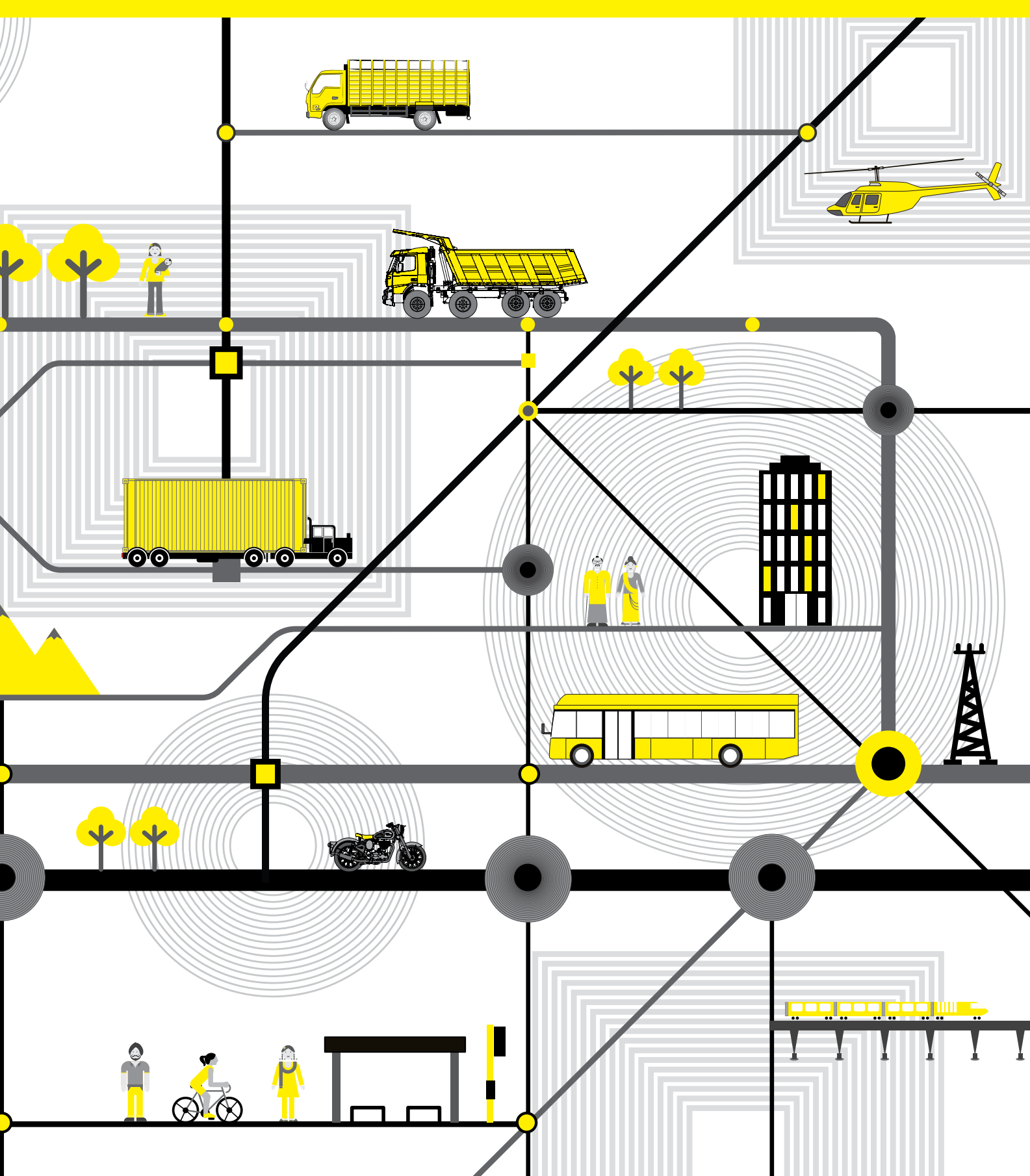


EICHER MOTORS LIMITED
2011 ANNUAL REPORT



Board of Directors

S. Sandilya, Chairman
Siddhartha Lal, Managing Director & Chief Executive Officer
R.L. Ravichandran, Executive Director
Priya Brat
M.J. Subbaiah
Prateek Jalan

Company Secretary

Vinit Kumar

Auditors

Deloitte Haskins & Sells, Chartered Accountants

Bankers

HDFC Bank Limited
Indian Overseas Bank
ICICI Bank Limited
State Bank of India

Registered Office

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

Corporate Office

Building No. 9A
16th Floor, DLF Cyber City
DLF Phase -III
Gurgaon 122 002, Haryana
Tel. No.: 0124-6701700
Website: www.eicher.in

Plant Location:**Two Wheelers**

Royal Enfield
Thiruvottiyur, Chennai 600 019
(Tamil Nadu)

Registrar & Share Transfer Agent

MCS Limited
F-65 Okhla Industrial Area, Phase I
New Delhi 110 020
Tel. No.: 011-41406149
Fax No.: 011-41709881
E-mail: admin@mcsdel.com

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 30TH ANNUAL GENERAL MEETING OF THE MEMBERS OF EICHER MOTORS LIMITED WILL BE HELD AT 10.00 A.M. ON THURSDAY, MARCH 22, 2012 AT LTG AUDITORIUM, COPERNICUS MARG, NEW DELHI-110 001, TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 2011 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Priya Brat, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

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

Special Business

5. To consider and, if thought fit, to pass the following resolution with or without modification (s) as a Special resolution:
"RESOLVED THAT pursuant to Section 31 and other applicable provision(s), if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force, the Articles of Association of the Company be amended as under:

a) Article 26

In the Article 26.1, the sentence starting from "In case Alternate Director(s) is/are to be appointed by Mitsubishi Motors Corporation and/or Mitsubishi Corporation, the Board shall appoint only such persons who have been approved either by Mitsubishi Corporation and/or Mitsubishi Motors Corporation, as the case may be" shall stand deleted.

b) Article 28 (a), 28(b), 28(c) & 28(d) shall stand deleted.

c) Article 38

In the Article 38, the sentence starting from "who would be a nominee of Eicher Goodearth Limited provided in Article 28 of these Articles" shall stand deleted.

d) Article 40.1 (h)

In the Article 40.1 (h), the section appearing as "372" in second line be substituted as "372A".

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

6. To consider and, if thought fit, to pass the following resolution with or without modification (s) as an Ordinary resolution:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto including any statutory modification or re-enactment thereof and such other approvals, permissions and sanctions, as may be required, consent of the shareholders of the Company be and is hereby accorded to revise the terms and conditions of appointment of Mr. Siddhartha Lal, Managing Director of the Company, as set out herein below w.e.f. May 1, 2012 till the expiry of his tenure as the Managing Director of the Company i.e. till April 30, 2016:

Revised terms & conditions of appointment of Mr. Siddhartha Lal

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

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

I. Salary and allowances:

- a) Basic Salary: Rs. 50 lacs (Rupees Fifty lacs only) per annum with such annual revision as may be decided by the Board of Directors from time to time.

- b) Flexible Payment Allowance (FPA): Rs. 100 lacs (Rupees One Hundred lacs only) per annum with such annual revision as may be decided by the Board of Directors from time to time.

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

- i) Residential Accommodation: Managing Director shall be provided free furnished residential accommodation with free use of all the facilities and amenities provided by the Company.
- ii) Medical Reimbursement: Reimbursement of actual medical expenses incurred by the Managing Director and his family.
- iii) Club Fees: Actual fees of clubs will be paid by the Company.
- iv) Personal Accident Insurance: Actual premium to be paid by the Company.
- v) Car: Facility of two cars with drivers.
- vi) Telephone: Free telephone facility at residence including mobile phone.
- vii) Contribution to provident and superannuation funds: Company's contribution to Provident and Superannuation Funds will be as per the rules of the Company.
- viii) Gratuity: Not exceeding half months salary for each completed year of service.
- ix) Reimbursement of entertainment and all other expenses incurred for the business of the Company as per rules of the Company.
- x) Other allowance/benefits/perquisites: Any other allowance, benefits and perquisites as per the Rules applicable to Senior Executives of the Company and/or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.

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

Explanation:

- i) For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents of the Managing Director.
- ii) Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

IV. Commission:

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

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

VI. Minimum Remuneration:

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

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

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

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

Place: Gurgaon
Date: February 11, 2012

By order of the Board
Vinit Kumar
Company Secretary

Notes:

1. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE SAME SHOULD BE DULY SIGNED AND STAMPED IN ORDER TO BE EFFECTIVE.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, March 15, 2012 to Thursday, March 22, 2012 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
4. The payment of Dividend as recommended by the Board of Directors, and if, approved by the members at the forthcoming Annual General Meeting, will be made on March 26, 2012 as under:
 - a) To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository (India) Limited (CDSL) as on the closure of the business hours on March 14, 2012 and,
 - b) To all those shareholders holding shares in physical form, after giving effect to all valid share transfers lodged with the Company before the closing hours on March 14, 2012.
5. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the "Investor Education and Protection Fund" (IEPF), constituted by the Central Government and member(s) would not be able to claim any amount of dividend so transferred to the IEPF. As such, member(s) who have not yet encashed his/their dividend warrant(s) is/are requested in his/their own interest to write to the Company immediately for claiming outstanding dividend declared by the Company during the year 2005 and onward.
6. As per the Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee (s) is required to furnish a copy of their PAN card to the Company/Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
7. Shareholders holding shares in physical form, are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to MCS Limited, Registrar and Share Transfer Agent, F-65, Okhla Industrial Area, Phase I, New Delhi 110 020. Beneficial owners holding shares in electronic form are requested to intimate their change in address/ Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same registered before March 14, 2012.
8. Members are requested to quote their folio numbers/Client ID No. and contact details in all correspondence with the Company/ Registrar and Share Transfer Agent.
9. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
10. Pursuant to provisions of Section 109A of the Companies Act, 1956, every member or joint holders holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or the joint holders and register the same with MCS Limited, Registrar and Share Transfer Agent. Members or joint holders holding shares in demat form may contact their respective DP for availing this facility.
11. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956 will be made available for inspection by the Members on all working days during business hours during the period beginning fourteen days before the date of Annual General Meeting and ending three days after its conclusion.
12. For faster communication and for supporting in full measure, a green initiative taken by the Ministry of Corporate Affairs, allowing services of notice/documents including Annual Report through e-mail, the shareholders holding shares in electronic form are requested to kindly register/update their e-mail addresses with their respective depository participants. The shareholders holding shares in physical form are requested to register/update their email addresses with MCS Limited, Registrar and Share Transfer Agent of the Company.
13. In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to please forward the same at least 10 days before the date of the Meeting to Mr. Vinit Kumar, Company Secretary at the following address so that the same may be attended appropriately to your entire satisfaction.

By order of the Board

Vinit Kumar

Company Secretary

Registered office:

3rd Floor-Select Citywalk

A-3 District Centre, Saket, New Delhi – 110 017

Tel. No.: 011-29563722

Website: www.eicher.in

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

Item No. 5

The Company (Eicher Motors Limited) was incorporated in 1982 as joint venture amongst erstwhile Eicher Goodearth Limited, Mitsubishi Motors Corporation & Mitsubishi Corporation. Since the said joint venture is no longer in existence, the Board of Directors has proposed to modify the Articles of Association of the Company by way of addition(s)/deletion(s) in the Articles of Association of the Company.

In view of the above, the resolution as set out in Item No.5 of this Notice is commended for your approval.

None of the Directors of the Company is concerned or interested in the above resolution.

Item No. 6

Mr. Siddhartha Lal was reappointed as the Managing Director of the Company w.e.f. May 1, 2011 for a period of five years and approved by shareholders of the Company at the Annual General Meeting held on March 18, 2011.

The Board of Directors of the Company at its Board Meeting held on February 11, 2012 has, pursuant to sections 198, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 and amendment(s) thereof and other applicable provisions of the Companies Act, 1956 and subject to shareholders' approval and other statutory approvals as may be necessary, revised the terms and conditions of appointment of Mr. Siddhartha Lal, Managing Director of the Company w.e.f. May 1, 2012 till the expiry of his tenure of five years i.e. up to April 30, 2016 within the ceiling of maximum remuneration permitted under the Companies Act, 1956.

The revised terms and conditions of appointment of Mr. Siddhartha Lal being Managing Director are set out in the proposed resolution.

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

The resolution as set out in Item No.6 of this Notice is accordingly commended for your approval.

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

Additional information as per Clause 49 of the Listing Agreement

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

Mr. Priya Brat is an Independent and Non-Executive Director on the Board of Directors of Eicher Motors Ltd. w.e.f. July 23, 2001.

Mr. Priya Brat is MSc. (Hons) in Physics from Punjab University, Diploma in Banking, Finance and Accountancy from the Indian Institute of Bankers, Mumbai and Diploma in International Finance from the Development Management Institute, Geneva.

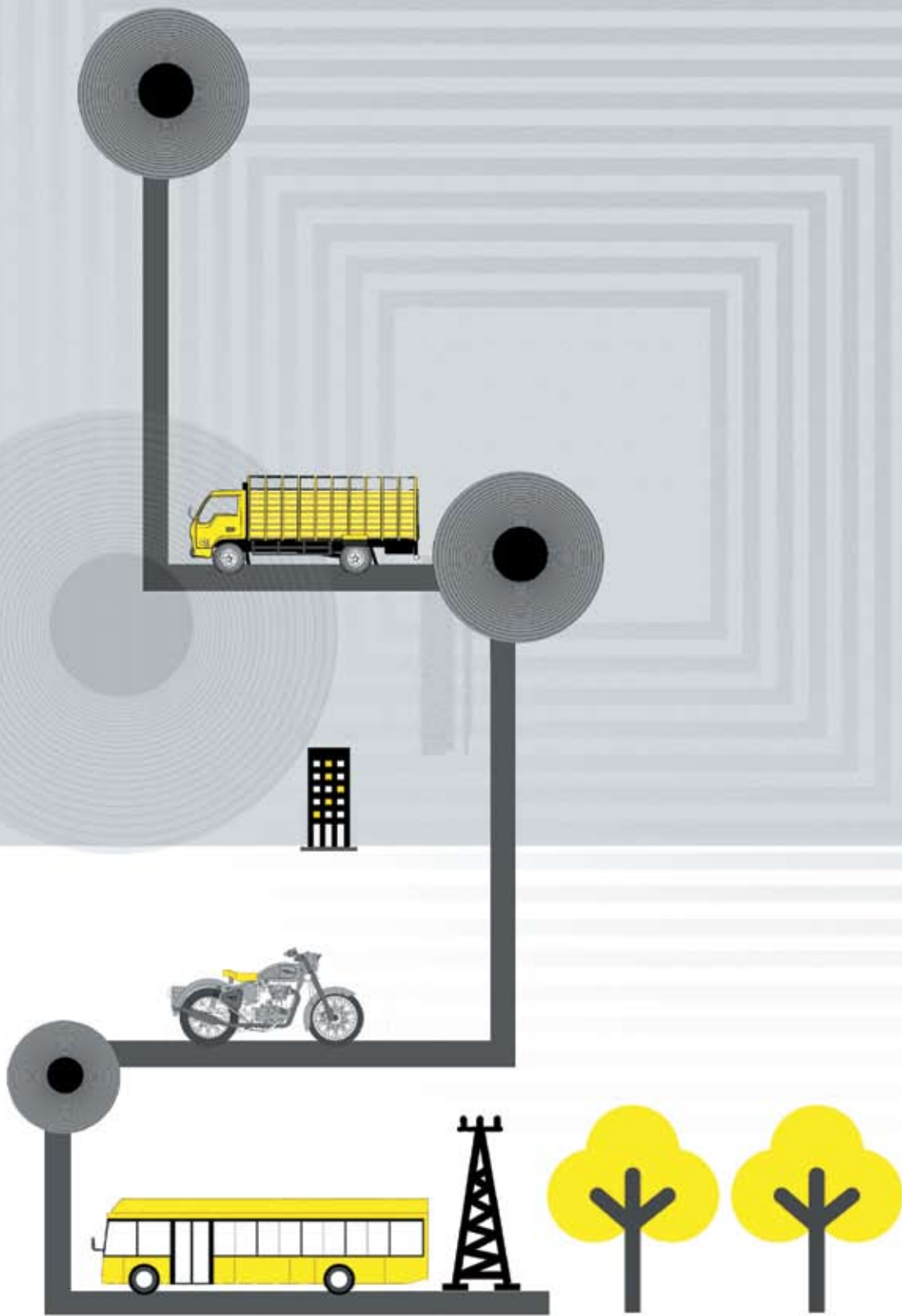
Since 1959, he was associated with State Bank of India (SBI) in various capacities and retired as Dy. Managing Director of SBI in 1995. During his tenure with SBI, he also served as Director on the Boards of State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Travancore and State Bank of Saurashtra and also on the Boards of MP State Development Corporation, MP State Electronic Development Corporation and OPTEL in Madhya Pradesh. Subsequent to his retirement from SBI, he served as President (Finance) at Indo Rama Synthetics (India) Ltd. (1996-1999).

Presently, Mr. Priya Brat is Chairman of the Shareholders' and Investors' Grievance Committee and a member of the Audit Committee and Compensation Committee of Eicher Motors Ltd.

He is also on the Boards of Dhampur Sugar Mills Ltd., Dhanuka Agritech Ltd. and South Asian Enterprises Ltd.

He is a member of the Audit Committee of South Asian Enterprises Ltd. and a member of the Audit Committee and Remuneration Committee and Shareholders' and Investors' Grievance Committee of Dhampur Sugar Mills Ltd. He is also Chairman of Audit Committee and Remuneration Committee of Dhanuka Agritech Ltd.

Mr. Priya Brat does not hold any share of the Company.



Performance Over the Years

Financial Position at a Glance - EML Consolidated

Rs. in millions

Balance Sheet	31.12.11	31.12.10	31.12.09	31.12.08*	31.3.2008	31.3.2007	31.3.2006	31.3.2005	31.3.2004	31.3.2003
Gross Fixed Assets (including CWIP and Pre-operative Expenditure)	14015.6	8816.1	7559.2	7300.6	6306.0	5569.0	5233.0	6415.5	5768.5	2072.1
Net Fixed Assets	9172.6	4547.1	3757.5	3809.8	3342.0	3102.0	3136.0	3886.2	3647.4	1522.4
Investments	5126.2	4585.9	2941.1	62.4	2612.0	2613.00	2580.0	26.7	26.7	26.7
Inventories	4279.6	3265.2	2189.6	3380.7	2104.0	1689.0	1612.0	1612.5	1262.5	360.5
Debtors	3434.3	2609.3	2325.3	1801.9	1482.0	1950.0	1231.0	1580.8	1549.3	518.7
Cash and Bank Balances	11972.7	12456.8	11706.5	12601.4	519.0	481.0	275.0	310.0	332.0	9.0
Other Current Assets	3813.9	2168.9	1899.9	1226.5	2292.0	2073.0	1774.0	1547.5	1013.5	269.3
Current Liabilities and Provisions	13343.1	9332.1	6977.5	5031.6	5444.0	5368.0	3928.0	4559.5	3342.7	1090.0
Net Current Assets	10157.4	11168.1	11143.8	13978.9	953.0	825.0	964.0	491.3	814.6	67.5
Deferred Tax Assets (net)	-	-	-	147.2	-	-	-	-	-	-
Miscellaneous expenditure	-	-	-	-	-	6.0	21.0	58.7	80.9	-
Total	24456.2	20301.1	17842.4	17998.3	6907.0	6546.0	6701.0	4462.9	4569.6	1616.6
Share Capital	269.9	269.4	266.9	280.9	281.0	281.0	281.0	281.0	280.9	200.0
Reserves & Surplus	14661.4	12052.0	10423.5	10756.0	4078.0	3722.0	4122.0	2129.0	1668.3	808.8
Net Worth	14931.3	12321.4	10690.4	11036.9	4359.0	4003.0	4403.0	2410.0	1949.2	1008.8
Minority Interest	8376.5	6774.1	5746.7	5305.3	-	-	-	-	-	-
Deferred Tax Liability (net)	644.6	249.2	141.6	-	353.0	366.0	426.0	670.8	663.8	346.2
Borrowings	503.8	956.4	1263.7	1656.1	2195.0	2177.0	1872.0	1382.0	1956.6	261.6
Total	24456.2	20301.1	17842.4	17998.3	6907.0	6546.0	6701.0	4462.9	4569.6	1616.6
No. of Shares	26992583	26937783	26692881	28093950	28093950	28093950	28093950	28093950	28093950	19999200
Book Value per Share (Rs.)	547.6	452.0	395.0	384.6	145.7	132.7	142.9	62.3	46.8	38.3
Market Value per Share (Rs.)	1488.0	1235.3	655.0	235.0	250.5	247.7	302.4	310.2	224.4	67.1
Market Value to Book Value per Share	2.6:1	2.7:1	1.6:1	0.6:1	1.7:1	1.9:1	2.1:1	5.0:1	4.8:1	1.8:1
Market Capitalisation	40165.0	33274.9	17483.8	6600.7	7038.0	6958.0	8494.0	8713.0	6304.0	1342.0
Debt Equity Ratio	-	-	0.1:1	0.1:1	0.4:1	0.4:1	0.4:1	0.6:1	1:1	0.3:1

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

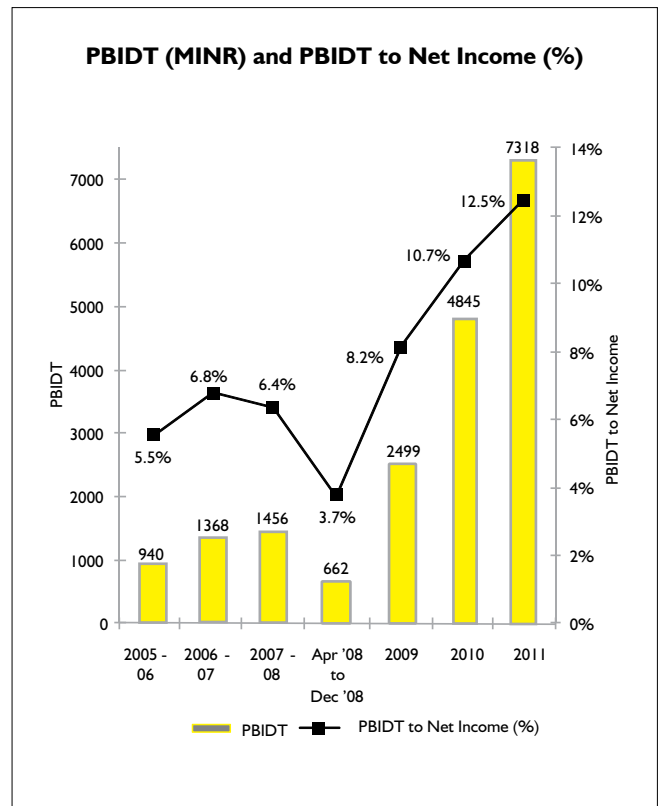
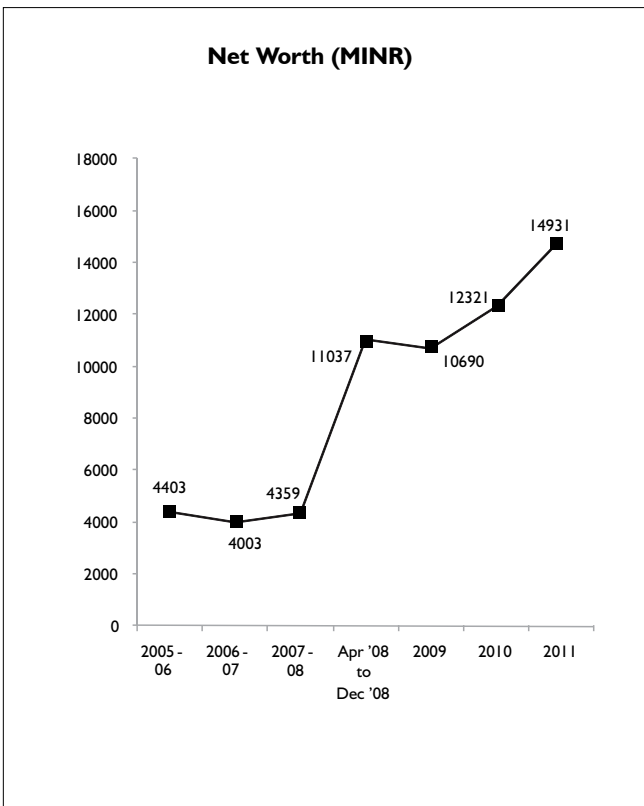
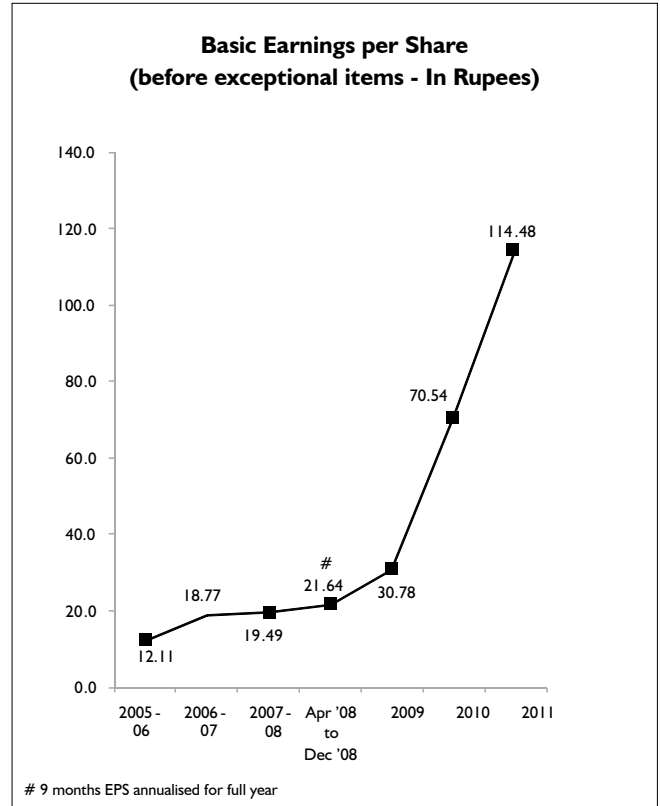
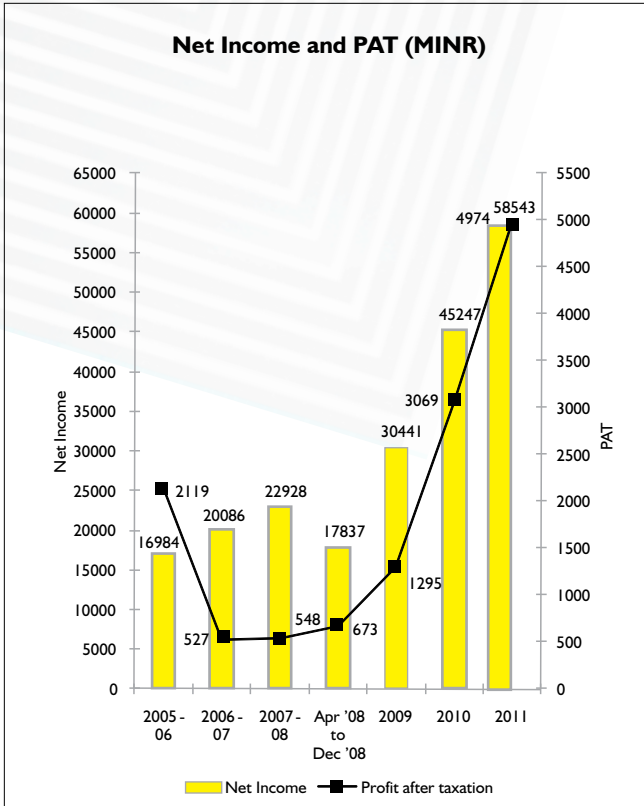
Operational Highlights at a Glance - EML Consolidated

Rs. in millions

Profit & Loss Account	2011	2010	2009	Apr'08 to Dec'08 *	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Sales Volume:										
Commercial Vehicles (Nos.)	49042	39275	25164	15436	29828	28072	23604	23004	15885	12717
Two Wheelers (Nos.)	74626	52576	51955	32566	38528	32612	30777	29475	28361	-
Components (Including Inter Segment Sales - MINR)	2817.6	2038.2	1308.7	1058.8	1130.5	1287.8	996.0	1072.1	814.0	-
Sales Revenue (Excluding Inter Segment Sales)	61234.1	47016.3	31122.2	18824.8	25726.0	22528.0	18808.0	22115.8	15647.5	6983.6
Other Income	1767.7	1275.7	1054.4	657.5	302.0	266.0	312.0	181.2	114.0	57.0
Total Income	63001.8	48292.0	32176.6	19482.3	26028.0	22794.0	19120.0	22297.0	15761.5	7040.6
Less: Excise Duty	4458.7	3045.5	1735.9	1645.2	3100.0	2708.0	2136.0	2290.2	2000.5	717.6
Net Total Income	58543.1	45246.5	30440.7	17837.1	22928.0	20086.0	16984.0	20006.8	13761.0	6323.0
Manufacturing and other expenses	51224.8	40401.8	27942.1	17174.8	21466.0	18703.0	16023.0	18498.2	12447.0	5532.8
Miscellaneous expenditure written off	-	-	-	-	6.0	15.0	21.0	66.6	75.9	-
Profit before interest, depreciation, exceptional items & tax (PBIDT)	7318.3	4844.7	2498.6	662.3	1456.0	1368.0	940.0	1442.0	1238.1	790.2
PBIDT to Net Income (%)	12.5%	10.7%	8.2%	3.7%	6.4%	6.8%	5.5%	7.2%	9.0%	12.5%
Interest	76.7	95.0	86.7	99.3	190.0	148.0	169.0	223.3	239.7	42.6
Depreciation	639.6	573.0	538.8	368.9	508.0	451.0	501.9	483.7	422.8	160.5
Profit before exceptional items and tax (PBT)	6602.0	4176.7	1873.1	194.1	758.0	769.0	269.1	735.0	575.6	587.1
PBT to Net Income (%)	11.3%	9.2%	6.2%	1.1%	3.3%	3.8%	1.6%	3.7%	4.2%	9.3%
Exceptional Items	-	-	-	393.5	-	-	1666.6	-	-	-
Profit before tax for the year	6602.0	4176.7	1873.1	587.6	758.0	769.0	1935.7	735.0	575.6	587.1
Provision for taxation	1628.0	1108.2	578.2	-85.3	210.0	242.0	-183.0	146.5	239.4	212.5
Profit after taxation (PAT)	4974.0	3068.5	1294.9	672.9	548.0	527.0	2118.7	588.5	336.2	374.6
PAT to Net Income (%)	8.5%	6.8%	4.3%	3.8%	2.4%	2.6%	12.5%	2.9%	2.4%	5.9%
Minority Interest	1886.3	1179.3	461.0	46.9	-	-	-	-	-	-
Profit after taxation and minority interest	3087.7	1889.2	833.9	626.0	548.0	527.0	2118.7	588.5	336.2	374.6
Dividend including Corporate Dividend Tax	502.0	345.5	218.7	164.4	164.4	929.0	128.2	128.2	111.2	79.0
Equity Dividend (%)	160%	110%	70%	50%	50%	290%	40%	40%	35%	35%
Basic Earnings per Share (Rupees)	114.48	70.54	30.78	16.23	19.49	18.77	12.11	20.95	11.97	18.73
Diluted Earnings per Share (Rupees)	114.03	70.28	30.69	16.23	19.46	18.74	12.11	20.95	11.97	18.73

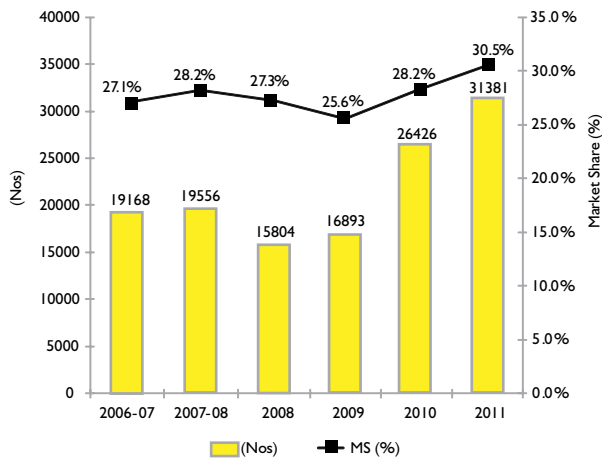
The accounting year changed to January to December w.e.f. 01.04.2008. Thus accounting period is for nine months for the period ended December 31, 2008.

Financial Highlights - EML Consolidated

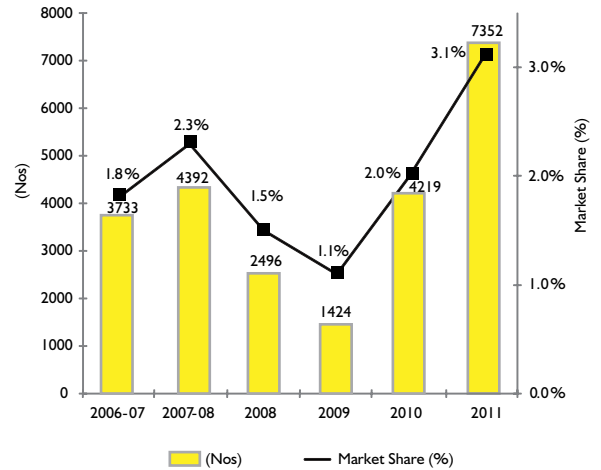


Commercial Vehicle Sales Highlights

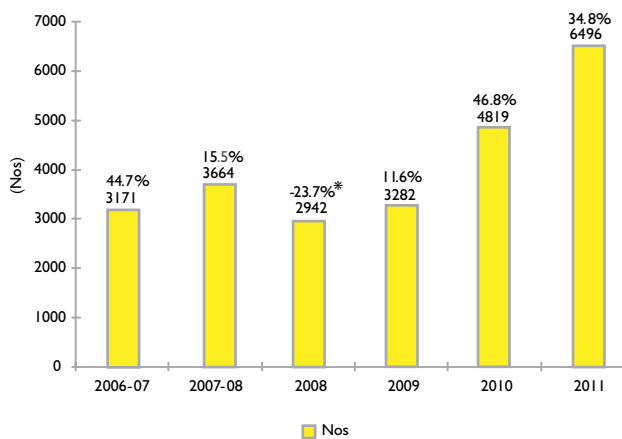
Eicher 5-12 Ton Cargo Domestic (Nos) and Market Share (%)



Eicher 16 Ton & above Cargo Domestic (Nos) and Market Share (%)

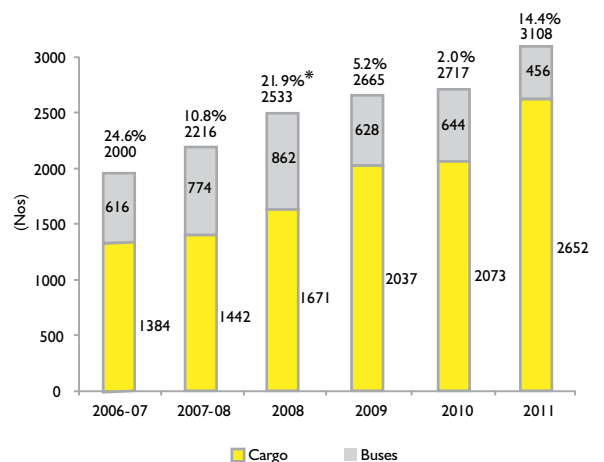


Eicher Buses Domestic (Nos) and Growth (%)



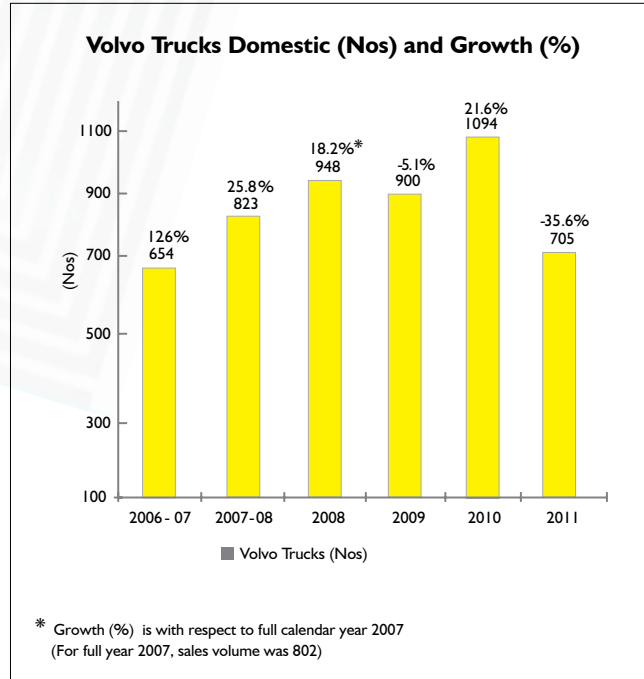
* Growth (%) is with respect to full calendar year 2007
(For full year 2007, sales volume was 3857 Nos)

Eicher Exports: Cargo/Buses (Nos) and Growth (%)

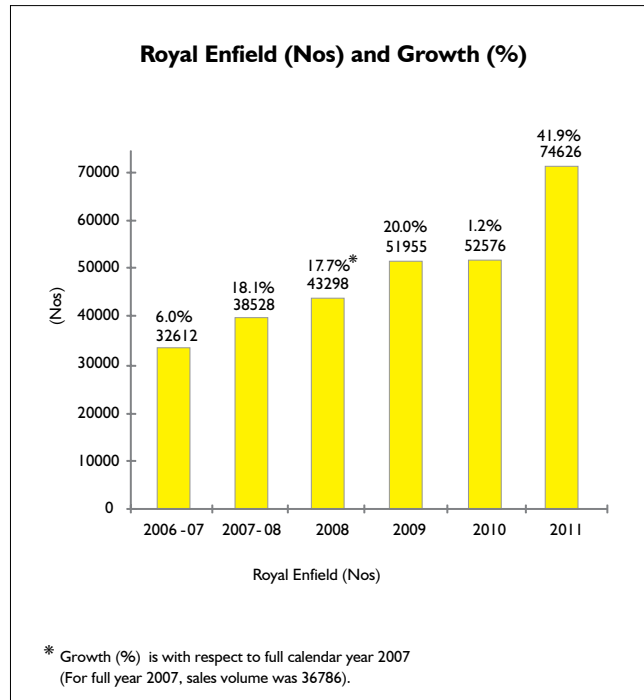


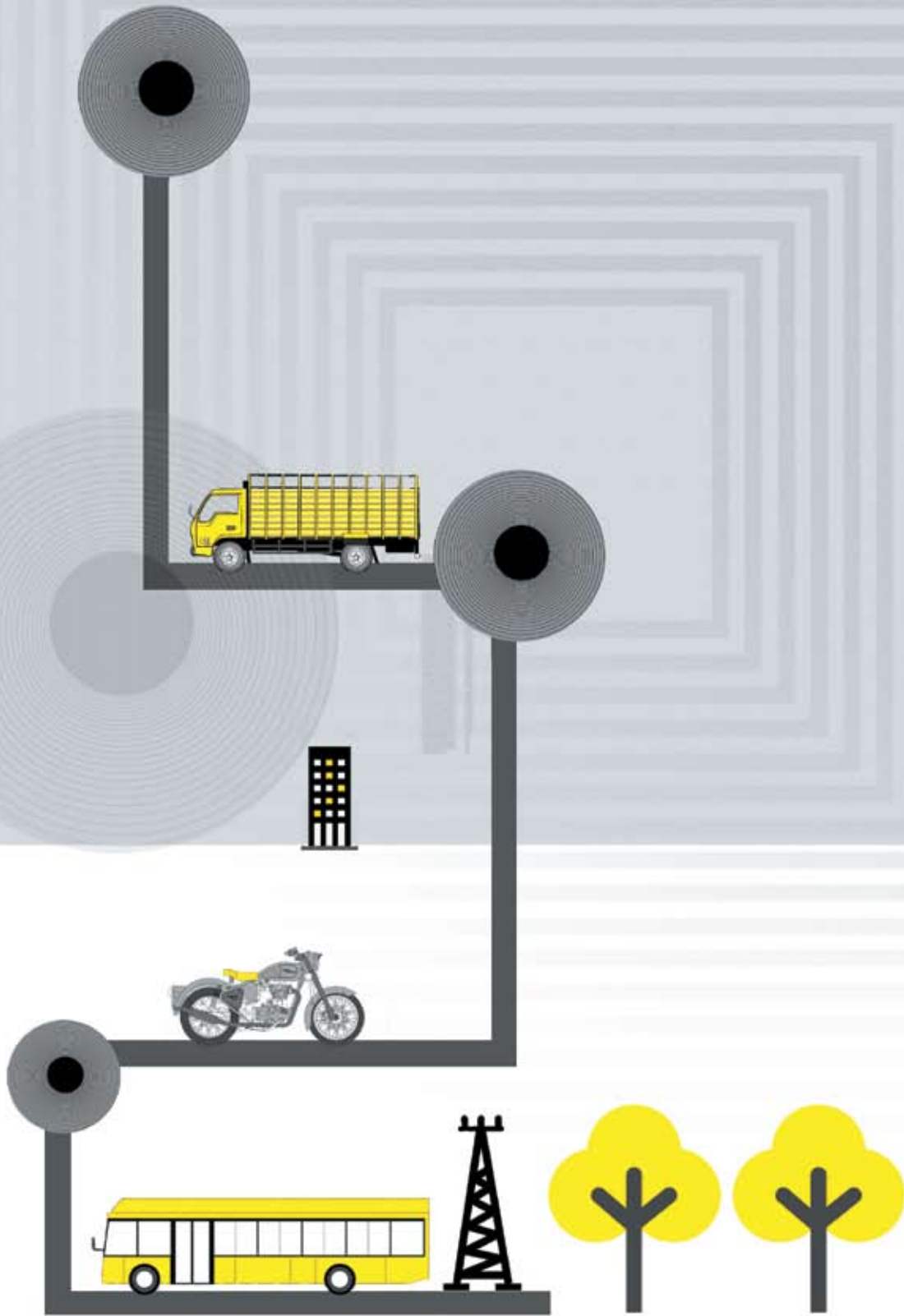
* Growth (%) is with respect to full calendar year 2007
(For full year 2007, exports volume was 2078 Nos)

Commercial Vehicle Sales Highlights



Two Wheeler Sales Highlights





Directors' Report to the Shareholders

The Board of Directors has pleasure in presenting the Thirtieth Annual Report along with the Audited Accounts for the year ended December 31, 2011.

FINANCIAL RESULTS

Your Company achieved impressive top line growth during the financial year 2011 with total income at 6709.5 MINR. The operating profit before depreciation and interest amounted to 809.8 MINR, which is 12.07% of the total income. After accounting for interest and dividend income of 758.9 MINR, interest expense of 20.2 MINR and depreciation of 130.2 MINR, profit before tax amounts to 1418.3 MINR. Profit after tax amounts to 1245.5 MINR after income tax provision of 172.8 MINR.

The financial results are summarised below:

DIVIDEND

The Directors are pleased to recommend a dividend of 160% (Rs.16/- per Equity Share of Rs.10/- each) for the year ended December 31, 2011.

BUSINESS PERFORMANCE

Last year, your company's Royal Enfield unit achieved a landmark by successfully transitioning all its products to the new Unit Construction Engine (UCE) platform and initiated execution on multi-generational plans to expand the production capacity, upgrade quality management system and improve after market aspects of the business. We are confident that you will see significant improvements on all these aspects of the business in the years to come. The results of this plan execution in 2011 were very encouraging.

			(Rs. in millions)
Particulars	For the year ended Dec. 31, 2011	For the year ended Dec. 31, 2010	
Gross sales	7,378.3	4,843.8	
Less: Excise duty	713.8	459.1	
Net sales	6,664.5	4,384.7	
Other income	45.0	42.0	
Total income	6,709.5	4,426.7	
Operating profit before depreciation and interest (EBIDTA)	809.8	457.9	
Interest	20.2	25.7	
Depreciation	130.2	107.9	
Profit before other income and tax	659.4	324.3	
Interest and dividend income*	758.9	541.8	
Profit before tax	1,418.3	866.1	
Provision for tax (including Deferred tax)	(172.8)	(111.7)	
Net profit after tax	1,245.5	754.4	
Balance brought forward from previous year	3,131.1	2,752.4	
Amount available for appropriation	4,376.6	3,506.8	
Proposed Dividend	431.9	296.3	
Corporate Dividend Tax	3.9	4.0	
Transfer to General Reserve Account	124.6	75.4	
Balance carried to Balance Sheet	3,816.2	3,131.1	
Earnings per share			
- Basic (Rs.)	46.18	28.17	
- Diluted (Rs.)	46.00	28.06	

* Dividend @ Rs. 75/- per equity share was declared by VE Commercial Vehicles Limited (VECV) in its shareholders' meeting held on 04.02.2012. An amount of 408 MINR, being dividend income from its investment in VECV, has been accounted for in the above financial results.



Bhoomi Poojan ceremony at Royal Enfield's new manufacturing facility at Oragadam, Chennai, Tamil Nadu

The Royal Enfield unit was able to produce and sell 42% more motorcycles in 2011 as compared to 2010. Total sales volume of Royal Enfield in 2011 was 74626 motorcycles as compared to 52576 in 2010. Total income for the year was 6,709.5 MINR, 51.6% growth over previous year.

Total exports in 2011 were 3200 units, a growth of 21.7% over previous year.

Net Sales of spare parts and services grew to 713.2 MINR in 2011 from 511.9 MINR in the previous year, registering a growth of 39.3% over previous year.

This year your company launched new variants of its Classic 500cc model namely Classic Chrome and Classic Desert Storm. These were received by customers with great enthusiasm.

Your company continued to expand its sales, distribution and after market network in India and abroad. Royal Enfield products are now sold through 190 outlets in India and exported to 36 countries.

MARKET AND FUTURE PROSPECTS

Both urban and rural markets continue to grow. Continuing urbanisation and expanding service sector continue to create higher incomes and more jobs in urban markets. Rural incomes, aided by various Government projects continue to increase. This has created a long lasting momentum for the growth of motorcycles' sales.

Classic Desert Storm by Royal Enfield

Your company is carrying a very healthy order book for execution in 2012 as well. In order to augment the production for growing market demand, your company has acquired 50 acres of land for construction of its new manufacturing facility at Oragadam, Chennai, Tamil Nadu. This will enhance Royal Enfield's annual production capacity to 150,000 units. The new facility is expected to commence production in first half of 2013.



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

CONSERVATION OF ENERGY

The following new initiatives were taken to conserve energy during the year 2011:

1. Reduction of paint booth blower motor capacity from 10 KW to 7 KW that resulted in a saving of 35000 KWH per annum.
2. Reduction of running time of hydraulic power pack for fixture clamping from 8 hours per shift to 1.5 hours per shift by modifying electrical circuit that resulted in saving of 18000 KWH per annum.
3. Centralisation of control panel to switch off main coolers and lights, during lunch time resulted in saving of 4300 KWH per annum.
4. Replacement of electrical operated chip conveyor with manual operated conveyor has resulted in saving of 1000 KWH per annum.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

A rear disc brake system has been designed for providing effective stopping power. This technology is developed in such a manner that it can be deployed in all existing modules.

RESEARCH AND DEVELOPMENT

The focus on Research and Development accelerated in 2011. There are many projects being executed. These include development of new products, improvement in existing products and value engineering projects. Your Company continues to invest in infrastructure and talent for conducting research and

development activities, as a result of which 55.5 MINR was incurred on capital account and 104.5 MINR was spent on revenue account of Research and Development.

Please also refer Note No. 3 of Schedule 12 of Notes to Accounts forming part of Annual Report for further details of Research and Development.

FOREIGN EXCHANGE EARNINGS/EXPENDITURE

During the current year, total exports (FOB value) were 434.0 MINR (Previous year 329.6 MINR).

Foreign Exchange amounting to 172 MINR (Previous year 109 MINR) was used on account of import of components, spare parts, capital goods, business travel, consulting fees and dividend during the year under review.

Please also refer Point No. 6 to 9 of 'Statement of Additional Information forming part of Annual Accounts for further details of Foreign Exchange earnings and expenditure. (Page No 71 of the Annual Report).

EICHER EMPLOYEE STOCK OPTION PLAN 2006

135200 stock options have been issued out of the forfeited stock options during the year ended December 31, 2011 (55400 stock options in previous year).

177000 options (net of forfeited options) that were granted on September 30, 2006 under the Employee Stock Option Plan 2006 have vested with employees on October 1, 2009. Out of these, 170600 options (162600 options up to previous year and 8000 options during the year under review) have been exercised by the employee.

208900 options (net of forfeited options) that were granted on October 22, 2007 under the Employee Stock Option Plan 2006 have vested with employees on October 22, 2010. Out of these, 137000 options (90200 options up to previous year and 46800 options during the year under review) have been exercised by the employees.

A range of products from Eicher Trucks and Buses (ETB)



The Statement giving complete details as at December 31, 2011, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, forms part of the Directors' Report.

PUBLIC DEPOSITS

As at December 31, 2011, there are 17 deposits aggregating to 1.0 MINR. During the year under review, 53 deposits aggregating to 4.77 MINR matured and were repaid. There are no deposits that remain unclaimed. The Company has not renewed/accepted fixed deposits after May 29, 2009.

BOARD OF DIRECTORS

Mr. Priya Brat-Director retires by rotation and, being eligible, offers himself for reappointment.

VE COMMERCIAL VEHICLES LIMITED (VECV) – A SUBSIDIARY COMPANY OF EICHER MOTORS LIMITED

VECV posted impressive all time high top line during the financial year 2011 with total operating income at 49999.8 MINR as against 39398.5 MINR during the previous financial year ended December 31, 2010, a phenomenal growth of 26.90%. The operating profit before depreciation and interest amounted to 5117.4 MINR at 10.31% of Net Sales as against operating profit before depreciation and interest of 3348.1 MINR during the previous year at 8.55% of Net Sales, a growth of 52.84%. After accounting for interest income of 1032.2 MINR (previous year 764.1 MINR), interest expense of 52.2 MINR (previous year 63.0 MINR) and depreciation of 501.5 MINR (previous year 457.3 MINR), profit before tax amounts to 5595.9 MINR

(previous year 3591.9 MINR). After providing for tax of 1454.8 MINR, profit after tax amounts to 4141.1 MINR (previous year 2595.4 MINR).

Particulars	(Rs. in millions)	
	For the year ended 31 st Dec 2011	For the year ended 31 st Dec 2010
Gross Sales	53,368.2	41,760.6
Less: Excise duty	3,744.9	2,586.4
Net Sales	49,623.3	39,174.2
Other operating income	376.5	224.3
Total operating income	49,999.8	39,398.5
Operating profit before depreciation and interest (EBIDTA)	5,117.4	3,348.1
Interest	52.2	63.0
Depreciation	501.5	457.3
Profit before other income and tax	4,563.7	2,827.8
Interest income	1,032.2	764.1
Profit before tax	5,595.9	3,591.9
Provision for taxation (including deferred tax)	(1,454.8)	(996.5)
Net Profit after tax	4,141.1	2,595.4



The major improvement in financial results is on account of higher volumes across all product segments and focussed cost reductions in all areas.

Further there is reduction of working capital of 456.3 MINR inspite of higher volumes and significant increase in finished goods inventory to support higher sales forecast.

AN OVERVIEW OF SUBSIDIARY COMPANY'S BUSINESSES

Eicher Trucks and Buses (ETB)

After a phenomenal 2010 wherein the Commercial Vehicle (5T and above) industry grew by 51.1% over the previous year, the industry growth moderated to 10.1%. This was also due to the high base effect coming into play. The industry recorded sales of 447318 units as against 2010 sales of 405259 units (including exports) - a growth of 10.1%.

2011 was a year of record breaking performance by ETB. ETB recorded its highest ever total CV sales of 48337 against 38181 units in 2010, a growth of 26.6% and an overall market share (including exports) of 10.8% as against 9.4% in 2010.

In the Bus segment, ETB recorded substantial growth in volume. It sold 6496 units and recorded a growth of 34.8% over previous year. It gained market share by 3.0% to end the year with a market share of 9.7%.

The Industry's heavy duty truck sales also moderated to 12% in 2011 as against 70.4% in 2010 over the previous year. However, ETB continued to grow in the heavy duty truck segment, riding on the success of the VE series fuel efficient trucks launched in January 2010, and ended the year with a growth of 74.3% in domestic market in 2011 over 2010. ETB sold 7352 trucks in 2011 as against 4219 trucks in 2010 in domestic market. ETB has followed a much focused strategy of targeting specific geography and segments with the right fit product in order to ensure higher value delivery to the customer.

Manufacturing operations set up of Eicher Trucks and Buses plant, Pithampur, Madhya Pradesh



Overall exports of ETB in 2011 were 3108 units, a growth of 14.4% as compared to 2717 units in 2010.

Volvo Trucks India (VTI)

Volvo Trucks are marketed in a niche segment dominated mainly by mining tippers and over dimensional cargo carrying prime movers.

Due to issues surrounding mining, this market segment suffered degrowth from first month of the year. Consequently Volvo Trucks sold 706 units, which is a degrowth of 36.1% over previous year.

The government is concerned over the regulatory delay and many corrective actions being put in place.

Eicher Engineering Components (EEC)

EEC achieved its highest ever turnover of 2706 MINR (including inter segment sales) registering a growth of 38%.

The performance of domestic components industry improved in 2011.

During the year, EEC showed strong performance in export, sales to ETB and other OEM. During the year EEC also enhanced its production capacity at Dewas plant to take care of growing customer demand.

Eicher Engineering Solutions (EES)

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

In 2011, this business showed much improved results over 2010. It has strengthened its servicing capabilities for the group as well as external customers.

MARKET AND FUTURE PROSPECTS OF SUBSIDIARY COMPANY'S BUSINESSES

Growth of commercial vehicles industry is closely linked to the country's economic growth. The economic growth momentum in 2011 was lower than 2010 due to monetary tightening credit policies of the central bank to lower inflation that resulted in increased interest rates, inflation, commodity price increases, depreciating rupee and weak cues of global economic growth. This has resulted in moderation in CV growth in 2011 as compared to last year. The various segments in CV industry grew at vastly varying rates. 5T-12T segment grew by a healthy 18.8%. Among the heavy duty truck (16T and above) segments, the 16T and 25T segments witnessed negative growth in 2011 whereas the 31T segment has grown by an impressive 80.1% in 2011. Also, within the heavy duty segment, tippers grew by over 45% in 2011 whereas the haulage segment has grown by only 3.1%, indicating a slowdown in growth of goods movement.

Some of the macroeconomic challenges faced in 2011 are expected to continue in 2012 as well, thus further weakening the business sentiment and growth outlook. However, lower inflation, favourable currency and lower interest rate regime can improve the economic growth climate in 2012. Regulatory actions that facilitate improvement in infrastructure development and mining sector can further provide further impetus to growth.

Eicher Trucks and Buses (ETB)

ETB recorded an excellent overall performance in 2011. While light and medium duty vehicles - both trucks and buses - are expected to continue their strong contribution, the continued acceptability and positive customer response to the "VE" series of heavy duty trucks in 2011 provide strong evidence of success of ETB's long term strategy to be a significant player in the heavy-duty truck market by 2015.

ETB is executing many projects to achieve its long term objectives. These include developing a new range of differentiated products that will drive its future growth.

Volvo Trucks India (VTI)

Growth in mining sector will be greatly aided by legislative/regulatory actions and greater investment in infrastructure development will enable growth of the segment in which VTI operates. VTI is well positioned to capitalise on the growth in its segment through proven product technology and superior customer value. VTI plans to expand its product offering in 2012 to further consolidate its dominant market position.

Eicher Engineering Components (EEC)

The performance of EEC will be corelated to the growth of OEMs. EEC is targeting higher share of business with OEMs. It has extensive plans for development of new products and upgradation of technology. Also, with improvement in certain international markets like US, exports are likely to improve.

New Volvo FMX 440—Experience the X Factor



Over longer term, EEC expects to grow in all segments especially in aggregate assembly and outsourcing business. EEC's ability to offer design and build services will add to its ability to attract business. All required investments to achieve its goals are being made.

Eicher Engineering Solutions (EES)

There has been a steady improvement in the performance of EES in 2011 and this is likely to accelerate in 2012. Major initiatives are planned to enhance EES's customer acquisition capability from all its global locations. This will enable EES to capitalise on the immense opportunities in the global engineering services industry.

VE Powertrain (VEPT) Project

The VEPT project, announced in 2010, is on track for scheduled commencement of operations by end of 2012. Once operational, it will be able to meet most of Volvo Group's medium duty engine requirement and also provide significant technological edge to ETB's heavy duty products. Hence, it has immense strategic importance for VECV and Volvo Group.

The plant is being built with state of art technology in terms of equipment, processes and systems and amalgamates the best of Volvo technologies and the frugal standards of manufacturing set-up of VECV.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

In terms of a General Circular No. 2/2011 vide dated 8th February, 2011, issued by the Ministry of Corporate Affairs, the Board of Directors of the Company has accorded consent at its meeting held on February 11, 2012, not to attach the copies of Balance Sheets, Profit and Loss accounts, reports of the Board of Directors and Auditors' Report of the subsidiaries (including step down subsidiaries) as required under the provisions of section 212 of the Companies Act, 1956 and comply with the conditions laid down under the said circular.

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

However, as directed by the Central Government the financial data of the subsidiaries have been furnished under Financial Information of Subsidiary Companies forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 specified in the Companies (Accounting Standards) Rules,


VE Powertrain building, Pithampur, Madhya Pradesh



2006, the Consolidated Financial Statements presented by the Company include financial information of its Subsidiaries.

The statement pursuant to Section 212 of the Companies Act, 1956 forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Clause 32 of the Listing Agreement, the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended December 31, 2011 are provided in the Annual Report.

STATUTORY AUDITORS

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

COST AUDITORS

In conformity with the directives of the Central Government, the Company has appointed Mr. V Kalyanaraman, Cost Accountant, 12, Second Street, North Gopalapuram, Chennai-600 086, as the Cost Auditors under Section 233B of the Companies Act, 1956, for the audit of cost accounts for Motor Vehicles (Two Wheelers) for the year ending December 31, 2012. For the year ended December 31, 2010, the due date of filing the cost audit report was June 30, 2011 and the actual date of filing the cost audit report was May 28, 2011.

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

The statement of particulars of employees as per sub-section (2A) of section 217 of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, for the year

ended December 31, 2011 is annexed hereto and forms part of this Annual Report.

STATEMENT OF RESPONSIBILITY

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

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Place: Gurgaon
Date: February 11, 2012

Siddhartha Lal
Managing Director

S. Sandilya
Chairman

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

EMPLOYEE STOCK OPTION PLAN

Statement as at December 31, 2011, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

a)	Number of Options granted	Under Eicher Employee Stock Option Plan, 2006: 1. 301,400 options granted in financial year 2006-07 2. 289,200 options granted in financial year 2007-08 3. 55,400 options granted in financial year 2010 out of forfeited options 4. 135,200 option granted in financial year 2011 out of forfeited options
b)	(i) Pricing Formula	In financial year 2006-07, 2007-08, 2010 and 2011 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 financial year 2006-07 2. 462 for options granted in financial year 2007-08 3. 695 for 40,000 options granted in financial year 2010 4. 1,411 for 15,400 options granted in financial year 2010 5. 1,162 for 135,200 options granted in financial year 2011
c)	Total number of Options vested	425,900
d)	Total number of Options exercised	307,600
e)	Total number of Ordinary Shares arising as a result of exercise of Options.	307,600
f)	Total number of Options forfeited	14,100 (net off options granted out of forfeited options)
g)	Variation of terms of Options	Nil
h)	Money realised by exercise of Options	Rs. 114.0 millions
i)	Total number of Options in force	268,900
	Details of Options granted during the period	
	i) Any employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	None
	ii) 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. 46.00
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 financial year 2011 is Nil.

(ii)	Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options.	Rs. 31.1 millions on account of Options granted in financial year 2011.																																				
(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 financial year 2011, the employee compensation cost would have been higher by Rs. 31.1 millions, Profit after tax lower by Rs. 31.1 millions and the basic and diluted earnings per share would have been lower by Re. 1.19 and Re. 1.10 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.	<table border="0"> <thead> <tr> <th style="text-align: left;">Options grant date</th> <th style="text-align: left;">Exercise price (Rs.)</th> <th style="text-align: left;">Fair value (Rs.)</th> </tr> </thead> <tbody> <tr> <td>1-Oct-06</td> <td>297</td> <td>154.62</td> </tr> <tr> <td>22-Oct-07</td> <td>462</td> <td>243.90</td> </tr> <tr> <td>29-Apr-10</td> <td>695</td> <td>154.62</td> </tr> <tr> <td>8-Nov-10</td> <td>1411</td> <td>243.90</td> </tr> <tr> <td>6-May-11</td> <td>1162</td> <td>625.14</td> </tr> </tbody> </table>	Options grant date	Exercise price (Rs.)	Fair value (Rs.)	1-Oct-06	297	154.62	22-Oct-07	462	243.90	29-Apr-10	695	154.62	8-Nov-10	1411	243.90	6-May-11	1162	625.14																		
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6-May-11	1162	625.14																																				
n)	A description of the method and significant assumptions used during the year to estimate the fair values of Options.	<p>The fair value of each Option granted on 1st October 2006, 22nd October 2007, 29th April, 2010, 8th November, 2010 and 6th May, 2011 is estimated using the Black-Scholes Option Pricing Model after applying the following key assumptions:</p> <table border="0"> <thead> <tr> <th></th> <th style="text-align: center;">1st Oct. 2006</th> <th style="text-align: center;">22nd Oct. 2007</th> <th style="text-align: center;">29th Apr. 2010</th> <th style="text-align: center;">8th Nov. 2010</th> <th style="text-align: center;">6th May 2011</th> </tr> </thead> <tbody> <tr> <td>i) Risk free interest rate</td> <td style="text-align: center;">7.68%</td> <td style="text-align: center;">7.95%</td> <td style="text-align: center;">7.68%</td> <td style="text-align: center;">7.95%</td> <td style="text-align: center;">8.29%</td> </tr> <tr> <td>ii) Expected life</td> <td style="text-align: center;">10 years</td> <td style="text-align: center;">10 years</td> <td style="text-align: center;">10 years</td> <td style="text-align: center;">10 years</td> <td style="text-align: center;">10 years</td> </tr> <tr> <td>iii) Expected volatility</td> <td style="text-align: center;">49.86%</td> <td style="text-align: center;">49.66%</td> <td style="text-align: center;">49.86%</td> <td style="text-align: center;">49.66%</td> <td style="text-align: center;">49.03%</td> </tr> <tr> <td>iv) Expected dividends</td> <td style="text-align: center;">1.58%</td> <td style="text-align: center;">1.49%</td> <td style="text-align: center;">1.58%</td> <td style="text-align: center;">1.49%</td> <td style="text-align: center;">1.48%</td> </tr> <tr> <td>v) The price of the underlying share in market at the time of Option grant</td> <td style="text-align: center;">296.80</td> <td style="text-align: center;">461.80</td> <td style="text-align: center;">695.00</td> <td style="text-align: center;">1411.00</td> <td style="text-align: center;">1162.00</td> </tr> </tbody> </table>		1 st Oct. 2006	22 nd Oct. 2007	29 th Apr. 2010	8 th Nov. 2010	6 th May 2011	i) Risk free interest rate	7.68%	7.95%	7.68%	7.95%	8.29%	ii) Expected life	10 years	10 years	10 years	10 years	10 years	iii) Expected volatility	49.86%	49.66%	49.86%	49.66%	49.03%	iv) Expected dividends	1.58%	1.49%	1.58%	1.49%	1.48%	v) The price of the underlying share in market at the time of Option grant	296.80	461.80	695.00	1411.00	1162.00
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For and on behalf of the Board

Place: Gurgaon
Date: February 11, 2012

Siddhartha Lal
Managing Director

S. Sandilya
Chairman

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY STRUCTURE AND DEVELOPMENT

After an excellent 2010 wherein the two wheeler industry grew by 31%, the growth rate in 2011 moderated to 17.5%. Within the two wheeler industry, the motorcycle industry grew by 16.6% in 2011, as compared to 28.4% in 2010. The motorcycle industry achieved a growth of 16.6% despite worse macro economic conditions as compared to 2010.

It needs to be noted that the growth of the motorcycle industry was achieved despite weaker business and customers' sentiments in 2011 as compared to 2010.

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

	2011	2010	Growth
Two Wheeler: Industry (Nos)	14,970,591	12,736,766	17.5%
Motorcycles (Nos):	11,728,487	10,058,454	16.6%

Within motorcycles, the growth of segments in 2011 over 2010 was as follows:

- economy segment (less than 125cc) grew by 15%
- executive segment (125 cc to 249 cc) grew by 20%
- premium segment (250cc and above) grew by 71%

These trends indicate the likelihood of higher growth in the higher cc (cubic capacity) segments.

This endorses the emerging trend of leisure motorcycling that is fast catching up with the brand value conscious, upwardly mobile, discerning population that forms a large part of the company's target customer base. Your Company's Royal Enfield unit has extremely rich global heritage of practical leisure motorcycling of over a hundred years. As greater number of bike enthusiasts catch on to the leisure riding, we believe that it will provide further impetus to your Company's future prospects.

Thunderbird 500 by Royal Enfield



2. OPPORTUNITIES, THREATS AND OUTLOOK

The mega trends of India's economic growth will present tremendous opportunities for growth in motorcycle segment and in leisure biking. Your Company's healthy customer order book provides a clear indication of future growth.

Your Company has been strenuously working to ensure that this opportunity is converted into profitable growth. A critical element in this strategy is to continually expand the customer offering. At the 2012 Auto Expo, Royal Enfield previewed

- its new motorcycle—Thunderbird 500. It is fitted with UCE (Unit Construction Engine) and a host of design enhancements.
- its all-new Café Racer model which will launched in 2013
- a range of purpose built motorcycle gear. The collection included biker apparel, bike and riding accessories.

3. BUSINESS PERFORMANCE

Please refer section on "Business Performance" in Directors' Report.

4. RISKS AND CONCERNS

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



Café Racer by Royal Enfield

Key risks identified:

1. Inability of suppliers and plant's production capacity to meet demand
2. Loss of customer satisfaction and brand image due to quality issues
3. Significant rise in cost of input materials like steel and aluminum

The management has put in place a comprehensive "Risk Management Mechanism" to manage these risks. To manage and mitigate the same, these risks are embedded in the various initiatives that the management will execute in 2012 and beyond. These plans are reviewed periodically with the Board of Directors of the Company.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

The Company has robust ERP systems based on SAP platform. This ensures high degree of systems based checks and control.

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

7. HUMAN RESOURCES

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

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

The Company's talent base (full time), as on December 31, 2011 stands at 747.

8. CAUTIONARY STATEMENT

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

For and on behalf of the Board

Place: Gurgaon
Date: February 11, 2012

Siddhartha Lal **S. Sandilya**
Managing Director Chairman

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

Statement of Particulars of Employees Pursuant to the Provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors Report for the year ended December 31, 2011.

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

A. Employed for the the year from 01.01.2011 to 31.12.2011 in receipt of remuneration not less than Rs. 60,00,000/- per annum.

Name	Age	Qualifications	Expe- rience	Date of commencement of employment	Designation	Remuneration (Amount in Rs.)	Last Employment
Siddhartha Lal	38	PGDME, MSc. (Automotive Engg.)	15	May 2001	Managing Director	31,197,510	Eicher Limited
Lalit Malik	44	CA & MBA	18	October 2010	Chief Financial Officer	8,539,527	Max India Limited
Venkatesh Padmanabhan	48	B.Sc, MS, Ph.D	23	December 2008	Chief Executive Officer, Royal Enfield (A Unit of Eicher Motors Limited)	9,861,632	Mercedes Car Group/Chrysler Group (DC)

B. Employed for part of the year ended 31.12.2011 in receipt of remuneration not less than Rs. 5,00,000/- per month.

Name	Age	Qualifications	Expe- rience	Date of commencement of employment	Designation	Remuneration (Amount in Rs.)	Last Employment
- NIL -							

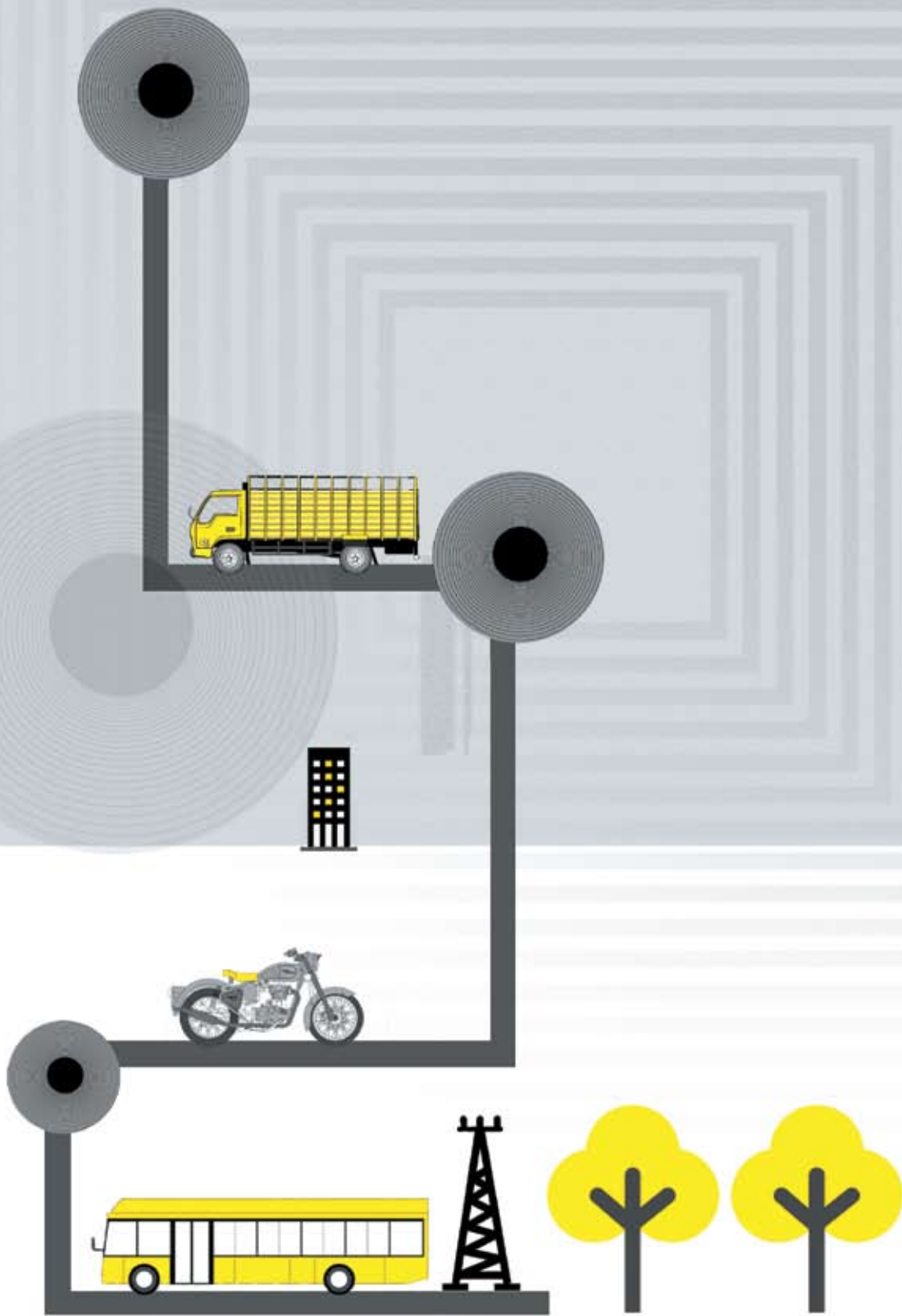
Notes:

1. 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.
2. The nature of employment in all cases is contractual.
3. None of the above employees is related to any director of the Company.
4. The aforesaid employees do not hold any equity shares of the Company in accordance with Section 217(2A)(a)(iii) of the Companies Act, 1956.

For and on behalf of the Board

Place: Gurgaon
Date: February 11, 2012

Siddhartha Lal **S. Sandilya**
Managing Director Chairman



Report on Corporate Governance

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

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

Our philosophy on Corporate Governance in Eicher emanate 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 consist of non-executive Directors and Independent Directors, which meet and deliberate regularly to discharge their obligations.

2. BOARD OF DIRECTORS

As on December 31, 2011, the Company's Board consists of six members. The Board is responsible for the management of the affairs of the Company's businesses.

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

The details of composition and Directorship held in other companies/Board committees by each member of the Board of Directors of the Company as on December 31, 2011 is as under:

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

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

* For the purpose of reckoning the limit of the interest in the Committees of Board of Directors, chairmanship/membership of the Audit Committee and the Shareholders' and Investors' Grievance Committee alone has been considered.

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

Details of Shareholding of Directors as on December 31, 2011

The details of Shareholding of Directors are as under:

S.No.	Name of the Director	No. of Shares
1.	Mr. S. Sandilya	12,766
2.	Mr. Siddhartha Lal	294,694

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

Meetings and Attendance

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

S. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended the 29 th AGM held on March 18, 2011
1.	Mr. S. Sandilya – Chairman Independent and Non-executive Director	4	4	Yes
2.	Mr. Siddhartha Lal – Managing Director	4	4	Yes
3.	Mr. R.L. Ravichandran – Whole Time Director (w.e.f. 01/01/2011)	4	3	No
4.	Mr. Priya Brat – Non-executive and Independent Director	4	4	Yes
5.	Mr. M.J. Subbaiah - Non-executive and Independent Director	4	3	Yes
6.	Mr. Prateek Jalan – Non executive and Independent Director	4	4	Yes

Meetings of the Board of Directors were held on February 5, 2011, May 6, 2011, July 30, 2011 and November 9, 2011.

3. COMMITTEES

I COMMITTEES OF THE BOARD

(i) Audit Committee

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

Meetings and Attendance

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

Meetings of the Audit Committee of Board of Directors were held on February 5, 2011, May 6, 2011, July 30, 2011 and November 9, 2011.

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

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

(ii) Shareholders' and Investors' Grievance Committee

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

Meetings and Attendance

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

Meetings of the Shareholders and Investors Grievance Committee of Board of Directors were held on February 5, 2011, May 6, 2011, July 30, 2011 and November 9, 2011.

The Managing Director, Chief Financial Officer and Director-Group Affairs and Taxation are the permanent invitees at the Shareholders' and Investors' Grievance Committee meetings.

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

(iii) Compensation Committee

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

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

Meetings and Attendance

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

Meeting of the Compensation Committee of Board of Directors was held on May 6, 2011.

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

II COMMITTEE OF THE COMPANY

Shares Committee

The Shares Committee of the Company consists of three members i.e. Mr. Siddhartha Lal – Managing Director, Mr. Ravi Sikka – Director-Group Affairs and Taxation and Mr. Lalit Malik – Chief Financial Officer to look after and approve transfer of equity shares including dematerialisation, issue of duplicate certificates, transmission of securities etc. During the year ended December 31, 2011, 22 meetings of the Committee were held whereby 28,071 shares were transferred by the Committee.

4. REMUNERATION OF DIRECTORS (FOR THE YEAR ENDED DECEMBER 31, 2011)

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

The details of remuneration to Managing Director and Whole Time Director for the year ended December 31, 2011 is as under:

(Rs. in Millions)

Name of the Director	Remuneration	Commission	Perquisites	Service Contract	
				Tenure	Notice period
Mr. Siddhartha Lal – Managing Director	11.10	17.5	2.59	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.
Mr. R.L. Ravichandran – Whole Time Director	5.4	-	0.12	2 years (Mr. R.L. Ravichandran was appointed as Whole Time Director w.e.f. January 1, 2011 up to December 31, 2013, 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 shall not exceed 10% of the net profit computed in the manner laid down in Sections 198, 349 and other applicable provisions of the Companies Act, 1956 as amended from time to time.

Note: No sitting fees have been paid to Mr. Siddhartha Lal and Mr. R.L. Ravichandran during the year ended December 31, 2011.

The remuneration comprising of sitting fees and commission to Non-executive and Independent Directors for the year ended December 31, 2011 is as under:

Name of the Director	Remuneration* (Amount in Rs.)	
	Sitting fees	Commission
Mr. S. Sandilya – Non-executive and Independent Director	220,000	25,50,000
Mr. Priya Brat – Non-executive and Independent Director	220,000	350,000
Mr. M.J. Subbaiah – Non-executive and Independent Director	120,000	350,000
Mr. Prateek Jalan – Non-executive and Independent Director	160,000	11,50,000
Total	720,000	44,00,000

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

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

Notes:

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

5. DISCLOSURES

(i) Related Party Transactions

In terms of the Accounting Standard-18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note No.12 to Schedule 12 Notes to the Accounts forming part of this Annual Report.

The Company has not had any transaction of material nature with the Directors and/or their relatives, promoters, management during the year ended December 31, 2011 that may have conflict with the interests of the Company.

(ii) Compliances by the Company

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

(iii) Code of Conduct for Directors and Senior Management

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

(iv) CEO/CFO certification

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

(v) Non-mandatory requirements

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

(vi) Accounting treatment

The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

(vii) Risk Management

The Company has established a comprehensive risk management process that includes risk identification, risk assessment, risk mitigation and periodical monitoring.

As part of the Risk Management Mechanism, identified risks are regularly reviewed along with action plans by the Management through monthly business review meetings. These are reported to the Board of Directors on the yearly basis for the inputs and further suggestions for effective management of risks.

6. MEANS OF COMMUNICATION

- (i) The consolidated quarterly and annual results are published in the Business Standard (English) – All Editions and Business Standard (Hindi), Delhi. The Stand alone and Consolidated quarterly and annual results of the Company are available on Company's website at www.eicher.in
- (ii) The Stand alone and Consolidated quarterly and annual results are filed with the Stock Exchanges in terms of Clause 41 of the Listing Agreement.
- (iii) The following are displayed on the Website of the Company i.e. www.eicher.in:
 - Business of the Company;
 - Annual Report of the Company;
 - Stand alone and Consolidated Quarterly and Annual Financial Results of the Company;
 - Shareholding Pattern;
 - Company Profile;
 - Press Releases;
 - Code of Conduct for the Directors and Senior Management;
 - Investors/analysts conference call information and transcripts;
 - Contact information – for solving any queries.
- (iv) Management Discussion and Analysis Report forms part of the Report of the Directors.

7. SHAREHOLDERS' INFORMATION

- (i) **Day, date, time and venue of the** : Thursday, March 22, 2012 at 10.00 A.M.
Annual General Meeting at LTG Auditorium, Copernicus Marg,
New Delhi - 110 001

(ii) Financial Year

The current year is for 12 (twelve) months from January 1, 2011 to December 31, 2011.

(iii) General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
December 31, 2008	29.05.2009 (AGM)	Friday	10.00 A.M.	Royal Park Hall, Masjid Moth, GK-II, New Delhi-110 048	No
December 31, 2009	15.03.2010 (AGM)	Monday	10.00 A.M.	LTG Auditorium, Copernicus Marg, New Delhi-110 001.	Yes*
December 31, 2010	18.03.2011 (AGM)	Friday	10.00 A.M.	LTG Auditorium, Copernicus Marg, New Delhi-110 001	No

* The Company in its AGM held on 15.03.2010, passed a special resolution pursuant to the provisions of Sections 198, 309 and all other applicable provisions of the Companies Act, 1956 for the payment of remuneration by way of commission to the Non-executive Directors of the Company (other than the Managing Director and Whole Time Director) with effect from the financial year ended on December 31, 2009 for a period of five years.

(iv) Financial Calendar – 2011

Adoption of Quarterly/ Annual Results for the quarter/year ended	Date of Board Meeting	Date of publication	Name of Newspapers
March 31, 2011 (Quarterly Results)	06/05/2011	07/05/2011	Business Standard – All Editions (English) and Business Standard (Hindi), Delhi
June 30, 2011 (Quarterly Results)	30/07/2011	01/08/2011	Business Standard – All Editions (English) and Business Standard (Hindi), Delhi
September 30, 2011 (Quarterly Results)	09/11/2011	10/11/2011	Business Standard – All Editions (English) and Business Standard (Hindi), Delhi
December 31, 2011 (Annual Results)	11/02/2012	13/02/2012	Business Standard – All Editions (English) and Business Standard (Hindi), Delhi

Tentative Financial Calendar – 2012

Quarterly results for the quarters ending March 31, 2012, June 30, 2012, September 30, 2012 and annual results for the year ending December 31, 2012 will be approved in the Board Meetings which will be tentatively held in the month of May, 2012, August, 2012, November, 2012 and February, 2013 respectively (subject to the finalisation of dates by the Board of Directors). The Consolidated quarterly and annual results shall be published in the Business Standard (English) – All Editions and Business Standard (Hindi), Delhi. The Stand alone and Consolidated quarterly and annual results are intimated to Stock Exchanges. Additionally, the same are also posted on Company's website at www.eicher.in

(v) Book Closure Dates : Thursday, March 15, 2012 to Thursday, March 22, 2012
{Both days inclusive}

(vi) Dividend payment date : Monday, March 26, 2012

(vii) Listing on Stock Exchanges

The equity shares of the Company are listed on the Stock Exchanges i.e. BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE). The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2011-12 have been paid.

(viii) Name of Depositories for dematerialisation of equity shares

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

The equity shares are quoted under the following Codes

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

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

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

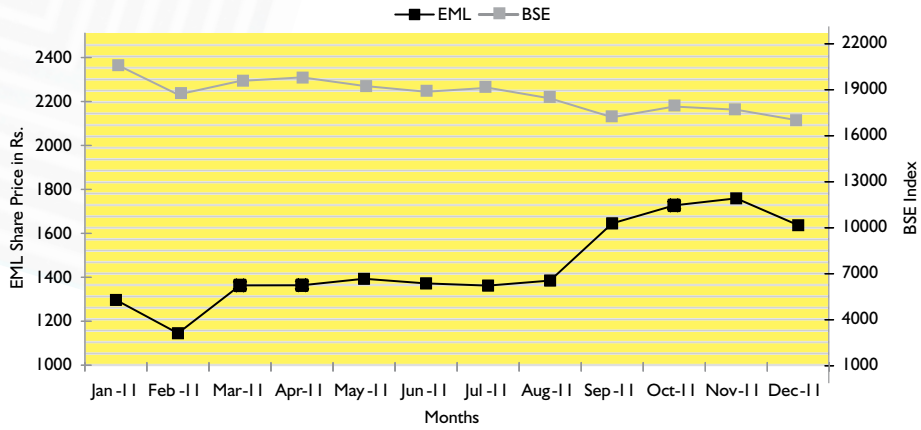
M/s. MCS Limited
Registrar and Share Transfer Agent
F-65 Okhla Industrial Area,
Phase I,
New Delhi 110 020
Phone No. (011) 41406149
Fax No. (011) 41709881
E-mail: admin@mcsdel.com

Members may write for any queries/information to Mr. Vinit Kumar, Company Secretary, Eicher Motors Limited, 3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi – 110 017 or any query can be sent by email to investors@eicher.in.

(x) Market Price Data at BSE and NSE:

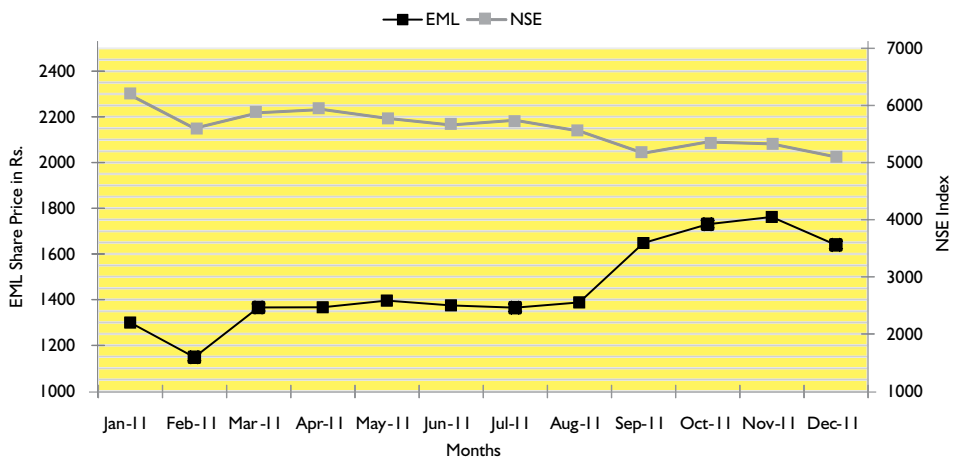
January 2011 to December 2011	BSE			NSE		
	High (Rs. per share)	Low (Rs. per share)	Volumes (No. of shares)	High (Rs. per share)	Low (Rs. per share)	Volumes (No. of shares)
January 2011	1299.85	980.25	105,401	1299.00	980.30	523,918
February 2011	1148.00	975.00	540,581	1147.50	970.00	701,056
March 2011	1365.90	1010.00	294,308	1363.00	1014.00	553,620
April 2011	1366.60	1211.65	58,954	1367.90	1212.00	226,917
May 2011	1396.00	1119.00	330,712	1399.00	1114.00	923,582
June 2011	1375.00	1170.00	166,137	1398.70	1180.55	705,418
July 2011	1365.00	1275.00	28,938	1365.00	1241.65	90,983
August 2011	1388.00	1292.05	49,450	1447.00	1265.30	155,272
September 2011	1648.00	1324.00	261,804	1650.00	1320.05	718,156
October 2011	1730.00	1585.00	97,414	1728.00	1590.00	289,984
November 2011	1762.00	1555.00	170,183	1762.00	1576.00	333,465
December 2011	1639.70	1376.05	31,100	1635.00	1360.25	243,621

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



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

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



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

(xi) Share transfer system

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

Total number of shares transferred during the year ended December 31, 2011 was 28071 shares. The details of time taken by the Company to complete the share transfers are given below:

Transfer period in days	No. of shares	Percentage (%)
1 to 10 days	22,737	81.00
11 to 15 days	1,712	6.10
* 16 days and above	3,622	12.90
Total	28,071	100.00

* The delays beyond 16 days were due to defects in the documents.

There was no pendency of share transfers as on December 31, 2011.

(xii) Dematerialisation of shares and liquidity:

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

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

As on December 31, 2011, 25,990,700 shares constituting 96.28% of the total paid up equity share capital of the Company have been dematerialized with NSDL and CDSL.

(xiii) Shareholding Pattern as on December 31, 2011

Category	No. of Shares	Percentage (%)
Promoters	14,902,730	55.21
Institutional Investors	6,641,454	24.60
Body Corporates	2,486,201	9.22
Individuals	2,962,198	10.97
Total	26,992,583	100.00

(xiv) Distribution of shareholding as on December 31, 2011

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1-500	22,530	97.03	1,904,052	7.05
501-1000	365	1.57	272,980	1.01
1001-2000	124	0.53	179,834	0.67
2001-3000	38	0.16	91,849	0.34
3001-4000	22	0.09	77,527	0.29
4001-5000	18	0.08	82,108	0.30
5001-10000	33	0.15	242,727	0.90
10001-50000	49	0.21	1,180,967	4.38
50001-100000	14	0.06	967,577	3.58
100001 and Above	27	0.12	21,992,962	81.48
TOTAL	23,220	100.00	269,92,583	100.00

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

(xv) Transfer of Unclaimed/Unpaid Dividend:

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

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

For the Financial Year	Due for transfer to the Central Government
2004-05	September 20, 2012
2005-06	August 6, 2013
2006-07	April 13, 2014
2007-08	July 8, 2015
01.04.08-31.12.2008	July 5, 2016
2009	April 18, 2017
2010	April 25, 2018

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

(xvi) Investors' services

Correspondence/complaints received during the year ended December 31, 2011

S. No.	Nature of correspondence/complaints	Received (in Nos)	Cleared (in Nos)
1.	Non-receipt of share certificates	14	14
2.	Letters from Stock Exchange (s), SEBI, Advocate Letters, etc.	08	08
3.	Non receipt of Dividend Warrants/ Annual Reports	47	47
	Total	69	69

The Company has attended to most of the investors' grievance/correspondence within a period of 10 days from the date of receipt of complaint for the year ended December 31, 2011.

There was no pendency of correspondence/complaints as on December 31, 2011.

(xvii) Nomination facility

The Companies (Amendment) Act, 1999 had provided for a facility of nomination in the shares of a Company. Your Company is pleased to offer the facility of nomination to members. A format of the Nomination Form (Form 2 B) along with the instructions is attached to the Booklet of Notice of Meeting as enclosed along with this Annual Report. In case the members wish to avail this facility, they are requested to send the duly completed form to the Registrar and Share transfer Agent of the Company for the shares held in physical mode and/or to the respective DP for the shares held in demat mode.

(xviii) 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 (xxiii), indicating the folio numbers to be consolidated.

(xix) Mandate/National Electronic Clearing Services (NECS)

In order to avoid fraudulent encashment of dividend warrants, members who hold shares in the physical form, are requested to advise their bank account details as per the dividend mandate form as enclosed along with this Annual Report.

The members who hold shares in the demat form are requested to send the Bank particulars to their respective DP.

Under the NECS facility, the amount due is directly credited to the bank account of the member without issuing dividend warrants. Members who wish to avail the NECS facility may fill in the respective particulars as per the NECS form as enclosed along with this Annual Report.

(xx) Registered Office
3rd Floor- Select Citywalk
A-3 District Centre, Saket
New Delhi – 110017
Tel No.011-29563722
Website: www.eicher.in

(xxi) Corporate Office
Building 9A, 16TH Floor,
DLF Cyber City, DLF Phase- III,
Gurgaon-122002, Haryana.
Tel.No.: 0124-6701700
Website: www.eicher.in

(xxii) Plant location
Royal Enfield,
Thiruvottiyur High Road,
Thiruvottiyur, Chennai 600019
(Tamil Nadu)

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

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

For **Eicher Motors Limited**

Place: Gurgaon
Date: February 11, 2012

Siddhartha Lal **S. Sandilya**
Managing Director Chairman

DECLARATION

As per the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the year ended December 31, 2011.

For **Eicher Motors Limited**

Place: Gurgaon
Date: February 11, 2012

Siddhartha Lal **S. Sandilya**
Managing Director Chairman

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

TO THE MEMBERS OF EICHER MOTORS LIMITED

We have examined the compliance of conditions of Corporate Governance by Eicher Motors Limited for the year ended December 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.015125N)
Manjula Banerji
Partner
(Membership No. 086423)

Place: Gurgaon
Date: February 11, 2012

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

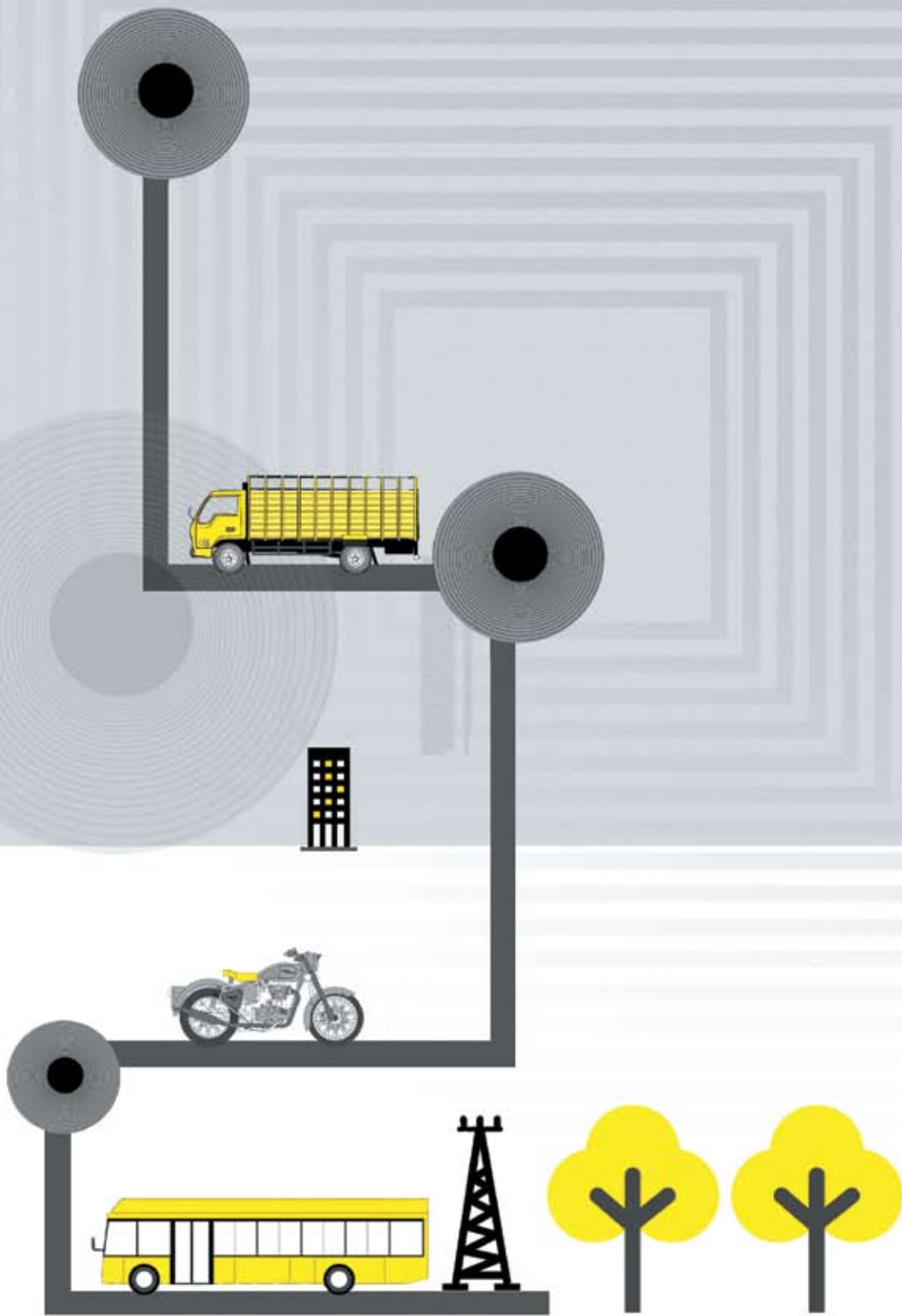
We, Siddhartha Lal-Chief Executive Officer & Managing Director and Lalit Malik-Chief Financial Officer, hereby certify that:

- a) we have reviewed the financial statements and cash flow statement for the year ended December 31, 2011 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) to the best of our knowledge and belief, no transactions entered into by the Company during the year ended December 31, 2011 are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) we have indicated to the Auditors and Audit Committee that :
 - (i) there have not been any significant changes in internal controls over financial reporting during the year ended December 31, 2011;
 - (ii) there have not been any significant changes in accounting policies during the year ended December 31, 2011 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there has not been any instance during the year ended December 31, 2011 of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Place: Gurgaon
Date: February 11, 2012

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director



Financial Statements

AUDITORS' REPORT TO THE MEMBERS OF EICHER MOTORS LIMITED

1. We have audited the attached Balance Sheet of **EICHER MOTORS LIMITED** ("the Company") as at December 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on December 31, 2011, taken on record by the Board of Directors, none of the Directors is disqualified as on December 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 015125N)

Place: Gurgaon
Date: February 11, 2012

Manjula Banerji
Partner
(Membership No. 086423)

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

Having regard to the nature of the Company's business/activities/result, clauses 4 (x), (xiii) and (xiv) of CARO are not applicable.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) As explained to us, the Company has a programme of physically verifying all of its fixed assets over a period of three years and in accordance therewith, physical verification of certain fixed assets of the Company was carried out during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except for inventories lying with third parties at the end of the year for which confirmations have been obtained in most of the cases. In our opinion, the frequency of the verification was reasonable.
 - (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 the discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of Customs Duty, Wealth Tax, and Cess matters.

According to the information and explanations given to us and the records of the Company examined by us, the details of disputed dues not deposited/ deposited under protest of Excise Duty, Sales Tax, Service Tax and Income Tax dues as at December 31, 2011 are as follows:

Nature of the Statute	Nature of dues	Forum where dispute is pending	Amount involved * (Rs. in millions)	Amount paid under protest (Rs. in millions)	Period to which amount relate
Central Excise Act	Excise duty	- Commissioner of Central Excise	3.0	-	1995-96 to 1996-97, 2003-04 to 2004-05 and 2009-10
		- CESTAT	546.8	2.6	1991-92 to 1993-94, 1995-96 to 2000-01 and 2002-05
Sales Tax Act	Sales Tax	- Assessing Authority	0.8	0.8	1994-95 to 1998-99, 2000-01 and 2004-05
		- Appellate Authority up to Commissioner's level	21.8	8.9	1987-88, 1993-94 and 1998-99 to 2008-09
		- Appellate Tribunal	67.9	14.1	1989-90 to 2004-05
		- High Court	31.6	10.9	1984-85 to 1988-89, 1990-91 to 1994-95, 1999-00 to 2001-02 and 2004-05
Service Tax Act	Service Tax	- Commissioner	7.1	-	2003-04 to 2004-05, 2006-07 to 2007-08 and 2008-09
		- Appellate Tribunal	0.5	-	2006-07
Income Tax Act	Income Tax	- Appellate Authority up to Commissioner's level	138.4	-	2007-08 to 2008-09
		- High Court	3.1	3.1	2004-2005

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

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

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan from financial institutions and has not issued debentures during the year.
- (xi) According to the information and explanations given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) According to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xv) As the Company has not made any preferential allotment of shares during the year, paragraph 4(xviii) of CARO is not applicable.
- (xvi) As the Company has not issued any debentures during the year, paragraph 4(xix) of CARO is not applicable.
- (xvii) Since the Company has not raised any money by way of public issue during the year, paragraph 4(xx) of CARO is not applicable.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

Manjula Banerji
Partner
(Membership No. 086423)

Place: Gurgaon
Date: February 11, 2012

BALANCE SHEET AS AT DECEMBER 31, 2011

Rs. in millions

	Schedule	As at December 31, 2011	As at December 31, 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	269.9	269.4
Reserves and surplus	2	5,130.5	4,297.3
		5,400.4	4,566.7
Loan funds			
Secured	3	65.0	143.6
Unsecured		105.6	31.1
		170.6	174.7
Deferred tax liabilities (net)	4	39.2	22.3
Total		5,610.2	4,763.7
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	2,110.7	1,592.7
Less: Depreciation		987.7	875.2
Net block		1,123.0	717.5
Capital work in progress		152.6	30.6
		1,275.6	748.1
Investments	6	5,180.1	4,639.8
Current assets, loans and advances			
Inventories	7	452.7	282.3
Sundry debtors		41.0	36.4
Cash and bank balances		87.4	111.0
Other current assets		2.7	3.3
Loans and advances		779.2	528.1
		1,363.0	961.1
Less:			
Current liabilities and provisions			
Current liabilities	8	1,647.9	1,174.5
Provisions		560.6	410.8
		2,208.5	1,585.3
Net current assets/(liabilities)		(845.5)	(624.2)
Total		5,610.2	4,763.7
NOTES TO THE ACCOUNTS			
	12		

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

Manjula Banerji
Partner

Vinit Kumar
Company Secretary

Lalit Malik
Chief Financial Officer

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

Place: Gurgaon
Date: February 11, 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	Schedule	Year ended December 31, 2011	Rs. in millions Year ended December 31, 2010
INCOME			
Sales		7,378.3	4,843.8
Less: Excise duty		713.8	459.1
Net sales		6,664.5	4,384.7
Other income	9	803.9	583.8
		7,468.4	4,968.5
EXPENDITURE			
Manufacturing and other expenses	10	5,899.7	3,968.8
Profit before interest, depreciation and taxation		1,568.7	999.7
Interest	11	20.2	25.7
Depreciation	5	130.2	107.9
Profit before taxation		1,418.3	866.1
Provision for taxation			
Current tax		178.4	129.7
Minimum alternate tax (MAT) credit entitlement		(22.5)	(24.7)
Deferred tax charge		16.9	6.7
Profit after taxation		1,245.5	754.4
Balance brought forward from the previous year		3,131.1	2,752.4
Amount available for appropriation		4,376.6	3,506.8
APPROPRIATIONS			
Proposed dividend		431.9	296.3
Corporate dividend tax		3.9	4.0
General reserve account		124.6	75.4
Balance carried to balance sheet		3,816.2	3,131.1
Earnings per share (in rupees):			
- Basic		46.18	28.17
- Diluted		46.00	28.06
NOTES TO THE ACCOUNTS	12		

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

Manjula Banerji
 Partner

Vinit Kumar
 Company Secretary

Lalit Malik
 Chief Financial Officer

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

Place: Gurgaon
 Date: February 11, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

Rs. in millions

	Year ended December 31, 2011	Year ended December 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,418.3	866.1
Adjustments for:		
Depreciation	130.2	107.9
Profit on sale of fixed assets	(2.4)	(1.0)
Fixed assets discarded	4.4	1.7
Long term trade Investment written off	-	0.1
Dividend on unquoted non trade current investments	(67.1)	(63.4)
Dividend on long term unquoted trade investment in subsidiary company	(408.0)	(272.0)
Profit on sale of unquoted non trade current investments	(277.5)	(178.3)
Loss on sale of fixed assets	2.3	1.2
Interest income	(6.3)	(28.1)
Interest expense	20.2	25.7
Operating profit before changes in working capital	814.1	459.9
Adjustments for changes in:		
Inventories	(170.4)	(62.0)
Trade and other receivables	(33.1)	12.7
Trade and other payables	475.3	134.1
Cash generated from operations	1,085.9	544.7
Direct taxes paid	(242.5)	(107.2)
Net cash from operating activities (A)	843.4	437.5
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(652.4)	(204.9)
Sale of fixed assets	1.3	2.8
Net Investment in unquoted non trade current investments	(572.6)	(1,644.4)
Proceeds from long term unquoted non-trade investment	32.3	-
Profit on sale of unquoted non-trade current investments	277.5	178.3
Dividend on long term unquoted trade investment from subsidiary company	272.0	136.0
Dividend on unquoted non-trade current investments	67.1	63.4
Interest received	6.9	85.0
Net cash from investing activities (B)	(567.9)	(1,383.8)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	7.6	3.5
Repayment of long term borrowings	(4.8)	(8.9)
Proceeds/(repayment) from/(of) short term borrowings (net)	(6.9)	56.1
Interest paid	(21.0)	(26.7)

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011 (Continued)

	Rs. in millions	
	Year ended December 31, 2011	Year ended December 31, 2010
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	24.0	87.6
Dividend paid	(294.0)	(185.6)
Corporate dividend tax	(4.0)	(8.7)
Net cash from financing activities (C)	(299.1)	(82.7)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(23.6)	(1,029.0)
Cash and cash equivalents at the beginning of the year		
Cash and bank balances	111.0	1,140.0
Cash and cash equivalents at the end of the year		
Cash and bank balances	87.4	111.0

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants
Manjula Banerji
Partner

Vinit Kumar
Company Secretary

Lalit Malik
Chief Financial Officer

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

Place: Gurgaon
Date: February 11, 2012

SCHEDULES I TO 12 ANNEXED TO AND FORMING PART OF ACCOUNTS

I SHARE CAPITAL

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
Authorised		
30,000,000 (30,000,000) Equity shares of Rs. 10 each	300.0	300.0
101,000 (101,000) Redeemable cumulative preference shares of Rs. 100 each	10.1	10.1
	310.1	310.1
Issued		
26,992,583 (26,937,783) Equity shares of Rs. 10 each	269.9	269.4
	269.9	269.4
Subscribed and paid up		
26,992,583 (26,937,783) Equity shares of Rs. 10 each	269.9	269.4
Less: Allotment money in arrears (# Rs. 12000)	#	#
	269.9	269.4

Notes:

- 1) Issued, subscribed and paid up capital:
- Includes 8,093,950 (8,093,950) Equity shares of Rs. 10 each allotted as fully paid for consideration other than in cash pursuant to the Composite Scheme of Arrangement relating to demerger of Automobile Undertaking of Eicher Limited into the Company which became effective on August 16, 2004 from the appointed date i.e. April 1, 2003.
 - Includes 14,032,764 (14,032,764) equity shares of Rs. 10 each allotted as fully paid up for consideration other than in cash pursuant to the Composite Scheme of Arrangement relating to transfer and vesting of Residual Eicher Goodearth Investment Limited (EGIL) into the Company which became effective on November 12, 2009 from the appointed date i.e. January 1, 2009 subsequent to demerger of investment business of EGIL into Eicher Goodearth Private Limited.
- 2) Under Eicher Employee Stock Option Scheme, the Company has granted (net of options lapsed):
- 177,000 (177,000) options on September 30, 2006, exercisable over a period of seven years after vesting on October 1, 2009 at an exercise price of Rs.297 (including premium of Rs. 287) per option, out of which 6,400 (14,400) options are outstanding at year end. During the year, 8,000 (154,700) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 297 (including premium of Rs. 287 each) per equity share.
 - 208,900 (208,900) 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 71,900 (118,700) options are outstanding at year end. During the year 46,800 (90,200) 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 six years after vesting on April 29, 2011 at an exercise price of Rs.695 (including premium of Rs.685) per option are outstanding as at year end.
 - 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. 1411 (including premium of Rs.1401) per option are outstanding as at year end.
 - 135,200 (Nil) options on May 6, 2011, exercisable over a period of seven years after vesting on May 6, 2014 at an exercise price of Rs. 1162 (including premium of Rs.1152) per option are outstanding as at year end.
 - Each option entitles the holders thereof to apply for and be allotted one equity share of the face value of Rs. 10 each.

2. RESERVES AND SURPLUS

Rs. in millions

	As at December 31, 2010	Additions	As at December 31, 2011
Capital reserves			
Capital subsidy	2.5	-	2.5
Capital redemption reserve account	14.1	-	14.1
Securities premium account @	87.4	23.5	110.9
Revenue reserves			
General reserve account	1,062.2	124.6 #	1,186.8
Surplus in profit and loss account	3,131.1	685.1	3,816.2
Total	4,297.3	833.2	5,130.5
Previous year	3,758.1	539.2	4,297.3

@ Represents premium @ Rs. 287 per equity share on 8,000 (154,700) equity shares and @ Rs. 452 per equity share on 46,800 (90,200) equity issued and allotted during the year under Employee Stock Option Scheme.

Transferred from profit and loss account.

3. LOAN FUNDS

		Rs. in millions	
		As at December 31, 2011	As at December 31, 2010
Secured			
Banks			
Cash credits	[1]	65.0	143.6
		<u>65.0</u>	<u>143.6</u>
Unsecured			
Deposits			
Fixed	[2]	1.0	5.8
Others		27.1	19.5
Short term loans and advances			
Banks		71.7	-
Other loans and advances			
Interest free sales tax deferral	[3]	5.8	5.8
		<u>105.6</u>	<u>31.1</u>
		<u>170.6</u>	<u>174.7</u>

[1] Rs. 65.0 millions (Rs. 143.6 millions) secured by a first charge by way of hypothecation of all current assets of the Company.

[2] Repayable within one year Rs. 1.0 millions (Rs. 4.8 millions).

[3] Repayable within one year Rs. 1.7 millions (Rs. Nil).

4. DEFERRED TAX LIABILITIES (NET)

		Rs. in millions	
		As at December 31, 2011	As at December 31, 2010
Deferred tax liability on			
Accelerated depreciation		80.9	67.4
		<u>80.9</u>	<u>67.4</u>
Less:			
Deferred tax assets on			
Accrued expenses deductible on payment		13.5	16.1
Provision for gratuity		20.3	20.4
Provision for leave encashment and other employee benefits		5.4	5.6
Provision for doubtful debts and advances		1.4	1.7
Others		1.1	1.3
		<u>41.7</u>	<u>45.1</u>
Net deferred tax liabilities		<u>39.2</u>	<u>22.3</u>

5. FIXED ASSETS

Rs. in millions

Description	Gross block (At cost)				Depreciation				Net block	
	As at December 31, 2010	Additions during the year	Deductions during the year	As at December 31, 2011	As at December 31, 2010	For the year	Adjustments	As at December 31, 2011	As at December 31, 2011	As at December 31, 2010
Land *										
Freehold	22.5	-	-	22.5	-	-	-	-	22.5	22.5
Leasehold	33.5	301.7	-	335.2	4.2	1.6	-	5.8	329.4	29.3
Buildings *	283.8	21.8	2.0	303.6	96.0	10.3	1.5	104.8	198.8	187.8
Plant and machinery	906.2	172.8	11.2	1,067.8	535.1	90.7	10.0	615.8	452.0	371.1
Furniture and fittings	26.7	3.1	2.0	27.8	18.8	3.0	0.8	21.0	6.8	7.9
Office equipment	107.5	12.9	2.9	117.5	58.7	10.0	2.8	65.9	51.6	48.8
Vehicles	35.8	26.8	5.2	57.4	15.5	8.1	2.6	21.0	36.4	20.3
Intangible assets										
- Product designs, prototypes etc.	148.1	-	-	148.1	125.0	6.1	-	131.1	17.0	23.1
- Computer Software	28.6	2.2	-	30.8	21.9	0.4	-	22.3	8.5	6.7
Total	1,592.7	541.3	23.3	2,110.7	875.2	130.2	17.7	987.7	1,123.0	
Previous year	1,459.3	192.4	59.0	1,592.7	821.6	107.9	54.3	875.2		717.5
Capital work in progress [including advances on capital account of Rs. 110.5 millions (Rs. 21.4 millions)]									152.6	30.6
									1,275.6	748.1

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

6. INVESTMENTS

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
--	----------------------------	----------------------------

LONG TERM @**Unquoted -****Trade -**

Nil (12,498) Equity shares of Rs. 10

each fully paid up of Eicher Motors Finance Limited

- 0.1

Less: Investment written off *

- - (0.1) -

Investment in subsidiary

5,440,000 (5,440,000) Equity shares of Rs. 10 each fully paid up of VE Commercial Vehicles Limited

54.4

54.4

Non-Trade -

Nil (3,230) capital gains bonds of Rs 10,000 each issued by Rural Electrification Corporation Ltd.

-

32.3

6. INVESTMENTS (Continued)

	Rs. in millions	
	As at December 31, 2011	As at December 31, 2010
Government securities		
National Savings Certificates (# Rs.13,000) (Pledged with Government authorities)	#	#
	<u>54.4</u>	<u>86.7</u>
Current Investments @@		
Non-Trade -		
Unquoted -		
In debt mutual funds		
Nil (7,000,000) units of face value of Rs. 10 each of Reliance Fixed Horizon Fund XVI Series - 3 Growth	-	70.0
Nil (50,000,000) units of face value of Rs. 10 each of Reliance Fixed Horizon Fund XVI Series - 5 Growth	-	500.0
Nil (17,958,698) units of face value of Rs. 10 each of Reliance Liquid Fund-Cash Plan-Daily Dividend	-	200.1
20,077,632 (20,066,776) units of face value of Rs. 10 each of Reliance Liquidity Fund-Daily Dividend Reinvestment Option	200.9	200.8
Nil (8,000,000) units of face value of Rs. 10 each of SBI Debt Fund Series - 370 Days-8 Growth	-	80.0
Nil (1,000,000) units of face value of Rs. 10 each of Religare FMP Series -IV Plan E (370 Days) Growth	-	10.0
Nil (2,157,560) units of face value of Rs. 10 each of Birla Sun Life Savings Fund - Institutional - Daily Dividend - Reinvestment	-	21.6
Nil (1,010,995) units of face value of Rs. 10 each of Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend - Reinvestment	-	10.1
Nil (30,000,000) units of face value of Rs. 10 each of Birla Sun Life Fixed Term Plan Series CC Growth	-	300.0
Nil (16,000,000) units of face value of Rs. 10 each of Birla Sun Life Fixed Term Plan Series CI Growth	-	160.0
Nil (50,434) units of face value of Rs. 1,000 each of DSP BlackRock Money Manager - Institutional Plan - Daily Dividend	-	50.5
Nil (15,000,000) units of face value of Rs. 10 each of DSP BlackRock FMP 3M Series 23 - Dividend Payout	-	150.0
Nil (40,000,000) units of face value of Rs. 10 each of DSP BlackRock FMP -12M-Series 9 Growth	-	400.0
Nil (10,000,000) units of face value of Rs. 10 each of DSP BlackRock FMP 12M Series 10 Growth	-	100.0
Nil (30,000,000) units of face value of Rs. 10 each of Kotak Quarterly Interval Plan Series 10 Dividend	-	300.0
Nil (85,000,000) units of face value of Rs. 10 each of Kotak FMP 370 Days Series 3 Growth	-	850.0
Nil (85,000,000) units of face value of Rs. 10 each of Kotak FMP 370 Days Series 2 Growth	-	850.0
Nil (20,000,000) units of face value of Rs. 10 each of ICICI Prudential FMP Series 53-1 Year Plan C Cumulative	-	200.0
Nil (9,998,500) units of face value of Rs. 10 each of UTI FIIF Annual Interval Plan - Institutional Growth	-	100.0

6. INVESTMENTS (Continued)

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
20,000,000 (Nil) units of face value of Rs. 10 each of Reliance Fixed Horizon Fund - XXI - Series 13 - Growth Option	200.0	-
10,081,397 (Nil) units of face value of Rs. 10 each of DWS Ultra Short Term Fund-Institutional Daily Dividend-Reinvestment	101.0	-
104,719 (Nil) units of face value of Rs. 1,000 each of UTI Treasury Advantage Fund - Inst Plan (Daily Dividend Option) - Reinvestment	104.7	-
25,368,050 (Nil) units of face value of Rs. 10 each of HDFC Cash Management Fund -Treasury Advantage Plan - WS - Daily Dividend	254.5	-
150,641 (Nil) units of face value of Rs. 1,000 each of Templeton India Treasury Management Account Super Instl Plan - DD Reinvest	150.7	-
16,551,096 (Nil) units of face value of Rs. 10 each of HDFC Liquid Fund Premium Plan-Dividend Daily Reinvestment Option	202.9	-
25,000,000 (Nil) units of face value of Rs. 10 each of SBI Debt fund Series - 367 Days - 11 - Growth	250.0	-
25,000,000 (Nil) units of face value of Rs. 10 each of SBI Debt Fund Series 370 Days - 9 - Growth	250.0	-
10,000,000 (Nil) units of face value of Rs. 10 each of SBI Debt Fund Series - 90 Days - 53 - Dividend	100.0	-
50,115 (Nil) units of face value of Rs. 1,000 each of Religare Liquid Fund - Super Institutional Daily Dividend	50.2	-
2,550,136 (Nil) units of face value of Rs. 100 each of Birla Sun Life Ultra Short term Fund - Inst Daily Dividend	255.2	-
5,000,000 (Nil) units of face value of Rs. 10 each of Birla Sun Life Fixed Term Plan Series DT - Growth	50.0	-
251,061 (Nil) units of face value of Rs. 1,000 each of DSP BlackRock Liquidity Fund - Instl Plan - Daily Dividend	251.1	-
15,000,000 (Nil) units of face value of Rs. 10 each of DSP BlackRock FMP - Series 20 - 12M - Growth	150.0	-
15,000,000 (Nil) units of face value of Rs. 10 each of DSP BlackRock-12M-Series 13 - Growth	150.0	-
10,000,000 (Nil) units of face value of Rs. 10 each of SBI Debt Fund Series 370 Days - 11 - Growth	100.0	-
65,000,000 (Nil) units of face value of Rs. 10 each of Kotak FMP Series 43 - Growth	650.0	-
35,000,000 (Nil) units of face value of Rs. 10 each of Kotak FMP Series 42 - Growth	350.0	-
15,000,000 (Nil) units of face value of Rs. 10 each of Axis Fixed Term Plan - Series 13 (370 days) - Growth Plan	150.0	-
40,666 (Nil) units of face value of Rs. 10 each of SBI Premier Liquid Fund - Super Inst. - Daily Dividend	0.4	-
40,000,000 (Nil) units of face value of Rs. 10 each of ICICI Prudential FMP Series 56-1 year Plan D Cumulative	400.0	-
50,007 (Nil) units of face value of Rs. 1,000 each of IDFC Cash Fund - Super Inst Plan C - Daily Dividend	50.0	-
10,000,000 (Nil) units of face value of Rs. 10 each of IDFC FMP Yearly Series 42 - Growth	100.0	-
9,872,485 (Nil) units of face value of Rs. 10 each of IDFC Money Manager Fund - Investment Plan - Inst Plan B - Daily Dividend	100.4	-

6. INVESTMENTS (Continued)

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
974,898 (Nil) units of face value of Rs. 100 each of ICICI Prudential Flexible Income Plan Premium - Daily Dividend	103.1	-
20,000,000 (Nil) units of face value of Rs. 10 each of Reliance Fixed Horizon Fund XIX Series I I - Growth Plan	200.0	-
2,005,953 (294) units of face value of Rs. 100 each of ICICI Prudential Liquid Super Institutional Plan Dividend Daily (# Rs. 29,434)	200.6	#
	5,125.7	4,553.1
	5,180.1	4,639.8

Repurchase price of unquoted non trade current investments in Debt Mutual funds amounting to Rs. 5315.4 millions (Rs. 4,646.7 millions).

@ At cost as reduced by diminution in value, if any.

@@ At cost or fair value, whichever is lower.

* Eicher Motor Finance Limited has been dissolved w.e.f. October 26, 2010.

The following non trade unquoted current investments were purchased and redeemed during the year**Mutual Funds****Debt Fund**

Rs. in millions

	Purchased		Redeemed/sold	
	Units	Amount	Units	Amount
Reliance fixed Horizon fund XVI Series 3 - Growth Plan Units of face value of Rs. 10 each	-	-	7,000,000	70.0
Reliance fixed Horizon fund XVI Series 5 - Growth Plan Units of face value of Rs. 10 each	-	-	50,000,000	500.0
Reliance Fixed Horizon Fund - XXI - Series 13 - Growth Option Units of face value of Rs. 10 each	20,000,000	200.0	-	-
Reliance Liquid fund - Cash Plan - Daily Dividend Units of face value of Rs. 10 each	264,831	3.0	18,223,529	203.1
DWS Ultra Short Term Fund-Institutional Daily Dividend - Reinvestment Units of face value of Rs. 10 each	15,234,728	152.6	5,153,331	51.6
UTI Treasury Advantage Fund - Institutional Plan (Daily Div Option) - Reinvestment Units of face value of Rs. 1,000 each	104,719	104.7	-	-
Reliance Liquidity Fund-Daily Dividend Reinvestment Option Units of face value of Rs. 10 each	20,170,193	201.8	20,159,337	201.7
HDFC Cash Management Fund - Treasury Advantage Plan - WS - Daily Dividend Units of face value of Rs. 10 each	90,930,175	909.9	65,562,125	655.4

6. INVESTMENTS (Continued)

Rs. in millions

	Purchased		Redeemed/sold	
	Units	Amount	Units	Amount
Templeton India Treasury Management Account Super Instl Plan - DD Reinvest Units of face value of Rs.1,000 each	150,641	150.7	-	-
HDFC Liquid Fund Premium Plan - Dividend Daily Reinvestment Option Units of face value of Rs.10 each	16,551,096	202.9	-	-
SBI Debt Fund Series - 370 Days - 8 - Growth Units of face value of Rs. 10 each	-	-	8,000,000	80.0
SBI Debt Fund Series - 367 Days - 11 - Growth Units of face value of Rs. 10 each	25,000,000	250.0	-	-
SBI Debt Fund Series 370 Days - 9 - Growth Units of face value of Rs. 10 each	25,000,000	250.0	-	-
SBI SHF ultra short term fund Inst. Plan Daily Dividend Units of face value of Rs. 10 each	10,104,771	101.1	10,104,771	101.1
SBI Debt Fund Series - 90 Days - 53 - Dividend Units of face value of Rs. 10 each	10,000,000	100.0	-	-
Religare Liquid Fund - Super Institutional Daily Dividend Units of face value of Rs.1,000 each	50,115	50.2	-	-
Religare Fixed Maturity Plan Series - IV plan E (370 Days) - Growth Plan Units of face value of Rs.10 each	-	-	1,000,000	10.0
Birla Sun Life Savings Fund - Institutional - Daily dividend - Reinvestment Units of face value of Rs.10 each	20,571	0.2	2,178,131	21.8
Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend - Reinvestment Units of face value of Rs.10 each	9,045	0.1	1,020,040	10.2
Birla Sun Life Ultra Short term Fund - Inst Daily Dividend Units of face value of Rs.100 each	5,048,762	505.2	2,498,626	250.0
Birla Sun Life Fixed Term Plan Series DT - Growth Units of face value of Rs.10 each	5,000,000	50.0	-	-
Birla Sun Life Fixed Term Plan Series CC - Growth Units of face value of Rs.10 each	-	-	30,000,000	300.0

6. INVESTMENTS (Continued)

Rs. in millions

	Purchased		Redeemed/sold	
	Units	Amount	Units	Amount
Birla Sun Life Fixed Term Plan Series CI - Growth Units of face value of Rs.10 each	-	-	16,000,000	160.0
DSP BlackRock Money Manager - Institutional Plan - Daily Dividend Units of face value of Rs.1,000 each	701	0.7	51,135	51.2
DSP BlackRock Liquidity Fund - Instl Plan - Daily Dividend Units of face value of Rs.1,000 each	331,234	331.3	80,173	80.2
DSP BlackRock FMP - Series 20 - 12M - Growth Units of face value of Rs.10 each	15,000,000	150.0	-	-
DSP BlackRock-12M - Series 13 - Growth Units of face value of Rs.10 each	15,000,000	150.0	-	-
DSP BlackRock FMP 3M Series 23 - Dividend Payout Units of face value of Rs.10 each	-	-	15,000,000	150.0
DSP BlackRock FMP - 12M - Series 9 - Growth Units of face value of Rs.10 each	-	-	40,000,000	400.0
DSP BlackRock FMP 12M Series 10 - Growth Units of face value of Rs.10 each	-	-	10,000,000	100.0
Kotak Quarterly Interval Plan Series 10 - Dividend Units of face value of Rs.10 each	-	-	30,000,000	300.0
Kotak FMP 370 days Series 3 - Growth Units of face value of Rs.10 each	-	-	85,000,000	850.0
Kotak FMP 370 days Series 2 - Growth Units of face value of Rs.10 each	-	-	85,000,000	850.0
SBI Debt Fund Series 370 Days - 11 - Growth Units of face value of Rs.10 each	10,000,000	100.0	-	-
Kotak Floater Long Term - Daily Dividend Units of face value of Rs.10 each	49,763,474	501.6	49,763,474	501.6
Kotak FMP Series 43 - Growth Units of face value of Rs.10 each	65,000,000	650.0	-	-

6. INVESTMENTS (Continued)

Rs. in millions

	Units	Purchased Amount	Redeemed/sold Units	Amount
Kotak FMP Series 42 - Growth Units of face value of Rs.10 each	35,000,000	350.0	-	-
Axis Fixed Term Plan - Series 13 (370 days) - Growth Plan Units of face value of Rs.10 each	15,000,000	150.0	-	-
SBI Premier Liquid Fund - Super Inst. - Daily Dividend Units of face value of Rs.10 each	59,850,548	600.5	59,809,882	600.1
ICICI Prudential FMP Series 56 - 1 year Plan D Cumulative Units of face value of Rs.10 each	40,000,000	400.0	-	-
ICICI Prudential FMP Series 53 - 1 Year Plan C Cumulative Units of face value of Rs.10 each	-	-	20,000,000	200.0
ICICI Prudential Liquid Super Institutional Plan Dividend Daily Units of face value of Rs.100 each	2,005,659	200.6	-	-
IDFC Cash Fund - Super Inst Plan C - Daily Dividend Units of face value of Rs.1,000 each	50,007	50.0	-	-
IDFC FMP Yearly Series 42 - Growth Units of face value of Rs.10 each	10,000,000	100.0	-	-
IDFC Money Manager Fund - Investment Plan - Inst Plan B-Daily Dividend Units of face value of Rs.10 each	9,872,485	100.4	-	-
ICICI Prudential Flexible Income Plan Premium - Daily Dividend Units of face value of Rs.100 each	4,787,931	506.3	3,813,033	403.2
IDFC Money Manager Fund - TP - Super Inst C - Daily Dividend Units of face value of Rs.10 each	40,496,871	405.0	40,496,871	405.0
UTI FIIF Annual Interval Plan IV - Institutional Growth Plan Units of face value of Rs. 10 each	-	-	9,998,500	100.0
Reliance Fixed Horizon Fund XIX Series 11 - Growth Plan Units of face value of Rs. 10 each	20,000,000	200.0	-	-
Birla Sun Life Ultra Short term Fund - Inst Daily Dividend Units of face value of Rs. 10 each	127,168,316	1,272.4	127,168,316	1,272.4
		9,451.2		8,878.6

7. CURRENT ASSETS, LOANS AND ADVANCES

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
Current assets		
Inventories		
Stores and machinery spares *	10.5	6.0
Loose tools *	9.7	4.6
Stock-in-trade **		
Raw materials and components	155.2	138.4
Work in progress	48.0	26.5
Finished goods	229.3	106.8
	<u>452.7</u>	<u>282.3</u>
* Valued at cost or under		
** Valued at lower of cost and net realisable value		
Sundry debtors		
Debts exceeding six months		
Secured - considered good	1.2	8.3
Unsecured - considered good	0.3	1.9
- considered doubtful	3.9	4.6
Other debts		
Secured - considered good	0.6	9.9
Unsecured - considered good ##	38.9	16.3
	<u>44.9</u>	<u>41.0</u>
Less: Provision for doubtful debts	3.9	4.6
	<u>41.0</u>	<u>36.4</u>
## Includes Rs. 18.9 millions (Rs. Nil) backed by letter of credits.		
Cash and bank balances		
Cash in hand	0.3	0.3
Cheques on hand and in transit	0.6	6.5
With scheduled banks		
On current accounts	28.9	29.5
On deposit accounts @	57.6	74.7
With non scheduled banks		
On current account (# Rs. 20,586)*	#	#
	<u>87.4</u>	<u>111.0</u>
@ Includes amounts lodged as security deposits/on lien to a bank/Government authorities Rs. 57.6 millions (Rs. 12.6 millions).		
* Balance with National Westminster Bank Plc, London, UK [Maximum balance during the year Rs. 0.02 million (Rs. 4.1 millions)].		
Other current assets		
Interest accrued on deposits and investments	<u>2.7</u>	<u>3.3</u>

7. CURRENT ASSETS, LOANS AND ADVANCES (Continued)

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
Loans and advances		
Advance recoverable in cash or kind or for value to be received		
Unsecured		
- Considered good	178.9	161.4
- Considered doubtful	0.4	0.4
	<u>179.3</u>	<u>161.8</u>
Less: Provision for doubtful advances	0.4	0.4
	<u>178.9</u>	<u>161.4</u>
Dividend declared by subsidiary company	408.0	272.0
Income-tax payments (net of provision)	85.7	21.6
MAT credit entitlement	47.2	24.7
Balances with central excise and customs on current accounts	59.4	48.4
	<u>779.2</u>	<u>528.1</u>
	<u>1,363.0</u>	<u>961.1</u>

8. CURRENT LIABILITIES AND PROVISIONS

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
Current liabilities		
Acceptances	246.9	140.3
Sundry creditors:		
Dues of Micro and small enterprises #	13.0	16.7
Dues of other than Micro and small enterprises ##	1,063.5	891.0
Investor Education and Protection Fund shall be credited by the following amounts namely:		
- unpaid dividend *	26.6	24.3
Interest accrued but not due on deposits	0.2	1.0
Advances from customers	297.7	101.2
	<u>1,647.9</u>	<u>1,174.5</u>
Provisions		
Gratuity	62.7	61.3
Leave encashment and other employee benefits	22.8	23.0
Warranty	39.3	26.2
Proposed dividend	431.9	296.3
Corporate dividend tax	3.9	4.0
	<u>560.6</u>	<u>410.8</u>
	<u>2,208.5</u>	<u>1,585.3</u>

Refer note 6 of schedule 12.

Includes Rs.11.1 millions (Rs. 23.8 millions) due to subsidiary Company.

* Does not include any amounts outstanding as on December 31, 2011 which are required to be credited to Investor Education and Protection Fund.

9. OTHER INCOME

Rs. in millions

	For the year ended December 31, 2011	For the year ended December 31, 2010
Profit on sale of fixed assets	2.4	1.0
Dividend on unquoted non trade current investments	67.1	63.4
Dividend on long term unquoted trade investment in subsidiary company	408.0	272.0
Profit on sale of unquoted non trade current investments	277.5	178.3
Exchange gain	1.4	-
Interest income *		
- on investment in non trade long term capital gains bonds	1.0	1.8
- from banks on deposits	5.3	26.3
Excess liability no longer required written back	2.2	2.9
Export benefits	31.4	28.2
Others	7.6	9.9
	803.9	583.8

* Income-tax deducted at source Rs. 0.5 million (Rs. 2.6 millions).

10. MANUFACTURING AND OTHER EXPENSES

Rs. in millions

	For the year ended December 31, 2011	For the year ended December 31, 2010
Raw materials and components	4,304.8	2,735.9
Decrease/(Increase) in finished goods and work in progress		
Opening stock		
Finished goods	106.8	88.1
Work in progress	26.5	24.0
	133.3	112.1
Add: Purchase of finished goods	297.7	193.2
	431.0	305.3
Less:		
Closing stock		
Finished goods	229.3	106.8
Work in progress	48.0	26.5
	277.3	133.3
	153.7	172.0
Total consumption	4,458.5	2,907.9
Less: Scrap sales	13.9	11.2
Less: Vehicles capitalised	4.1	2.4
Increase/(decrease) in excise duty on finished goods	12.9	4.3
Net consumption	4,453.4	2,898.6

10. MANUFACTURING AND OTHER EXPENSES (Continued)

Rs. in millions

	For the year ended December 31, 2011	For the year ended December 31, 2010
Other expenses:		
Payments to and provisions for employees		
Salaries, wages and gratuity	432.9	335.3
Contribution to provident and other funds	22.8	16.5
Welfare expenses	54.7	41.9
Stores and machinery spares consumed (including loose tools)	118.5	79.2
Loss on sale of fixed assets	2.3	1.2
Fixed assets discarded	4.4	1.7
Power and fuel	64.7	54.8
Insurance	7.6	5.9
Repairs and maintenance		
Buildings	13.7	11.6
Plant and machinery	28.0	21.8
Others	20.5	21.6
Rates and taxes	8.6	10.6
Advertisement	48.8	53.0
Freight	86.1	53.9
Incentives	4.9	11.5
Warranty	79.1	26.4
Other selling and distribution expenses	151.9	101.2
Rent	35.9	26.2
Legal and professional charges	89.6	51.3
Travelling expenses	53.2	40.2
Development expenses	16.9	21.4
Bad debts/advances written off	2.5	1.6
Less: charged against provision for doubtful debts and advances	<u>2.4</u>	<u>0.4</u>
Provision for doubtful debts and advances	0.1	1.2
Exchange loss	-	1.1
Long term trade Investment written off	-	0.1
Miscellaneous	99.4	80.2
	<u>5,899.7</u>	<u>3,968.8</u>

11. INTEREST

Rs. in millions

	For the year ended December 31, 2011	For the year ended December 31, 2010
On loans for fixed periods	0.5	1.6
On others	19.7	24.1
	<u>20.2</u>	<u>25.7</u>

12. NOTES TO THE ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

i) **Accounting convention**

The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

ii) **Use of estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosure relating to the contingent liabilities. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

iii) **Fixed assets, including intangible assets, and depreciation**

Fixed assets including intangible assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds relating to acquisition of fixed assets up to the date of commissioning/commercial exploitation of assets.

Leasehold land is amortised over the lease period.

Depreciation on fixed assets (other than land and intangible assets) is charged on a pro-rata basis from the month the assets are put to use at the straight line method rates prescribed in schedule XIV to the Companies Act, 1956. In addition, diminution in value of fixed assets, if any, is included under depreciation.

Intangible assets comprising of product designs, 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 the asset.

iv) **Inventories**

Loose tools, stores and machinery spares are valued at cost or under. Stock-in-trade is valued at the lower of cost and net realisable value.

The bases of determining cost of various categories of inventories are as follows:

Raw materials, components, loose tools, stores and machinery spares	- Moving weighted average rates
Work in progress and finished goods	- Material cost plus appropriate share of labour and overheads

v) **Employee benefits**

Company's contributions paid/payable during the year to provident fund, superannuation fund, and Employees' State Insurance Corporation (ESIC) are recognised in the profit and loss account. In respect of certain employees, provident fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of this Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund 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 benefits and other long term employee benefits are provided on the basis of an actuarial valuation made at the end of each accounting year. Actuarial gains or loss arising from such valuation are charged to revenue in the year in which they arise.

vi) **Research and development**

Revenue expenditure on research and development is expensed off under the respective heads of account in the year in which it is incurred. Expenditure, which results in creation of capital assets, is treated in the same way as expenditure on the fixed assets.

vii) Revenue recognition

The Company recognises revenue from sale of products on dispatch of goods to customers which coincides with the transfer of risks and rewards associated with the ownership of goods. Product sales represents amount invoiced for goods sold, inclusive of excise duty but net of sales tax and returns. Interest income is recognised on a time proportionate basis taking into account the amount invested and rate applicable.

viii) Investments

Long term investments are stated at cost as reduced by diminution in value, if any. Current investments are valued at lower of cost and fair value.

ix) Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary items (assets and liabilities) denominated in foreign currency are translated into rupees at the exchange rates prevailing on the balance sheet date.

Premium paid on Forward cover is amortised over the period of cover. Exchange differences on such contracts are recognised in profit and loss in the year in which the exchange rate change arises. Exchange differences on translation of foreign currency assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the profit and loss account.

x) Provision for warranty

Provision for warranty has been computed on the total sales made during the year, based on past experience.

xi) Taxation

The provision for taxation for the year ended December 31, 2011 comprises the residual tax liability for the assessment year 2011-12 relevant to the year April 1, 2010 to March 31, 2011 and the liability, which has accrued on the profit for the period April 1, 2011 to December 31, 2011, under the provisions of the Income tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on unabsorbed depreciation and carried forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

xii) Provisions and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and is probable that there will be an out flow of resources. Contingent liabilities are not recognised but are disclosed in the notes to the accounts.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 265.0 millions (Rs. 56.0 millions).

3. Research and development expenses:

Revenue expenditure on research and development incurred and charged during the year through the appropriate heads of account aggregate Rs. 104.5 millions (Rs. 92.4 millions). The capital expenditure incurred during the year for research and development purposes aggregate Rs 55.5 millions (Rs. 12.9 millions). Details of expenses are as follows:

	Rs. in millions	
Revenue expenditure	This year	Previous year
Employee cost	37.9	28.4
Overheads	35.1	26.8
Development cost	17.6	22.7
Depreciation	13.9	14.5
Total	104.5	92.4

Capital expenditure	Rs. in millions	
	This year	Previous year
Building	1.0	2.4
Plant and machinery	44.8	2.9
Furniture and fixtures	0.6	0.6
Office equipment	3.7	5.2
Vehicles	5.4	1.8
Total	55.5	12.9

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

Warranty provisions	Rs. in millions	
	This year	Previous year
Opening balance	26.2	40.8
Additions during the year	79.1	26.4
Amount utilised during the year	66.0	41.0
Closing balance	39.3	26.2

Warranty provisions are made for future cash outflows and computed on the total sales made during the year, based on past experience.

5. Contingent liabilities not provided for in respect of:

Particulars	Rs. in millions	
	As at December 31, 2011	As at December 31, 2010
a) In respect of demands contested by the Company:		
- Sales tax matters	103.8	111.0
- Excise duty matters	549.9	585.6
- Income tax matters	141.5	88.8
- Service tax matters	7.6	9.5
b) Claims against the Company not acknowledged as debts	45.9	9.2
c) Guarantees given to:		
A subsidiary, for certain receivables transferred pursuant to Business Purchase Agreement signed by the Company with subsidiary company	0.6	2.1

All the above matters other than guarantees are subject to legal proceedings in the ordinary course of business. The legal proceedings 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.

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

Particulars	Rs. in millions	
	This year	Previous year
a) Amount payable to supplier under MSMED (suppliers) as at the end of year		
- Principal	13.0	16.7
- Interest due there on	-	-
b) Payment made to supplier beyond the appointed day during the year		
- Principal	-	-
- Interest due there on	-	-
c) Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding the interest under MSMED	-	-
d) Amount of interest accrued and remaining unpaid as at the end of year	-	-

Note: The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per MSMED on the basis of information available with the Company.

7. (a) Managerial remuneration

	Rs. in millions	
	This year	Previous year
Whole time Directors		
- Remuneration @	15.9	4.5
- Contribution to provident and other funds	0.6	0.2
- Perquisites	1.3	0.9
- Commission	17.5	5.0
Total	35.3	10.6
Non-executive Directors		
- Commission	4.4	3.8
	39.7	14.4
(b) Directors' sitting fees	0.7	0.8
(c) Computation of net profits in accordance with Section 198/349 of the Companies Act, 1956.		

	Rs. in millions	
	This year	Previous year
Profit before taxation, as per profit and loss account	1,418.3	866.1
Add:		
Managerial remuneration	39.7	14.4
Directors' sitting fees	0.7	0.8
Long term trade Investment written off	-	0.1
Net profit under section 198/349 of the Companies Act, 1956	1,458.7	881.4
Maximum managerial remuneration to two (one) Whole time Directors (Director) (including commission) at 10% (5%) of net profit *	145.9	44.1
Restricted to	35.3	10.6
Maximum commission to Non executive Directors at 1% of net profit	14.6	8.8
Restricted to	4.4	3.8

Note:

@ 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.

* Mr. R.L. Ravichandran has been appointed as Whole time Director with effect from January 1, 2011.

8. Disclosures under Accounting Standard 15 (Revised):

The Company has calculated the various employee benefits provided to employees as under:

	Rs. in millions	
	This year	Previous year
A. Employee Plans:		
a) Provident Fund	17.0	12.6
b) Superannuation Fund	5.8	3.9
c) Employees' State Insurance Corporation	1.9	1.1

Out of the total contribution made for employees' provident fund, Rs.3.4 millions (Rs. 2.3 millions) 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, 2011 is Rs. 355.6 millions as against the total plan assets of Rs. 356.4 millions. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

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

	Rs. in millions			
	This year		Previous year	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligations as at the beginning	61.3	12.3	52.6	9.7
Current service cost	9.8	(2.7)	10.8	5.0
Interest cost	4.4	0.8	3.5	0.6
Benefits paid	(7.9)	(2.4)	(6.0)	(1.7)
Net actuarial loss (gain) recognised	(4.9)	3.5	0.4	(1.3)
Present value of obligations as at the end	62.7	11.5	61.3	12.3

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

	Rs. in millions			
	This year		Previous year	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligations as at the end	62.7	11.5	61.3	12.3
Fair value of plan assets	-	-	-	-
Net asset/(liability) recognised in balance sheet	(62.7)	(11.5)	(61.3)	(12.3)
Cost for the year				
Current service cost	9.8	(2.7)	10.8	5.0
Interest cost	4.4	0.8	3.5	0.6
Net actuarial loss/(gain) recognised	(4.9)	3.5	0.4	(1.3)
Net cost recognised	9.3	1.6	14.7	4.3
Principal assumption:				
Discount rate	7.50%	7.50%	7.00%	7.00%

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.

Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial loss:

Rs. in millions

Particulars	For the year ended December 31, 2011		For the year ended December 31, 2010		For the year ended December 31, 2009		For the nine months period ended December 31, 2008	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at the end	62.7	11.5	61.3	12.3	52.6	9.7	45.5	7.7
Fair value of plan assets at the end	-	-	-	-	-	-	-	-
Net liability recognised in balance sheet	(62.7)	(11.5)	(61.3)	(12.3)	(52.6)	(9.7)	(45.5)	(7.7)
Net actuarial loss/(gain) recognised	(4.9)	3.5	0.4	(1.3)	(0.3)	(0.8)	0.5	(3.0)

9. Auditors' remuneration: (excluding service tax):

Rs. in millions

Description	This year	Previous year
As Auditors		
- Audit fee	1.6	1.5
In other capacity:		
- Limited review of unaudited financial results	1.0	0.9
- Audit of accounts for fiscal year	0.3	0.3
- For certification	0.7	0.2

10. Earnings per share

Description	This year	Previous year
a) Profit after taxation, per profit and loss account (Rs. in millions)	1,245.5	754.4
b) Weighted average number of equity shares (Nos.)	26,971,251	26,782,316
c) Effect of potential dilutive equity shares on Employee Stock Options outstanding	106,760	98,746
d) Weighted average number of equity shares in computing diluted earnings per share [(b) + (c)]	27,078,011	26,881,062
e) Earnings per share (in rupees) : (face value-Rs 10 per share)		
- Basic [(a)/(b)]	46.18	28.17
- Diluted [(a)/(d)]	46.00	28.06

11. Segment reporting:

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

12. Related party disclosure:**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.)	Subsidiary company of VECVL
Hoff Automotive Design (Beijing) Co. Ltd	(Hoff Beijing)	100% subsidiary company of EES, Inc.
Hoff Auto Design (Shanghai) Co. Ltd.	(Hoff Shanghai)	100% subsidiary company of EES, Inc.

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. R.L. Ravichandran	Whole Time Director (w.e.f. January 1, 2011)

Transactions with the key management personnel:

Rs. in millions

Particulars	Name	This year	Previous year
Remuneration	Mr. Siddhartha Lal	29.8	10.6
	Mr. R.L. Ravichandran	5.5	-
		35.3	10.6

Transactions with other related party during the year:

Rs. in millions

Particulars	VECVL		Total	
	This year	Previous year	This year	Previous year
Purchase of services / goods	25.7	6.4	25.7	6.4
Dividend income	408.0	272.0	408.0	272.0
Corporate service charges	37.1	24.5	37.1	24.5
Purchase of fixed assets	-	4.5	-	4.5
Aggregate balances outstanding as at the year end				
- Receivables (Dividend)	408.0	272.0	408.0	272.0
- Payable	11.1	23.8	11.1	23.8

13. The details of disputed excise duty, sales tax, service tax and income tax dues as on December 31, 2011 which have not been deposited or deposited under protest are as follows:

Nature of the Statute	Nature of dues	Forum where dispute is pending	Amount involved* (Rs. in millions)	Amount paid under protest (Rs. in millions)	Period to which amount relate
Central Excise Act	Excise duty	- Commissioner of Central Excise	3.0	-	1995-96 to 1996-97, 2003-04 to 2004-05 and 2009-10
		- CESTAT	546.8	2.6	1991-92 to 1993-94, 1995-96 to 2000-01 and 2002-05
Sales Tax Act	Sales Tax	- Assessing Authority	0.8	0.8	1994-95 to 1998-99, 2000-01 and 2004-05
		- Appellate Authority up to Commissioner's level	21.8	8.9	1987-88, 1993-94 and 1998-99 to 2008-09
		- Appellate Tribunal	67.9	14.1	1989-90 to 2004-05
		- High Court	31.6	10.9	1984-85 to 1988-89, 1990-91 to 1994-95, 1999-00 to 2001-02 and 2004-05
Service Tax Act	Service Tax	- Commissioner	7.1	-	2003-04 to 2004-05, 2006-07 to 2007-08 and 2008-09
		- Appellate Tribunal	0.5	-	2006-07
Income Tax Act	Income Tax	- Appellate Authority up to Commissioner's level	138.4	-	2007-08 to 2008-09
		- High Court	3.1	3.1	2004-2005

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

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

14. 'Excise duty' on sales has been deducted from gross sales on the face of profit and loss account. 'Increase/(decrease) in excise duty on finished goods' has been shown under the head 'Materials consumed' in schedule 10.
15. **The unhedged foreign currency exposures are as under:**

	As at December 31, 2011		As at December 31, 2010	
	Foreign currency in millions	Rs. in millions	Foreign currency in millions	Rs. in millions
Receivables				
USD	0.2	8.8	0.3	12.1
EURO	0.1	3.6	-	-
GBP	0.1	3.4	0.1	5.2
		<u>15.8</u>		<u>17.3</u>
Payables				
EURO	0.1	1.6	-	-
JPY	4.6	3.2	3.3	1.9
		<u>4.8</u>		<u>1.9</u>

16. a) Figures in brackets represent previous year's figures.
b) Previous year's figures have been recast/regrouped where necessary.
17. Schedules 1 to 12 and the statement of additional information form an integral part of the accounts.

STATEMENT OF ADDITIONAL INFORMATION

I. Particulars of capacity and production:

Description	Unit	Annual licensed capacity		Annual installed capacity		Actual production	
		This year	Previous year	As at December 31, 2011	As at December 31, 2010	This year	Previous year
Two wheelers	Nos.	Not applicable		60,000	60,000	76,000	52,752
Manufactured components for sale	Rs. in millions					108.2	69.0

Notes:

- The installed capacities are as certified by the management of the Company on which the auditors have placed reliance without verification.
- Production figures represent gross production.
- The figure of production disclosed against manufactured components is the value (as this is more meaningful than the quantities) of such components transferred for sale or sold to other parties.

2. Particulars of stocks of finished goods and sales:

Value Rs. in millions

Description	Unit	Opening stock		Closing stock**		Sales	
		This year	Previous year	This year	Previous year	This year	Previous year
Two wheelers	Nos.	1,214	1,084	2,483	1,214	74,626	52,576
	Value	75.1	58.6	159.5	75.1	6,665.1	4,331.9
Others *							
–Spare parts and other components	Value	31.7	29.5	69.8	31.7	708.4	511.9
–Sale of services	Value	-	-	-	-	4.8	-
	Value	106.8	88.1	229.3	106.8	7,378.3	4,843.8

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

** 60 (38) Two wheelers have been capitalized, 44 (5) Two wheelers have been dismantled and 1 (3) Two wheelers have been sold free of cost.

3. Particulars of purchases of finished goods

Rs. in millions

Description	This year	Previous year
Spare parts and other components	297.7	193.2
	297.7	193.2

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

Value Rs. in millions

Description	This year		Previous year	
	%	Value	%	Value
a) Raw materials and components				
Imported	1.92	82.9	1.24	34.0
Indigenous	98.08	4,221.9	98.76	2,701.9
	100.00	4,304.8	100.00	2,735.9

b) Stores and machinery spares consumed (including loose tools)

Value Rs. in millions

Description	This year		Previous year	
	%	Value	%	Value
Indigenous	100.00	118.5	100.00	79.2
	100.00	118.5	100.00	79.2

5. Particulars of raw materials and components consumed

Value Rs. in millions

Description	Unit	This year		Previous year	
		Qty	Value	Qty	Value
Iron and steel	MT	641.21	32.7	552.54	22.2
Others including Components *	Value		4,272.1		2,713.7
			4,304.8		2,735.9

* 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.

6. CIF value of imports:

Description	Rs. in millions	
	This year	Previous year
Components and spare parts	82.9	34.0
Capital goods	20.1	43.8
	<u>103.0</u>	<u>77.8</u>

7. Expenditure in foreign currency (on cash basis):

Description	Rs. in millions	
	This year	Previous year
Travelling	6.5	2.5
Consultancy fees	11.4	5.4
Others	25.9	23.2
	<u>43.8</u>	<u>31.1</u>

8. Earnings in foreign exchange:

Export of goods (FOB Value)	Rs. in millions	
	This year	Previous year
Two wheelers	434.0	329.6
Gears, spares and components	19.0	17.9
	<u>453.0</u>	<u>347.5</u>

9. Remittance in foreign currency towards dividends:

Dividend for the year	This year			Previous year		
	No. of non-resident shareholders	No. of equity shares held	Dividend remitted (Rs. in millions)	No. of non-resident shareholders	No. of equity shares held	Dividend remitted (Rs. in millions)
2010	1	227,561	25.0	-	-	-
			<u>25.0</u>			<u>-</u>

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration details

Registration No. 1 2 9 8 7 7

Balance Sheet date 3 1 1 2 2 0 1 1

II Capital raised during the year (amount in thousands)

Public issue NIL

Rights issue NIL

Bonus issue NIL

Private placements 5 4 8

III Position of mobilisation and deployment of funds (amount in Rs. thousands)

Total liabilities 5 6 1 0 2 0 0

Total assets 5 6 1 0 2 0 0

Paid-up capital 2 6 9 9 0 0

Reserves and surplus 5 1 3 0 5 0 0

Deferred tax liabilities 3 9 2 0 0

Secured loans 6 5 0 0 0 0

Unsecured loans 1 0 5 6 0 0

Net fixed assets 1 2 7 5 6 0

Investments 5 1 8 0 1 0 0

Net current assets (8 4 5 5 0 0)

Miscellaneous expenditure NIL

Accumulated NIL

IV Performance of Company (amount in Rs. thousands)

Turnover 7 4 6 8 4 0 0

Total expenditure 6 0 5 0 1 0 0

Profit before tax 1 4 1 8 3 0

Profit after tax 1 2 4 5 5 0 0

Earning per share in Rs.

Dividend rate % 1 6 0

- Basic 4 6 . 1 8

- Diluted 4 6 . 0 0

V. Generic names of three principal products of Company (As per monetary terms)

(ITC code): 8 7 1 1 3 0

Product Description M O T O R C Y C L E S

(ITC code): 8 4 6 1 4 0

Product Description C O M P O N E N T S

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

1	Name of the Company	VE Commercial Vehicles Ltd. (VECVL) (54.4% Subsidiary of EML)	Eicher Engineering Solutions Inc. (EES Inc.) (100% subsidiary of VECVL)	Hoff Technology Service Co. (Shanghai) (100% subsidiaries of EES Inc.)	Hoff Automotive Design Co. (Beijing) (100% subsidiaries of EES Inc.)
2	Financial year of the subsidiary Company	31.12.2011	31.12.2011	31.12.2011	31.12.2011
3	(a) Number of equity shares held in (Nos.) the subsidiary Company by holding Company at the above date % Holding (equity)	5440000 54.40%	16400 100%	N.A* 100%	N.A* 100%
	(b) Number of preference shares held in (Nos.) the subsidiary Company by holding Company at the above date % Holding (preference)	NIL	NIL	NIL	NIL
4	The net aggregate of profits less losses of the subsidiary Company so far as it concern the members of holding Company				
	(i) Dealt with in the accounts of the holding Company amounted to:				
	(a) For the subsidiary's financial year ended on 31.12.2011 (Rs. millions)	408.0	NIL	NIL	NIL
	(b) For the previous financial years of the subsidiary since it become subsidiary (Rs. millions)	408.0	NIL	NIL	NIL
	(i) Not dealt with in the accounts of the holding Company amounted to:				
	(a) For the subsidiary's financial year ended on 31.12.2011 (Rs.millions)	1480.3	(4.6)	1.2	0.6
	(b) For the previous financial years of the subsidiary since it became subsidiary (Rs. millions)	1283.9	(138.3)	4.8	-0.3
5	As the financial year of subsidiary Company coincides with the financial year of the holding Company, section 215 (5) of the Companies Act, 1956, is not applicable.				

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

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

Rs. in millions

S.No.	Particulars	Amount	Amount	Amount	Amount
1	Capital	100.0	197.6	9.4	20.4
2	Reserves	17528.3	(206.1)	0.0	(18.8)
3	Total Assets	30303.6	171.2	10.5	2.8
4	Total Liabilities	12675.3	179.7	1.1	1.2
5	Details of Investments (Except in case of investment in subsidiaries)	0.5	-	-	-
6	Turnover	53368.2	518.6	41.4	26.1
7	Profit/(Loss) before taxation	5595.9	(4.2)	1.2	0.6
8	Income Taxes (Deferred Assets)	1454.8	0.4	-	-
9	Profit/(loss) after taxation	4141.1	(4.6)	1.2	0.6
10	Proposed Dividend	750.0	-	-	-
	Exchange rate used				
	Balance Sheet (Closing rate as on 31.12.2011)		1 USD = Rs.53.27	1 RMB = Rs.8.53	1 RMB = Rs.8.53
	P&L (Average rate January' 11 to December' 11)		1 USD = Rs 46.67	1 RMB = Rs.7.24	1 RMB = Rs.7.24

Vinit Kumar
Company Secretary

Lalit Malik
Chief Financial Officer

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

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

1. We have audited the attached Consolidated Balance Sheet of **EICHER MOTORS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at December 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, viz., Eicher Engineering Solutions, Inc., U.S.A., Hoff Automotive Design (Beijing) Co. Ltd and Hoff Auto Design (Shanghai) Co. Ltd., whose financial statements reflect total assets of Rs.160.4 millions as at December 31, 2011, total revenues of Rs.518.6 millions and net cash outflows amounting to Rs.2.0 millions for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. *As indicated in note 5 of Schedule 13, no provision has been made for unutilised MODVAT balance amounting to Rs.82.1 millions which had lapsed. Had such provision been made, loans and advances and reserves and surplus would have been lower by Rs.82.1 millions.*
The matter referred to in paragraph above, to the extent covered here above was also the subject matter of qualification in our audit report on the consolidated financial statements for year ended December 31, 2010.
6. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries, and to the best of our information and according to the explanations given to us, *Subject to the matter referred to in paragraph 5 above*, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Manjula Banerji
Partner
(Membership No. 086423)

Place: Gurgaon
Date: February 11, 2012

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2011

Rs. in millions

	Schedule	As at December 31, 2011	As at December 31, 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	269.9	269.4
Reserves and surplus	2	14,661.4	12,052.0
		14,931.3	12,321.4
Minority Interest			
		8,376.5	6,774.1
Loan funds			
	3		
Secured		353.7	865.2
Unsecured		150.1	91.2
		503.8	956.4
Deferred tax liabilities (net)			
	4	644.6	249.2
Total		24,456.2	20,301.1
APPLICATION OF FUNDS			
Fixed assets			
	5		
Gross block		9,887.2	8,112.8
Less: Depreciation		4,843.0	4,269.0
Net block		5,044.2	3,843.8
Capital work in progress		3,946.7	668.8
		8,990.9	4,512.6
Pre-operative expenditure (pending allocation)			
	6	181.7	34.5
Investments			
	7	5,126.2	4,585.9
Current assets, loans and advances			
	8		
Inventories		4,279.6	3,265.2
Sundry debtors		3,434.3	2,609.3
Cash and bank balances		11,972.7	12,456.8
Other current assets		423.3	355.4
Loans and advances		3,390.6	1,813.5
		23,500.5	20,500.2
Less:			
Current liabilities and provisions			
	9		
Current liabilities		11,845.7	7,941.5
Provisions		1,497.4	1,390.6
		13,343.1	9,332.1
Net current assets			
		10,157.4	11,168.1
Total		24,456.2	20,301.1
NOTES TO THE CONSOLIDATED ACCOUNTS			
	13		

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Manjula Banerji
PartnerVinit Kumar
Company SecretaryLalit Malik
Chief Financial OfficerS. Sandilya : Chairman
Siddhartha Lal : Managing Director
R.L. Ravichandran : Executive Director
Priya Brat : Director
M.J. Subbaiah : Director
Prateek Jalan : DirectorPlace: Gurgaon
Date: February 11, 2012

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR DECEMBER 31, 2011

		Rs. in millions	
	Schedule	For the year ended December 31, 2011	For the year ended December 31, 2010
INCOME			
Sales		61,234.1	47,016.3
Less: Excise duty		4,458.7	3,045.5
Net sales		56,775.4	43,970.8
Other income	10	1,767.7	1,275.7
		58,543.1	45,246.5
EXPENDITURE			
Manufacturing and other expenses	11	51,224.8	40,401.8
Profit before interest, depreciation and taxation		7,318.3	4,844.7
Interest	12	76.7	95.0
Depreciation	5	639.6	573.0
Profit before taxation		6,602.0	4,176.7
Provision for taxation			
Current tax		1,502.0	1,025.6
Minimum Alternate Tax (MAT) credit entitlement		(271.0)	(24.7)
Deferred tax charge		397.0	107.3
Profit after taxation		4,974.0	3,068.5
Share of minority interest		1,886.3	1,179.3
Profit for the year		3,087.7	1,889.2
Balance brought forward from the previous year		4,320.0	3,111.3
Amount available for appropriation		7,407.7	5,000.5
APPROPRIATIONS			
Proposed dividend		431.9	296.3
Corporate dividend tax		70.1	49.2
General reserve account		538.8	335.0
Balance carried to balance sheet		6,366.9	4,320.0
Earnings per share (in rupees) : Face value of Rs. 10 each			
- Basic		114.48	70.54
- Diluted		114.03	70.28
NOTES TO THE CONSOLIDATED ACCOUNTS	13		

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Manjula Banerji
Partner

Vinit Kumar
Company Secretary

Lalit Malik
Chief Financial Officer

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

Place: Gurgaon
Date: February 11, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

Rs. in millions

	Year ended December 31, 2011	Year ended December 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,602.0	4,176.7
Adjustments for:		
Depreciation	639.6	573.0
Exchange differences on conversion	(4.2)	-
Profit on sale of fixed assets	(8.4)	(1.8)
Fixed assets discarded	4.4	2.9
Long term trade Investment written off	-	0.1
Dividend on unquoted non trade current investments	(67.1)	(63.4)
Profit on sale of unquoted non trade current investments	(277.5)	(178.3)
Loss on sale of fixed assets	10.3	6.0
Interest income	(1,039.3)	(793.1)
Interest expense	76.7	95.0
Operating profit before changes in working capital	5,936.5	3,817.1
Adjustments for changes in:		
Inventories	(1,014.4)	(1,075.6)
Trade and other receivables	(1,965.0)	(727.0)
Trade and other payables	2,745.6	2,176.1
Cash generated from operations	5,702.7	4,190.6
Direct taxes paid	(1,668.1)	(831.1)
Net cash from operating activities (A)	4,034.6	3,359.5
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Capital work in progress and Pre-operative expenditure)	(4,187.8)	(1,347.9)
Sale of fixed assets	14.9	33.3
Purchase of long term unquoted trade investment	-	(0.5)
Net Investment in unquoted non trade current investments	(572.6)	(1,644.4)
Proceeds from long term unquoted non trade investment	32.3	-
Dividend on unquoted non trade current investment	67.1	63.4
Profit on sale of unquoted non trade current investments	277.5	178.3
Interest received	971.4	797.3
Net cash from investing activities (B)	(3,397.2)	(1,920.5)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011 (Continued)

	Rs. in millions	
	Year ended December 31, 2011	Year ended December 31, 2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	24.0	87.6
Proceeds from long term borrowings	15.3	3.5
Repayment of long term borrowings	(151.4)	(581.0)
Proceeds/(repayment) from/(of) short term borrowings (net)	(316.5)	270.2
Interest paid	(83.8)	(118.2)
Dividend paid #	(522.0)	(299.6)
Corporate dividend tax	(87.1)	(51.2)
Net cash from financing activities (C)	(1,121.5)	(688.7)
Net Increase/(decrease) in cash and cash equivalents(A)+(B)+(C)	(484.1)	750.3
Cash and cash equivalents at the beginning of the year		
Cash and bank balances	12,456.8	11,706.5
Cash and cash equivalents at the end of the year		
Cash and bank balances	11,972.7	12,456.8

Includes Rs.228.0 millions (Rs.114.0 millions) paid to minority shareholders.

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Manjula Banerji

Partner

Vinit Kumar

Company Secretary

Lalit Malik

Chief Financial Officer

S. Sandilya

Siddhartha Lal

R.L. Ravichandran

Priya Brat

M.J. Subbaiah

Prateek Jalan

: Chairman

: Managing Director

: Executive Director

: Director

: Director

: Director

Place: Gurgaon

Date: February 11, 2012

SCHEDULES I TO 13 ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS

I SHARE CAPITAL		Rs. in millions	
	As at December 31, 2011	As at December 31, 2010	
Authorised			
30,000,000 (30,000,000) Equity shares of Rs. 10 each	300.0	300.0	
101,000 (101,000) Redeemable cumulative preference shares of Rs.100 each	10.1	10.1	
	<u>310.1</u>	<u>310.1</u>	
Issued			
26,992,583 (26,937,783) Equity shares of Rs. 10 each	269.9	269.4	
	<u>269.9</u>	<u>269.4</u>	
Subscribed and paid up			
26,992,583 (26,937,783) Equity shares of Rs. 10 each	269.9	269.4	
Less: Allotment money in arrears (# Rs.12000)	#	#	
	<u>269.9</u>	<u>269.4</u>	

Notes:

1) Issued, subscribed and paid up capital:

- a) Includes 8,093,950 (8,093,950) Equity shares of Rs. 10 each allotted as fully paid for consideration other than in cash pursuant to the Composite Scheme of Arrangement relating to demerger of Automobile Undertaking of Eicher Limited into the Company which became effective on August 16, 2004 from the appointed date i.e. April 1, 2003.
- b) Includes 14,032,764 (14,032,764) equity shares of Rs. 10 each allotted as fully paid up for consideration other than in cash pursuant to the Composite Scheme of Arrangement relating to transfer and vesting of Residual Eicher Goodearth Investment Limited (EGIL) into the Company which became effective on November 12, 2009 from the appointed date i.e. January 1, 2009 subsequent to demerger of investment business of EGIL into Eicher Goodearth Private Limited.

2) Under Eicher Employee Stock Option Scheme, the Company has granted (net of options lapsed);

- a) 177,000 (177,000) options on September 30, 2006, exercisable over a period of seven years after vesting on October 1, 2009 at an exercise price of Rs. 297 (including premium of Rs. 287) per option, out of which 6,400 (14,400) options are outstanding at year end. During the year, 8,000 (154,700) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 297 (including premium of Rs. 287 each) per equity share.
- b) 208,900 (208,900) 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 71,900 (118,700) options are outstanding at year end. During the year 46,800 (90,200) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 462 (including premium of Rs. 452 each) per equity share.
- c) 40,000 (40,000) options on April 29, 2010, exercisable over a period of six years after vesting on April 29, 2011 at an exercise price of Rs. 695 (including premium of Rs. 685) per option are outstanding as at year end.
- d) 15,400 (15,400) options on November 8, 2010, exercisable over a period of seven years after vesting on November 8, 2013 at an exercise price of Rs. 1411 (including premium of Rs.1401) per option are outstanding as at year end.
- e) 135,200 (Nil) options on May 6, 2011, exercisable over a period of seven years after vesting on May 6, 2014 at an exercise price of Rs. 1162 (including premium of Rs.1152) per option are outstanding as at year end.
- f) Each option entitles the holders thereof to apply for and be allotted one equity share of the face value of Rs. 10 each.

2. RESERVES AND SURPLUS

Rs. in millions				
Description	As at December 31, 2010	Additions	Deductions	As at December 31, 2011
Capital reserves				
Capital subsidy	2.5	-	-	2.5
Capital redemption reserve account	14.1	-	-	14.1
Securities premium account @	5,955.3	23.5	-	5,978.8
Revenue reserves				
General reserve account	1,763.6	538.8 #	-	2,302.4
Surplus in profit and loss account	4,320.0	2,046.9	-	6,366.9
Foreign currency translation reserve	(3.5)	-	(0.2)	(3.3)
Total	<u>12,052.0</u>	<u>2,609.2</u>	<u>(0.2)</u>	<u>14,661.4</u>
Previous year	10,423.5	1,628.8	0.3	12,052.0

@ Represents premium @ Rs. 287 per equity share on 8,000 (154,700) equity shares and @ Rs. 452 per equity share on 46,800 (90,200) equity issued and allotted during the year under Employee Stock Option Scheme.

Transferred from profit and loss account.

3. LOAN FUNDS

		Rs. in millions	
		As at December 31, 2011	As at December 31, 2010
Secured			
Banks			
Term loans	[1]	59.8	183.1
Cash credits	[2]	293.9	232.1
Short term loan	[3]	-	450.0
		353.7	865.2
Unsecured			
Deposits			
Fixed	[4]	1.0	5.8
Others		71.6	56.3
Short term loans and advances			
Banks		71.7	-
Other loans and advances			
Interest free sales tax deferral	[5]	5.8	29.1
		150.1	91.2
		503.8	956.4

Notes :**1) Includes:**

- (a) Loan amounting to Rs. 59.7 millions (Rs.182.7 millions) secured by a first charge by way of mortgage on immovable properties of the VE Commercial Vehicles Limited (VECVL) and hypothecation of all movable properties of the VECVL, save and except current assets charged in favour of the banks for securing borrowings for working capital requirements.
- (b) Rs. 0.1 million (Rs. 0.4 million) secured by hypothecation of the specific assets acquired out of the loan.
- (c) Repayable within one year Rs. 59.8 millions (Rs.123.4 millions).

2) Includes

- a) Rs. 85.1 millions (Rs.Nil) secured by a first charge by way of hypothecation of all current assets of VECVL, and a second charge by way of mortgage on immovable properties of VECVL located at Thane and Pithampur and hypothecation of movable properties located at Thane and Pithampur.
- b) Rs. 65.0 millions (Rs. 143.6 millions) secured by a first charge by way of hypothecation of all current assets of the Company.
- c) Rs. 143.8 millions (Rs. 88.5 millions) is secured by all assets of Eicher Engineering Solutions Inc. USA and by an irrevocable letter of credit issued by the State Bank of India.
- 3) The short term loan from bank is secured by pledge of fixed deposits of VECVL with the concerned bank. Repayable within one year Rs. Nil (Rs. 450.0 millions).
- 4) Repayable within one year Rs. 1.0 million (Rs. 4.8 millions).
- 5) Repayable within one year Rs. 1.7 millions (Rs. 23.3 millions).

The charges at 1 and 2 (a) above rank pari passu amongst banks.

4. DEFERRED TAX LIABILITIES (NET)

		Rs. in millions	
		As at December 31, 2011	As at December 31, 2010
Deferred tax liability on			
Accelerated depreciation		904.0	359.7
		904.0	359.7
Less:			
Deferred tax assets on			
Business losses		9.9	8.7
Accrued expenses deductible on payment		161.1	18.0
Provision for gratuity		20.3	20.4
Provision for leave encashment and other employee benefits		34.5	29.0
Provision for doubtful debts and advances		20.8	21.2
Others		12.8	13.2
		259.4	110.5
Net deferred tax liabilities		644.6	249.2

5. FIXED ASSETS

Rs. in millions

Description	Gross block (At cost)				Depreciation				Net block	
	As at December 31, 2010	Additions during the year \$	Deductions during the year #	As at December 31, 2011	As at December 31, 2010	For the year @	Adjustments ##	As at December 31, 2011	As at December 31, 2011	As at December 31, 2010
Land *										
Freehold	120.3	148.0	-	268.3	-	-	-	-	268.3	120.3
Leasehold	87.4	499.3	-	586.7	7.6	3.5	-	11.1	575.6	79.8
Buildings*	1,040.0	147.4	2.0	1,185.4	252.6	39.0	(2.9)	294.5	890.9	787.4
Plant and machinery	4,759.2	652.4	22.9	5,388.7	2,562.9	406.8	32.6	2,937.1	2,451.6	2,196.3
Furniture and fittings	214.8	53.0	7.0	260.8	91.9	19.4	4.5	106.8	154.0	122.9
Office equipment	607.9	115.7	15.0	708.6	370.5	59.9	9.4	421.0	287.6	237.4
Vehicles	289.7	176.0	40.1	425.6	136.7	53.5	30.4	159.8	265.8	153.0
Intangible assets										
- Product designs, prototypes etc.	456.2	-	-	456.2	405.8	27.6	-	433.4	22.8	50.4
- Computer Software	314.5	70.7	1.1	384.1	218.2	33.7	(4.6)	256.5	127.6	96.3
- Goodwill	222.8	-	-	222.8	222.8	-	-	222.8	-	-
Total	8,112.8	1,862.5	88.1	9,887.2	4,269.0	643.4	69.4	4,843.0	5,044.2	
Previous year	7,436.9	822.0	146.1	8,112.8	3,801.7	573.0	105.7	4,269.0		3,843.8
Capital work in progress [including advances on capital account of Rs. 605.5 millions (Rs. 340.8 millions)]									3,946.7	668.8
									8,990.9	4,512.6

** Title deeds for land and other properties at Faridabad, Thiruvottiyur, Alwar, Jhajjar and Jaipur are pending for mutation /endorsement in favour of the Company. Title deeds for lands at SEZ and Spare part division in 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 17.4 millions (Rs. Nil) on account of foreign exchange fluctuation.

Includes Rs Nil (Rs. 3.9 millions) on account of foreign exchange fluctuation.

Includes Rs. Nil (Rs. 2.8 millions) on account of foreign exchange fluctuation and net off by Rs. 15.0 millions (Rs. Nil) on account of foreign exchange fluctuation.

@ Includes Rs. 3.8 millions (Rs. Nil) transferred to Pre-operative expenditure (pending allocation).

6. PRE-OPERATIVE EXPENDITURE (PENDING ALLOCATION)

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
Payments to and provisions for employees		
Salaries, wages and gratuity	79.2	19.0
Contribution to provident and other funds	5.3	1.1
Welfare expenses	5.5	0.8
Power and fuel	1.5	-
Insurance	0.4	-
Repairs and maintenance		
Buildings	0.3	0.2
Plant and machinery	0.9	-
Others	7.0	0.2
Rent	6.0	0.3
Legal and professional charges	2.1	0.3
Travelling expenses	26.4	10.3
Development expenses	0.1	0.1
Depreciation	3.8	-
Miscellaneous	8.7	2.2
	<u>147.2</u>	<u>34.5</u>
Add: Balance brought forward from previous year	34.5	-
	<u>181.7</u>	<u>34.5</u>

7. INVESTMENTS

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
LONG TERM @		
Unquoted -		
Trade -		
Nil (12,498) Equity shares of Rs. 10 each fully paid up of Eicher Motors Finance Limited	-	0.1
Less: Investment written off *	-	(0.1)
Others		
50,000 (50,000) Equity shares of Rs. 10 each fully paid of Pithampur Auto Cluster Ltd.	0.5	0.5
Non-Trade -		
Nil (3,230) capital gains bonds of Rs 10,000 each issued by Rural Electrification Corporation Ltd.	-	32.3
Government securities		
National Savings Certificates (# Rs.13,000) (Pledged with Government authorities)	#	#
	<u>0.5</u>	<u>32.8</u>

7. INVESTMENTS (Continued)

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
Current Investments @@		
Non-Trade -		
Unquoted -		
In debt mutual funds		
Nil (7,000,000) units of face value of Rs. 10 each of Reliance Fixed Horizon Fund XVI Series - 3 Growth	-	70.0
Nil (50,000,000) units of face value of Rs. 10 each of Reliance Fixed Horizon Fund XVI Series - 5 Growth	-	500.0
Nil (17,958,698) units of face value of Rs. 10 each of Reliance Liquid Fund - Cash Plan- Daily Dividend	-	200.1
20,077,632 (20,066,776) units of face value of Rs. 10 each of Reliance Liquidity Fund - Daily Dividend Reinvestment Option	200.9	200.8
Nil (8,000,000) units of face value of Rs. 10 each of SBI Debt Fund Series - 370 Days-8 Growth	-	80.0
Nil (1,000,000) units of face value of Rs. 10 each of Religare FMP Series - IV Plan E (370 Days) Growth	-	10.0
Nil (2,157,560) units of face value of Rs. 10 each of Birla Sun Life Savings Fund - Institutional - Daily Dividend - Reinvestment	-	21.6
Nil (1,010,995) units of face value of Rs. 10 each of Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend - Reinvestment	-	10.1
Nil (30,000,000) units of face value of Rs. 10 each of Birla Sun Life Fixed Term Plan Series CC Growth	-	300.0
Nil (16,000,000) units of face value of Rs. 10 each of Birla Sun Life Fixed Term Plan Series CI Growth	-	160.0
Nil (50,434) units of face value of Rs. 1,000 each of DSP BlackRock Money Manager - Institutional Plan - Daily Dividend	-	50.5
Nil (15,000,000) units of face value of Rs. 10 each of DSP BlackRock FMP 3M Series 23-Dividend Payout	-	150.0
Nil (40,000,000) units of face value of Rs. 10 each of DSP BlackRock FMP 12M-Series 9 Growth	-	400.0
Nil (10,000,000) units of face value of Rs. 10 each of DSP BlackRock FMP 12M Series 10 Growth	-	100.0
Nil (30,000,000) units of face value of Rs. 10 each of Kotak Quarterly Interval Plan Series 10 Dividend	-	300.0
Nil (85,000,000) units of face value of Rs. 10 each of Kotak FMP 370 Days Series 3 Growth	-	850.0
Nil (85,000,000) units of face value of Rs. 10 each of Kotak FMP 370 Days Series 2 Growth	-	850.0
Nil (20,000,000) units of face value of Rs. 10 each of ICICI Prudential FMP Series 53-1 Year Plan C Cumulative	-	200.0
Nil (9,998,500) units of face value of Rs. 10 each of UTI FIIF Annual Interval Plan - Institutional Growth	-	100.0
20,000,000 (Nil) units of face value of Rs. 10 each of Reliance Fixed Horizon Fund - XXI - Series 13 - Growth Option	200.0	-
10,081,397 (Nil) units of face value of Rs. 10 each of DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvestment	101.0	-
104,719 (Nil) units of face value of Rs. 1,000 each of UTI Treasury Advantage Fund - Inst Plan (Daily Dividend Option) - Reinvestment	104.7	-
25,368,050 (Nil) units of face value of Rs. 10 each of HDFC Cash Management Fund -Treasury Advantage Plan - WS - Daily Dividend	254.5	-

7. INVESTMENTS (Continued)

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
150,641 (Nil) units of face value of Rs. 1,000 each of Templeton India Treasury Management Account Super Instl Plan - DD Reinvest	150.7	-
16,551,096 (Nil) units of face value of Rs. 10 each of HDFC Liquid Fund Premium Plan - Dividend Daily Reinvestment Option	202.9	-
25,000,000 (Nil) units of face value of Rs. 10 each of SBI Debt Fund Series - 367 Days - 11 - Growth	250.0	-
25,000,000 (Nil) units of face value of Rs. 10 each of SBI Debt Fund Series 370 Days - 9 - Growth	250.0	-
10,000,000 (Nil) units of face value of Rs. 10 each of SBI Debt Fund Series - 90 Days - 53 - Dividend	100.0	-
50,115 (Nil) units of face value of Rs. 1,000 each of Religare Liquid Fund - Super Institutional Daily Dividend	50.2	-
2,550,136 (Nil) units of face value of Rs. 100 each of Birla Sun Life Ultra Short term Fund - Inst Daily Dividend	255.2	-
5,000,000 (Nil) units of face value of Rs. 10 each of Birla Sun Life Fixed Term Plan Series DT - Growth	50.0	-
251,061 (Nil) units of face value of Rs. 1,000 each of DSP BlackRock Liquidity Fund - Instl Plan - Daily Dividend	251.1	-
15,000,000 (Nil) units of face value of Rs. 10 each of DSP BlackRock FMP - Series 20 - 12M - Growth	150.0	-
15,000,000 (Nil) units of face value of Rs. 10 each of DSP BlackRock-12M-Series 13 - Growth	150.0	-
10,000,000 (Nil) units of face value of Rs. 10 each of SBI Debt Fund Series 370 Days - 11 - Growth	100.0	-
65,000,000 (Nil) units of face value of Rs. 10 each of Kotak FMP Series 43 - Growth	650.0	-
35,000,000 (Nil) units of face value of Rs. 10 each of Kotak FMP Series 42 - Growth	350.0	-
15,000,000 (Nil) units of face value of Rs. 10 each of Axis Fixed Term Plan - Series 13 (370 days) - Growth Plan	150.0	-
40,666 (Nil) units of face value of Rs. 10 each of SBI Premier Liquid Fund - Super Inst. - Daily Dividend	0.4	-
40,000,000 (Nil) units of face value of Rs. 10 each of ICICI Prudential FMP Series 56-1 year Plan D Cumulative	400.0	-
50,007 (Nil) units of face value of Rs. 1,000 each of IDFC Cash Fund - Super Inst Plan C - Daily Dividend	50.0	-
10,000,000 (Nil) units of face value of Rs. 10 each of IDFC FMP Yearly Series 42 - Growth	100.0	-
9,872,485 (Nil) units of face value of Rs. 10 each of IDFC Money Manager Fund - Investment Plan - Inst Plan B - Daily Dividend	100.4	-
974,898 (Nil) units of face value of Rs. 100 each of ICICI Prudential Flexible Income Plan Premium - Daily Dividend	103.1	-
20,000,000 (Nil) units of face value of Rs. 10 each of Reliance Fixed Horizon Fund XIX Series 11 - Growth Plan	200.0	-
2,005,953 (294) units of face value of Rs. 100 each of ICICI Prudential Liquid Super Institutional Plan Dividend Daily (# Rs. 29,434)	200.6	#
	5,125.7	4,553.1
	5,126.2	4,585.9

Repurchase price of unquoted non trade current investments in Debt Mutual funds amounting to Rs. 5,315.4 millions (Rs. 4,646.7 millions).

@ At cost as reduced by diminution in value, if any.

@@ At cost or fair value, whichever is lower.

* Eicher Motor Finance Limited has been dissolved w.e.f. October 26, 2010.

The following non trade unquoted current investments were purchased and redeemed during the year

Mutual Funds

Debt Fund

	Purchased		Redeemed/sold	
	Units	Amount	Units	Amount
Reliance fixed Horizon Fund XVI Series 3 - Growth Plan Units of face value of Rs. 10 each	-	-	7,000,000	70.0
Reliance fixed Horizon Fund XVI Series 5 - Growth Plan Units of face value of Rs. 10 each	-	-	50,000,000	500.0
Reliance Fixed Horizon Fund - XXI - Series 13 - Growth Option Units of face value of Rs. 10 each	20,000,000	200.0	-	-
Reliance Liquid Fund - Cash Plan - Daily dividend Units of face value of Rs. 10 each	264,831	3.0	18,223,529	203.1
DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvestment Units of face value of Rs. 10 each	15,234,728	152.6	5,153,331	51.6
UTI Treasury Advantage Fund - Institutional Plan (Daily Div Option) - Reinvestment Units of face value of Rs. 1,000 each	104,719	104.7	-	-
Reliance Liquidity Fund - Daily Dividend Reinvestment Option Units of face value of Rs. 10 each	20,170,193	201.8	20,159,337	201.7
HDFC Cash Management Fund - Treasury Advantage Plan - WS - Daily Dividend Units of face value of Rs. 10 each	90,930,175	909.9	65,562,125	655.4
Templeton India Treasury Management Account Super Instl Plan - DD Reinvest Units of face value of Rs. 1,000 each	150,641	150.7	-	-
HDFC Liquid Fund Premium Plan - Dividend Daily Reinvestment Option Units of face value of Rs. 10 each	16,551,096	202.9	-	-
SBI Debt Fund Series - 370 Days -8 -Growth Units of face value of Rs. 10 each	-	-	8,000,000	80.0
SBI Debt Fund Series - 367 Days - 11 - Growth Units of face value of Rs. 10 each	25,000,000	250.0	-	-
SBI Debt Fund Series 370 Days - 9 - Growth Units of face value of Rs. 10 each	25,000,000	250.0	-	-
SBI SHF ultra short term fund Inst. Plan Daily Dividend Units of face value of Rs. 10 each	10,104,771	101.1	10,104,771	101.1
SBI Debt Fund Series - 90 Days - 53 - Dividend Units of face value of Rs. 10 each	10,000,000	100.0	-	-
Religare Liquid Fund - Super Institutional Daily Dividend Units of face value of Rs. 1,000 each	50,115	50.2	-	-

Rs. in millions

7. INVESTMENTS (Continued)

Rs. in millions

	Purchased		Redeemed/sold	
	Units	Amount	Units	Amount
Religare Fixed Maturity Plan Series - IV plan E (370 Days) - Growth Plan Units of face value of Rs.10 each	-	-	1,000,000	10.0
Birla Sun Life Savings Fund - Institutional - Daily Dividend - Reinvestment Units of face value of Rs.10 each	20,571	0.2	2,178,131	21.8
Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend - Reinvestment Units of face value of Rs.10 each	9,045	0.1	1,020,040	10.2
Birla Sun Life Ultra Short term Fund - Inst Daily Dividend Units of face value of Rs.100 each	5,048,762	505.2	2,498,626	250.0
Birla Sun Life Fixed Term Plan Series DT - Growth Units of face value of Rs.10 each	5,000,000	50.0	-	-
Birla Sun Life Fixed Term Plan Series CC - Growth Units of face value of Rs.10 each	-	-	30,000,000	300.0
Birla Sun Life Fixed Term Plan Series CI - Growth Units of face value of Rs.10 each	-	-	16,000,000	160.0
DSP BlackRock Money Manager - Institutional Plan - Daily Dividend Units of face value of Rs.1,000 each	701	0.7	51,135	51.2
DSP BlackRock Liquidity Fund - Instl Plan - Daily Dividend Units of face value of Rs.1,000 each	331,234	331.3	80,173	80.2
DSP BlackRock FMP - Series 20 - 12M - Growth Units of face value of Rs.10 each	15,000,000	150.0	-	-
DSP BlackRock- 12M - Series 13 - Growth Units of face value of Rs.10 each	15,000,000	150.0	-	-
DSP BlackRock FMP 3M Series 23 - Dividend Payout Units of face value of Rs.10 each	-	-	15,000,000	150.0
DSP BlackRock FMP - 12M- Series 9 - Growth Units of face value of Rs.10 each	-	-	40,000,000	400.0
DSP BlackRock FMP 12M Series 10 - Growth Units of face value of Rs.10 each	-	-	10,000,000	100.0
Kotak Quarterly Interval Plan Series 10 - Dividend Units of face value of Rs.10 each	-	-	30,000,000	300.0
Kotak FMP 370 days Series 3 - Growth Units of face value of Rs.10 each	-	-	85,000,000	850.0
Kotak FMP 370 days Series 2 - Growth Units of face value of Rs.10 each	-	-	85,000,000	850.0
SBI Debt Fund Series 370 Days - II - Growth Units of face value of Rs.10 each	10,000,000	100.0	-	-

7. INVESTMENTS (Continued)

Rs. in millions

	Purchased		Redeemed/sold	
	Units	Amount	Units	Amount
Kotak Floater Long Term - Daily Dividend Units of face value of Rs.10 each	49,763,474	501.6	49,763,474	501.6
Kotak FMP Series 43 - Growth Units of face value of Rs.10 each	65,000,000	650.0	-	-
Kotak FMP Series 42 - Growth Units of face value of Rs.10 each	35,000,000	350.0	-	-
Axis Fixed Term Plan - Series 13 (370 days) - Growth Plan Units of face value of Rs.10 each	15,000,000	150.0	-	-
SBI Premier Liquid Fund - Super Inst. - Daily Dividend Units of face value of Rs.10 each	59,850,548	600.5	59,809,882	600.1
ICICI Prudential FMP Series 56 - 1 year Plan D Cumulative Units of face value of Rs.10 each	40,000,000	400.0	-	-
ICICI Prudential FMP Series 53 - 1 Year Plan C Cumulative Units of face value of Rs.10 each	-	-	20,000,000	200.0
ICICI Prudential Liquid Super Institutional Plan Dividend Daily Units of face value of Rs.100 each	2,005,659	200.6	-	-
IDFC Cash Fund - Super Inst Plan C - Daily Dividend Units of face value of Rs.1,000 each	50,007	50.0	-	-
IDFC FMP Yearly Series 42 - Growth Units of face value of Rs.10 each	10,000,000	100.0	-	-
IDFC Money Manager Fund - Investment Plan - Inst Plan B-Daily Dividend Units of face value of Rs.10 each	9,872,485	100.4	-	-
ICICI Prudential Flexible Income Plan Premium - Daily Dividend Units of face value of Rs.100 each	4,787,931	506.3	3,813,033	403.2
IDFC Money Manager Fund - TP - Super Inst C - Daily Dividend Units of face value of Rs.10 each	40,496,871	405.0	40,496,871	405.0
UTI FIIF Annual Interval Plan IV - Institutional Growth Plan Units of face value of Rs. 10 each	-	-	9,998,500	100.0
Reliance Fixed Horizon Fund XIX Series 11 - Growth Plan Units of face value of Rs. 10 each	20,000,000	200.0	-	-
Birla Sun Life Ultra Short term Fund - Inst Daily Dividend Units of face value of Rs. 10 each	127,168,316	1,272.4	127,168,316	1,272.4
		9,451.2		8,878.6

8. CURRENT ASSETS, LOANS AND ADVANCES

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
Current assets		
Inventories #		
Stores and machinery spares *	69.5	51.9
Loose tools *	73.6	44.1
Stock-in-trade **		
Raw materials and components	1,203.6	921.7
Work in progress	271.0	188.7
Finished goods	2,661.9	2,058.8
	4,279.6	3,265.2
* Valued at cost or under.		
** Valued at lower of cost and net realisable value.		
# Includes goods in transit Rs. 103.3 millions (Rs. 51.3 millions).		
Sundry debtors		
Debts exceeding six months		
Secured - considered good	10.3	11.1
Unsecured - considered good	68.4	42.3
- considered doubtful	59.3	58.8
Other debts		
Secured - considered good	14.9	25.6
Unsecured - considered good ##	3,340.7	2,530.3
- considered doubtful	-	0.3
	3,493.6	2,668.4
Less: Provision for doubtful debts	59.3	59.1
	3,434.3	2,609.3
## Includes Rs. 372.7 millions (Rs. 356.5 millions) backed by letter of credits.		
Cash and bank balances		
Cash in hand	1.0	1.0
Cheques on hand and in transit	1,021.7	6.5
With scheduled banks		
On current accounts	700.5	1,208.8
On margin money accounts	0.4	0.4
On deposit accounts @	10,249.1	11,240.1
With non scheduled banks		
On current account (# Rs. 22,710)*	#	#
	11,972.7	12,456.8

@ Includes amounts lodged as security deposits/on lien/pledge to a bank Government authorities Rs. 1757.6 millions (Rs. 557.3 millions).

* Balance with National Westminster Bank Plc, London, UK [Maximum balance during the year Rs. 0.02 million (Rs. 4.1 millions)] .

8. CURRENT ASSETS, LOANS AND ADVANCES (Continued)

Rs. in millions

	As at December 31, 2011	As at December 31, 2010
Other current assets		
Interest accrued on deposits and investments	423.3	355.4
Loans and advances		
Advance recoverable in cash or kind or for value to be received		
Secured		
(Loans are secured against hypothecation of Vehicles)		
Vehicle loans		
- Considered good	4.0	6.3
Unsecured		
- Considered good	2,291.3	1,315.7
- Considered doubtful	5.6	8.0
	2,296.9	1,323.7
Less: Provision for doubtful advances	5.6	8.0
	2,291.3	1,315.7
Income-tax payments (net of provision)	234.5	68.4
MAT credit entitlement	295.7	24.7
Balances with central excise and customs on current accounts	565.1	398.4
	3,390.6	1,813.5
	23,500.5	20,500.2

9. CURRENT LIABILITIES AND PROVISIONS

	Rs. in millions	
	As at December 31, 2011	As at December 31, 2010
Current liabilities		
Acceptances	2,385.4	1,563.9
Sundry creditors:		
Dues of Micro and small enterprises	362.9	173.5
Dues of other than Micro and small enterprises	8,489.9	5,858.5
Investor Education and Protection Fund shall be credited by the following amounts namely:-		
- unpaid dividend *	26.6	24.3
Interest accrued but not due on loans and deposits	2.6	9.7
Advances from customers	578.3	311.6
	<u>11,845.7</u>	<u>7,941.5</u>
Provisions		
Gratuity	62.7	309.8
Leave encashment and other employee benefits	169.5	149.6
Warranty	707.7	547.8
Proposed dividend	431.9	296.3
Corporate dividend tax	125.6	87.1
	<u>1,497.4</u>	<u>1,390.6</u>
	<u>13,343.1</u>	<u>9,332.1</u>

* Does not include any amounts outstanding as on December 31, 2011 which are required to be credited to Investor Education and Protection Fund.

10. OTHER INCOME

	Rs. in millions	
	For the year ended December 31, 2011	For the year ended December 31, 2010
Profit on sale of fixed assets	8.4	1.8
Dividend on unquoted non trade current investments	67.1	63.4
Profit on sale of unquoted non trade current investments	277.5	178.3
Exchange gain	25.2	-
Interest income *		
- on investment in unquoted non trade long term capital gains bonds	1.0	1.8
- from banks on deposits	1,037.5	790.4
- from others	0.8	0.9
Excess liability no longer required written back	11.4	14.8
Export benefits	195.4	131.8
Others	143.4	92.5
	<u>1,767.7</u>	<u>1,275.7</u>

* Income-tax deducted at source Rs.103.7 millions (Rs.79.0 millions).

11. MANUFACTURING AND OTHER EXPENSES

	Rs. in millions	
	For the year ended December 31, 2011	For the year ended December 31, 2010
Materials consumed		
Raw materials and components	33,413.5	23,229.0
Decrease/(Increase) in finished goods and work in progress		
Opening stock		
Finished goods	2,058.8	1,396.3
Work in progress	188.7	97.3
	<u>2,247.5</u>	<u>1,493.6</u>
Add: Purchase of finished goods	9,218.8	10,702.7
	<u>11,466.3</u>	<u>12,196.3</u>
Less :		
Closing stock		
Finished goods	2,661.9	2,058.8
Work in progress	271.0	188.7
	<u>2,932.9</u>	<u>2,247.5</u>
	<u>8,533.4</u>	<u>9,948.8</u>
Total consumption	41,946.9	33,177.8
Less: Scrap sales	143.5	97.8
Less: Vehicles capitalised	30.3	19.6
Increase/(decrease) in excise duty on finished goods	45.3	86.5
Net consumption	<u>41,818.4</u>	<u>33,146.9</u>
Other expenses:		
Payments to and provisions for employees		
Salaries, wages and gratuity	3,006.3	2,299.0
Contribution to provident and other funds	167.0	107.8
Welfare expenses	288.0	224.3
Stores and machinery spares consumed (including loose tools)	357.7	220.1
Loss on sale of fixed assets	10.3	6.0
Fixed assets discarded	4.4	2.9
Power and fuel	350.3	290.5
Insurance	31.5	20.0
Repairs and maintenance		
Buildings	75.4	40.8
Plant and machinery	175.5	130.7
Others	146.4	105.2
Rates and taxes	280.9	157.4
Advertisement	171.7	167.4
Freight	983.1	716.5
Incentives	536.7	609.7
Warranty	624.1	522.8
Other selling and distribution expenses	493.7	357.8
Rent	178.7	134.5
Legal and professional charges	171.4	112.2
Travelling expenses	334.6	252.1
Development expenses	229.3	269.3
Bad debts/advances written off	20.5	11.3
Less: Charged against provision for doubtful debts and advances	<u>12.4</u>	<u>8.3</u>
	8.1	3.0
Provision for doubtful debts and advances	12.9	13.9
Exchange loss	-	9.4
Long term trade Investment written off	-	0.1
Miscellaneous	768.4	481.5
	<u>51,224.8</u>	<u>40,401.8</u>

12. INTEREST

	Rs. in millions	
	For the year ended December 31, 2011	For the year ended December 31, 2010
On loans for fixed periods	8.4	42.4
On others	68.3	52.6
	<u>76.7</u>	<u>95.0</u>

13. NOTES TO THE CONSOLIDATED ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

i) **Basis of preparation of consolidated financial statements**

The consolidated financial statements are prepared under the historical cost convention. These statements have been prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.

The companies considered in the consolidated financial statements are:

Name of the company	Country of incorporation	% of holding either directly or through subsidiaries as at	
		December 31, 2011	December 31, 2010
Subsidiary companies:			
VE Commercial Vehicles Limited (VECVL)	India	54.40%	54.40%
Eicher Engineering Solutions, Inc. (EES, Inc.) (100% subsidiary company of VECVL.)	U.S.A.	54.40%	54.40%
Hoff Automotive Design (Beijing) Co. Ltd (100% subsidiary company of EES, Inc.)	China	54.40%	54.40%
Hoff Auto Design (Shanghai) Co. Ltd. (100% subsidiary company of EES, Inc.)	China	54.40%	54.40%

ii) **Principles of Consolidation**

The consolidated financial statements relate to Eicher Motors Limited ("the Company") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions resulting in unrealised profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- The excess of the cost to the Company of its investments in the subsidiary companies over its share of equity, on the acquisition date, is recognised in the financial statements as goodwill.

iii) **Use of estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosure relating to the contingent liabilities. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods

iv) **Fixed assets, including intangible assets, and depreciation**

Fixed assets including intangible assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds relating to acquisition of fixed assets up to the date of commissioning/commercial exploitation of assets.

Leasehold land is amortised over the lease period.

Depreciation on fixed assets (other than land and intangible assets) of the Company is charged on a pro-rata basis from the month the assets are put to use at the straight line method rates prescribed in schedule XIV to the Companies Act, 1956. In addition, diminution in value of fixed assets, if any, is included under depreciation.

Intangible assets comprising of product designs, 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 the asset.

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
Computer software	3 years
Office equipment	5 years
Furniture and fixtures	7 years
Plant and machinery	7 years

v) 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.

vi) Inventories

Loose tools, stores and machinery spares are valued at cost or under. Stock-in-trade is valued at the lower of cost and net realisable value.

The bases of determining cost of various categories of inventories are as follows:

Raw materials, components, loose tools, stores and machinery spares	- Moving weighted average rates
Work in progress and finished goods	- Material cost plus appropriate share of labour and overheads

vii) Employee benefits

Company's contributions paid/ payable during the year to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation (ESIC) and other funds are recognised in the Profit and Loss Account. 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 there is no further obligations beyond monthly contributions.

Defined benefit contributions and other long term employee benefits, are provided on the basis of an actuarial valuation made at the end of each accounting year. Actuarial gains or loss arising from such valuation are charged to revenue in the year in which they arise.

viii) Research and development

Revenue expenditure on research and development is expensed off under the respective heads of consolidated accounts in the year in which it is incurred. Expenditure, which results in creation of capital assets, is treated in the same way as expenditure on the fixed assets.

ix) Revenue recognition

The Company recognises revenue from sale of products on dispatch of goods to customers which coincides with the transfer of risks and rewards associated with the ownership of goods. Product sales represents amount invoiced for goods sold, inclusive of excise duty but net of sales tax and returns. Income from service agreements is recognised over the contract term on rendering of services. Interest income is recognised on a time proportionate basis taking into account the amount invested and rate applicable.

x) Investments

Long term investments are stated at cost as reduced by diminution in value. Current investments are valued at lower of cost and net fair value.

xi) Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary items (assets and liabilities) denominated in foreign currency are translated into rupees at the exchange rates prevailing on the balance sheet date.

Premium paid on Forward cover is amortised over the period of cover. Exchange differences on such contracts are recognised in profit and loss in the year in which the exchange rate change arises. Exchange differences in translation of foreign currency assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the consolidated profit and loss account. In case of foreign subsidiaries, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the profit and loss account 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 is disposed off.

xii) Taxation

The provision for taxation for the year ended December 31, 2011 comprises the residual tax liability for the assessment year 2011-12 relevant to the year April 1, 2010 to March 31, 2011 and the liability, which has accrued on the profit for the period April 1, 2011 to December 31, 2011, under the provisions of the Income tax Act, 1961 and applicable foreign tax laws in case of foreign subsidiaries.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised on unabsorbed depreciation and carried forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

xiii) Impairment of assets

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discount factor.

xiv) Provisions and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and is probable that there will be an out flow of resources. Contingent liabilities are not recognised but are disclosed in the notes to the consolidated accounts.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 2,607.7 millions (Rs. 1,377.3 millions).

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

Warranty Provisions	Rs. in millions	
	This year	Previous year
Opening balance	547.8	335.0
Additions during the year	624.1	522.8
Amount utilised during the year	464.2	310.0
Closing balance	707.7	547.8

Warranty provisions are made for future cash outflows and computed on the total sales made during the year, based on past experience.

4. Contingent liabilities not provided for in respect of:

Particulars	Rs. in millions	
	As at December 31, 2011	As at December 31, 2010
a) In respect of demands contested by the Company and its subsidiary companies:		
- Sales tax matters	188.4	373.0
- Excise duty matters	596.2	631.9
- Income tax matters	303.5	88.8
- Service tax matters	297.9	301.7
b) Claims against the Company and its subsidiary companies not acknowledged as debts	71.7	30.7
c) Bills discounted	7.5	15.5

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

5. Pursuant to the issuance of Notification No. CE(NT)-11/95 dated March 16, 1995 by the Central Government in terms of section 37 of the Central Excise Act, 1944, unutilised MODVAT balance amounting to Rs.82.1 millions standing to the credit of the Company as on March 16, 1995 was to lapse. Subsequent thereto, on a writ petition filed by the Company, on the grounds

that it is discriminatory, unreasonable, arbitrary and ultra virus Article 14 of the Constitution of India and against the principle of promissory estoppel, the Supreme Court struck down the aforesaid notification by its judgement dated January 28, 1999, thus vindicating the Company's stand. The Supreme Court ruled that the said notification and the amended rule 57(f) cannot be applied as it affected the vested rights of the assessee and Government of India does not have powers under section 37 of the Central Excise Act, 1944 to make a rule in this manner. The entire MODVAT balance amounting to Rs. 82.1 millions thus became available to the Company for excise duty payments. However, inspite of the favourable judgment of the Supreme Court, section 37 of the Central Excise Act, 1944 was amended by the Finance Act, 1999, with retrospective effect from March 16, 1995, to validate the said notification issued by the Central Government by providing it necessary powers to lapse the credit of duty lying unutilised with any manufacturer. The Company has utilized an amount of Rs.5.1 millions between the date of the Order of the Supreme Court, i.e., February 05, 1999 and the date of enactment of the Finance Act, 1999, i.e., May 11, 1999.

Based on favourable legal advice, the Company has along with other affected manufacturers challenged the aforesaid amendment before the Delhi High Court. The Delhi High Court, by its Order dated April 26, 2000, issued notice to Government of India and granted an interim stay on the recovery of the utilised portion of MODVAT credit to the extent of Rs.5.1 millions. In 2008 this unutilised MODVAT balance was been transferred to VECVL by the Company under the slump sale of CV business as per Business Purchase Agreement (BPA) with the Company. Pending disposal of the case, no provision is considered necessary in VECVL in respect of the MODVAT balance of Rs. 82.1 millions lying unutilized as on March 16, 1995.

The net amount of Rs.77.0 millions after utilisation of Rs. 5.1 millions has been carried forward under the head "Balances with central excise and customs on current accounts" under loans and advances in Schedule '8'.

6. Disclosures under Accounting Standard 15 (Revised):

The Company has calculated the various employee benefits provided to employees as under:

	This year	Rs. in millions Previous year
A. Employee Plans:		
a) Provident Fund and other statutory fund	118.9	73.0
b) Superannuation Fund	48.1	34.8
c) Employees' State Insurance Corporation	5.4	3.3

Out of the total contribution made for employees' provident fund, Rs. 35.0 millions (Rs.24.0 millions) 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, 2011 is Rs. 355.6 millions as against the total plan assets of Rs. 356.4 millions. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

B. Defined Benefit Plans:

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

	This year		Previous year	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligations as at the beginning	318.4	96.3	256.5	77.0
Current service cost	41.2	19.5	34.3	20.8
Interest cost	23.7	7.2	17.9	5.1
Benefits paid	(20.3)	(8.2)	(14.3)	(6.6)
Net actuarial loss/(gain) recognised	(1.8)	(4.8)	24.0	-
Present value of obligations as at the end	361.2	110.0	318.4	96.3

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

Particulars	Rs. in millions	
	This year	Previous year
Present value of fund as at the beginning	8.6	8.0
Contributions	283.6	-
Expected return on plan assets	16.3	0.4
Benefits paid	(9.7)	(0.4)
Net actuarial gain/(loss) recognised	(0.3)	0.6
Present value of fund as at the end @	298.5	8.6

@ Includes funds amounting to Rs. 290.7 millions (Rs. Nil) managed by VECV Employees Group Gratuity Scheme (Trust) and funds amounting to Rs. 7.8 millions (Rs. 8.6 millions) managed by Volvo India Private Limited (VIPL) pertaining to employees transferred to the Company pursuant to a Scheme of Arrangement relating to demerger of Distribution Undertaking of VIPL into the Company, wherein plan assets are maintained with the approved insurance companies.

The major categories of plan assets as percentage of total assets maintained with the approved insurance companies for VECV Trust amounting to Rs. 290.7 millions (Rs. Nil) are as follows:

Particulars	This year	Previous year
Liquid funds	58%	-
Bonds	39%	-
Equity Shares	3%	-

The details of funds amounting to Rs 7.8 millions (Rs. 8.6 millions) are not available to the Company and have therefore not been disclosed.

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

Particulars	Rs. in millions			
	This year		Previous year	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligations as at the end	361.2	110.0	318.4	96.3
Fair value of plan assets at the end	298.5	-	8.6	-
Net asset/(liability) recognised in balance sheet	(62.7)	(110.0)	(309.8)	(96.3)
Cost for the year				
Current service cost	41.2	19.5	34.3	20.8
Interest cost	7.4	7.2	17.5	5.1
Net actuarial loss/(gain) recognised	(1.5)	(4.8)	23.4	-
Net cost recognised	47.1	21.9	75.2	25.9
Principal assumption:				
Discount rate	7.50%	7.50%	7.00%	7.00%

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.

Disclosure relating to present value of defined benefit obligation and fair value of plan assets and net actuarial loss:

Rs. in millions

Particulars	For the year ended December 31, 2011		For the year ended December 31, 2010		For the year ended December 31, 2009		For the nine months period ended December 31, 2008	
	Leave		Leave		Leave		Leave	
	Gratuity	Encashment	Gratuity	Encashment	Gratuity	Encashment	Gratuity	Encashment
Present value of obligation as at the end	361.2	110.0	318.4	96.3	256.5	77.0	211.9	59.3
Fair value of plan assets at the end	298.5	-	8.6	-	8.0	-	7.6	-
Net assets/(liability) recognised in balance sheet	(62.7)	(110.0)	(309.8)	(96.3)	(248.5)	(77.0)	(204.3)	(59.3)
Net actuarial loss/(gain) recognised	(1.5)	(4.8)	24.0	-	16.6	1.1	22.7	3.3

7. In case of EES, Inc. and its subsidiary companies, there are two leases, the details of which are given below:

Operating Lease: The EES, Inc. and its subsidiaries has entered in operating lease agreements for different locations with different parties.

Necessary information is given below:

Particulars	This year	Previous year
Total of Future minimum lease payments:		
- Not later than one year	13.7	11.6
- Later than one year but not later than five years	7.2	15.1
Lease rents charged to profit and loss account	11.1	13.1

8. Earnings per share

Description	This year	Previous year
a) Profit after taxation and minority interest, per profit and loss account (Rs. in millions)	3,087.7	1,889.2
b) Weighted average number of equity shares (Nos.)	26,971,251	26,782,316
c) Effect of potential dilutive equity shares on Employee Stock Options outstanding	106,760	98,746
d) Weighted average number of equity shares in computing diluted earnings per share [(b)+(c)]	27,078,011	26,881,062
e) Earnings per share (in rupees): (face value-Rs 10 per share)		
- Basic [(a)/(b)]	114.48	70.54
- Diluted [(a)/(d)]	114.03	70.28

9. Segment Reporting:

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

10. Related party disclosure:

a. Name of related parties and their relationship:

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

b. Key management personnel:	Mr. Siddhartha Lal	Managing Director
	Mr. R.L. Ravichandran	Whole time Director (w.e.f. January 1, 2011)

Transactions with key management personnel: Rs. in millions

Particulars	Name	This year	Previous year
Remuneration	Mr. Siddhartha Lal	29.8	20.7
	Mr. R.L. Ravichandran	5.5	-
		35.3	20.7

Transactions with the other parties during the year:

Rs. in millions

Particulars	EGPL		AB Volvo		Total	
	This year	Previous year	This year	Previous year	This year	Previous year
Dividend paid on Equity	-	-	173.5	86.7	173.5	86.7
Provision for brand fee	207.0	143.1	-	-	207.0	143.1
Sale of fixed assets (Net block)	0.6	-	-	-	0.6	-
Rent paid	1.8	-	-	-	1.8	-
Expenses recovered	-	-	7.0	10.6	7.0	10.6
Expenses Reimbursed	-	-	-	1.1	-	1.1
Aggregate balances outstanding as at the year end						
- Receivables	0.6	-	-	0.3	0.6	0.3

11. The unhedged foreign currency exposures are as under:

	As at December 31, 2011		As at December 31, 2010	
	Foreign currency in millions	Rs. in millions	Foreign currency in millions	Rs. in millions
Receivables				
USD	9.4	499.8	9.4	420.9
SEK	-	-	0.1	0.1
EURO	0.3	14.8	0.1	9.2
GBP	0.1	3.4	0.1	6.3
JPY	-	-	2.5	1.4
		518.0		437.9
Payables				
USD	11.9	631.3	0.1	7.7
SEK	2.1	16.4	0.6	4.4
EURO	0.1	1.9	0.2	10.6
GBP	-	-	0.1	10.3
JPY	434.8	302.2	17.0	9.4
		951.8		42.4

12. a) Figures in brackets represent previous year's figures.
b) Previous year's figures have been recast/regrouped where necessary.

13. Schedules I to 13 form an integral part of the consolidated accounts.

Dear Shareholder,

As part of continuous effort to improve the quality of services provided to the stakeholders, we give below an Investor Response Form. You are requested to fill the same and send back to the Company.

Your response would enable us to provide you with more efficient services.

INVESTOR RESPONSE FORM

(Please tick [✓] the appropriate item and complete the form in CAPITAL LETTERS)

Kindly superscribe the envelope containing this form with "INVESTOR RESPONSE FORM" and mail it to:

Mr. Vinit Kumar, Company Secretary

Eicher Motors Limited, 3rd Floor, Select Citywalk, A-3 District Centre, Saket, New Delhi 110 017

Please do not attach Share Certificate(s) along with this form. Separate intimation will be sent by us for the same, if required.

I. Particulars of shareholder:

A. - Folio No./Beneficiary ID _____ Contact No.: _____

- Name _____ E-mail ID: _____

B. - Equity Shares (Nos.) _____

C. Do these particulars appear correctly on the share certificates

Name Yes No

1st Joint Holder Name Yes No

2nd Joint Holder Name Yes No

Address Yes No

D. Was the Dividend received :

a) as per instructions on the Bank Mandate Yes No

b) as per the instructions for National Electronic Clearing System Yes No

If any of the above particulars are incorrect, please provide below the correct information:

2. Details of complaints related to:

(i) Non-receipt of share certificate(s) after:

Transfer Consolidation Splitting Transmission Duplicate on submission of Indemnity Bond

(ii) Non-receipt of Dividend for the year Apr. – Dec. '08 31.12.2009 31.12.2010

3. Particulars of lodgement/correspondence pending with Company or the Registrar and Share Transfer Agent.

4. How would you rate the Company's service with regard to the following:

	Good	Average	Poor
a) Share Transfers			
b) Dividend			
c) Redressal of complaints and response to your communication			

Place:
Date:

Signature of the first applicant/
shareholder

FORM 2 B
(See rules 4CCC and 5D)
NOMINATION FORM

(To be filled in by individual applying singly or jointly) (if jointly, only up to two persons)

I/We
and
the holders of Shares (Folio No.):
of Eicher Motors Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my/our death.

NAME AND ADDRESS OF NOMINEE:

Name :
Address :
.....
Date of Birth*

(* to be furnished in case the nominee is a minor)

*The Nominee is a minor whose guardian is

Name and Address
.....
Date :

(** To be deleted if not applicable)

Signature of shareholder:
Name :
Address :
.....
Date :

Signature of shareholder:
Name :
Address :
.....
Date :

Signature of two Witnesses

Name and Address	Signature with date
1.	
2.	

INSTRUCTIONS:

1. The Nomination can be made by individuals only applying/holding shares on their own behalf singly or jointly upto two persons. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form.
2. A minor can be nominated by a holder of shares and in that event, the name and address of the Guardian shall be given by the holder.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of share made.
5. Transfer of share in favour of a nominee shall be valid discharge by a company against the legal heir.
6. The nomination forms shall be submitted in duplicate. The duplicate copy of the same will be returned to you for your records after nomination is registered by the Company.

EICHER MOTORS LIMITED

Folio No. _____

To,
M/s. MCS Limited
 Share Transfer Agents
 F-65 Okhla Industrial Area,
 Phase I,
 New Delhi 110 020

Dear Sirs,

MANDATE FOR PAYMENT OF DIVIDEND/NATIONAL ELECTRONIC CLEARING SERVICE (NECS)

I/We give below the particulars desired by you to enable you to remit the dividend amount to my/our Bank Account:

1. Name of the Sole/First Holder : _____
2. Bank Account Number : Saving/Current Account No. _____
3. Particulars of Bank : _____
- (a) Name of the Bank/Branch Name : _____
- (b) For ECS Facility:
 - i) 9 digit code number of the Bank and
Branch appearing on the MICR cheque: _____
issued by the Bank (Please attach the photocopy of a cheque or a blank cancelled cheque issued by your bank for
verifying the accuracy of the code number)
 - ii) Account Type (SB Account/Current Account
Cash credit) with code 10/11/13 : _____
 - iii) Ledger Folio No. (if any) of your bank account : _____

4. Despatch of Dividend (please tick appropriate box):

- a) Bank's address (as stated above or b) At the address as per register of member or c) As per the ECS Mandate

Yours faithfully

Place:

Date:

Signature of the Sole/First holder

Proxy Form**EICHER MOTORS LIMITED**

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

I/We _____ of _____ in the district of _____ being a member/
members of the above mentioned company hereby appoint _____ of _____ in the district of _____ as
my/our proxy to vote for me/us on my/our behalf at the 30th Annual General Meeting of Eicher Motors Limited to be held at LTG
Auditorium, Copernicus Marg, New Delhi – 110 001 on Thursday, March 22, 2012 at 10.00 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2012

Member's folio No. _____ Signature _____

Revenue
Stamp

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

Attendance Slip

To be handed over at the entrance of the Meeting Hall

Name of the attending Member _____

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

Name of proxy _____

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

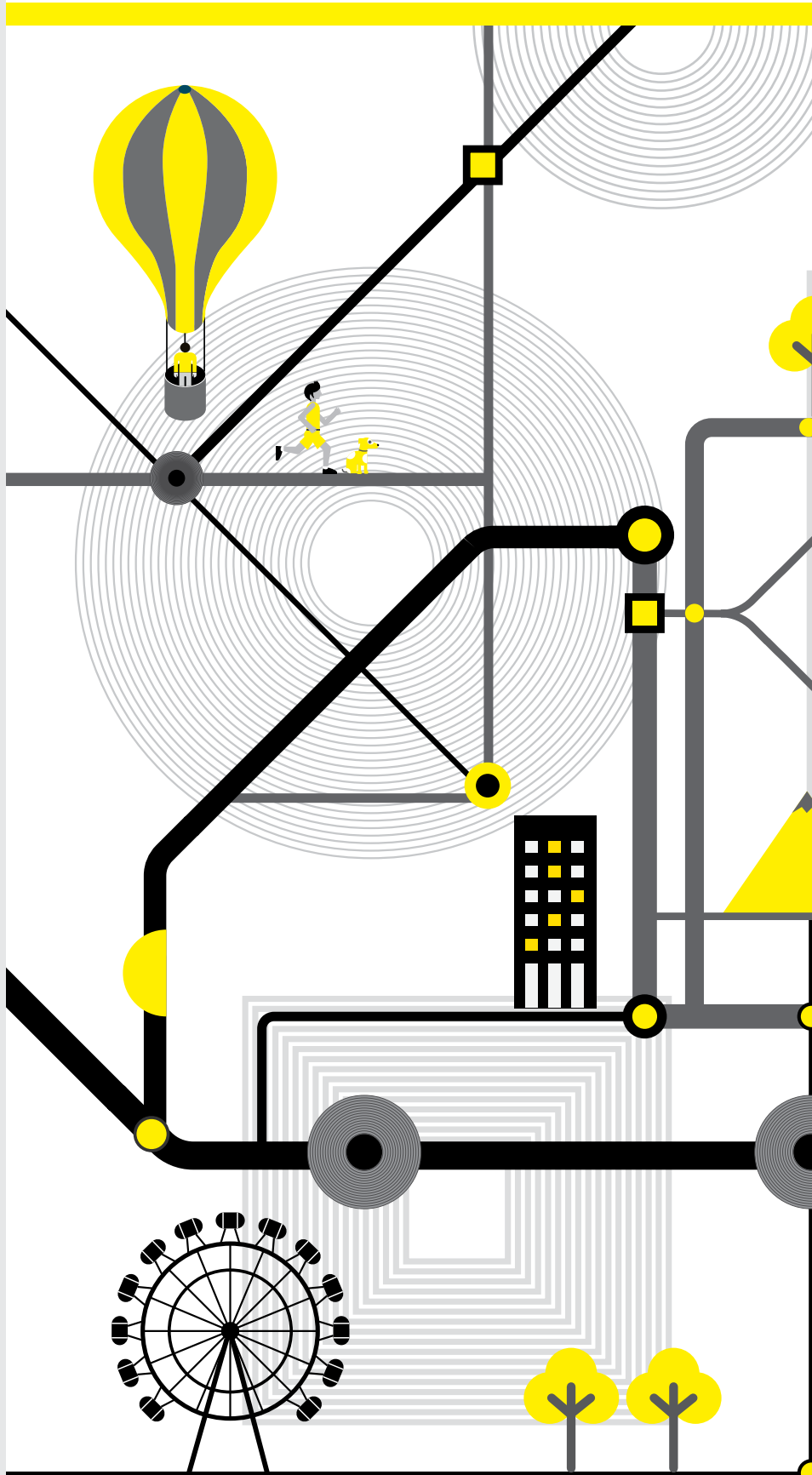
I, hereby record my presence at the 30th Annual General Meeting of Eicher Motors Limited to be held at LTG Auditorium, Copernicus
Marg, New Delhi – 110 001 on Thursday, March 22, 2012 at 10.00 A.M.

Member's/Proxy Signature

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



Notes



EICHER

EICHER MOTORS LIMITED

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