96	0.55	1986-87, 1990-91, 1991-92, 2001-02 to 2003-04
Finance Act, 1994	Service Tax	Assessing Authority	0.39	0.02	2006-07 to 2011-12
		Appellate Authority upto Commissioner's level	0.27	-	2009-10 to 2014-15
		CESTAT	9.65	0.48	2003-04 to 2013-14
Income Tax Act, 1961	Income Tax	Appellate Authority upto Commissioner's level	0.24	-	2010-11
		Appellate Tribunal	0.16	-	2008-09 and 2009-10

**Note  
39**

### EARNINGS PER SHARE

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
a) Profit for the period/year, per statement of profit and loss (Rs. in crores)	1,277.88	615.36
b) Weighted average number of equity shares (Nos.)	2,71,37,015	2,70,81,961
c) Effect of potential dilutive equity shares on Employee Stock Options outstanding (Nos.)	99,768	1,33,474
d) Weighted average number of equity shares in computing diluted earnings per share [(b) + (c)]	2,72,36,783	2,72,15,435
e) Earnings per share (in rupees):		
(face value-Rs. 10 per share)		
- Basic [(a)/(b)]	470.90	227.22
- Diluted [(a)/(d)]	469.17	226.11

**Note  
40**

### 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" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 are not applicable.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note  
41

### RELATED PARTY DISCLOSURES

RS. IN CRORES

#### 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
Aktiebolaget Volvo (PUBL), 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 period/year:

Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Managerial remuneration@		
- Mr Siddhartha Lal	8.49	5.37
- Mr R.L. Ravichandran	-	0.68
<b>Total</b>	<b>8.49</b>	<b>6.05</b>

@ 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.

\* Whole Time Director upto December 31, 2014

#### Transactions with the above parties:

Particulars	EGPL		AB Volvo		EPPL		Total	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
Sale of finished goods/services	-	-	-	#	7.51	6.39	7.51	6.39
Purchase of finished goods/services	0.03	-	-	-	-	-	0.03	-
Expenses recovered	-	-	-	-	0.08	0.38	0.08	0.38
Expenses reimbursed	2.38	-	-	-	-	-	2.38	-
Corporate service charges paid	0.91	-	-	-	-	-	0.91	-
Corporate service charges recovered	-	-	-	-	0.02	0.15	0.02	0.15
Rental income	-	-	-	-	3.28	2.49	3.28	2.49
Rent Paid	14.44	10.63	-	-	-	-	14.44	10.63
Brand fees	50.53	26.94	-	-	-	-	50.53	26.94
Dividend Paid	-	-	67.23	26.02	-	-	67.23	26.02
Others	-	-	-	-	0.08	-	0.08	-
<b>Aggregate balances outstanding as at the year end</b>								
- Receivables	-	-	-	#	0.36	0.45	0.36	0.45
- Payables	47.29	26.48	-	-	-	-	47.29	26.48
- Advance from customer	-	-	-	-	0.03	-	0.03	-
- Security deposit receivable	4.60	4.60	-	-	-	-	4.60	4.60

# Rs. 17,399/-

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	THE UNHEDGED OF FOREIGN CURRENCY EXPOSURES ARE AS UNDER			
	As at March 31, 2016		As at December 31, 2014	
	Foreign currency in crores	Rs. in crores	Foreign currency in crores	Rs. in crores
<b>Receivables</b>				
USD	1.14	75.89	0.55	34.85
SEK	-	-	-	-
EURO	0.25	18.62	0.81	62.57
GBP	0.28	2.76	-	-
JPY	53.80	31.77	16.07	8.51
		<b>129.04</b>		<b>105.93</b>
<b>Payables</b>				
USD *	0.53	33.75	0.11	7.15
SEK	0.42	3.42	0.57	4.62
EURO*	0.10	6.86	0.93	72.10
GBP*	0.05	3.36	0.01	0.71
JPY	19.10	11.28	11.34	6.00
Others	5.04	2.58	0.36	0.79
		<b>61.25</b>		<b>91.37</b>

\* includes share of joint venture of 25,832 USD equivalent to Rs. 0.17 crore (USD 0.03 crore equivalent to Rs. 1.79 crores), 4,805 EUROS equivalent to Rs. 0.04 crore (9,610 EUROS equivalent to Rs. 0.04 crore) and 9,750 GBP equivalent to Rs. 0.06 crore (Rs. Nil)

### Note 43

Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), the Group, w.e.f. January 1, 2015, has reviewed the estimated economic useful lives of its fixed assets generally in accordance with that provided in the Schedule II to the Act. As a result (after considering the transitional provision specified in the Schedule II), the depreciation charge for the fifteen months from January 1, 2015 to March 31, 2016 is higher by Rs. 90.02 crores and depreciation amounting to Rs. 10.81 crores (net of deferred tax amounting to Rs. 5.72 crores) has been adjusted from the opening balance of retained earnings.

### Note 44

The Group and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

### Note 45

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its jointly controlled entity.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 46

ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

RS. IN CRORES

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>				
Eicher Motors Limited	54.9%	1,900.43	96.3%	1,229.85
<b>Subsidiaries</b>				
Foreign:				
1. Royal Enfield North America Limited	0.5%	17.29	(1.0%)	(13.28)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	0.0%	0.63	(0.1%)	(0.81)
Indian:				
1. VE Commercial Vehicles Limited	39.0%	1,352.31	8.0%	102.63
<b>Joint Venture</b>				
Indian:				
1. Eicher Polaris Private Limited	5.6%	193.63	(3.2%)	(40.51)
<b>Total</b>	<b>100.0%</b>	<b>3,464.29</b>	<b>100.0%</b>	<b>1,277.88</b>

### Note 47

The figures for the current period are for a period of fifteen months from January 1, 2015 to March 31, 2016, whereas the corresponding previous years figures are for twelve months from January 1, 2014 to December 31, 2014. As such corresponding figures for the previous year are not directly comparable with those of current period.

### Note 48

Figures in brackets represent previous year's figures.

### Note 49

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

OVERVIEW OF PERFORMANCE  
**VE COMMERCIAL  
VEHICLES LIMITED**

A SUBSIDIARY OF THE COMPANY

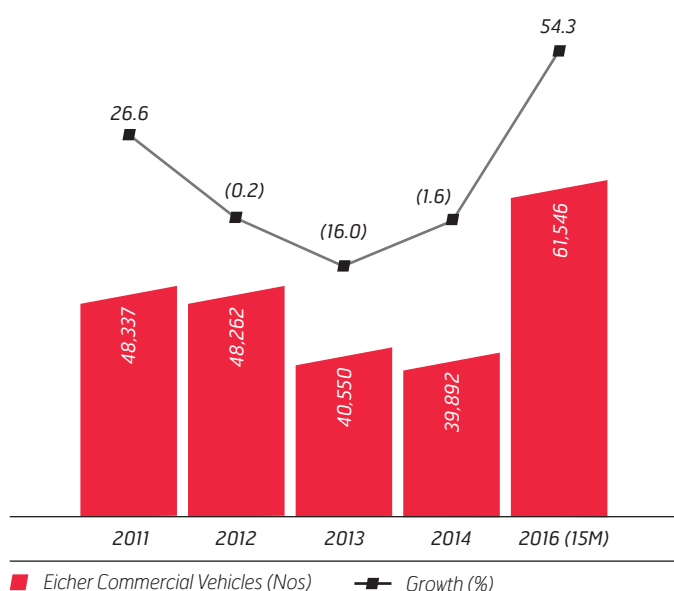




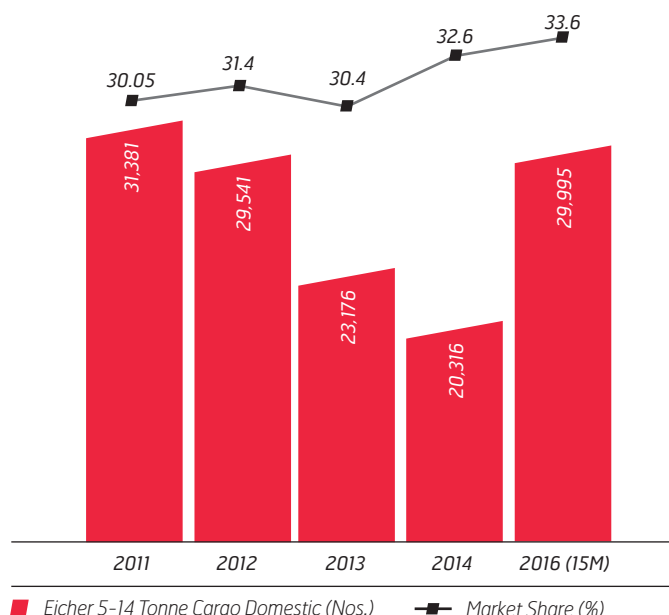
# PERFORMANCE HIGHLIGHTS

OF VE COMMERCIAL VEHICLES LIMITED

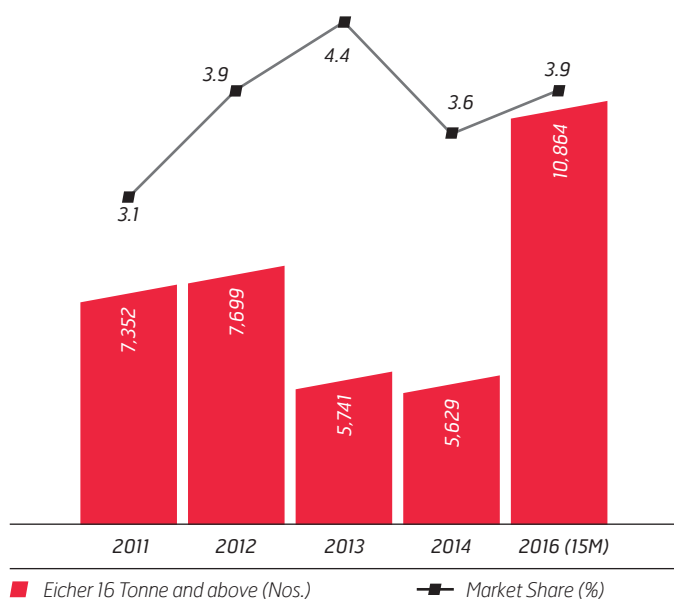
**Chart 1// Eicher Commercial Vehicles and Growth**



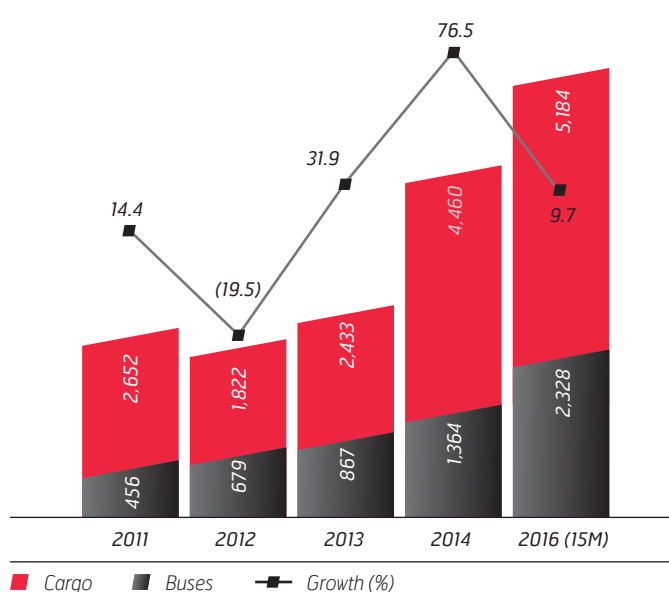
**Chart 2// Eicher 5-14 Tonne Cargo Domestic and Market Share**

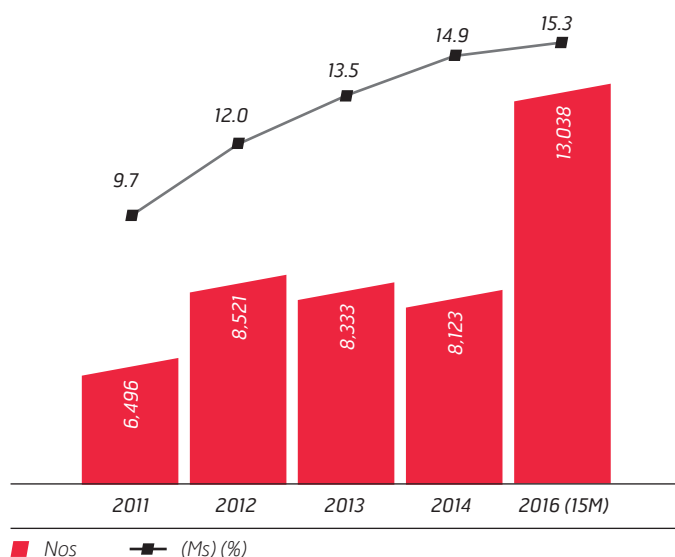
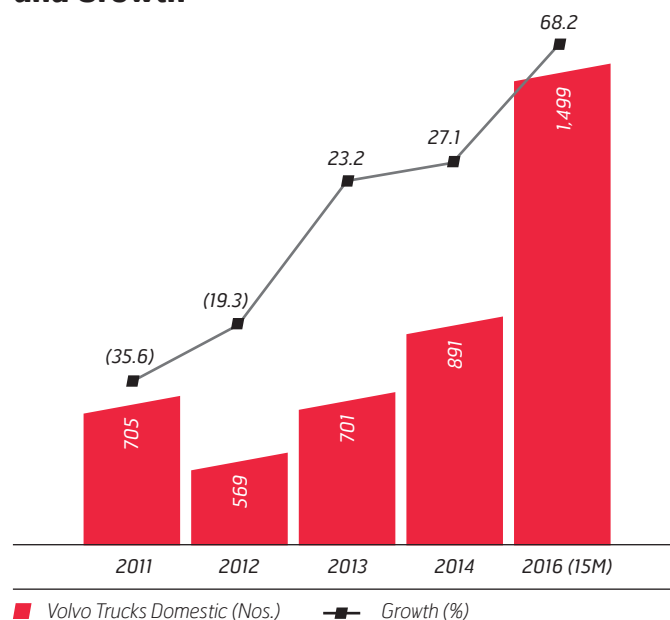
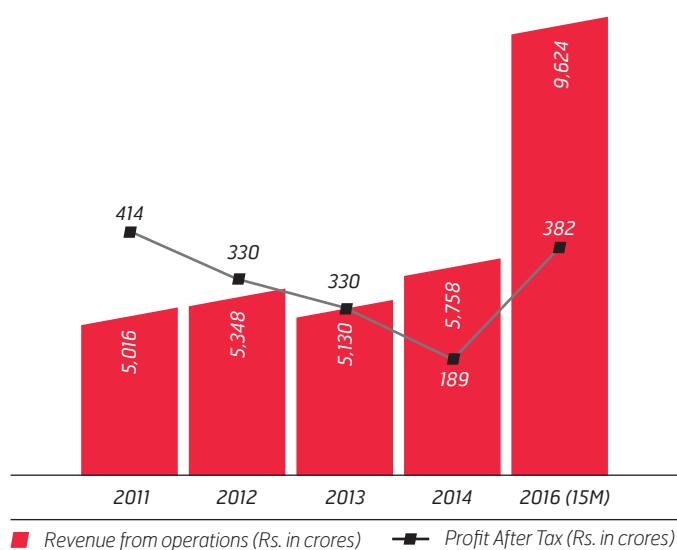
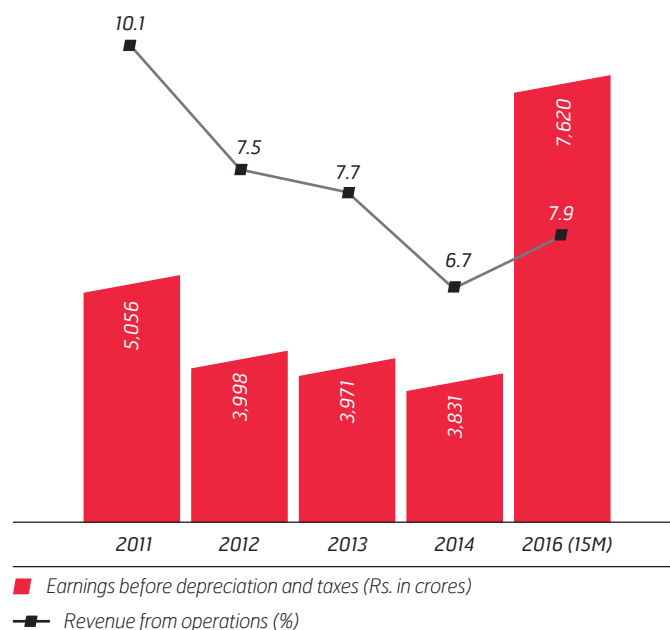


**Chart 3// Eicher 16 Tonne and above Cargo Domestic and Market Share**



**Chart 4// Eicher Exports: Cargo/Buses and Growth**



**Chart 5// Eicher Buses Domestic and Market Share****Chart 6// Volvo Trucks Domestic and Growth****Chart 7// Revenue from operations and Profit After Tax****Chart 8// Earnings before depreciation and taxes and revenue from operations**

# BUSINESS HIGHLIGHTS



Heavy Duty tipper at the Volvo trucks plant at Hoskote, Karnataka

## EICHER TRUCKS AND BUSES (ETB)

The demand of the trucks is directly linked to the growth of the economy and particularly in sectors like roads and constructions, mining, power and ports, as well as infrastructure projects. Growth in these sectors is facilitating the performance of the Company in 2015. ETB has achieved the sales of 61546 units in the period of 15 months ended March 31, 2016. ETB did very well in all segments during the period under review by increasing its market share in Light Medium Duty trucks (5-15 Ton) from 32.6% in 2014 to 33.6%, from 3.6% in 2014 to 4.4% in Heavy Duty trucks, and from 14.9% in 2014 to 15.3% in Buses.

## VOLVO TRUCKS INDIA (VTI)

Activities in terms of coal projects and earth moving segment picked up well during this period. The coal production growth was at 8.5% in financial year 2015-16 versus 7% in financial year 2014-15. This led to the increase in demand for the mining equipment. The period under review has been good for the VTI division.

For the 15 months period ended March 2016, Volvo Trucks deliveries were 1499 units out of which 1436 units were tippers. Volvo Trucks continue to be the preferred mining solution provider amongst the competition in 400hp+ segment and our market share has improved from 61.6% in 2014 to 63.7% in the period under review.

## EICHER ENGINEERING COMPONENTS (EEC)

EEC has made sizeable progress in turnover with domestic as well as global customers including the captive businesses. During the fifteen

months financial period ended on March 31, 2016, EEC business has shown a growth of 18% on annualized basis.

## EICHER ENGINEERING SOLUTIONS (EES)

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

EES business was severely impacted due to sudden drop in business from major clients. Significant cost rationalization program was under taken to reduce operational costs accordingly. As this business does not fall under the VECV core competency area, closure of this division is under consideration.

## VE POWERTRAIN (VEPT)

VE Powertrain has sold 23766 engines in the financial period 2015-16 against 12358 engines in the financial year 2014, growth of 53.9% on an annualised basis.

## BUS BODY PLANT

Bus Body plant has delivered 3930 buses during the financial period as against 1925 buses during financial year 2014 with a growth of 63% on annualized basis. This includes 800 buses of the newly launched platform of Skyline Pro and Midi buses. During the period under review, the plant capacity has been enhanced through productivity improvement to deliver 8200 units per year which will go up to 16400 units per annum by 2017.

## MARKET AND FUTURE PROSPECTS

### Eicher Trucks and Buses

The commercial vehicles industry has kept up the pace of growth which started in the last quarter of 2014. We believe that high focus on competitive growth as well as market development to build share in key segments are critical for sustained growth and long term value creation. While focusing on key segments, the Company continues to invest significantly developing the market in these segments to drive future growth.

Eicher HD conducted multi location, mega & micro launches of the all new Pro 6000 series. The focus was on providing a premium experiential journey into the Eicher brand and build the brand imagery as a modern and technologically advanced product. The Lifetime Support Solutions property was created to convey Eicher's aftermarket offerings, which will help the customer to realise maximum lifetime profitability from his truck. Several new initiatives have been started and are being successfully implemented for improving customer connect. Similarly, new programs have been initiated in the LMD trucks and bus segments as well for enhancing driver and customer engagement.

In 2016-17, Eicher LMD and HD vehicles, both trucks and buses, are expected to continue their strong contribution. Year 2016-17 will see Eicher commercially launching more new variants of Eicher Pro 6000 series of heavy-duty trucks and Eicher Pro 3000 series of light and medium duty trucks, to cater to the fast growing segments in the market. Further increasing acceptability and positive customer response to the Eicher PRO series of heavy duty drive incremental volumes in 2016-17 and aid in ETB's long term strategy towards becoming a significant player in the heavy-duty CV market.

### Volvo Trucks

Business sentiments in terms of coal production and market outlook seem positive following the key actions taken by new Government in the mining segment. Record coal production growth has been achieved in the last year and Coal India Limited (CIL) plans to further increase the production in the coming year. However, in the present scenario, the coal stocks piled up in the pits and thermal plants. Government is also targeting to reduce the imports of thermal coal to nil in the next 2 – 3 years. Private coal blocks auctions went well in 2015 but the operationalization has been sluggish with concerns on various clearances. However this may change next year as demand from power sector is set to go up. This would increase the demand for mining equipment in next year. The demand from industries like steel, cement and power is expected to contribute significantly for further growth in the coming quarters.

### Eicher Engineering Components (EEC)

The year 2016-17 is likely to witness further growth in OEM business with higher requirements from strategic customers. The overall economy (in India and US) is buoyant signaling the increased demand overall. EEC is expecting the exports business also to grow substantially in the coming years.

### Bus Body Plant

To leverage the state of the art manufacturing capability of the Bus plant with customers, plant visit of domestic and export customers has been organized. To enhance capacity utilization further, new models are also being produced in the bus plant.



An Eicher Skyline Pro bus

# CONSOLIDATED BALANCE SHEET

OF VE COMMERCIAL VEHICLES LIMITED AS AT MARCH 31, 2016

RS. IN CRORES		
	As at March 31, 2016	As at December 31, 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	10.00	10.00
Reserves and surplus	2,526.78	2,294.36
	<b>2,536.78</b>	<b>2,304.36</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities (net)	310.02	219.28
Other long-term liabilities	9.98	12.35
Long-term provisions	103.58	58.79
	<b>423.58</b>	<b>290.42</b>
<b>Current liabilities</b>		
Short-term borrowings	63.30	58.36
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	65.82	24.29
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,715.32	1,008.71
Other current liabilities	276.62	352.52
Short-term provisions	64.04	153.43
	<b>2,185.10</b>	<b>1,597.31</b>
<b>Total</b>	<b>5,145.46</b>	<b>4,192.09</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	1,573.90	1,490.67
Intangible assets	298.35	315.61
Capital work-in-progress	82.37	124.43
Intangible assets under development	237.88	142.48
	<b>2,192.50</b>	<b>2,073.19</b>
Non-current investments	0.05	0.05
Long-term loans and advances	448.97	338.34
Other non-current assets	59.91	105.10
	<b>2,701.43</b>	<b>2,516.68</b>
<b>Current assets</b>		
Inventories	694.72	441.56
Trade receivables	827.87	565.87
Cash and cash equivalents	522.82	315.54
Short-term loans and advances	390.80	305.40
Other current assets	7.82	47.04
	<b>2,444.03</b>	<b>1,675.41</b>
<b>Total</b>	<b>5,145.46</b>	<b>4,192.09</b>



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

OF VE COMMERCIAL VEHICLES LIMITED FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

	RS. IN CRORES	
	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>INCOME</b>		
Revenue from operations (gross)	10,324.13	6,082.47
Less: Excise duty	700.19	324.41
Revenue from operations (net)	9,623.94	5,758.06
Other income	41.42	35.59
<b>Total revenue</b>	<b>9,665.36</b>	<b>5,793.65</b>
<b>EXPENSES</b>		
Cost of raw materials and components consumed	5,246.38	3,135.08
Purchase of stock-in-trade	1,766.55	914.68
Change in inventories of finished goods, work-in-progress and stock-in-trade	(217.36)	(41.55)
Employee benefits expenses	717.01	497.44
Finance costs	7.63	8.09
Depreciation and amortisation expenses	302.39	169.66
Other expenses	1349.40	869.36
<b>Total expenses</b>	<b>9172.00</b>	<b>5,552.76</b>
<b>Profit before tax</b>	<b>493.36</b>	<b>240.89</b>
<b>Tax expense</b>		
Current tax	125.62	52.91
Minimum alternate tax (MAT) credit entitlement	(108.39)	(52.91)
Deferred tax charge	94.41	51.46
<b>Total tax expense</b>	<b>111.64</b>	<b>51.46</b>
<b>Profit for the period/year</b>	<b>381.72</b>	<b>189.43</b>
<b>Earning per share - basic/diluted</b>	<b>381.72</b>	<b>189.43</b>
(Face value of Rs 10 per share) (in Rs.)		

# CONSOLIDATED CASH FLOW STATEMENT

OF VE COMMERCIAL VEHICLES LIMITED FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

RS. IN CRORES		
Particulars	For the fifteen months ended March 31, 2016	For the year ended December 31, 2014
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	493.36	240.89
Adjustments for:		
Depreciation and amortisation expenses	302.39	169.66
Profit on sale of fixed assets	(2.54)	(0.53)
Fixed assets discarded	0.44	0.83
Loss on sale of fixed assets	2.44	1.42
Exchange differences on conversion	0.60	(0.08)
Interest income	(32.55)	(25.83)
Finance costs	7.63	8.09
<b>Operating profit before changes in working capital</b>	<b>771.77</b>	<b>394.45</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(253.16)	(58.21)
Trade receivables	(262.00)	(57.59)
Short-term loans and advances	(85.40)	(36.27)
Long-term loans and advances	(1.27)	(32.54)
Other current assets	41.65	(27.53)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	748.14	155.93
Other current liabilities	(24.83)	55.88
Other long-term liabilities	(1.75)	0.61
Short-term provisions	(7.43)	18.12
Long-term provisions	44.79	9.54
<b>Cash generated from operating activities</b>	<b>970.51</b>	<b>422.39</b>
Direct taxes paid	(115.61)	(55.22)
<b>Net cash from operating activities (A)</b>	<b>854.90</b>	<b>367.17</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including Pre-operative expenditure and capital advances)	(493.75)	(519.82)
Sale of fixed assets	6.43	2.27
Investment in/proceeds from fixed deposits	45.19	(105.10)
Interest received	30.12	51.90
<b>Net cash flow from investing activities (B)</b>	<b>(412.01)</b>	<b>(570.75)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in short term borrowings (net)	4.94	(21.54)
Interest paid	(7.63)	(8.09)
Dividend paid	(193.75)	(75.00)
Tax on dividend	(39.17)	(12.75)
<b>Net cash flow from financing activities (C)</b>	<b>(235.61)</b>	<b>(117.38)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>207.28</b>	<b>(320.96)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>315.54</b>	<b>636.50</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>522.82</b>	<b>315.54</b>
RS. IN CRORES		
Particulars	As at March 31, 2016	As at December 31, 2014
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.13	0.09
Cheques/ drafts on hand	58.26	21.34
Balances with banks:		
In current accounts	91.51	86.10
In deposit accounts	372.92	208.01
<b>Total cash and cash equivalents</b>	<b>522.82</b>	<b>315.54</b>



OVERVIEW OF PERFORMANCE  
**EICHER POLARIS  
PRIVATE LTD.**

A JOINT VENTURE OF THE COMPANY





# BUSINESS HIGHLIGHTS



The New Multix from Eicher Polaris Private Limited

Eicher Motors Limited's 50:50 joint venture with Polaris Industries Inc. – Eicher Polaris Private Ltd (EPPL) launched Multix – a new 3-in-1 vehicle in June 2015. With Multix, EPPL intends to create a new category of Personal Utility Vehicles. With its manufacturing operations based in Jaipur, Rajasthan, EPPL has been expanding its distribution network across its target markets. It is now present in 34 locations across 8 states and continues to build its distribution network.

Multix has received a lot of interest amongst its target customers and has a strong funnel of potential customers now. The target customers of this vehicle are the independent business owners who can now own a vehicle which provides multi utility for their business. This vehicle combines three distinct utilities, passenger, cargo transport and generation of power upto 3KW – a first in the industry.

## MANUFACTURING OPERATIONS

Located in the industrial area of Kukas on the outskirts of Jaipur, this state – of – the – art manufacturing plant equipped to produce 60,000 units per annum which can be expanded to 120,000 units per annum. EPPL has deployed automated solutions at many points in its manufacturing operations

Spread over an area 2000 sq.mts, the weld shop has best in class robotic weld line to do high speed welding, thereby saving time and cost. To reduce down time, the shop is connected with online trouble shooting through Ethernet facility. Safety being of utmost importance, hence, in order to avoid accidents anti – collision sensor are installed that ensures zero fatalities. For faster program change and reduce set up change, the shop also has digital control & process optimization.

At Eicher Polaris Private Ltd. quality is of utmost priority, hence, the plant has installed high end 3D CMM and metrology lab as to check components quickly and accurately. It also has systematic quality assurance system to ensure customer satisfaction towards product quality. The plant has excellent endurance test track to test vehicles performance along with its durability via accelerated testing.

## ABOUT MULTIX:

With versatility at its heart, Multix offers the unique power of extreme adaptability to consumers. It is designed and engineered to suit family, business and power generation needs of the consumer. Multix has a generous cabin space that can comfortably seat a family of five along with luggage. Multix can be adapted to create large storage space of 1918 litres. In just 3-minutes, the vehicle can be configured for seating a family to larger boot space in order to cater to the business needs of the consumer.

Built through extensive consumer study, Multix is a differentiated vehicle. It is equipped with first-of-its-kind Pro Ride™ – Independent suspension system which, coupled with its best in class ground clearance of 225mm, delivers unmatched ride experience on all kinds of roads. It has a unique tubular frame structure and Roll-Over Protection System (ROPS) that provides structural stability. The vehicle delivers superior energy efficiency & durability through its Flexituff™ body. It has undergone over 18,00,000 km equivalent of rigorous testing for off-road reliability, safety & durability and has been tested on one of the world's toughest testing tracks in abroad as well as in India on specially built test tracks.

The four – stroke, direct – injection diesel engine delivers a mileage of 28.45 kmpl. The body is made of Flexituff™, a highly durable material,



The Eicher Polaris Private Limited plant at Jaipur, India

restraint to rust, and easy to repair at affordable rates. Multix needs very little attentions – a promising quality in any partner, on or off the road.

Multix's body is highly durable and damage – resistant. Its tubular frame is built to withstand accidents. Its robust inner frame keeps passengers well protected. Multix is built to tackle the roughest terrain with ease, making safety a standard fitment.

With 122 mm of legroom and ample cabin space, Multix is ideal for long – distance and daily travel. It can seat up to 5 people. Its adjustable seats can be used to create extra room for business trips. Combine this with a bump – free ride, with comfort like never before.

Rugged lines and sharp angles mark Multix's tubular frame body. The body emphasizes its height and muscle.

With X-PORT™ – most unique and exiting features power-take-off feature of Multix, which can generate power up to 3 KW, and unlock the potentials of independent businessmen, as it can be used for lighting homes and powering professional equipment such as drilling machines, DJ systems, water pumps and more. Thus, resulting in Versatility, Utility and Electricity!

## BUSINESS HIGHLIGHTS

EPPL has started its retail operations in August 2015. For the financial year under review, EPPL sold 921 units. Its revenue from operations were Rs. 18.62 crores for the period ended March 31, 2016. Earnings before depreciation and tax was Rs. (61.03) crores.

Multix on the assembly line at the Eicher Polaris Private Limited plant



## CUSTOMER TESTIMONIALS

### Shiv Shankar Patel

SHOP KEEPER, VARANASI

My shop is well stocked now, I sell stationery, hardware, and other goods and pick up all these goods from different markets. Now I own my own vehicle, to transport goods, I dont have to overstock and I make an extra profit of Rs 7,000 per month.

### Sanjay S

CONSTRUCTOR, COIMBATORE

Great for my construction business, acts like a car and thinks like a truck. I dont depend on multiple vehicles to transport my labour and construction material anymore. Multix helps me transport both together. With its independent suspension, Multix drives smoothly even on bad roads. Now I can take my prospective buyers for site visits in Multix.

### Santosh Vatare

RO DISTRIBUTOR, NASIK

I dont take a car to office. My office is my car. Multix is my demo van. My equipment is safe, my business is growing and I earn an extra Rs 7,500 per month.

### Lekhraj

SWEET SHOP OWNER, JAIPUR

I have more control over my business. Earlier I had to incur more costs as I had to hire two vehicles, but now I end up saving almost Rs 8,000 with my very own transport.

### Chandeswar Singh

DOCTOR, PATNA

Help is never far away from my mobile clinic. I have a reliable partner with Multix. Bad roads or distance are not a problem for me. I can organise medical camps even in remote places where there is no electricity or water.



## NOTICE OF 34TH (THIRTY FOURTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 34th (Thirty Fourth) Annual General Meeting of the members of Eicher Motors Limited is scheduled to be held on Saturday, June 18, 2016 at Shri Ram Centre, 4, Safdar Hashmi Marg, New Delhi-110001 at 10:00 AM, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To approve interim dividend of Rs. 100 per equity share paid for the financial year ended March 31, 2016.
3. To ratify the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N), as Statutory Auditors of the Company to hold office from the conclusion of thirty fourth Annual General Meeting (AGM) till the conclusion of the thirty-fifth AGM of the Company to be held in the year 2017 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be determined by the Board of Directors of the Company.

### SPECIAL BUSINESS:

4. To consider and approve re-appointment of Mr Siddhartha Lal as Managing Director of the Company:

In this regard, it is proposed to consider and if thought fit to pass the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules framed thereunder read with Schedule V of the Act and subject to such other provisions as may be applicable and subject to the approval of the Central Government, consent of the shareholders be and is hereby accorded for re-appointment of Mr Siddhartha Lal (DIN 00037645) as Managing Director of the Company for a term of 5 (Five) years with effect from May 1, 2016 on the following terms and conditions:

#### Terms and conditions:

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 and shareholders except such matters which are specifically to be done by the Board of Directors under the Articles of Association of the Company or under the Companies Act, 2013 and the rules thereunder or under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Mr Siddhartha Lal shall be liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013 and there will be no break in his office as Managing Director in case he is re-appointed by the shareholders.

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.

RESOLVED FURTHER THAT the said terms and conditions of the re-appointment of Mr Siddhartha Lal as Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit in accordance with the provisions of the Companies Act, 2013 or any amendments made therein and such other provisions as may be applicable and with the approval of Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds and things as it may consider necessary or expedient to give effect to this resolution."

5. To consider and approve payment of Remuneration to Mr Siddhartha Lal as Managing Director:

In this regard, it is proposed to consider and if thought fit to pass the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules framed thereunder read with Schedule V of the Act and subject to such provisions as may be applicable and subject to such approvals as may be required, consent of the shareholders of the Company be and is hereby accorded for payment of following remuneration to Mr Siddhartha Lal (DIN 00037645) in the capacity of Managing Director of the Company for a period of 1 (one) year with effect from May 1, 2016.

#### A) Fixed Compensation:

- i. Salary and Allowances: Rs. 3.06 Crores (Rupees three crore six lakh only) per annum.
- ii. Perquisites, including rent-free furnished accommodation, car with driver, club membership, reimbursement of medical expenses, leave travel concession and other perquisites in accordance with company policies and tax incidence thereon.
- iii. Statutory contributions and Retirement benefits: As per applicable law and Company policies.

#### B) Commission:

As the Board of Directors of the Company may approve, upon recommendation or, if required, approval of the Nomination and Remuneration Committee.

The aggregate of salary, perquisites, benefits and commission in the financial year shall not exceed the limit prescribed from time to time under Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds and things as it may consider necessary or expedient to give effect to this resolution."

By order of the Board of Eicher Motors Limited

**Manhar Kapoor**

Place: GURGAON  
Date: May 5, 2016

Company Secretary & Compliance Officer  
Membership No. FCS 5564

CIN: L34102DL1982PLC129877  
Regd. Off: 3rd Floor-Select Citywalk  
A-3 District Centre, Saket  
New Delhi – 110017  
Phone: 0124-4415600 Fax: 0124-4415807  
Website: www.eichermotors.com, E-mail: investors@eicher.in

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed herewith.
  2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE AT A POLL INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETE, STAMPED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) % OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
  3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours at the registered office of the Company, provided not less than 3 days written notice is given to the Company.
  4. Corporates/ Societies intending to send their respective authorized representative are requested to send appropriate resolutions/authority, as applicable authorizing such representative to attend and vote at the Annual General Meeting.
  5. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed June 11, 2016 as cut-off date for determining the Members who shall be entitled to vote through Remote e-voting or voting at the meeting. A person who is not a member as on the cut-off date shall treat this notice for information purpose only.
  6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  7. The Board of Directors in their meeting held on March 12, 2016 approved payment of interim dividend of Rs. 100/- per Equity Share (@ 1000%) on 2,71,61,183 Equity Shares of face value of Rs. 10/- each fully paid-up of the Company aggregating to Rs. 271,61,18,300/- out of the profits for the financial year 2015-2016. Interim dividend was paid to the shareholders as per their shareholding in the Company as on March 23, 2016 (Record Date for payment of interim dividend).
  8. The amount of dividend remaining unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to Dividend for the financial year 2007-08 to the IEPF within the stipulated time period during the year. Members who have not encashed their dividend warrants for the financial year 2008 (April 2008 to December 2008) and onwards are advised to write to the Registrar immediately for claiming dividends declared by the Company.
  9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members who are holding shares in physical form are requested to notify changes in their respective address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to Company's Registrar i.e. M/s Link Intime India Pvt. Ltd. at 44, 2nd Floor, Community Centre, Naraina Industrial Area, Phase - 1 New Delhi 110028.
- Beneficial owners holding shares in electronic form are requested to intimate change in address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP). Members are requested to register/ update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
  11. Electronic copy of Notice of the 34th Annual General Meeting and Annual Report for financial year 2015-16 is being sent to all the members whose email ID's are registered with the Registrar/Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the 34th Annual General Meeting and Annual Report for the financial year 2015-16 is being sent by other permissible modes. Attendance Slip, Proxy Form and process and manner of e-voting are part of notice of Annual General Meeting.
  12. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for year 2015-16 is also available on the Company's website [www.eichermotors.com](http://www.eichermotors.com) and on the website of the Registrar [www.linkintime.co.in](http://www.linkintime.co.in) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during 11:00 A.M. to 5:00 P.M on any working day (Monday-Friday). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's email id: [investors@eicher.in](mailto:investors@eicher.in)
  13. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) 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 all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
  14. Guidelines for attending the ensuing Annual General Meeting of the Company:
    - a. Entry to the Auditorium/Hall will be strictly against entry coupon available at the counters at the venue and against the exchange of duly filled in, signed and valid attendance slip.
    - b. Any briefcase/bags/eatables or such other articles as may be ordered by the authorities, are not allowed inside the Auditorium/Hall.
    - c. Member(s) are requested to bring the copy of the Annual Report to the meeting.
  15. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the Company between 11:00 AM and 5:00 PM on all working day (Monday-Friday).
  16. Members desirous of obtaining any information/ clarification on the enclosed Accounts are requested to submit their query in writing to Mr D.S. Mehta, Manager at the Registered Office of the Company at least 10 days before the date of the Meeting.
  17. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act,

2013, and Register of Contracts or Arrangements in which directors are interested under section 189 will be made available for inspection by members of the Company at the meeting. Certificate from the Auditors of the Company certifying that Employee Stock Option Plan 2006 is being implemented in accordance with the Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution of the Company passed in the general meeting, will also be available for inspection at the meeting.

18. Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot process shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot process.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on June 14, 2016 (9:00 am) and ends on June 17, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 11, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

V. The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
  - (i) Open email and open PDF file viz; "EML remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder-Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any

other person and take utmost care to keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Eicher Motors Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [info@dajuris.com](mailto:info@dajuris.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial user ID and password is provided in the separate sheet sent along with the annual report in the below format:

EVEN (E Voting Event Number)		
User ID	Password/PIN	

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of para A above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of June 11, 2016.
- X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. June 11, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investors@eicher.in](mailto:investors@eicher.in)

However, if a member is already registered with NSDL for remote e-voting then such member can use existing user ID

and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot process.  
Members can opt for only one mode of voting, i.e., either by Ballot Process or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Process shall be treated as invalid.
- XIII. Mr Ranjeet Pandey, Partner, M/s RDA & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, through "Ballot Process" for all those

members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XV. The Scrutinizer shall after the conclusion of voting at the annual general meeting, first count the votes cast through ballot at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report within the prescribed time of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The results along with the report of the Scrutinizer would be displayed at the registered office of the Company mentioned below, at the corporate office at #96, Sector 32, Gurgaon 122001, Haryana and shall be intimated to the Stock Exchanges where securities of the Company are listed, Depositories and Registrar & Share Transfer Agent and will be displayed along with the Scrutinizer's report on the Company's website [www.eichermotors.com](http://www.eichermotors.com) and NSDL website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- XVII. Any query/ grievance relating to voting including e-voting may be addressed to Mr D.S Mehta-Manager, at #96, Sector 32, Gurgaon-122001, Haryana (Contact No. 0124-4415600, E-mail: [dsmehta@eichermotors.com](mailto:dsmehta@eichermotors.com)).

By order of the Board of Eicher Motors Limited

Place: GURGAON  
Date: May 5, 2016

CIN: L34102DL1982PLC129877  
Regd. Off: 3rd Floor-Select Citywalk  
A-3 District Centre, Saket  
New Delhi – 110017  
Phone: 0124-4415600 Fax: 0124-4415807  
Website: [www.eichermotors.com](http://www.eichermotors.com), E-mail: [investors@eicher.in](mailto:investors@eicher.in)

**Manhar Kapoor**  
Company Secretary & Compliance Officer  
Membership No. FCS 5564

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### In respect to Item No. 4 & 5:

At the Annual General Meeting of the Company held on March 18, 2011, the shareholders had approved the appointment of Mr Siddhartha Lal as Managing Director (MD) for a period of five years from May 1, 2011 (upto April 30, 2016).

The Board of Directors of the Company in its meeting held on April 27, 2016 had, subject to the approval of the shareholders in the 34th Annual General Meeting, re-appointed Mr Siddhartha Lal as Managing Director for another term of five years effective from May 1, 2016. Mr Siddhartha Lal, being a Non-resident Indian, his reappointment as Managing Director shall be subject to the approval of the Central Government. Mr Siddhartha Lal shall be liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013 and there will be no break in his office as Managing Director in case he is re-appointed by the shareholders.

### Brief profile of Mr Siddhartha Lal:

Mr Siddhartha Lal is a graduate in Economics from St. Stephens College, Delhi University. He holds a Post-Graduate Diploma in Mechanical Engineering from Cranfield University, UK and has done Masters of Science in Automotive Engineering at the University of Leeds, UK.

Mr Siddhartha Lal became the Chief Executive of Royal Enfield in the year 2000. He became Group Chief Operating Officer in January 2004. Subsequently, he took over as Chief Executive Officer of Eicher Group in the year 2006 and is presently the Managing Director and Chief Executive Officer of the Company.

His rich experience in the automotive industry, both in India and overseas, has endowed him with deep insights and expertise on the industry. Under the leadership of Mr Siddhartha Lal, the Company has witnessed significant growth, both in terms of revenue and profits. Revenue from operations of the Company has increased from Rs. 442.67 Crores in financial year 2010 (12 months) to Rs. 6,188.03 Crores in financial year 2015-16 (15 months). Profit before tax of the Company has increased from Rs. 86.61 Crores in 2010 to Rs. 1,769.58 Crores in 2015-16 and employee base has increased from 641 in 2010 to 1,882 in 2015-16. During the financial year 2015-16, Company sold 6,00,944 motorcycles in comparison to 52,576 motorcycles sold in the year 2010.

### Major Awards & Recognitions of Mr Siddhartha Lal in recent time:

- a) NextGen Entrepreneur award - Forbes India Leadership Award 2015
- b) India's Best CEO award (small Companies/Automobiles)- Business Today Mind Rush Awards, 2015

**Under the leadership of Mr Siddhartha Lal, Eicher Motors Limited won following awards in recent time:**

- Emerging Company of the Year award – ET Awards 2015
- Best Company of the Year award – Business Standard Annual Awards, 2015

Terms and conditions of re-appointment are provided in the resolution under item no. 4 of the notice of this meeting. Considering the significant contribution made by Mr Siddhartha Lal towards the growth of the Company, it is also proposed to revise the remuneration of Mr Siddhartha Lal as provided in the resolution under item no. 5 of the notice of this meeting.

The Board recommends resolutions set out under item no. 4 and 5 in the Notice of this meeting for approval of shareholders.

Mr Siddhartha Lal is not related to any Director or Key Managerial Personnel of the Company. Except Mr Siddhartha Lal, none of the Directors

or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out under Item No. 4 and 5 in the notice of this meeting.

The Notice read with Explanatory Statement should be considered as written Memorandum setting out the terms of appointment and remuneration of Mr Siddhartha Lal as Managing Director as required under Section 190 of the Companies Act, 2013.

**Other details about Mr Siddhartha Lal:**

- Date of Birth: 14/10/1973
- Age: 42 Years
- Name of the Companies in which Mr Siddhartha Lal holds the Directorship and the Chairmanship / membership of Committees of the Board is as follows:

S. No.	Names of Companies/ entity	Designation on Board	Committees		
			Audit Committee	Stakeholder Relationship Committee	Other Committees
1.	Eicher Motors Limited	Managing Director	Member	-	1. Member- CSR Committee 2. Chairman- Risk Management Committee
2.	VE Commercial Vehicles Limited	Chairman & Managing Director	Chairman	-	1. Chairman- CSR Committee 2. Member-Nomination & Remuneration Committee
3.	Eicher Polaris Private Limited	Director	-	-	-

- Shareholding in the Company: Mr Siddhartha Lal holds 2,94,694 shares of the Company. He is a member of the promoter group. The promoter group in aggregate holds 1,49,03,030 shares in the Company constituting 54.87% of Company's total Capital.

- Remuneration for the financial year under review:

Fixed Component:	Rs. 2.78 Crores
Perquisites:	Rs. 1.21 Crores
Commission:	Rs. 4.50 Crores
Total:	Rs. 8.49 Crores

- Date of first appointment to the Board: May 1, 2006
- No. of Board meetings attended during previous financial year:  
Mr Siddhartha Lal attended 5 (Five) out of 6 (Six) Board Meetings conducted during the previous financial year.

By order of the Board of Eicher Motors Limited

**Manhar Kapoor**

Company Secretary & Compliance Officer  
Membership No. FCS 5564

Place: GURGAON

Date: May 5, 2016

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: 0124-4415600 Fax: 0124-4415807

Website: www.eichermotors.com, E-mail: investors@eicher.in



## NOTES

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## NOTES

[illegible]

**Eicher Motors Limited**

CIN: L34102DL1982PLC129877

Registered Office: 3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi-110017

Phone: 0124-4415600 Fax: 0124-4415807

Website: www.eichermotors.com, Email: investors@eicher.in

DP ID*	Client ID*/ Regd. Folio No.	No. of Shares Held	Name and Address of the Registered Shareholders
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I being the registered Shareholder/ proxy for the registered Shareholder of the Company hereby record my presence at the 34th ANNUAL GENERAL MEETING of the Company held on Saturday, June 18, 2016 at Shri Ram Centre, 4, Safdar Hashmi Marg, New Delhi-110001 at 10:00 AM and at any adjournment(s) thereof.

Signature of Shareholder / proxy

\* Applicable for investors holding shares in electronic form

**Eicher Motors Limited**

CIN: L34102DL1982PLC129877

Registered Office: 3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi-110017

Phone: 0124-4415600 Fax: 0124-4415807

Website: www.eichermotors.com, Email: investors@eicher.in

**Form No. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**PROXY FORM**

Name of the Member(s) :

Regd. Address :

Email :

Folio No./DP ID/ Client ID :

I/We, being the holder of ..... shares of the above named company, hereby appoint

- |    |                  |                                 |
|----|------------------|---------------------------------|
| 1. | Name: .....      | Address:.....                   |
|    | E-mail Id: ..... | Signature:....., or failing him |
| 2. | Name: .....      | Address:.....                   |
|    | E-mail Id: ..... | Signature:....., or failing him |
| 3. | Name: .....      | Address:.....                   |
|    | E-mail Id: ..... | Signature:.....                 |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Saturday, June 18, 2016 at Shri Ram Centre, 4, Safdar Hashmi Marg, New Delhi-110001 at 10:00 AM and at any adjournment thereof in respect of such resolutions as are stated below:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
- To approve interim dividend of Rs. 100 per equity share paid for the financial year ended March 31, 2016.
- To ratify the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N), as Statutory Auditors of the Company to hold office from the conclusion of thirty fourth Annual General Meeting (AGM) till the conclusion of the thirty-fifth AGM of the Company to be held in the year 2017 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be determined by the Board of Directors of the Company.

**SPECIAL BUSINESS:**

- To consider and approve re-appointment of Mr Siddhartha Lal as Managing Director of the Company
- To consider and approve payment of Remuneration to Mr Siddhartha Lal as Managing Director

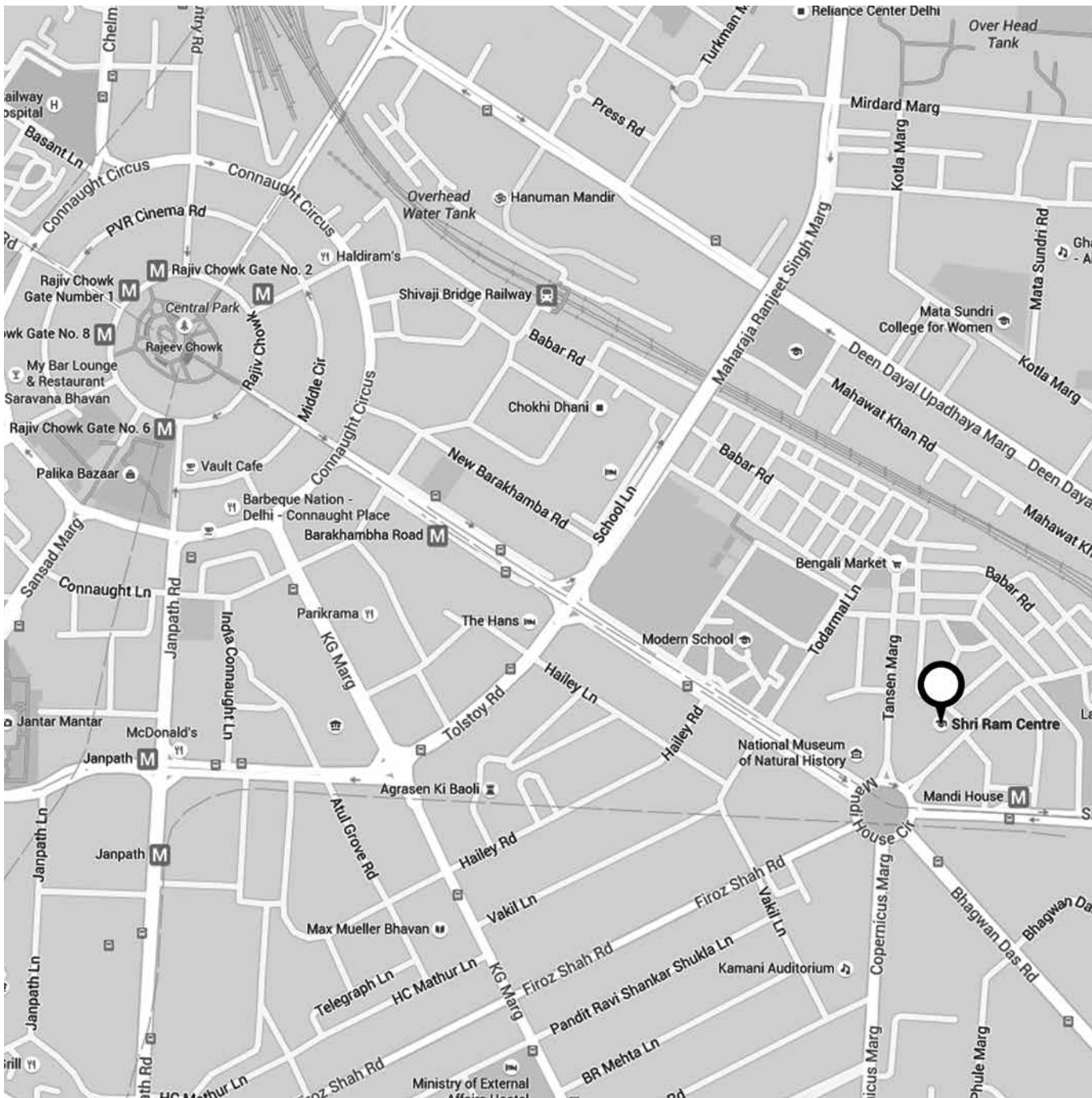
Affix  
Revenue  
Stamp of  
Re. 1/-

Signed this..... day of.....2016

Signature of shareholder..... Signature of proxyholder (s).....

\*In order to be effective, this form should be deposited at the registered office of the Company, duly complete and signed, not less than 48 hours before the scheduled time of the meeting.

## ROUTE MAP OF THE VENUE FOR ANNUAL GENERAL MEETING



34th Annual General Meeting Venue:

**Shri Ram Centre**

4, Safdar Hashmi Marg, New Delhi-110001  
(Landmark: Mandi House Metro Station)

# AWARDS & ACCOLADES



Eicher Motors Limited won awards in the following categories

***The Emerging Company of the Year at the Economic Times Awards for Corporate Excellence 2015.***

***The Best Company of the Year at the Business Standard Annual Awards, 2015.***



Mr. Siddhartha Lal, CEO of Eicher Motors Limited won awards in the following categories

***The NextGen Entrepreneur, Forbes India Leadership Award***

***India Best CEO & Best CEO, Business Today Mind Rush Awards, 2015***

***Best MD & CEO (2-wheelers), the 2015 World Auto Forum Awards***





**EICHER MOTORS LIMITED**

**Registered Office**

3rd Floor-Select Citywalk  
A-3 District Centre, Saket,  
New Delhi - 100 017  
Tel: (011) 2956 3722

[www.eichermotors.com](http://www.eichermotors.com)