

Eicher Motors Limited  
Annual Report 2016-17



# KEEP RIDING PURE



# THE JOURNEY AHEAD

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### Notice

*Eicher Motors Limited (EML) is a leading player in the Indian automotive space.*

*It operates in three distinct business verticals - motorcycles, commercial vehicles and personal utility vehicles.*

## CONSOLIDATED FINANCIAL HIGHLIGHTS

Period of Comparison

■ 1.4.2016 - 31.3.2017

■ 1.4.2015 - 31.3.2016

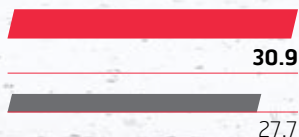
### Revenue From Operations (excluding Excise Duty)

(Rs. Crores)



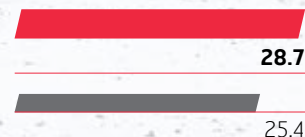
### Earnings Before Interest, Depreciation & Tax (EBIDTA) before share of profit of Joint Ventures

(%)



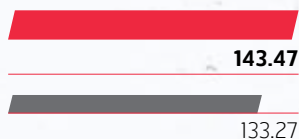
### Operating Margin (EBIT) before share of profit of Joint Ventures

(%)



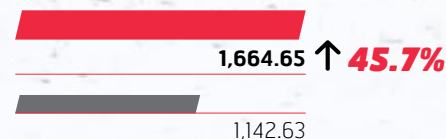
### Share of profit/(loss) of Joint Ventures - VECV & EPPL

(Rs. Crores)



### Total Comprehensive income including share of profits from Joint Ventures

(Rs. Crores)



Check this annual report online at  
[www.eichermotors.com](http://www.eichermotors.com)



# **KEEP RIDING PURE**

## **RIDE**

**INVITE** PEOPLE TO THE WORLD OF PURE  
MOTORCYCLING

## **RIDE MORE**

**INSPIRE** OWNERS TO INCREASE THEIR  
PARTICIPATION IN THIS PURSUIT

## **RIDE PURE**

**ALLY** WITH RIDERS FOR WHOM PURE  
MOTORCYCLING BECOMES LIFE'S PURSUIT

# EICHER MOTORS LIMITED

Eicher Motors Limited (EML) is a leading player in the Indian automotive space. EML owns the iconic Royal Enfield motorcycle business, which leads the premium motorcycle segment in India. The oldest motorcycle brand in continuous production world-wide, Royal Enfield has witnessed a huge surge in demand in the recent past and is charting its course to be the leading player in the mid-sized motorcycle segment globally. EML's joint venture with the Volvo group, VE Commercial Vehicles Limited, designs, manufactures and markets reliable, fuel efficient trucks and buses; and is leading the path in driving modernization in commercial transportation in India and other developing markets. EML's joint venture with US-based Polaris Industries Inc formed in 2012, Eicher Polaris Private Limited launched the Multix, a new 3-in-1 vehicle purpose built for the independent businessman in June, 2015.

## Business segments

### MOTORCYCLES



**Royal Enfield**

- World's oldest motorcycle brands in continuous production
- Focussed on mid-size leisure and adventure motorcycles
- Bullet
- Classic
- Thunderbird
- Continental GT
- Himalayan

#### Key highlights, 2016-17

**6,66,493**  
motorcycles sold

**95%**  
Royal Enfield's market share in mid-size (250cc-750cc) motorcycle segment in India

### COMMERCIAL VEHICLES



**Volvo Eicher Commercial Vehicles (VECV)**

- A joint venture between EML and Volvo Group
- Designs, manufactures and markets reliable, fuel efficient trucks and buses; and is leading the path in driving modernization in commercial transportation in India and other developing markets.
- Eicher branded light medium duty trucks (5-15 tonnes), heavy duty trucks (16-49 tonnes) and buses
- Volvo trucks
- Engineering components and aggregates

**58,604**  
Commercial vehicles sold

**33.5%**  
Commercial vehicles market share in domestic light to medium duty (4.9 to 15 tonnes) segment

### PERSONAL UTILITY VEHICLES

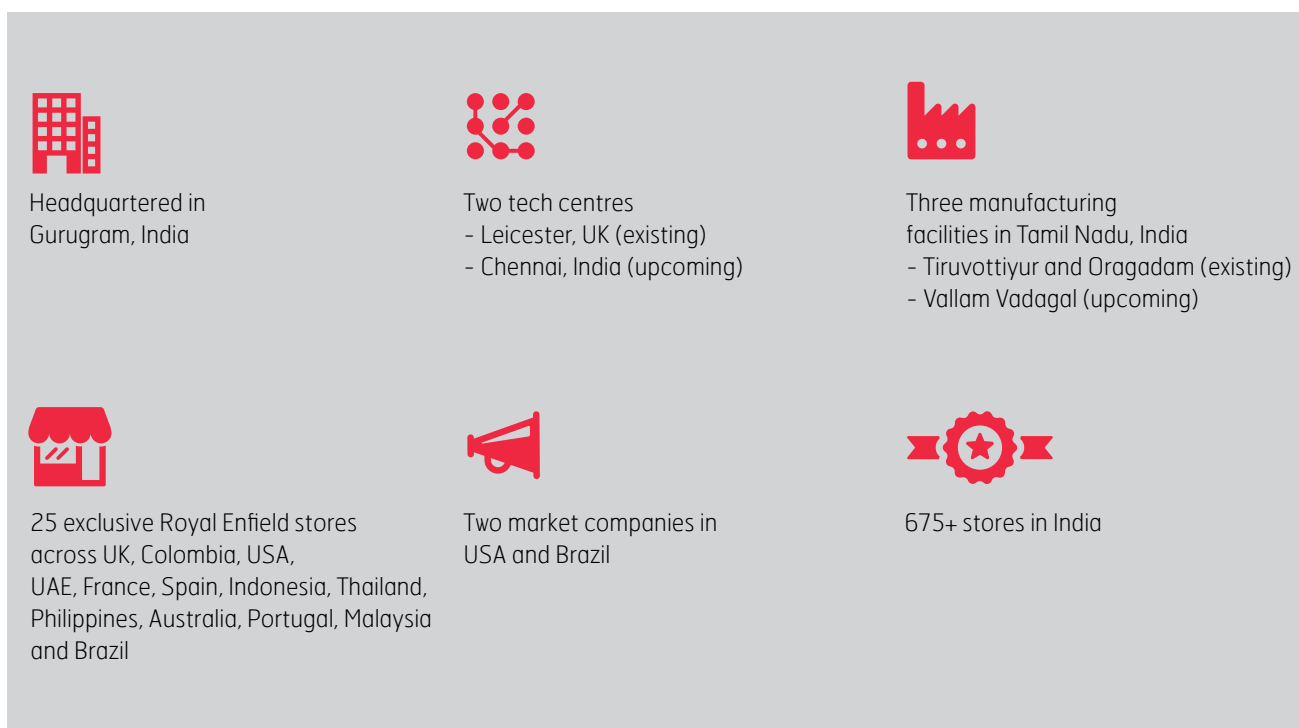


**Eicher Polaris Pvt Limited (EPPL)**

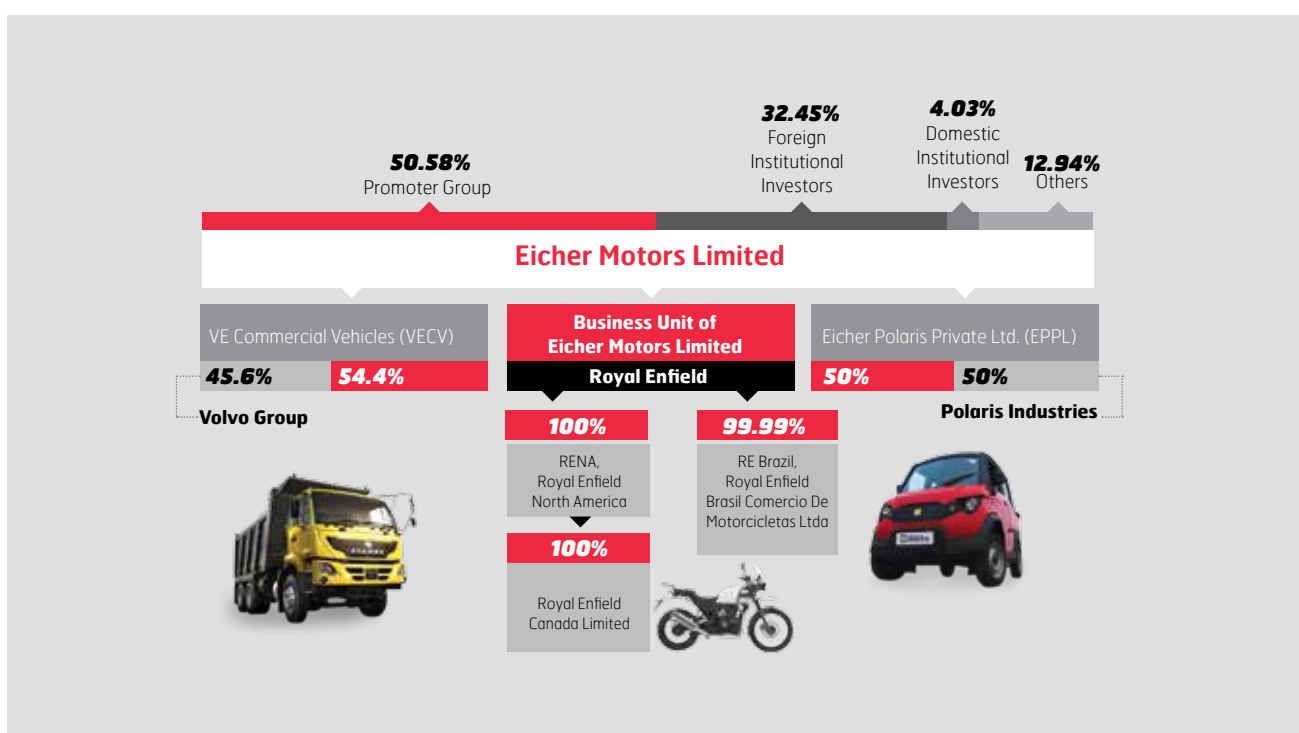
- A joint venture between EML and US-based Polaris Industries Inc.
- Multix (3-in-1 multi-utility vehicle)

**1st PUV**  
India's first personal utility vehicle

## Geographic footprint



## Shareholding pattern



# FINANCIAL POSITION-CONSOLIDATED

AMOUNTS ARE AS PER INDIAN ACCOUNTING STANDARDS (IND AS)

BALANCE SHEET			
		(Rs. Crores)	
	31.03.2017	31.03.2016	01.01.2015
Net Fixed Assets (Property plant & equipment, Intangibles, CWIP and Investment Property)	1,246.54	888.64	472.50
Investment in subsidiaries & Joint ventures	1,745.82	1,558.44	1,399.97
Investment in mutual funds & bonds	3,241.31	1,825.24	1,158.79
Other non-current assets	259.65	200.80	259.44
<b>Current assets</b>			
Inventories	335.90	308.39	203.96
Debtors	50.04	32.64	10.70
Cash and Bank Balances	25.06	49.17	20.89
Other current assets	86.34	75.69	76.40
<b>Total assets</b>	<b>6,990.66</b>	<b>4,939.01</b>	<b>3,602.65</b>
Equity share capital	27.21	27.16	27.10
Other equity	5,317.86	3,625.93	2,728.45
<b>Net Worth</b>	<b>5,345.07</b>	<b>3,653.09</b>	<b>2,755.55</b>
Non-current liabilities	144.14	80.94	40.31
Current liabilities	1,501.45	1,204.98	806.79
<b>Total equity and liabilities</b>	<b>6,990.66</b>	<b>4,939.01</b>	<b>3,602.65</b>
No. of Shares	2,72,10,249	2,71,61,183	2,71,04,783
Book Value per Share (Rs.)	1,964.36	1,344.97	1,016.63
Market Value per Share (Rs.)	25,587.50	19,180.60	15,075.00
Market Value to Book Value per Share	13.0:1	14.3:1	14.8:1
Market Capitalisation (Rs. Crores)	69,624.22	52,096.78	40,860.46

## Net Fixed Assets (Rs. Crores)

31.03.2017	1,246.54
31.03.2016	888.64
01.01.2015	472.5

## Net Worth (Rs. Crores)

31.03.2017	5,345.07
31.03.2016	3,653.09
01.01.2015	2,755.55

## Book Value Per Share (Rs.)

31.03.2017	1,964.36
31.03.2016	1,344.97
01.01.2015	1,016.63

## Market Capitalisation (Rs. Crores)

31.03.2017	69,624.22
31.03.2016	56,096.78
01.01.2015	40,860.46

# OPERATIONAL HIGHLIGHTS-CONSOLIDATED

AMOUNTS ARE AS PER INDIAN ACCOUNTING STANDARDS (IND AS)

PROFIT AND LOSS ACCOUNT		
	(Rs. Crores)	
	2016-17	2015-16
	Apr'16 - Mar'17	Apr'15 - Mar'16
<b>Sales Volume :</b>		
Commercial Vehicles (Nos.)	58,604	51,888
Two Wheelers (Nos.)	6,66,135	5,07,548
Net Revenue from operations - two wheelers (excluding excise duty)	7,033.36	5,210.74
Manufacturing and other expenses	4,859.41	3,769.77
<b>Earnings before interest, depreciation &amp; tax (EBIDTA)</b>	<b>2,173.95</b>	<b>1,440.97</b>
<b>EBIDTA to Net Revenue (%)</b>	<b>30.9%</b>	<b>27.7%</b>
Depreciation	153.81	118.03
<b>Earnings before interest &amp; tax (EBIT)</b>	<b>2,020.14</b>	<b>1,322.94</b>
<b>EBIT to Net Revenue (%)</b>	<b>28.7%</b>	<b>25.4%</b>
Finance Cost	3.56	1.57
Other Income	227.33	147.99
Share of profit/(loss) of Joint ventures - VECV & EPPL	143.47	133.27
Profit before tax	2,387.38	1,602.63
Provision for taxation	720.30	459.02
<b>Profit after taxation (PAT)</b>	<b>1,667.08</b>	<b>1,143.61</b>
Other comprehensive income *	-2.43	-0.98
<b>Total Comprehensive income</b>	<b>1,664.65</b>	<b>1,142.63</b>
<b>Total Comprehensive income to Net Revenue (%)</b>	<b>23.7%</b>	<b>21.9%</b>
Basic Earnings per Share (Rs.)	613.12	421.30
Diluted Earnings per Share (Rs.)	611.44	419.76

\* comprise re-measurement gains/(losses) on defined benefit plans, exchange differences in translating the financial statements of foreign operations

## Net Revenue from Operations

(Rs. Crores)

**2016-17** **7,033.36**

2015-16 5,210.74

## EBITDA

(Rs. Crores)

**2016-17** **2,173.95**

2015-16 1,440.97

## Total Comprehensive Income

(Rs. Crores)

**2016-17** **1,664.65**

2015-16 1,142.63

## LETTER TO THE SHAREHOLDERS



### Dear Shareholders,

I am very happy to present the Annual Report 2016-17 of Eicher Motors Limited (EML). It has been a spectacular year of all-round performances and achievements. We have achieved record sales and profits once again, and we have made significant progress on several initiatives and projects that we had set out to accomplish this year. 2016-17 was another strong year in delivering profitable growth and further strengthening the robustness of our business model. Comparing 2016-17 to 2014-15, Royal Enfield's sales volume grew by 101%, market share in 150cc and above category of motorcycles grew from 21% to 24%.



At Royal Enfield, we charted out an unconventional path for ourselves several years ago, to create an adventure motorcycling culture in India through relevant products, retail experiences and community engagements which have enabled us to achieve a significant brand following. Today, we have emerged as one of the strongest motorcycle brands in the country with a healthy order book and a unique mindshare amongst customers, which was inconceivable a decade ago. We are now ready to take this to the next level by introducing and building the Royal Enfield brand in other important markets around the world.

### Performance during 2016-17

Last year we faced several challenges that impacted our industry, such as the severe cyclone Vardah that hit Chennai, the sudden change in implementation dates for BS IV emission norms, and demonetisation. These created adverse situations for the industry, Royal Enfield successfully withstood all of these challenges and delivered strong performance without any disruption.

EML's Consolidated net revenue from operations for the year 2016-17 was Rs. 7,033 crores, a growth of 35% over 2015-16. In 2016-17, EML's Consolidated EBITDA grew 50.9% to Rs. 2,174 crores and PAT grew 45.8% to Rs. 1,667 crore. In terms of margin, EML Consolidated set a new industry benchmark with an EBITDA margin of 30.9% in 2016-17\*. The sales volume for the year was 6,66,135 motorcycles, a growth of 31.2% over the previous year. This enabled us to enhance our market share in the 150cc and above category of motorcycles in India from a mere 4.7% in CY 2011 to 24% in 2016-17.

VE Commercial Vehicles (VECV) EML's joint venture with Volvo Group had a good year in tough market conditions. VECV's Consolidated net revenue from operations for the year 2016-17 was Rs. 8,549 crores, a growth of 10.5% over

the previous year. In 2016-17, EBITDA and PAT of VECV grew 4.0% and 3.0% respectively, over same period last year. Sale of commercial vehicles grew 12.9% to 58,604 units driven by a strong growth in sales of heavy duty trucks (23.1%) and exports (23.4%).

### Royal Enfield

Royal Enfield has grown from strength to strength in the last few years. However, we still have a large headroom for growth. In developing markets, especially India, the two-wheeler market is dominated by the sub 250cc commuter segment. I believe, with rising incomes and the increasing aspiration for leisure motorcycling, customers from the commuter segment will gradually shift towards the middle weight segment (250- 750cc) that is dominated by Royal Enfield. With strong domestic dealer network, growing international presence, exciting new product line-up, enhanced research and manufacturing capabilities, Royal Enfield is well-positioned to grow the mid-sized motorcycle segment in India and also in the international markets. Towards its ambition of becoming a global leader in the mid-sized motorcycle segment, Royal Enfield is investing in brand and market development and is focusing on opening new retail avenues across all major markets.

Our success in the mid-size motorcycling segment has attracted many other players from within and outside the country. While their entry will help to develop the leisure motorcycling segment further, I am confident that with our extremely strong value proposition and a highly differentiated brand, we will maintain our stronghold on the market. At the same time, the tremendous potential of our brand and business and our successes in the last few years have not made us complacent. We will continue to play to our strengths while working towards enhancing customer experience and engagements across all touchpoints.

↑ **50.9%**  
Consolidated EBITDA

↑ **45.8%**  
Consolidated PAT

### Keep riding pure

In February 2016, we introduced the Himalayan, our purpose-built adventure tourer. Designed grounds up, the motorcycle is powered by a new LS 410 engine. After its launch in India, we also introduced the Himalayan in Indonesia, Colombia and Australia through the year. We also showcased the motorcycle in Europe and UK. With this motorcycle we aim to create and grow the adventure-touring category in India and to create a simple, accessible, stripped down ADV (as the adventure-touring category is known) in other markets around the world. The Himalayan has received very encouraging reviews and feedback from media and enthusiasts across markets and we will continue to work towards developing this category further.

In the beginning of the calendar year 2017, we also introduced the Classic 350 Redditch Edition inspired by the paint scheme of the 1950s era of Royal Enfield motorcycles that were produced in the United Kingdom. These three new colours, in our rapidly growing Classic 350 franchise, were received very well by our customers. In addition to motorcycles, Royal Enfield's Gear business entered into a unique association with Happy Socks (a leading European brand for designer socks and men's innerwear) to launch a limited-edition, multi-product line capsule collection of apparel and accessories for men. The collection included motorcycling jacket, sweatshirts,

*\*EML's Consolidated net revenue and EBITDA do not include the financials of its joint ventures - VE Commercial Vehicles and Eicher Polaris since that EML adopted Ind AS accounting standards from January 1, 2015. The profit/ loss of joint ventures is accounted under equity method and are included in EML's Consolidated PAT.*

## LETTER TO THE SHAREHOLDERS CONTINUED

t-shirts, helmets and a series of socks and boxer briefs.

Royal Enfield continues to expand its footprint in India, enabling customers and enthusiasts to ride more. We now have 675 dealer touch points across the country, attached to a wide service network commensurate with our motorcycle population. To add to our service experience for customers, Royal Enfield introduced its Roadside Assistance facility this year. A central contact centre was also established for registering sales and service queries and issues. Royal Enfield has been at the forefront of creating a differentiated motorcycle retail experience in the country. Throughout the last three years we redesigned all our stores to reflect our new brand retail identity that is inspired by a motorcycle enthusiast's living room. Now with the hardware in place, we are initiating another enormous project aimed at introducing a truly world-class customer-oriented dealership experience at the Royal Enfield stores.

In 2016-17 alone, we conducted more than 4,500 rides from our dealerships across India. More and more customers are riding out everyday exploring cities, discovering terrains and finding themselves through the joy of riding. The successful year-on-year ritual of our annual community gathering at Goa for Rider Mania is a testament to our thriving community of riders. In its 13th year, Himalayan Odyssey, our most celebrated annual ride from Delhi to Khardung La, Leh, saw a special women's edition with a group of 20 women riders. On the back of the Himalayan, Royal Enfield also launched Unroad and Escapade, two new and unique ride experiences that invite more people to ride pure.

### Global footprint

Towards our aim of leading and expanding the mid-size motorcycle category globally, we have been making strategic forays in international markets. Our unique proposition of simple, evocative, all-round motorcycles have found many

takers in markets like Colombia, Thailand and Indonesia where the motorcycle industry is akin to our home market - India. The evolved riding culture in these markets resonate very well with the Royal Enfield brand and has led to an encouraging acceptance of our motorcycles in the very first year of our operations in South East Asia in 2016-17. We are working very closely with our customers and channel partners to strengthen our foundations here.

While the markets of South East Asia and Latin America have a huge potential to accelerate our volume growth in the coming years; our authority as a global motorcycle brand will also be established with our success in the thought leading, mature motorcycle markets. Towards this we opened our first exclusive store in Milwaukee, North America this year. We also opened several other exclusive stores throughout the year across our key international markets, the most recent being in São Paulo, Brazil that opened in April 2017. Today, Royal Enfield is present in leading cities of the world with 25 exclusive stores and 568 multi-brand dealerships. The exclusive stores follow our unified global retail identity, designed as meeting spots for motorcycling enthusiasts. In addition to motorcycle and gear purchase, customers also come to attend in-store programmes and ride-outs. In international markets, along with our retail footprint, we have been showcasing our motorcycles, gear and custom capabilities at various enthusiast and community forums such as Moto Expo 2016 in Bangkok, Kustomfest in Jakarta, and Wheels and Waves Festival in Biarritz, France.

This year we also moved to our new Tech Centre at Bruntingthorpe Proving Ground, Leicester, UK. The area for office and testing is spread over 36,000 square feet. The main building currently has 100 employees with a capacity to house 150. The tech centre team includes members of the engineering, product design, product strategy and other technical teams to work on advanced R&D projects.

This is a significant milestone at Royal Enfield that will go a long way in preparing us for the future. In addition to the UK Tech Centre, we have also been building our manufacturing capacity. After starting commercial production in 2013, the millionth motorcycle was rolled out from our Oragadam plant in February 2017. Our third manufacturing facility at Vallam Vadagal, Tamil Nadu, is on track for start of commercial production in August 2017.

We have strengthened our team at Royal Enfield by adding 500 new employees across the globe and streamlined practices and processes to empower our team across levels.

### Commercial Vehicles (VECV)

VECV, our joint venture with the Volvo Group, reported strong performance for second year in a row. Despite intense competition and slowdown in commercial vehicle industry, VECV outperformed industry growth rate enabling us to enhance our market share in the segment. While the sales volume of Eicher Light to Medium Duty Trucks (5-15 tonne) and Volvo Trucks reported decline of 0.6% and 6.4% respectively, sales volume of Eicher Heavy Duty Trucks and Buses posted robust growth of 23.1% and 16.5% respectively. Export of trucks and buses registered a growth of 23.4% driven by strong demand from Bangladesh, Nepal and Sri Lanka. During the year, we also successfully transitioned all our models to BS IV compliant norms. In the Eicher Trucks and Buses business, we made significant investments towards new technology infusion, capacity enhancement and market development for sustained growth and long-term value creation. In trucks segment, we see opportunities to grow our market share across key industries like e-commerce, mining, infrastructure, construction, FMCG, and white goods. We have successfully completed the development of our new model Pro 5000 which shall be launched in the market in the coming year. In bus segment, our newly launched Skyline Pro has received good response. We have also commenced production



**In February 2016 we introduced the Himalayan, our purpose-built adventure tourer. Designed ground-up, the motorcycle is powered by a new LS 410 engine. After its launch in India, we also introduced the Himalayan in Indonesia, Colombia and Australia through the year.**

of the upgraded Starline range which shall be launched in the market in the coming year.

In the Volvo Trucks business, we expanded business to different applications like granite mining, quarry and road construction to reduce dependence on coal segment. Expectation of higher coal production is likely to enhance demand in the coming year.

With rising investments in the infrastructure sector, renewed focus on roads and highways construction and increasing port traffic, we expect VECV to continue this growth momentum. Besides, we are very optimistic about the upcoming commissioning of the BS VI norms in 2020 as we have distinct competitive advantages in terms of technological superiority, experience and existing set-up. In fact, at present, we are already exporting Euro-6 compliant engines to Europe. We have all the capabilities that will be adapted in line with the cost structure relevant to the Indian market.

The implementation of the new Goods and Services Tax (GST) regime from July 1, 2017 will transform the face of commercial transportation in India. GST will, in time,

create a seamless marketplace for transportation that would require greater up-time for trucks, less idle hours, faster turnaround and a more optimal warehousing structure. This will require an upgrade of the country's truck fleet to upgrade to a modern truck fleet. VECV's Pro series was designed and developed with exactly this intent. In coming time, Pro series will have a great opportunity to lead commercial vehicle industry's move to modernisation.

### **Eicher Polaris Private Limited (EPPL)**

EPPL, our joint venture with Polaris Industries, is witnessing good traction in the market for Multix, a 3-in-1 personal utility vehicle, especially from independent business owners. In 2016-17, we sold 1,640 units of Multix, while expanding dealer base from 30 to 74 dealers. The Company also entered new markets of Kerala, West Bengal, Odisha, Jharkhand and Assam among others. We successfully developed and launched the BS IV compliant model. During next year, apart from expanding distribution, we have plans to establish distribution network in the international markets like Nepal and Bangladesh. Given the increasing acceptance of Multix in the

Indian as well as the international market, we expect EPPL to witness growth in the coming years.


### **Looking ahead**

At EML, we have created a business model that has enabled us to achieve a strong and sustained growth over the years. While we have been on a solid growth trajectory, we are not taking things for granted. We continue to work resiliently towards areas of improvement and sharpening our approach to effectively respond to changing market dynamics. We moved into the new financial year with a full motorcycle portfolio compliant to the new BS IV norms. For the year 2017-18, Royal Enfield intends to make significant capex investments amounting to Rs. 800 crores, which shall be funded by internal accruals. This investment would be in line with our global expansion strategy for enhancing both capacities and capabilities. The key areas would include completing the construction of our third manufacturing unit at Vallam-Vadagal, setting-up two technical centres in the UK and India and augmenting new product development. To serve our consumers across the world, we will also be producing 8,25,000 motorcycles at Royal Enfield in 2017-18. In 2017-18, we plan to invest Rs. 450 crore in VECV towards new product development and capacity enhancement. Our businesses are fully geared to operate in the latest tax regime under the GST.

Before signing-off, I would like to thank all our stakeholders for their resolute faith in us. I would like to assure you that we are working tirelessly to make the most of the opportunities coming our way, and to create new ones, to take EML to a new orbit of growth and success.

### **Siddhartha Lal**

Managing Director & CEO  
Eicher Motors Limited



I don't want to spend my  
life in front of a screen.  
I don't want to spend my  
life reading about the  
experiences of others;  
I want to have my own.

I want to experience the  
journeys and not the  
destination. Every time  
I ride out, it makes me  
realise there is no greater  
pleasure or feeling than  
that of oneness with my  
motorcycle and the terrain  
through which I ride.  
I have found a way of life  
that fills me with real,  
authentic experiences.  
I call it pure motorcycling.

# ***PURE MOT***



# ***ORCYCLING***

## **PURE**

A fundamental experience of life, authentic and real. Emotionally connecting with your innermost self and surroundings. Not being dependent on approval or endorsement from others. Steering clear of the superficial and the superfluous.

## **MOTORCYCLING**

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

# THE OLDEST MOTORCYCLE BRAND...

**1891**

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



**1893**

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



**1898**

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



**1900**

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

**1924**

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



**1926**

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



**1928**

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

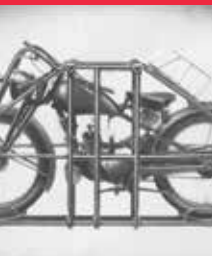


**ROYAL ENFIELD "500 BULLET"**



**1935**

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



**1939**

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



**1948**

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



**1956**

The Tiruvottiyur factory opens and Bullets begin to be manufactured under licence. Early production is based on machines that come from England in kit form which are then assembled in Madras. A total of 163 Bullets are built by the end of the year.



**1957**

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

**1964**

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



**1967**

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

**1993**

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



**1994**

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



**1997**

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



**1999**

Utilising the design skills of Austrian experts AVL, production of a revised 350cc all-aluminium leamburn Bullet engine, known as the A350, begins at a new Royal Enfield plant near Jaipur, Rajasthan.

**2004**

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



**2005**

Royal Enfield celebrates its 50th anniversary in India.



**2008**

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



**2013**

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



**2013**

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



**2014**

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



# ...IN CONTINUOUS PRODUCTION



**1901**  
The first Royal Enfield motorcycle is produced. Designed by R. W. Smith and Frenchman Jules Gotiet, it has a 1 1/2 hp Minerva engine mounted in front of the steering head. The final drive is at the rear wheel by means of a long rawhide belt.



**1909**  
Royal Enfield's first V-twin is launched at the Stanley Cycle Show. The engine is a 2 1/4 hp unit made by the Swiss company, Motosacoche.



**1914**  
Royal Enfield's first 2-stroke motorcycle goes into full production. As Britain becomes more deeply involved in World War I, production ceases on all other Royal Enfield motorcycles barring this machine and the company's biggest motorcycle, the 770cc 6 hp V-twin.



**1930**  
The decade begins with a diverse eleven model range, from the 225cc 2-stroke Model A to the 976cc V-twin Model K. Also, the new 350 and 500cc side-valve and overhead valve machines with dry-sump lubrication are produced.



**1932**  
The legendary "Bullet" motorcycle is born. It is first displayed in November 1932 at the important Earls Court Motorcycle Show in London. Three versions: 250, 350 and 500cc are available, all with inclined 'sloper' engines, twinported cylinder heads, foot-operated gear change and high compression pistons.



**1933**  
Two years following the demise of Albert Eadie, founding partner R.W. Smith passes away. Major Frank Smith assumes control at Enfield.



**1949**  
The new 350cc Bullet and 500 Twin models are launched in the UK. Both bikes share the same frame, swinging arm suspension, telescopic front forks and gearbox. K. R. Sundaram Iyer launches Madras Motors to import British motorcycles into India. Besides Norton and Matchless machines, he sells Royal Enfields.



**1952**  
Madras Motors receives an order from the Indian Army for 800 350cc Bullets. The motorcycles arrive from Redditch in early 1953 and prove to be a great success, being both hardy and easy to maintain. Johnny Brittain wins the prestigious Scottish Six Days Trial on his 350cc Bullet, "HNP 331".



**1955**  
The Redditch company partners Madras Motors in India to form 'Enfield India'. Work commences on the construction of a purpose built factory at Tiruvottiyur, near Madras.



**1970**  
The Enfield Cycle Company in the UK goes out of business. The remaining Interceptor engines are sold to the Rickman Brothers and fit in proprietary Metisse frames. Approximately 90 of these machines are built. Production in India continues without interruption.



**1977**  
Royal Enfield India begins exporting the 350cc Bullet to the UK and Europe. Sales grow rapidly as the bikes develop a following amongst classic British motorcycle enthusiasts.



**1989**  
A new 24 bhp 500cc Bullet is released. The bike is primarily aimed at export markets, where it is available in Classic, Deluxe and Superstar trim along with the 350.



**2001**  
The Daredevils, the motorcycle display team of the Indian Army Corps of Signals, Jabalpur, forms a human pyramid of 201 men on ten 350cc Enfield motorcycles, riding a distance of more than 200 metres.



**2002**  
The Thunderbird, a stylish lean burn cruiser is launched in India. It features the first 5-speed gearbox used on a Royal Enfield since 1965 in Redditch. More than a 1000 Royal Enfield motorcycles of all ages descend on Redditch for the Royal Enfield Owner's Club Redditch Revisited event.

**2009**  
The 500cc UCE engine is launched in India. The retro-styled Classic version achieves cult status immediately and sales grow rapidly.



**2011**  
The company launches its first annual 'One Ride', where all Royal Enfield riders across the world are encouraged to go for a ride on the first Sunday in April. Royal Enfield acquires 50 acres of land at Oragadam near Chennai for its new plant. A factory organised trip crosses the border with 'Tour of Nepal'.



**2012**  
Royal Enfield launches its first highway cruiser, the all-black Thunderbird 500. Work on the new Oragadam factory continues briskly, while the Tiruvottiyur plant sets new production records.



**2015**  
Royal Enfield acquires erstwhile collaborators Harris Performance of the U.K., a motorcycle engineering and design firm to enhance its engineering and product design capabilities.



**2015**  
Royal Enfield sets up its first direct distribution subsidiary outside India, in North America. Royal Enfield's North American headquarter is located in Milwaukee, Wisconsin.



**2016**  
Royal Enfield debuts its first purpose-built motorcycle, the Himalayan. With the all-new LS410 engine and terrain-tested suspension, it promises the ride of a lifetime on all roads and no roads.



**2017**  
Royal Enfield moves into its state-of-the-art Tech Centre at Leicester, UK to design and develop new motorcycle platforms for global market.

# QUARTERLY HIGHLIGHTS

## Q

**ONE** / April 2016 – June 2016



- Participated in the 4th Wheels and Waves festival, Europe's landmark surfing and motorcycling event, held at Biarritz (France). Along with our full range of evocative motorcycles, two renditions Mo' Powa' and Dirty Duck, finest Royal Enfield customs from all over France were also on display at the festival. Over the five-day event, Maxwell Paternoster, an artist inspired by motorcycles, gave his artistic touch to a Royal Enfield Continental GT that became his canvas for the duration of the festival.
- Recognised with the 'Best Buy Motorcycle' award at the Indonesia International Motor Show (IIMS) 2016 for Classic 500 from among the 264 motorcycles that were at the event.
- Tied-up with Flipkart, India's largest e-commerce marketplace, to sell the complete range of gear and accessories.

## Q

**TWO** / July 2016 – September 2016



- Collaborated with Happy Socks - Europe's leading brand for designer socks and men's underwear, to launch a limited edition collection of apparel & accessories for men. The collection is inspired by Rocker sub-culture and café racing phenomenon from 1960s. Four limited edition Continental GTs were also developed as an ode to the collaboration and displayed at Happy Socks exclusive brand stores in London, Stockholm, Copenhagen and Mumbai.
- Launched third exclusive store in the UK at Watford (London). Royal Enfield's custom motorcycles Mo' Powa' and Dirty Duck were also put on display for the first time in UK. The 13th edition of Himalayan Odyssey flagged off with 103 participants, including the first ever women's edition. The edition also witnessed international participants from countries like Thailand, Indonesia, Colombia, France and UK.
- Himalayan, the most definitive adventure motorcycle, was unveiled for the first time in Indonesia at the Gaikindo Indonesia International Auto Show 2016.



## Q THREE / October 2016 – December 2016



- Launched the first exclusive gear store in Jakarta (Indonesia) in Pondok Indah Mall in partnership with PT Distributor Motor (Indonesia). The store houses Royal Enfield's 2017 collection of purpose-built, meticulously detailed and well-crafted riding gear along with moto-inspired apparel and accessories.
- Launched two exclusive stores in Spain at Barcelona and Valencia for an immersive retail experience to customers. These stores are retailing Euro 4 compliant Royal Enfield motorcycles and Gear. Royal Enfield also invested in strengthening aftermarket network and infrastructure to provide customers full service support.
- First ever participation at Kustomfest 2016, amongst the largest custom culture festivals in Indonesia, held at Yogyakarta. At the event, Royal Enfield displayed its motorcycles including Continental GT, Classic, Bullet, and the Rumbler. The festival also saw three Indonesian renowned custom builders from Thrive Motorcycle, Baru Motor Sport, and Smoked Garage Bali unveiling their first set of customised works on Royal Enfield motorcycles.
- Showcased World-War inspired custom motorcycles at the 33rd Thailand International Motor Expo 2016. The custom models include the Royal Enfield Classic 500 Side Car, Royal Enfield Continental GT White and Royal Enfield Classic Flying Tigers. Also launched were the new colours of existing models – Royal Enfield Continental GT Green, Royal Enfield Classic Chrome Green, Royal Enfield Classic Squadron Blue and Royal Enfield Bullet Marsh Grey.
- Himalayan was launched in Europe (EICMA Motorcycle Show 2016 in Milan, Italy), Australia (Melbourne Moto Expo 2016) and Bogotá, Colombia. Also on display at the show were Royal Enfield's Euro 4 compliant motorcycles, riding gear and apparel and accessories.

## Q FOUR / January 2017 – March 2017



- Launched the popular Classic 350 motorcycle inspired by the Redditch series motorcycles in three variants - Redditch Red, Redditch Green and Redditch Blue. The motorcycles have been inspired by the paint schemes of 50s' era Royal Enfield motorcycles produced in Redditch, UK - the birthplace of Royal Enfield motorcycles. The series features the Royal Enfield Redditch monogram, that was first used in 1939 on the prototype of 125cc 'Royal Baby'.
- Completed construction of tech centre in Leicester (UK) for teams to move in.
- Rolled out 1 millionth motorcycle from the Oragadam plant in February 2017 since commencement of production in 2013.
- Classic 350 motorcycle recognised by SIAM (Society of Indian Automobile Manufacturers) as the fifth highest selling motorcycle in India.

# FINANCIAL POSITION-STANDALONE

AMOUNTS ARE AS PER INDIAN ACCOUNTING STANDARDS (IND AS)

<b>BALANCE SHEET</b>			
			(Rs. Crores)
	<b>31.03.2017</b>	31.03.2016	01.01.2015
Net Fixed Assets (Property plant & equipment, Intangibles, CWIP and Investment Property)	1,243.82	887.54	472.50
Investment in subsidiaries & Joint ventures	300.42	243.81	110.94
Investment in mutual funds & bonds	3,241.31	1,825.24	1,158.79
Other non-current assets	259.54	200.78	259.44
<b>Current assets</b>			
Inventories	322.45	300.36	205.13
Debtors	48.94	46.13	10.70
Cash and Bank Balances	20.61	44.52	20.89
Other current assets	84.75	75.53	76.40
<b>Total assets</b>	<b>5,521.84</b>	<b>3,623.91</b>	<b>2,314.79</b>
Equity share capital	27.21	27.16	27.10
Other equity	3,895.38	2,309.25	1,440.66
<b>Net Worth</b>	<b>3,922.59</b>	<b>2,336.41</b>	<b>1,467.76</b>
Non-current liabilities	145.59	85.91	40.31
Current liabilities	1,453.66	1,201.59	806.72
<b>Total equity and liabilities</b>	<b>5,521.84</b>	<b>3,623.91</b>	<b>2,314.79</b>

## Net Fixed Assets (Rs. Crores)

<b>31.03.2017</b>	<b>1,243.82</b>
31.03.2016	887.54
01.01.2015	472.50

## Net Worth (Rs. Crores)

<b>31.03.2017</b>	<b>3,922.59</b>
31.03.2016	2,336.41
01.01.2015	1,467.76

## Investments in Mutual Funds & Bonds (Rs. Crores)

<b>31.03.2017</b>	<b>3,241.31</b>
31.03.2016	1,825.24
01.01.2015	1,158.79

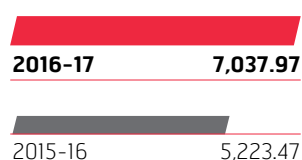
# OPERATIONAL HIGHLIGHTS-STANDALONE

AMOUNTS ARE AS PER INDIAN ACCOUNTING STANDARDS (IND AS)

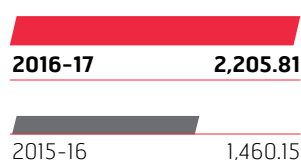
PROFIT AND LOSS ACCOUNT		
	(Rs. Crores)	
	2016-17	2015-16
	Apr'16 - Mar'17	Apr'15 - Mar'16
<b>Sales Volume :</b>		
Two Wheelers (Nos.)	6,66,493	5,08,099
Net Revenue from operations (excluding excise duty)	7,037.97	5,223.47
Manufacturing and other expenses	4,832.16	3,763.32
<b>Earnings before interest, depreciation &amp; tax (EBIDTA)</b>	<b>2,205.81</b>	<b>1,460.15</b>
<b>EBIDTA to Net Revenue (%)</b>	<b>31.3%</b>	<b>28.0%</b>
Depreciation	153.34	118.20
<b>Earnings before interest &amp; tax (EBIT)</b>	<b>2,052.47</b>	<b>1,341.95</b>
<b>EBIT to Net Revenue (%)</b>	<b>29.2%</b>	<b>25.7%</b>
Finance Cost	2.79	1.57
Other Income	227.31	212.59
Profit before tax	2,276.99	1,552.97
Provision for taxation	716.97	463.94
<b>Profit after taxation (PAT)</b>	<b>1,560.02</b>	<b>1,089.04</b>
Other comprehensive income *	-0.08	-0.83
<b>Total Comprehensive income</b>	<b>1,559.94</b>	<b>1,088.20</b>
<b>Total Comprehensive income to Net Revenue (%)</b>	<b>22.2%</b>	<b>20.8%</b>
Dividend paid for FY 2015-16 (15 months)	-	271.61
Dividend proposed for FY 2016-17 (12 months)	272.10	-
Equity Dividend (%)	1000%	1000%
Basic Earnings per Share (Rs.)	573.75	401.20
Diluted Earnings per Share (Rs.)	572.17	399.73

\* comprise re-measurement gains/(losses) on defined benefit plans

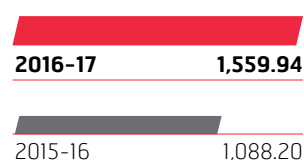
## Net Revenue from Operations (Rs. Crores)



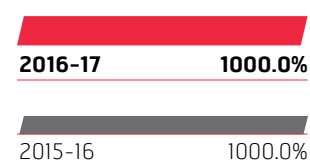
## EBIDTA (Rs. Crores)



## Total Comprehensive Income (Rs. Crores)



## Equity Dividend (%)



# ***OUR PURPOSE***

**TO ENCOURAGE, ENABLE AND KICK-  
START THE ACTIVE LIFELONG PURSUIT  
OF EXPLORATION.**



Royal Enfield is one of the world's fastest growing mid-segment motorcycle manufacturer that has disrupted the status quo in the market by creating a new category of leisure motorcycling. Our motorcycles are built to be timeless, non-extreme, uncomplicated, and engaging and are good for on-road as well as off-road and adventure purpose. Besides manufacturing evocative and unimintimidating modern classic motorcycles with timeless appeal, Royal Enfield has focussed on building an entire lifestyle associated with it through its large communities, motorcycling events, differentiated retail experience and versatile gear collection. The entire purpose of our brand is to create an experience for our customers such that the passion for pure motorcycling becomes deeply entrenched in their lives. We do not just want our customers to ride a machine; we want them to live it, enjoy it and make beautiful memories. Whether it's an amateur rider or a road-hardened one, a loyal or a new one, we want to provide each one of them a truly remarkable experience.

Royal Enfield motorcycles are designed to reignite values that people desire - authenticity, tactility, craftsmanship, physical experience and active pursuit. We intend to deliver this by:

- ensuring that we ourselves are authentic in our approach and interaction to assist customers in making the right purchase decisions
- making motorcycles timeless in sensibility and appeal, yet approachable and affordable
- serving all relevant areas around the motorcycle products and services with similar approach, to make the wholesome experience of motorcycling pleasurable – thereby delivering a 'Pure Motorcycling' experience



# ***THE HIMALAYAN***

***THE HIMALAYAN IS ROYAL ENFIELD'S  
CULMINATION OF 60 YEARS OF ENDURING  
HISTORY IN ITS SPIRITUAL HOME –  
THE HIMALAYAS.***



## **A MOTORCYCLE FOR PURE AND NON-EXTREME ADVENTURE TOURING**

Unveiled in February 2016, the Himalayan is a motorcycle purpose-built for adventure touring and exploring Himalayas. With a fully ground-up design, strong mono shock rear suspension, dual purpose tyres combined with agile handling, powerful new LS 410 engine, and ability to deliver high torque and usable power at lower RPMs, it is the most appropriate choice for mountains and uneven terrains. Besides, its 15-litre fuel tank and mounting points for luggage make it ideal for long distance touring.

One of its key features is its ergonomic sync between footpegs, handlebar and seat height that provides a comfortable upright riding posture, necessary for long rides. It is also loaded with a simple instrument cluster that keeps track of speed, direction, ambient temperature, travel time, service intervals and multiple trip distances.

The motorcycle has clocked lacs of kilometres of meticulous testing and benchmarking across multiple terrains before finally being sent to production. We have endeavoured to ensure that each motorcycle rolling out from our manufacturing line has exacting quality standards.

### **Launch**

In March 2016, this much-awaited harbinger of adventure touring along with a range of meticulously designed, purpose-built protective riding gear, appropriate for inhospitable locations, challenging terrains and extreme weather conditions, was launched across all outlets in India.

The Himalayan has created an entirely new segment of adventure touring in India. The sub-continent, being home to some of the world's highest motorable roads and diverse geographical features, proves to be an apt location for it. Besides, the motorcycle was also showcased and launched across several locations including Colombia, Australia, the UK, and Europe. A lot of these launches were in Euro IV compliant models to meet the new emission norms.

**THE HIMALAYAN  
WON THE  
MOTORCYCLE OF  
THE YEAR AWARD  
UP TO 500 CC AT  
THE NDTV CAR AND  
BIKE AWARDS 2017.**



## HIMALAYAN ENTERS COLOMBIA



In November 2016, Royal Enfield paved the way for a purer, non-extreme and more accessible form of adventure touring in Bogotá, Colombia through the launch of Himalayan. Apart from encouraging touring in Colombia, the launch would play a crucial role in establishing Royal Enfield's association with a purpose-built versatile motorcycle best-suited for mountains like Parque de los nevados.

## HIMALAYAN IN AUSTRALIA

Royal Enfield launched the Himalayan in Australia, at the Melbourne Moto Expo 2016. The motorcycle received tremendous response from the existing motorcycling community in the country, given its accessibility and simple-go-anywhere proposition.







## **CELEBRATING THE PASSION FOR ADVENTURE**

Every year, Royal Enfield brings together its rider community to celebrate the spirit of adventure and leisure motorcycling. Gaining popularity across the globe, the 13th edition of the Himalayan Odyssey witnessed a participation of over 100 riders (including women) hailing from India, Thailand, Indonesia, Colombia, France and UK. This was the first time when the Himalayan motorcycle was a part of the Himalayan Odyssey.

Besides regular annual events like Himalayan Odyssey, this year we introduced new events like Unroad in Goa, Kerala and Himachal. We also introduced Escapade to develop and foster a culture of adventure motorcycling in Indian enthusiasts.

While the Himalayan Odyssey tests rider's resoluteness on gruelling mountainous terrains leading to the

world's highest motorable roads, the other events offer a unique experience of riding through unexplored roads covering dynamic terrains, forests, and stretches of flatlands filled with twisties, technical ascents and descents, water crossings, and meandering pathways.



“I hail from Delhi and was very excited to make my first off-road experience. These trips cannot be simply put in words, it is something that can only be felt. Travelling a distance of 300 kilometres on a terrain with unexpected ascents and descents, no proper road, sharp bends, and unexplored areas that very few can possibly know of is something you don’t get to do often. Passing through exotic locations and challenging your fears every moment, this trip is certainly every passionate rider’s dream come true.

Each day you get to learn something new. I have learnt / gained enough of biking experience in just these three days that I possibly couldn’t have learnt in one year. Presence of professional seasoned riders, special events, safety vehicles, support staff and everything was well arranged. This experience brought out the true rider in me and now I am participating in more such events.”

**Abhijeet Chauhan**  
Unroad Himachal participant,  
Himalayan owner

## **EXPANDING INTERNATIONAL FOOTPRINT**



At Royal Enfield, we are focussed on creating a robust international presence by taking our evocative and engaging line-up of motorcycles to several new countries. In international markets, our motorcycles now roll out of 568 dealerships across 46 countries along with 25 exclusive stores across 13 countries and two direct subsidiaries in North America and Brazil.

Royal Enfield's exclusive stores are located in nodal cities which include the likes of London, Bogota, Medellin, Dubai, São Paulo, Madrid, Paris, Bangkok and Jakarta. While South East Asia has emerged as the most promising destination for us, we are gearing up in other major motorcycle markets as well.





"In Thailand, Royal Enfield is classified as a mid-segment motorcycle in terms of its size and engine displacement. The brand has revolutionised the customer's perception towards classic bikes. While the motorcycles are custom built for riding on highways and tough terrains, it can be easily doubled for daily commuting in heavy traffic city areas, which is pretty common in Bangkok. Be it a 30-year old or 60, a freelancer or a CEO, a person earning 20,000 THB or 1 million THB, for everyday use, for work or long distance traveling, this brand has attracted customers from all ages and profiles, looking for multi-use motorcycles."

**Mr. Smud Robbanjerd**

Royal Enfield's Official Dealer in Thailand



"I have been greatly impressed by Royal Enfield's unique design and classic appearance. No other brand in Thailand has ever offered a real classic motorcycle before. Besides, Royal Enfield's service centre provides excellent services and good care of motorcycles. Royal Enfield as compared to other brands is easier to maintain, provides significant savings in terms of spare parts procurement and is relatively affordable. The riding events organised by Royal Enfield were very exciting and it was truly amazing to get associated with other fellow classic motorcycle owners. I just can't wait to come back for any further trips."

**Mr. K. Udomkiat Tongratana**

34, Vintage hair designer, Bangkok

## **DEVELOPING MOTORCYCLING LIFESTYLE ECOSYSTEM IN JAKARTA (INDONESIA)**

With less than a year of successful motorcycle retail operation in Jakarta, we focussed on developing a lifestyle ecosystem through the launch of our exclusive gear store. Leveraging the country's already existing leisure motorcycling culture, we have introduced a range of purpose built, meticulously detailed and well-crafted riding gear along with moto-inspired apparel and accessories designed especially to suit the city riding needs.



# **TURBOCHARGED WITH MO' POWA'**

Appreciated for its elegance and awed for its performance, the Mo' Powa' is a rendition of Dragster-meets-Mad Max motorcycle that exploits the 'built-in survive anything' characteristics of Royal Enfield. A customised motorcycle was built by adding a brutish appeal to the Classic 500, while retaining the beauty of its traditional form. The most exciting feature was the ruthless touch of a Mad Max with a turbo charger that pushes the motorcycle to limits on the tracks. Its stunning, custom-built exhaust has been hand fabricated at Harris Performance.



# **A TOUGH ALL TERRAIN 'DIRTY DUCK'**

Another custom design, the Dirty Duck is Royal Enfield's interpretation of "survive anything" in a motorcycle form. The existing angular forms and rigid frame of the Continental GT worked perfectly for conveying this idea of utilitarian toughness. The addition of the hand-fabricated snorkel completed the look and ability to conquer all terrains, be it on land or in water giving it the name – Dirty Duck.

With its naturally rusted fuel tank telling the tale of its robustness to survive extreme adventures, the Dirty Duck breaks all hesitations for pushing it to the absolute limits. The snorkel, hand-crafted by the extraordinary craftsmen at Harris Performance, is without a doubt the highlight of this motorcycle.



# UK TECHNICAL CENTRE






 A large, modern building with a dark blue facade and extensive glass windows. The 'ROYAL ENFIELD' logo is prominently displayed in red, three-dimensional letters along the top edge of the building. The sky is clear and blue.
 

**ROYAL ENFIELD**

**ROYAL ENFIELD**

**THE UK TECH CENTRE IS AN IMPORTANT CATALYST IN EXPANDING ROYAL ENFIELD'S FOOTPRINTS IN THE EUROPEAN MARKET THROUGH WORKING ON DEVELOPMENT OF NEXT GENERATION MOTORCYCLES.**

At Royal Enfield, we are committed to make our motorcycles better every passing day with the intent of taking the spirit of 'Keep Riding Pure' to a much larger scale. We are changing our product development approach to become a more agile and a smarter organisation. One of the key imperatives of this approach will be to bring together the engineers, customers and dealers of respective countries into the entire research and

development process to facilitate development of superior products that exceed rider's expectations and fulfils their dreams.

With this intent, we have set-up a technical centre in Leicester, UK housing some of the world's best engineers and motorcycle enthusiasts having strong designing and product development expertise. Equipped with state-of-the-art testing and

validation infrastructure, this centre would focus on leading the evolution of Royal Enfield motorcycles for the International markets. The area for office and testing is spread over 36,000 sq.ft which houses 100 engineers. The centre shall facilitate in Royal Enfield's expansion in the mature European markets, which is home for the leisure motorcycling segment.



# **BUILDING STRONGER COMMUNITIES**



**THE MOTORCYCLING  
COMMUNITY IS ROYAL ENFIELD'S  
GREATEST STRENGTH. EACH  
YEAR, WE TAKE THE PRIVILEGE  
OF RIDING WITH THEM  
GLOBALLY TO STRENGTHEN  
BONDS AND CELEBRATE THE  
PURE MOTORCYCLING SPIRIT.**

## **Rider Mania 2016**

Rider Mania, Royal Enfield's marquee riding festival, is the ultimate destination for adrenaline junkies that brings together Motorcycles, Mates and Music. From dirt track to assembly line races, there is something for everyone. With each passing year, the event keeps growing larger and grander. The 14th edition of Rider Mania, held in Vagator (Goa), witnessed a staggering participation of 6,000+ riders, media and influencers from all across the country.

## **One Ride 2016**

Amongst the world's largest community rides organised by Royal Enfield every year in April, the One Ride 2016 witnessed a record participation.



### Himalayan Odyssey women

Who says adventure motorcycling is just for men, it's an exhilaration that equally revs up the women. This year's first ever women's edition of the Himalayan Odyssey proves exactly that. As an all women contingent comprising 20 participants throttled their way up to Khardung La, they broke several Indian women stereotypes.

Only for the fearless, the Himalayan Odyssey is one of the most challenging and gruelling adventure expeditions where participants cover a distance of over 2,300 kms, riding through three mountain ranges and six passes to reach Khardung La, one of the highest motorable roads in the world, at an altitude of 18,380 feet.



"I am a commoner from a small village in Kerala. Being a slim built woman owning a 190 odd kg motorcycle, an 18-day trip covering a distance of 2,300 kms on one of the most difficult terrains on earth is something that I had not dreamt of in my entire life.

Trips like this challenge your limits, shatter all kinds of fear within you and make you more complete as a person. From swollen hands to punctured tyres, fellow passengers meeting accidents to altitude sickness, landslides to tricky roads filled with mud and naalas (water bodies), rainfall to thick mists, hair pin curves to broken rocks blocking the roads, it was the most daring expeditions that an adventure biker can ask for. This trip totally transformed me as a person and the way I see the world. All in all it was a once in a lifetime opportunity."

### Soumya Pankajam Narayanan

IT Professional, Himalayan Odyssey Women participant, owner of Classic 500cc Desert Storm christened as 'Nirvana'



# ***ROYAL ENFIELD - HAPPY SOCKS***





Royal Enfield entered into a unique collaboration with Happy Socks, a leading European brand for designer socks and men's underwear, to celebrate the finest expression of 'Pure Motorcycling' in the form of Royal Enfield's café racer - Continental GT. A limited edition capsule collection of apparels, sporting emblematic motorcycling graphic design with effective colour combination inspired by the Rocker sub-culture and café racing phenomenon of the 1960s were launched to celebrate this spirit.



36-42  
**MANAGEMENT  
DISCUSSION  
AND ANALYSIS**



# MANAGEMENT DISCUSSION AND ANALYSIS



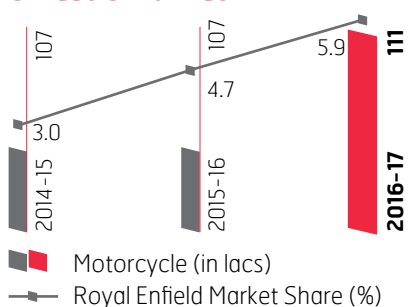
The financial year under review commenced on April 1, 2016 and ended on March 31, 2017, being a period of 12 months. The previous financial year 2015-16 commenced on January 1, 2015 and ended on March 31, 2016, being a period of 15 months. In the Management Discussion and Analysis section of the Annual Report, we have considered 12 month period only for 2015-16 as commencing from April 1, 2015 and ending on March 31, 2016. And the prior periods in this section also refer to 12 months periods. This has been done for better comparability between periods.

## 1. INDUSTRY STRUCTURE AND DEVELOPMENT

The motorcycle industry in Indian grew by 3.7% in 2016-17 over 2015-16. The size of the industry was at 111 lacs in 2016-17 against 107 lacs in 2015-16, registering a growth of 3.7%. Royal Enfield, like in many preceding years continues to outperform the motorcycle industry's sales growth. Royal Enfield's market share nearly doubled from 3.0% in 2014-15 to 5.9% in 2016-17.

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

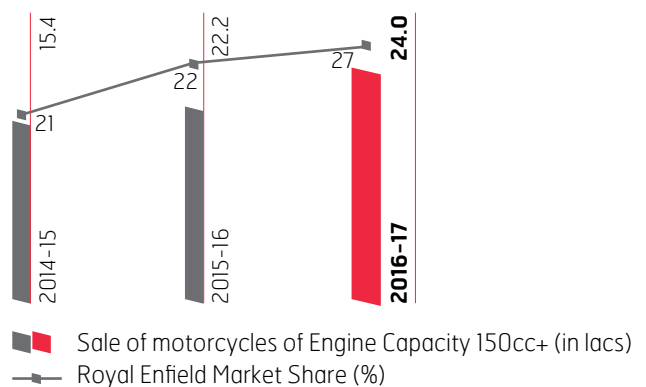
**Chart 1 // Royal Enfield's Market Share in the Domestic Market**



Within the motorcycle industry, the sales volume of motorcycles engine displacement of 150cc and above has grown from 22 lacs in 2015-16 to 27 lacs in 2016-17, a growth of 20.1%. Royal Enfield market share in this segment has grown faster as compared to overall industry growth from 22.2% in 2015-16 to 24.0% in 2016-17.

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

**Chart 2 // Royal Enfield's Market Share in 150cc+ Motorcycle Segment**





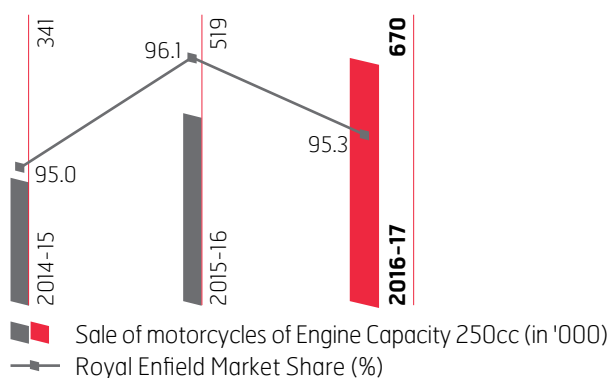
# 6,66,493

## Motorcycles sold in 2016-17

Within the motorcycle industry, the sales volume of motorcycles with engine displacement of 250cc and above has grown from 519 ('000) in 2015-16 to 670 ('000) in 2016-17. Royal Enfield's market share in this segment continues to be above 95%.

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

**Chart 3 // Royal Enfield's Market Share in 250cc+ Motorcycle Segment**



With more than 95.0% market share in each year, your Company's Royal Enfield motorcycles continue to dominate the 250cc and above segment. Your Company is executing many long-term initiatives to further expand the mid-market motorcycle segment.

## 2. OPPORTUNITIES, THREATS AND OUTLOOK

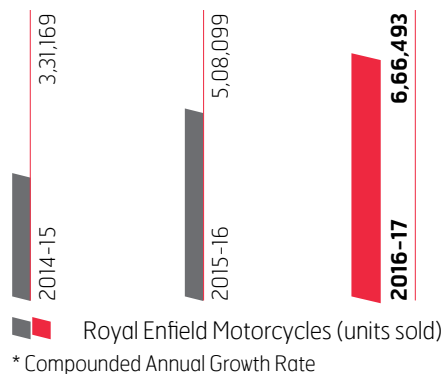
With such a commanding market share, your Company can grow further by expanding this segment. Your Company is executing many long-term initiatives to further expand the segment. These initiatives include focussed marketing programmes, distribution expansion, enhancing customer experience and product launches. In the last few years, your Company has been focussing on growing in international markets. Its global strategy combines its learning from the success in India, and is calibrated for specific international geographies. Your Company has received an encouraging response for its unique brand proposition and highly differentiated products.

## 3. BUSINESS PERFORMANCE

Your Company sold 6,66,493 motorcycles in 2016-17, registering an annualised growth of 31.2% as compared to 2015-16 sales of 5,08,099 motorcycles. Of the total sales in 2016-17, 15,383 motorcycles were sold in international markets registering an annualised growth of 65.2% over 2015-16.

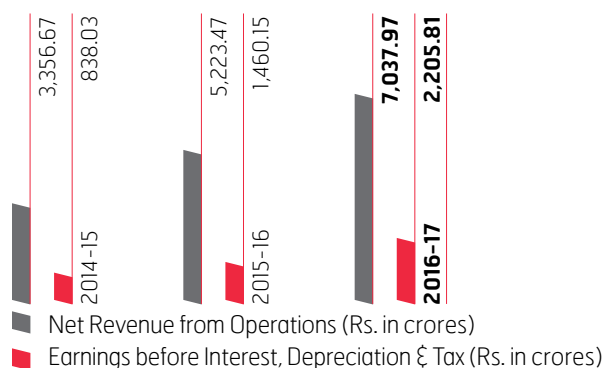
The sales volume of Royal Enfield motorcycles and its annualised growth have been provided below:

**Chart 4 // Royal Enfield Sales Volume**  
CAGR\* **41.9%**



The Net Revenue from operations and earnings before interest, depreciation & tax are as below:

**Chart 5 // Net Revenue and Earnings before Interest, Depreciation & Tax**



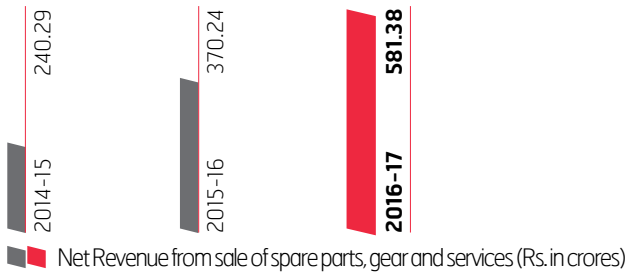
2016-17 & 2015-16 numbers are stated as per Ind AS, while 2014-15 as per Indian GAAP

Net revenue from operations for 2016-17 was Rs. 7,037.97 crores, registering a growth of 34.7% over 2015-16 (Rs. 5,223.47 crores). Like in the past, your Company continues to grow profits faster than net sales from operations. Your Company's earnings before interest, depreciation & tax for 2016-17 were Rs. 2,205.81 crores, registering a growth of 51.1% over 2015-16 (Rs. 1,460.15 crores). The Earnings before interest, depreciation & tax as a proportion of Net Revenue from operations have grown from 28.0% in 2015-16 to 31.3% in 2016-17.

Net Revenue from sale of spare parts, gear and services grew to Rs. 581.38 crores in 2016-17, registering a growth of 57.0% over 2015-16 (Rs. 370.24 crores).

The Net Revenue from spare parts, gear and services is as below:

**Chart 6 // Net Revenue: Spare Parts, Gear & Services**  
CAGR\* **55.5%**



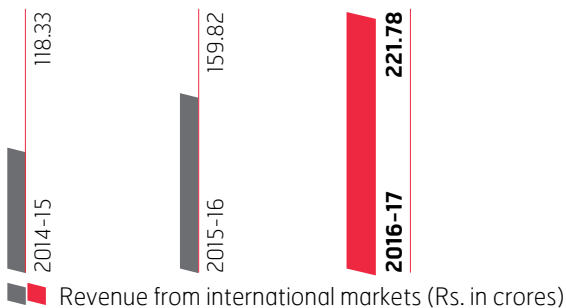
2016-17 & 2015-16 numbers are stated as per Ind AS, while 2014-15 as per Indian GAAP

\* Compounded Annual Growth Rate

Revenue from international markets amounts to Rs. 221.78 crores in 2016-17, registering a growth of 38.8% over 2015-16 (Rs. 159.82 crores).

The Revenue from International Markets is as below:

**Chart 7 // Revenue: International Markets**  
CAGR\* **36.9%**



2016-17 & 2015-16 numbers are stated as per Ind AS, while 2014-15 as per Indian GAAP

\* Compounded Annual Growth Rate

#### 4. DOMESTIC BUSINESS

Royal Enfield has substantially expanded and upgraded its pan-India distribution network. In 2016-17, it added nearly 150 new dealerships taking the total dealership network to 675. Your Company dealers are equipped to serve customers in a variety of ways, ranging from sales of motorcycles and gear, supply of spare parts and service of motorcycles. A couple of years back, the Company embarked on a journey to upgrade all dealerships in a manner that reflect its new "Brand Retail Identity". The objective is to create an ambience inside the stores that reinforces the brand's innate strengths, and its promise of 'Pure Motorcycling'. As at end of the year 2016-17, almost all stores have converted to this new brand identity.

There is tremendous potential in the domestic market for Royal Enfield. We plan to expand our sales and service reach in the country to over 800 dealers covering about 600 towns. Your Company is working to enhance customer experience in the dealerships - both during the sales process and during motorcycle service. To achieve this, your Company is working towards improving capability of dealer workforce, implementing best in class processes and leveraging technologies. Till now several processes have been established across sales, service. Gear for delivering customized experiences as per customer profile.

#### 5. FOCUSED INTERNATIONAL THRUST

Your Company has an innovative city led distribution strategy to set the foundation of the brand in its chosen markets to create a strong growth momentum and eventually market leadership in mid-size motorcycles in its focus markets. The approach in markets with high commuter base is to provide commuters with an evocative and accessible upgrade from existing commuter offerings, quite similar to the approach in India. That fulfills customers' desire for leisure motorcycling, and also performs their regular commuting very well. In mature markets, your Company will leverage the existing motorcycling culture and the residual brand equity to expand the segment with accessible, yet aspirational non-extreme alternatives.



## 6. LAUNCH OF THE REDDITCH SERIES, EURO-4 & BS-4

Your Company introduced three new colour options - Redditch Red, Redditch Green and Redditch Blue for its classic 350 model line. These bikes have been designed as a tribute to the retro look of British motorcycles in the post World War II era. These were received extremely well by the customers.

Your Company also introduced Euro-4 models which have additional safety features of ABS in Europe & other International markets.

## 7. COMPLETE TRANSITION TO BS-IV

Your Company completely transitioned all its motorcycles from BS-III compliant to BS-IV emission norms in India with zero inventory of motorcycles of BS-III as at end of March 2017. This was a remarkable achievement and was due to extremely low inventories that your Company carries at any point in time.

## 8. STRENGTHENING PRODUCT DEVELOPMENT CAPABILITY AND CAPACITY

Your Company's Technology Centre at Leicester, United Kingdom is established with a team of more than 100 design and development engineers occupying the new purpose-built facility.

The team has been built in the last two years with a wide range of international experience in motorcycle design and development, and will work alongside our established team in Chennai to design the next generation of Royal Enfield motorcycles.

The facility has a state-of-the-art Industrial Design studio, development workshop and Engineering office, and is situated in a secure compound with a test track just a few hundred metres away. In addition, equipment for testing and validation of key aggregates including emissions testing will be installed at the same site, which will be fully commissioned and operational in Q4, 2017-18.

In Chennai, we have started work on the India Technology Centre. Based at Old Mahabalipuram Road, Chennai, this facility will house all engineering and design teams under one roof. It will have state-of-the-art engine, chassis and component test equipment and will be ready for the Engineering, Test and Industrial Design to commence work in September 2018, with final completion and full occupancy in April 2019.

With the establishment of these 2 Technology Centres, your Company's ability to execute its long range product development plans will be greatly enhanced.

## 9. CAPACITY EXPANSION

Your Company's production capacity at its existing manufacturing facilities at Thiruvottiyur and Oragadam in Tamil Nadu, India is nearly at its peak. In October 2014, your Company

# 8,25,000

## Total Build Capacity Targeted by 2017-18

acquired a 50-acre plot at Vallam Vadagal, near Chennai, India. This is the site of your Company's third manufacturing facility.

Your Company has commenced construction at this site and the manufacturing facility is expected to be commissioned by August 2017. By 2017-18, the total annual production capacity of your Company is expected to be 8,25,000 motorcycles.

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

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

## 10. RISKS AND CONCERNS

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

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

## 11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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



## 500

### Permanent Employees Added During 2016-17

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

#### 12. HUMAN RESOURCES

The Company's performance is critically dependent on the knowledge and skills of its people, their ownership of the organisational and functional objectives, an enabling operating environment, and an all-encompassing culture of motivation and enthusiasm to perform with pride. As part of its growth journey, during the year, the Company added more than 500 permanent employees. It continued to hire and deploy resources in international locations as part of its international growth strategy. At the same time, it continued to align its organisational structure with its strategic business plan for enhanced effectiveness. The Company significantly strengthened its brand building, IT and product development capabilities through strategic hiring. The Company worked on simplifying and automating processes throughout the year and have implemented on-line systems to manage people processes efficiently. Your Company's low attrition level reflects an engaged and committed workforce. As an on-going exercise, your Company will continue to undertake initiatives seamlessly to enhance productivity and efficiency. It motivates its people to take challenges in their strides, strengthen their knowledge base and help create a happy, transparent and

productive environment. The Company's talent base (full time), as on March 31, 2017 stands at 2,274.

#### 13. ENVIRONMENT AND HEALTH & SAFETY

Your Company's plants are certified for compliance by the Government Pollution Control departments. The Company has a zero-water discharge policy where all water consumption and water treatment are handled in a manner that no water is sent out of the plant. Rainwater harvesting is done to recharge the ground and the Company has planted around 3,000 trees inside the manufacturing plant premises towards carbon neutrality. Your Company's associates and operators are trained on safe working environment to ensure accident-free and safe working environments. All the workstations are ergonomically-designed to avoid fatigue while working. For all the operators, your Company has a policy of annual health checkup and also conducts health and fitness education as an on-going process. On health and safety, your Company's Oragadam plant is chosen as a model plant by the Government of Tamil Nadu for other industries to emulate its systems and process.

#### 14. 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.

43-90  
**STATUTORY  
REPORTS**



# BUSINESS RESPONSIBILITY REPORT

Eicher Motors Limited ("the Company"), flagship Company of the Eicher Group, has traversed an exciting journey in the world of automotives that has propelled the Company towards remarkable growth, while creating noteworthy milestones in diversifying, acquiring, amalgamating, consolidating and expanding.

In the financial year ended March 31, 2017, the Company recorded its highest ever total income from operations at Rs. 7,944 crores. The Company is part of India's Nifty 50 Index.

Well-positioned in the domestic market with the support of an extensive network of dealers across India, the Company's iconic Royal Enfield brand leads the premium motorcycle segment in India. The Company also marks its presence internationally through a chain of 25 exclusive stores of Royal Enfield in the USA, South America, Europe, Middle-East, Southeast Asia and Australia, besides exporting to 46 countries.

The disclosures contained in this Business Responsibility (BR) Report illustrate the efforts of the Company towards creating and enduring value for all stakeholders in a manner that embraces Social, Environmental and Economic Responsibilities of Business.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** : L34102DL1982PLC129877
2. **Name of the Company** : Eicher Motors Limited
3. **Registered Address** : 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017
4. **Website** : www.eichermotors.com
5. **E-mail id** : investors@eichermotors.com
6. **Financial Year reported** : April 1, 2016 to March 31, 2017
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**  
 Manufacture of motorcycles  
 (Code 30911 of National Industrial Classification 2008, Government of India).
8. **Key product that the Company manufactures (as in balance sheet):**  
 Motorcycles
9. **Total number of locations where business activity is undertaken by the Company:**
  - i. **Number of international locations:** The Company has subsidiaries in North America, Brazil, Canada and a technology centre in the United Kingdom. The Company has 25 exclusively managed retail stores in the USA, South America, Europe, Middle East, Southeast Asia and Australia.
  - ii. **Number of national locations:** With registered office in New Delhi and corporate office in Gurugram (formerly Gurgaon in Haryana), the Company has a countrywide footprint. The Company's other locations and offices are:
    - Manufacturing locations: The Company has 3 plants located at Thiruvottiyur, Oragadam and Vallam Vadagal (under construction) in Tamil Nadu
    - Technical centre at Chennai, Tamil Nadu
    - Regional sales and other offices: The Company has a total of 15 regional offices and 3 zonal offices
    - The Company has 12 Company-operated Royal Enfield retail stores supported by an extensive network of dealers, distributors and service centres
10. **Markets served by the Company:** Apart from the Indian market, the Company's Royal Enfield motorcycles are exported to 46 countries worldwide including USA, Japan, UK, European and Latin American countries, Middle East and South Asia.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up capital (INR)** : Rs. 27.21 crores
- Total turnover (INR)** : Rs. 7,037.97 crores - Net
- Total profit after taxes (INR)** : Rs. 1,560.02 crores
- Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax:**

The Company spent a total of Rs. 18.33 crores on CSR activities during the financial year under review, representing 2 per cent of average net profit of the Company in the previous three financial years.

- List of activities on which expenditure as mentioned in point 4 has been incurred:

The Company's CSR agenda for the year under review comprised welfare and development initiatives undertaken for the benefit of two broad categories of vulnerable communities:

- Local communities located near or around the Company's operations
- Socio-economically disadvantaged sections of society near the Company's operations as well as other backward communities

Broad areas where CSR expenditure was incurred are:

- Promoting preventive healthcare & sanitation
- Upgrading community hospitals, clinics and dispensary facilities
- Promoting education, special education & employment-enhancing vocational skills especially amongst children and unemployed youth in socially and economically backward sections
- Ensuring efficient waste disposal and environmental sustainability
- Rural development projects
- Construction and repair of houses and toilets

These areas are aligned with the list of activities prescribed under Schedule VII to the Companies Act, 2013. Further details are available under Section E Principle 4 and Principle 8 as well as in Annexure-4 to the Directors' Report forming part of the Annual Report.

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company /Companies:**

Yes. Subsidiaries of the Company, inter alia include:

- Royal Enfield Brasil Comércio de Motocicletas Ltda;
- Royal Enfield North America Limited;

- Royal Enfield Canada Ltd.;
- VE Commercial Vehicles Ltd.

- Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s).**

Yes, the BR initiatives of the Company are also implemented by all its Subsidiary and Joint Venture Companies. The Company and its Subsidiary VE Commercial Vehicles Limited have incorporated a "Not for Profit" Company under Section 8 of the Companies Act, 2013 under the name Eicher Group Foundation (EGF) for the specific purpose of facilitating and monitoring their CSR agenda.

## SECTION D: BR INFORMATION

- Details of Director / Directors responsible for BR: Details of the Director / Directors primarily responsible for implementation of the BR Policy / Policies:**

Sl. No.	Name	DIN	Designation
1	Mr. S. Sandilya	00037542	Chairman & Non-Executive Independent Director
2	Mr. Siddhartha Lal	00037645	Managing Director & Chief Executive Officer
3	Mr. Prateek Jalan	02170139	Non-Executive Independent Director

The above-named Directors are also members of the Corporate Social Responsibility (CSR) Committee of the Company. The terms of reference of the CSR Committee include: (i) Formulating and recommending to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, (ii) Recommending the amount of expenditure to be incurred on the activities referred to in CSR Policy, and (iii) Monitoring the CSR Policy of the Company from time to time. For further details on CSR, please refer Annexure-4 to the Directors' Report.

Besides the CSR Committee, the Board, Managing Director and members of the Senior Management periodically review BR policies and practices and also oversee their implementation and adherence.

- GOVERNANCE RELATED TO BR:**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company.**

The BR vision, strategy and performance of the Company are periodically reviewed by the Managing Director & Chief Executive Officer and members of the senior

management of the Company in the context of various BR principles. The CSR Committee of the Board reviews the social (CSR) performance of the Company as per the requirements of the Companies Act, 2013.

**b) Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?**

The Company publishes its Business Responsibility (BR) Report as part of its Annual Report. First BR report was published by the Company as part of its Annual Report for the year 2015-16 and hyper-link for the same is [http://www.eicher.in/uploads/1466253126\\_eicher-annual-report-2015-2016.pdf](http://www.eicher.in/uploads/1466253126_eicher-annual-report-2015-2016.pdf)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

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

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group /Joint Ventures / Suppliers / Contractors /NGOs /Others:**

The Eicher Group demonstrates corporate conduct that is rooted in the highest standards of business ethics, integrity and transparency. The Group's business philosophy reflects a strong commitment to display responsibility in the marketplace together with a deep-rooted concern for both stakeholders and society. This culture permeates across the Company's workplace management and is evident in all of its business decisions that are conducted with transparency, accountability and compliance.

The Company has several policies that reinforce the requirements of this principle as below:

- a. Code of Conduct for Directors & Senior Management – To ensure, inter-alia, protection of confidential information, prevent conflict of interests, ensure anti-bribery and corruption laws are complied with and to ensure compliance with all applicable laws, regulations and Company's policies (the Code is available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com)).
- b. Whistle Blower Policy – A vigil mechanism that allows Directors and employees to report any wrongdoing in the Company, while assuring protection from reprisals or victimization (the Policy is available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com)).

- c. Policy for Determining Materiality of Events and Information – To determine whether an event or information is material or not, to ensure disclosure of any event or information which, pursuant to SEBI Regulations and Company's Policies, is material, and to ensure timely, accurate, uniform and transparent disclosure (the Policy is available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com)).
- d. Company's Code of Conduct on prevention of Insider Trading – To prevent insider trading and to protect outflow of unpublished price sensitive information.
- e. Policy on prevention of sexual harassment.
- f. A thorough internal and external mechanism is in place to respond to investor grievances in a timely and appropriate manner.

Policies / Codes referred under (a), (c) and (d) above also covers Company's subsidiary and joint venture companies, and it is expected that the stakeholders will follow it in all their interactions with the Company. Additionally, Company's subsidiary and joint venture companies have their own whistle blower and prevention of sexual harassment policies.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

There were no cases of violation of the Company's Codes/ Policies reported during the financial year 2016-17.

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

**1. Actions/Achievement of the Company to mitigate social or environmental concerns, risks and/or opportunities:**

- a) Company's products are meant to be durable and conform to best industry standards. Product-related guidelines, wherever applicable, are fully adhered to.
- b) The Company has switched over to BS-IV emission norms in all domestic manufactured motorcycles.



## 2. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

In comparison to the previous year, there has been a significant reduction of resources used throughout the value chain during sourcing / production / distribution of goods. The key areas are:

- (i) The Company has maximised the use of Maintenance Free Battery, in the motorcycles, which doesn't require re-filling of acid by the customer for the life period of 3 to 5 years.
- (ii) The Company has eliminated wooden crates for full motorcycle packaging and switched over to reuseable metal crates for its export despatches (Overseas).
- (iii) Initiatives have been launched and completed for switching over to assembly automation in wheel assembly and welding automation like SPM, robotic welding, etc. to reduce the human fatigue and increased product quality and customer satisfaction.
- (iv) Company's manufacturing plants are "Zero discharge plants" which follows the principles of recycle and reuse.
- (v) As far as energy management concerns, various measures, as under, have been adopted:
  1. LED lamps in place of MV lamps
  2. VFD installation in all blowers and compressors
  3. Day light and ventilation improvement in shop floor by putting transparent roof sheets
  4. Natural air circulation providing by turbo vents.
  5. Reduction of shop floor temperature providing by insulated roof sheets.  
(above energy conservation activities resulted in reduction of 2,50,000 units per annum).
  6. Switching off the machines during idle time
  7. In fabrication fume killers interlocked with Robots to run only in auto mode.

## 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

**If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes. The key pillars of the Company's supply chain and manufacturing excellence guidelines entail the

adoption of best-in-class manufacturing practices both in-house and at the suppliers' end, with a focus on deploying cutting-edge technology, low cost automation and process interventions that enable lean manufacturing.

An important set of procedures for sustainable sourcing (including transportation) was set in motion aided by suitable location of the Company's manufacturing plants at Thiruvottiyur and Oragadam helped in doing the same. Both the plants are situated in close proximity to suppliers who produce critical components for automobile industry. In fact, nearly 60% of its supplier base is located within a 100-kilometre radius of the plants. Not only has this trimmed down the cost and logistic hurdles of transportation, but has also helped the Company save valuable haulage time. Recognising the immense advantages of the situation, the Company has been encouraging suppliers to set up units in and around the Company's plants area.

The Company is actively engaging and encouraging the suppliers to set up manufacturing facility in the proximity of the Company to minimise / optimise the transportation, increase productivity and local employment opportunities.

All import & export activities of the Company are done through Chennai ports where the Company's manufacturing facilities are strategically located. This has helped resources and energy used in their transportation to be reduced to a minimum.

In addition, the Company has adopted green logistics process in the entire supply chain, i.e., using reuseable trolleys, bins and pallets and thereby significantly eliminating use of packaging materials.

## 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors:

The Company's manufacturing plants at Thiruvottiyur and Oragadam in Tamil Nadu are located in close proximity to most suppliers who produce critical components for the automobile industry. Nearly 60% of the supplier base is located within a 100-kilometre radius of these plants.

The Company supports its suppliers in different ways including in suggesting and enabling process and productivity improvements, trouble-shooting, training and ways to enhance their product quality. A team of engineers is stationed at key supplier locations with periodical visits by Senior Management executives who review and monitor progress.

**5. Does the Company have a mechanism to recycle products and waste:**

All the existing and new models of Royal Enfield motorcycles are designed taking into consideration the requirements specified in the Indian draft regulation of End- Of- Life Vehicles (ELV), which is as a guideline to protect the environment.

The Company has in place a mechanism to recycle process waste under which it has been sending paint sludge for co-processing to the cement industry. This has resulted in reducing secured landfills.

**Key Recycle (s) / Reuse (s):**

- (i) The Company has instituted a mechanism to eliminate waste by installing bundling machine in steel scraps disposal and scraps are directly delivered to the melting sources for recycling.
- (ii) Direct disposal of aluminium scrap to alloy producers by eliminating multiple processing & improving the recovery efficiency at lower energy.
- (iii) Approximately 200 tonnes of paint sludge and 3,000 litres of waste oil recycled in last financial year.
- (iv) The Company continues to work with suppliers to undertake process re-engineering aimed at qualitative improvements in waste elimination, product performance, etc.

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

The Company has robust and sustainable practice which aims to promote the wellbeing of employees so that they feel valued and supported in their work roles. These practices also promote individual health and wellbeing.

The Company believes that a well-designed and well-managed workplace can play a crucial role in improving the employing health and wellbeing, minimising avoidable ill health, absenteeism and facilitating faster recovery and return to work after injury or illness.

**1. Please indicate the total number of employees:**

Sl. No.	Manpower Category	No. of Employees
1	Management Staff	2,049
2	Shop Floor Associates	250
<b>Total</b>		<b>2,299</b>

**2. Please indicate the total number of employees under different categories:**

Sl. No.	Manpower Category	No. of Employees
1	Retainers / Advisors	11
2	Third Party Employees	1,421
3	Casual Employees	2,877
<b>Total</b>		<b>4,309</b>

**3. Please indicate the number of permanent women employees:**

79 as on March 31, 2017

**4. Please indicate the number of permanent employees with disabilities:**

4 as on March 31, 2017

**5. Do you have an employee association that is recognised by the management:**

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

**6. What percentage of permanent employees are members of such recognised employee associations:**

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

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as at on the end of the financial year:**

During the year under review, no complaints relating to child labour, forced or involuntary labour or of sexual harassment in the workplace were received. No such complaints were pending as at the end of the financial year.

**8. What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year:**

- a) Permanent Employees
- b) Permanent Women Employees
- c) Casual/Temporary/Contractual Employees
- d) Employees with Disabilities

Training reach for the year has been 80% of the total regular employees of the Company.

- |   |        |
|---|--------|
| A. Permanent employees                        | : 80%  |
| B. Permanent women employees                  | : 80%  |
| C. Casual / Temporary / Contractual Employees | : 100% |
| D. Employees with disabilities                | : 100% |

For creating a culture of workplace safety begins with a well-trained workforce. Accordingly, the Company has made safety training a part of the employee's induction process, which includes training in fire fighting. A training department has been set up for capability development of its employees, dealers and suppliers. Shop floor workers undergo periodic safety training organised as per the annual safety calendar. The Company continues to provide technical training in the areas of heat treatment controls, inspection techniques, surface treatment controls, etc.

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

**1. Has the Company mapped its internal and external stakeholders?**

Company's major stakeholders are employees and their families, consumers, suppliers and dealers, investors, Government and regulatory bodies, local community, peers and industry ecosystem, amongst others.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Yes. The following represent two broad categories that make up the Company's most vulnerable sections:

- i. Local communities located near or around the Company's operations;
- ii. Socio-economically disadvantaged sections of society near the Company's operations as well as other backward communities.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

A comprehensive package of scheme has been specially designed to enable integrated rural development for upliftment of these stakeholders. This includes:

- i. Capacity-building at panchayat level;
- ii. Basic education facilities and enabling infrastructure;
- iii. Promoting primary healthcare and sanitation;
- iv. Skill-building, vocational and employment-oriented training;
- v. Construction and repairs of houses;
- vi. Construction of sanitation units.

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

The Company recognises the importance of respecting and promoting human rights globally. However, the Company has its own limitations and ability to influence change on the world stage. The Company therefore focusses its efforts on those areas which are within its own direct influence. The Company strives to protect human rights of its employees and others throughout the value chain.

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others:**

This principle is inherent in Company's various policies/ codes such as Code of Conduct for Directors & Senior Management, Policy on prevention of sexual harassment, CSR Policy and various other Human Resource Policies. Subsidiary and Joint Venture companies are also covered under Company's Policies and/or have their own Policies of similar nature. Accordingly, the Company, its subsidiary and joint venture companies demonstrate respect for human rights of all its employees and stakeholders, as per the prevailing laws of the land.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

The Company did not receive any stakeholder complaint during the financial year 2016-17 on issues relating to human rights.

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

**1. Does the policy pertaining to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

The Company has well-articulated work practices on environment conservation and sustainability. Aspects of this principle are inherent in the Group's CSR policy and in its manufacturing practices. Presently, third parties are not covered by the Company's Policies.

**2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyper-link for webpage etc.**

Yes. The Company's approach in this regard is to adopt and promote practices that serve to cut its carbon footprint. A significant contribution in this respect would be to develop cleaner and more fuel-efficient vehicles in all of our product segments.

**3. Does the Company identify and assess potential environmental risks? Y / N**

Yes. This forms part of our formal risk management identification process.

**4. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

The emissions / waste generated by the Company during the year are in compliance with the approved permissible limits prescribed by CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

**5. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year**

As at end of the financial year under review there were no show cause/ legal notices from CPCB / SPCB pending with the Company.

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

**1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.**

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

**2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas.**

The Company actively participates with committees set up by Society of Indian Automobile Manufacturers (SIAM) and the Government of India to address matters such as future regulations, policies and implementation plans as well as other issues pertinent to the automobile sector, advancement of the industry and public good. The Company also interacts with the Bureau of Indian Standards (BIS) to suggest inputs for new regulations for vehicles, new standards feasibility, etc.

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

**1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

With a long history of institutionalised CSR & community activities, the Company has a well-stated

CSR Policy which has been developed pursuant to Section 135 of the Companies Act 2013 and the Rules made thereunder. Details of various ongoing programmes and initiatives are already described in answers to Section B - Q5 and Section E - Principle 4 of this report and are hence not repeated for sake of brevity.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation:**

The Company's CSR programmes are managed by in-house teams facilitated by Eicher Group Foundation. Where needed, the services of reputed NGOs are availed for building capacity, streamlining internal processes, building new solutions, establishing pilot projects, nurturing the ecosystem, implementing CSR projects and strengthening the organisation's CSR network towards further growth.

**3. Have you done any impact assessment of your initiative:**

Yes. The impact of CSR initiatives is periodically assessed by members of the CSR functional team including Eicher Group Foundation and later by the Company's Senior Management. The CSR Committee of the Board is specifically mandated to periodically review the effectiveness of CSR programmes and steer them in a manner that enables them to achieve a high social and economic impact.

**4. What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.**

In the financial year under review, the Company spent Rs. 18.33 crores on various CSR activities, the amount represents 2% of the Company's average net profit in the preceding three financial years. The Company's CSR agenda for the year under review comprised a wide range of welfare and development initiatives, undertaken for the benefit of two broad categories of vulnerable communities:

- A. Initiatives for local communities located near or around the Company's operations;
  - i. Sustainable Village Upliftment Programme near Oragadam town in Tamil Nadu.
  - ii. Various development initiatives at Tiruvottiyur, Tamil Nadu in upgrading primary health care centres, upgrading school facilities and infrastructure and a waste disposal solution creating bio-electricity.
  - iii. Sustainable Interventions to transform Rural Communities (SIRTC) in rural area of Madhya Pradesh.

- iv. Disaster Response Initiative around Oragadam and Tiruvottiyur following the major Chennai floods in December 2015 to help construct and repair houses and build sanitation units in Tiruvottiyur region.
- v. Eicher Academy for Skills in Chennai and Gurugram to train unemployed youth.
- vi. Road safety training in Indore, Madhya Pradesh for students and teachers.

B. Initiatives for socio-economically disadvantaged sections of society near the Company's operations as well as other backward communities;

- i. Skill Development training programmes in repair and maintenance of two wheelers, in ten locations in India.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

The CSR plan is finalised using a collaborative and participatory approach by involving the concerned community members to ensure successful implementation of individual community development programmes and is made up of some of the following steps:

- i. Building a rapport with community leaders and opinion makers.
- ii. Identifying projects in association with community members.
- iii. Securing necessary approvals from the community leaders prior to commencement of work
- iv. Involving community members in project implementation.
- v. Maintaining continuous close interaction with community members through field teams.
- vi. Impact assessment and perception survey to measure impact of social initiatives.

The direct involvement of community beneficiaries ensures a greater ownership of the projects, which proves to be crucial in determining sustainability of the CSR initiatives.

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

**1. What percentage of customer complaints / consumer cases is pending as at the end of the financial year 2016?**

The Company believes and strives to provide best-in-class customer experience and after sales services to the customers. The Company, its subsidiaries and Joint Venture companies give priority to customer engagement and have an effective redressal mechanism in place for addressing customer complaints and handling consumer cases. This is regularly reviewed

by the Company's management team. The Company adopts a customer-centric approach and customers can reach on its toll free customer care helpline 1800 210 0007 (9 AM - 9 PM) and also write to concerned team at support@royalenfield.com. The Company through its vendor also provides Royal Enfield Roadside Assistance to its customers in case of emergency breakdown of the vehicle. Customer complaints from various sources (email, telephone, Facebook and twitter) are registered in Dealer Management System. Customer complaint escalation mechanism till Head – Sales, Service and Spaces is followed till its closure. The Company measures, monitors and improves on customer complaints KPIs such as 90% customer complaint closure within 5 days.

The total incidence of customer complaints has been successfully reduced by offering permanent solutions; as a result the current field failure trends have come down significantly. A total of 54 consumer cases were filed against the Company during the financial year 2016-17.

The assurance of reliability and best value has created a corpus of loyal customers for the Company, thus reducing the number of complaint/cases.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks(additional information)**

The Company pursues an unwavering policy of providing products and services that assure world-class quality, a commitment that is underscored by the high level of equity enjoyed by its brands in domestic and international markets. Company's products comply with all requisite codes, specifications and regulations relevant to its business. Stringent standards are met particularly with regard to safety. Additional care is taken to provide adequate information and services, including vital safety information, to customers through a wide range of media to ensure appropriate and responsible use of its products.

Apart from product literature, user manuals and display boards at points of sale, the Company's website offers a wealth of useful information on its products and services. Pre-sales interactions include conducting rides to demonstrate products performance and features. A well-defined process for product delivery also incorporates an effective opportunity to impart customer education and orientation about product features, proper usage of products & services, maintenance and safety precautions. A strong after-sales service system further reinforces the customer's knowledge on the products or services.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour pending as at end of financial year? If so, provide details thereof.**

There were no cases of any litigation pending against the Company concerning unfair trade practices, irresponsible advertising and / or anti-competitive behaviour as at the end of the financial year.

**4. Did the Company carry out any consumer survey/ consumer satisfaction trends:**

Yes. The Customer is at the core of the Company's business strategy. Customer feedback is obtained in different ways to provide vital inputs for upgrading products and services. Regular surveys were conducted during the year to gauge customer satisfaction levels and benchmark the Company's performance with industry peers.

Projects to seek and incorporate customer's inputs on 'fit and finish' and aesthetic improvement were also commissioned and successfully concluded.

# DIRECTORS' REPORT

## To the Members of Eicher Motors Limited

The Directors have pleasure in presenting the Thirty Fifth Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2017.

## FINANCIAL RESULTS

Your Company achieved an all-time high top line growth during the financial year 2016-17 with Net revenue from operations at Rs. 7,037.97 crores. The profit before depreciation and interest amounted to Rs. 2,205.81 crores, which is 31.3% of the Net revenue. After accounting for other income of Rs. 227.31 crores, interest expense of Rs. 2.79 crores and depreciation of Rs. 153.34 crores, profit before tax amounted to Rs. 2,276.99 crores. Profit after tax amounted to Rs. 1,560.02 crores after income tax provision of Rs. 716.97 crores. Total comprehensive income for the year, net of tax amounted to Rs. 1,559.94 crores.

The financial year under review commenced on April 1, 2016 and ended on March 31, 2017, being a period of 12 (twelve) months. The preceding period for which comparative figures are given commenced on January 1, 2015 and ended on March 31, 2016, being a period of 15 (fifteen) months. The financial results are summarised below:

Particulars	Rs. in Crores	
	For the financial year ended March 31, 2017 (12 months period)	For the financial year ended March 31, 2016 (15 months period)
<b>Revenue from operations (net)</b>	<b>7,037.97</b>	6,186.19
<b>Profit before depreciation and interest</b>	<b>2,205.81</b>	1,708.19
Interest	<b>2.79</b>	2.12
Depreciation	<b>153.34</b>	136.55
<b>Profit before other income and tax</b>	<b>2,049.68</b>	1,569.52
Other income	<b>227.31</b>	283.49
<b>Profit before tax</b>	<b>2,276.99</b>	1,853.01
Provision for tax (including deferred tax)	<b>716.97</b>	543.79
<b>Net profit after tax</b>	<b>1,560.02</b>	1,309.22
<b>Other comprehensive income</b>	<b>(0.08)</b>	(0.46)
<b>Total comprehensive income for the year/period, net of tax</b>	<b>1,559.94</b>	1,308.76
Balance in statement of profit and loss brought forward from previous year	<b>1,916.67</b>	1,199.10
Amount available for appropriation:	<b>3,476.61</b>	2,507.86
Interim dividend	-	271.61
Final dividend (proposed)	<b>272.10</b>	-
Earnings per share		
- Basic (Rs.)	<b>573.75</b>	482.45
- Diluted (Rs.)	<b>572.17</b>	480.68

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company during the financial year under review.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT HAVE OCCURRED AFTER MARCH 31, 2017 TILL THE DATE OF THIS REPORT

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2017 till the date of this report.

## DIVIDEND

The Board of Directors in their meeting held on May 5, 2017 had approved payment of dividend of Rs. 100/- per Equity Share (@1000%) of face value of Rs. 10/- each out of the profits for the financial year 2016-17.

The dividend, if approved by the shareholders shall be paid in the following manner:

- To all Beneficial Owners in respect of shares held in dematerialised form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited

(CDSL) as of the close of business hours on August 1, 2017.

- b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests lodged with the Company on or before the close of business hours on August 1, 2017.

### **AMOUNTS TRANSFERRED TO RESERVES**

During the financial year 2016-17, no amount was transferred to General Reserve of the Company.

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

Your Company's Royal Enfield unit continues to grow significantly. It sold 6,66,493 motorcycles in the financial year 2016-17 (12 months), 10.9% more when compared to financial year 2015-16 (15 months) sales of 6,00,944 motorcycles. Out of 6,66,493 motorcycles sold in 2016-17 (12 months), 15,383 were exported, a growth of 32% over previous year volume of 11,653 motorcycles in 2015-16 (15 months).

Net Revenue from operations for financial year 2016-17 (12 months) was Rs. 7,037.97 crores, 13.8% growth over previous year (Rs. 6,186.19 crores for 15 months). Net sales of spare parts, gears and services increased to Rs. 581.38 crores in 2016-17 (12 months) from Rs. 445.25 crores in the previous year (15 months), registering a growth of 30.6%.

Maximising operating leverage is a key focus in your Company. This enabled your Company to grow profits faster than revenue from operations. Your Company's profit before depreciation, interest and tax was Rs. 2,205.81 crores in 2016-17 (12 months), a growth of 29.1% over Rs. 1,708.19 crores recorded in 2015-16 (15 months).

### **MARKET AND FUTURE PROSPECTS**

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

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

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

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

The Company has not issued any sweat equity shares or equity shares with differential rights during the financial year.

### **CHANGES IN SHARE CAPITAL & EICHER EMPLOYEES STOCK OPTION PLAN 2006**

The paid-up Equity Share Capital of the Company as on March 31, 2017 was Rs. 27,21,02,490/-. During the year under review,

the Company has issued 49,066 Equity Shares of face value of Rs. 10 each pursuant to its Employees Stock Option Plan.

A Statement giving complete details pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company and the weblink for the same is [http://www.eicher.in/uploads/1498884728\\_ESOP%20Statement%202016-17.pdf](http://www.eicher.in/uploads/1498884728_ESOP%20Statement%202016-17.pdf)

The Employee Stock Option Plan for grant of stock options has been implemented in accordance with the SEBI Regulations. A certificate from M/s Deloitte Haskins & Sells, Statutory Auditors in this regard would be placed at the ensuing Annual General Meeting for inspection by the members. The Company has not changed its Employees Stock Option Plan during the year.

Further, details of options granted and exercised are included in Note no. 47 in the notes to accounts forming part of financial statements.

### **DEPOSITS**

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The shareholders of the Company in the 34<sup>th</sup> (thirty fourth) Annual General Meeting (AGM) held on June 18, 2016 had approved re-appointment of Mr. Siddhartha Lal as Managing Director of the Company for a term of 5 years effective from May 1, 2016. Mr. Siddhartha Lal, being a non-resident Indian, his reappointment required approval of Ministry of Corporate Affairs and the same was obtained vide Central Government approval letter dated October 25, 2016.

The Nomination & Remuneration Committee and the Board at their respective meetings held on May 5, 2017 have, subject to the approval of the shareholders, approved the remuneration payable to Mr. Siddhartha Lal as Managing Director of the Company w.e.f. May 1, 2017. Details of remuneration proposed to be paid to Mr. Siddhartha Lal is set out in the Notice convening the 35<sup>th</sup> (thirty fifth) AGM to be read with the explanatory statement attached thereto, for approval of the shareholders in the AGM.

In accordance with Section 149(7) of the Act, all the Independent Directors of the Company have given written declarations to the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There has been no change in the Directors and Key Managerial Personnel of the Company during the year under review.



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

### **Company's Hiring & Employment Policy:**

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

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

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

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

- ◆ Exhibit integrity and accountability
- ◆ Exercise informed judgement
- ◆ Are financially literate
- ◆ Are mature and confident individuals
- ◆ Operate with high performance standards

### Removal of Directors

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

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

### **Company's Remuneration Policy:**

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

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

The remuneration of the Managing Director, Executive Director, KMPs and CXOs of the Company is recommended by the Nomination & Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities and performance assessment. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components).

Loans/advances may be extended to employees below the executive level subject to approval of Human Resource department. The maximum amount of loan/advance that can be granted to an employee shall not exceed one month's gross salary or Rs. 40,000, whichever is higher.

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

Remuneration by way of commission to the Non-Executive Directors shall be decided by the Board of Directors within the ceiling of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act and as approved by the members from time to time by passing a resolution in the general meeting.

Remuneration of KMPs and employees largely consists of basic remuneration, perquisites, allowances, performance incentives and employee stock options granted pursuant to the Employees Stock Option Plan of the Company. The components of remuneration vary for different employee levels and are governed by the compensation trends in the industry, qualifications and experience of the employee and his/her responsibility areas, employee performance assessment, etc.

## **ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS**

During the financial year under review, formal annual evaluation of the Board, its committees and individual Directors was carried out pursuant to the Board Performance Evaluation Policy of the Company and provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

A separate meeting of Independent Directors was also held to review the performance of the Managing Director,

performance of the Board as a whole and performance of the Chairperson of the Company. Review of the performance of the Chairperson was done after taking into account the views of the Executive Director and Non-Executive Directors (excluding the Chairman being evaluated).

### MEETINGS OF BOARD OF DIRECTORS

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

### DETAIL OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE ACT

The details of loans, guarantees and investments made by the Company during the year under review which are covered under Section 186 of the Act are provided under **Annexure-2**.

### PARTICULARS OF RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Requisite approval of the Audit Committee and the Board (wherever required) was obtained by the Company for all Related Party Transactions. During the year under review, the Company has paid stamp duty on behalf of Eicher Goodearth Private Limited (EGPL), a related party to facilitate certain transaction between EGPL and a third party. Stamp Duty was repaid to the Company on the same day.

There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, subsidiaries, joint ventures and associate Companies which may have a potential conflict with the interest of the Company. There are no transactions that are required to be reported in Form AOC-2, hence the said form does not form part of this report. However, the details of the transactions with Related Parties are provided in the Company's financial statements in accordance with Indian Accounting Standards.

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

### AUDIT COMMITTEE

The Audit Committee of the Company is constituted pursuant to the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee are:

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

### DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company.

### SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

**Highlights of performance of subsidiary and joint venture companies and their contribution to the overall performance of the Company during the year under review**

#### Royal Enfield North America Limited (RENA)

RENA was incorporated in March 2015 as a 100% subsidiary of Eicher Motors Limited to manage the distribution and sales of Royal Enfield products and services including, motorcycles, spares and gear in North America. During the year it opened the first showroom in Milwaukee, Wisconsin. It sold 561 motorcycles during the year 2016-17 and achieved revenue of Rs.16.26 crores. As of March 2017, RENA had contracted with 42 multi brand outlets in USA.

#### Royal Enfield Canada Limited (RECA)

RECA is a 100% subsidiary of RENA. RECA was incorporated in April 2016 in Canada to manage the distribution and sales of Royal Enfield products and services including, motorcycles, bikes, spares and gear in Canada. During the first year of its operation in 2016-17, the company sold 52 motorcycles and achieved revenue of Rs.1.61 crores. As of March 2017, RECA had contracted with 8 multi brand outlets in Canada.

#### Royal Enfield Brasil Comercio De Motocicletas Ltda.

Royal Enfield started its operations in Brazil through a direct distribution company by the name of Royal Enfield Brasil Comercio De Motocicletas LTDA in 2016-17, with the launch of its first stand-alone exclusive store in Sao Paulo. The Company started its commercial sales from April 2017 with the launch of an exclusive store. The store is located in Av. República do Líbano, Moema, an upscale neighbourhood in the Central/South area of São Paulo City. Along with the motorcycles, an exclusive range of gear consisting of lifestyle apparels, riding gear and lifestyle accessories were also introduced into the Brazilian market.

#### VE Commercial Vehicles Limited

Overview of performance covered separately in the Annual Report.

#### Eicher Polaris Private Limited

Overview of performance covered separately in the Annual Report.

**Report containing salient features of financial statements of subsidiaries and joint venture companies**

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

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

During the year under review, Royal Enfield Canada Limited was incorporated w.e.f. April 19, 2016, as a wholly-owned subsidiary of Royal Enfield North America Limited, which is a wholly-owned subsidiary of the Company. Also, Eicher Engineering Solutions, Inc. and its wholly-owned subsidiaries, Eicher Engineering Solutions (Shanghai) Co. Ltd and Eicher Engineering Solutions (Beijing) Co. Ltd. have ceased to be subsidiaries of VE Commercial Vehicles Limited, a subsidiary of the Company, and in turn, have also ceased to be subsidiaries of the Company w.e.f. March 17, 2017.

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

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

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

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

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a Corporate Social Responsibility Policy and identified Healthcare, Children's Education, Road Safety and Environmental Sustainability as some of the key areas. The Company will continue to support social projects that are consistent with the Policy.

Corporate Social Responsibility Committee of the Company is constituted as follows:

1. Mr. S Sandilya - Chairman
2. Mr. Siddhartha Lal
3. Mr. Prateek Jalan

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Ind AS-110 "Consolidated Financial Statements" and Ind AS-28 "Investment in Associates and Joint Ventures", prescribed under Section 133 of the Companies Act, 2013, read with the rules issued thereunder. The Company, its subsidiaries and jointly controlled entities adopted Indian Accounting Standards ("Ind AS") from April 1, 2016. The consolidated financial statements are provided in the Annual Report. A statement containing the salient features of the financial statements of each of the subsidiary and joint venture in the prescribed Form AOC-1 is attached.

Pursuant to Section 136 of the Act, the financial statements, consolidated financial statements and separate audited accounts of the subsidiaries and joint venture companies will be made available on the website of the Company at [www.eichermotors.com](http://www.eichermotors.com). These are also available for inspection by the shareholders at the Registered Office of the Company during business hours. The Company shall provide free of cost, the copy of the financial statements of its subsidiary and joint venture companies to the shareholders upon their request. The consolidated Total Comprehensive income of the Company and its subsidiaries amounted to Rs. 1,664.65 crores for the financial year 2016-17(12 months) as compared to Rs. 1,337.65 crores for the previous period 2015-16 (15 months).

### **AUDITORS**

#### **(a) STATUTORY AUDITORS AND THEIR REPORT**

M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number: 015125N) were re-appointed as Statutory Auditors in the 33<sup>rd</sup> (thirty third) Annual General Meeting (AGM) of the Company for a period of three years, subject to ratification of their appointment at every AGM by the shareholders.

The shareholders of the Company in the 34<sup>th</sup> (thirty fourth) AGM held on June 18, 2016 had ratified the appointment of M/s Deloitte Haskins & Sells as Statutory Auditors to hold office as such from the conclusion of 34<sup>th</sup> (thirty fourth) AGM until the conclusion of the 35<sup>th</sup> (thirty fifth) AGM. The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2017 pursuant to the provisions of the Act. The reports of Statutory Auditors forms part of the Annual Report. The reports are self-explanatory and does not contain any qualifications, reservations or adverse remarks.

#### **(b) ROTATION OF STATUTORY AUDITORS**

Pursuant to Ministry of Corporate Affairs order dated June 30, 2016, the Company is required to rotate its statutory auditors at the ensuing 35<sup>th</sup> (thirty fifth) Annual General Meeting.

In this regard, the Company invited proposals from a few leading chartered accountant firms for appointment as Statutory Auditors of the Company. The proposals submitted by the chartered accountant firms were reviewed and evaluated by the Audit Committee.

The Audit Committee recommended M/s. S R Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number: FRN 301003E/E300005), to the Board of Directors for appointment as statutory auditors of the Company for a period of five years. The Board of Directors in their meeting held on February 1, 2017 have decided to recommend appointment of M/s. S R Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company for a period of five years, from the conclusion of 35<sup>th</sup> AGM till the conclusion of the 40<sup>th</sup> AGM of the Company, to the shareholders for their approval at the ensuing 35<sup>th</sup> (thirty fifth) Annual General Meeting.

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

#### (c) SECRETARIAL AUDITORS AND THEIR REPORT

The Board has appointed M/s. RDA & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year ended March 31, 2017. As required under Section 204 of the Companies Act, 2013, the Secretarial Audit Report is annexed as **Annexure-5** to this Report. The Secretarial Audit Report is self-explanatory and does not contain any qualifications or adverse remarks which require any clarification or explanation.

#### (d) COST AUDITOR

Mr. V Kalyanaraman, a qualified Cost Accountant, has been appointed as the cost auditor to carry out audit of the cost records of the Company for the financial year 2016-17 pursuant to the provisions of the Companies Act, 2013. The cost auditor shall submit his report to the Board of Directors.

### **CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS RESPONSIBILITY REPORTS**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report together with the Auditors' certificate regarding compliance of conditions of Corporate Governance, Management Discussion & Analysis Report and Business Responsibility Report form part of the Annual Report.

### **EXTRACT OF ANNUAL RETURN**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) that in the preparation of the annual Financial Statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note no. 3 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profits of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively; and
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **PARTICULARS OF EMPLOYEES**

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

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

Sl. No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage Increase in Remuneration during 2016-17 over 2015-16*
1	Mr. S Sandilya	Chairman & Non-Executive Independent Director	8.2	-11%
2	Mr. Siddhartha Lal	Managing Director and CEO	150.8	40%
3	Mr. Priya Brat	Non-Executive Independent Director	1.8	-11%
4	Mr. M J Subbaiah	Non-Executive Independent Director	1.8	-9%
5	Mr. Prateek Jalan	Non-Executive Independent Director	4.6	-12%
6	Ms. Manvi Sinha	Non-Executive Independent Director	1.6	-13%
7	Mr. Lalit Malik	Chief Financial Officer	-	10%
8	Mr. Manhar Kapoor	General Counsel and Company Secretary	-	24%

- 2) Percentage increase in the median remuneration of the employees in the financial year: -10%\*.
- 3) Number of permanent employees on the rolls of Company as at March 31, 2017: 2274.
- 4) The average increase in median remuneration of the employees other than managerial personnel was -10%\* as compared to the increase in the managerial remuneration by 25%.
- 5) It is hereby affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

\*NOTE: The financial year under review (2016-17) is a period of twelve (12) months, whereas the previous financial year (2015-16) was for a period of fifteen (15) months. Accordingly figures for 2016-17 appear to be lower than those for 2015-16.

Further, a statement containing particulars of top ten employees in terms of the remuneration drawn and employees drawing remuneration in excess of the limits set out in Rule 5(2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided in the Directors' Report. However, in terms of provisions of Section 136 of the Act, the Annual Report is being sent to all the members of the Company and others entitled thereto, excluding the said statement. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for inspection at the Registered Office of the Company during working hours.

### **RISK MANAGEMENT**

Requisite information is provided under Management Discussion & Analysis Report which forms part of the Annual Report.

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

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints' Committee has also been set up to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaint of sexual harassment from any employees of the Company. No complaint of sexual harassment was pending at the beginning of the financial year.

### **ACKNOWLEDGEMENT**

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

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

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

For and on behalf of the Board

**Siddhartha Lal**  
Managing Director  
& Chief Executive Officer  
DIN: 00037645

**S. Sandilya**  
Chairman  
DIN: 00037542

Place: Gurugram  
Date: May 5, 2017

CIN: L34102DL1982PLC129877  
Regd. Off: 3<sup>rd</sup> Floor-Select Citywalk  
A-3 District Centre, Saket  
New Delhi - 110 017  
Phone: 0124-4415600 Fax: 0124-4415807  
Website: www.eichermotors.com  
E-mail: investors@eichermotors.com

# ANNEXURE-1

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

### (A) CONSERVATION OF ENERGY

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

1. Paint shop number plate paint booth blower modified and motor capacity reduced from 5HP to 3HP resulting in savings of 7,448 kWh
2. Air compressors capacity reduction from 250 HP to 200 HP for process area resulting in savings of 22,054 kWh
3. Provision of automatic control board/timer to switch off lighting and fans during lunch time resulting in savings of 1,58,359 kWh
4. Switching off of machines during idle time resulting in savings of 90,252 kWh
5. Chiller and Circulation Pump On/Off logic modified from chiller-based control unit to methodology-based on ED bath temperature resulting in savings of 1,44,064 kWh
6. Removal of two transfer pumps and installation of hydro booster pump for pumping IRO and DM water from RO plant to process tank resulting in savings of 17,280 kWh
7. Borewell water transferred directly to raw water tank instead of fire pump house tank by stopping the transfer pump operation from fire tank to raw water tank resulting in savings of 8,280 kWh
8. Leak testing machines - Solenoid valve installed in the air line and interlocked with the foot pedal and cycle start circuits in the PLC (programmable logic controller). Air consumption is minimised after modification resulting in savings of 11,157 kWh
9. Fume killers are interlocked with the robots in frame line and tank line to run only in auto mode and will get switched off in idle condition resulting in savings of 13,104 kWh
10. In Engine Assembly shop, Test Bed Exhaust Blower Direct on-line Control (DOL) replaced with Variable Frequency Drive (VFD) and

Frequency set to 20 Hz resulting in savings of 24,960 kWh

11. In Engine Assembly shop, Non Production/ Operation area AHU (Air Handling Units) duct nozzle flopper closed and reduced the frequency of AHU blower from 50 Hz to 35 Hz resulting in savings of 56,610 kWh
12. Engine HVAC (heating, ventilation and air conditioning) chiller suction saturated gas pressure setting increased from 45 F to 50 F heat and low water temperature (LWT) setting increased from 12 degree to 15 degree celcius resulting in lower chiller running hours resulting in savings of 32,010 kWh
13. In Machine Shop, Air washer unit supply air duct length reduced and VFD (Variable Frequency Drive) frequency reduced from 50 Hz to 42 Hz resulting in savings of 21,060 kWh

#### (ii) The steps taken by the Company for utilising alternate sources of energy

Conversion of CFL lamps/tube lights into LED lamps resulting in savings of 31,060 kWh

#### (iii) The capital investment on energy conservation equipment

Rs. 0.06 crore

### (B) TECHNOLOGY ABSORPTION

1. ABS system designed, developed & implemented in all European models
2. Indigenously developed EVAP system for Euro-4 & BS-4 models implemented
3. AHO (Automatic Headlamp On) feature along with High power Magneto for all models
4. Gear position switch with isolated ground done for LS 410 Engine
5. Solenoid controlled secondary air injection for emission controls
6. Spring loaded oil seal on Gear shift shaft
7. Primary chain life enhancement with high grade steel

8. Rear shock life enhancement with improved oil seal
9. Bullet badge with flexible PU material for better productivity
10. Ignition switch with seven lever arrangement for better vehicle security
11. Single piece Head lamp holder in Thunderbird for better productivity & quality improvement
12. Quick fix connector implemented for Fuel hose
13. Double-walled Steel riveting technology for Silencer Guard for quality improvement
14. Tool box with self-adhesive feeding & formed lock plate for reduced locking effort
15. Taper roller bearing for steering for higher load carrying capability introduced in Himalayan

16. Chrome-plated Forged type side stand for all Classic models implemented
17. U Nut introduced instead of Nyloc nut for improving reusability
18. Switch module with Bi-Metallic contacts to enhance life introduced
19. EMS system with Direct driven Fuel pump implemented

The expenditure incurred on Research and Development:

- a) Revenue: Rs. 36.78 crores
- b) Capital: Rs. 91.29 crores

### **(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, total exports (FOB value) were Rs. 177.01 crores (Previous year Rs. 177.49 crores). Foreign Exchange amounting to Rs. 233.79 crores (Previous year Rs. 199.32 crores) was used on account of import of components, spare parts, capital goods, salaries & wages, advertisement, business travel and consulting fees during the year under review.

## ANNEXURE-2

THE DETAIL OF LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY DURING THE FINANCIAL YEAR 2016-17 WHICH ARE COVERED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

	Rs. in Crores
<b>Loans</b>	<b>Principal Amount</b>
Opening Balance	4.75
Addition	3.66
Reduction	5.33
Closing Balance	3.08

	Rs. in Crores
<b>Guarantees</b>	<b>Amount</b>
Opening Balance	24.08
Addition	51.33
Reduction	-
Closing Balance	75.41

	Rs. in Crores
<b>Investments</b>	<b>Amount</b>
Opening Balance*	261.81
Addition **	49.71
Reduction	-
Closing Balance	311.52

\*Includes Rs.18.00 crores paid to Eicher Polaris Private Limited for subscription of equity shares for which shares were allotted during 2016-17

\*\*Includes Rs.11.10 crores paid to Eicher Polaris Private Limited for subscription of equity shares for which shares were allotted during 2017-18



# ANNEXURE-3

## FORM AOC-1

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

### PART A-SUBSIDIARIES

Rs. in Crores											
Sl. No.	Name of Subsidiary	VE Commercial Vehicles Ltd. (VECV) <sup>^</sup>	Eicher Engineering Solutions Inc.* (EESI)	Eicher Engineering Solutions (Shanghai) Co. Ltd.*	Eicher Engineering Solutions (Beijing) Co. Ltd.*	VECV Lanka (Private) Ltd	VECV South Africa (PTY) Ltd.	Royal Enfield Brasil Comércio de Motocicletas Ltda	Royal Enfield North America Limited (RENA)	Royal Enfield Canada Limited	Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)
	Subsidiary of Company	Subsidiary of VECV	Subsidiary of EESI	Subsidiary of EESI	Subsidiary of VECV	Subsidiary of VECV	Subsidiary of Company	Subsidiary of Company	Subsidiary of RENA	Subsidiary of Company (50% held by the Company and remaining 50% held by VECV)	
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period**	-	-	-	-	-	-	-	-	-	-
2.	The date since when subsidiary was acquired	March 07, 2008	July 01, 2008	July 01, 2008	July 01, 2008	April 09, 2013	January 22, 2016	August 18, 2014	March 23, 2015	April 19, 2016	November 19, 2015
3.	Reporting currency and exchange rate as on last date of the relevant Financial Year in case of foreign subsidiaries	INR	USD 1 USD = Rs. 64.8	RMB 1 RMB =Rs. 9.4	RMB 1 RMB =Rs. 9.4	LKR 1 LKR = Rs. 0.4	ZAR 1 ZAR = Rs. 4.8	BRL 1 BRL = Rs. 20.5	USD 1 USD = Rs. 64.8	USD 1 USD = Rs. 64.8	INR
4.	Share Capital	10.00	-	-	-	5.43	3.50	9.82	17.78	0.09	0.05
5.	Other Equity	2,879.85	-	-	-	(1.31)	(0.37)	(5.64)	(36.41)	0.07	10.74
6.	Total Assets	5,999.32	-	-	-	20.01	3.69	6.20	29.39	0.85	10.93
7.	Total Liabilities	3,109.47	-	-	-	15.89	0.56	2.02	48.02	0.69	0.14
8.	Investments	0.05	-	-	-	-	-	-	0.09	-	-
9.	Turnover (Gross)	8,952.77	15.92	0.11	19.57	72.28	0.65	-	16.26	1.61	-
10.	Contribution received	-	-	-	-	-	-	-	-	-	24.07
11.	Profit before Taxation	442.62	0.82	(0.26)	1.33	3.03	(2.10)	(4.14)	(24.20)	0.10	6.90
12.	Provision for Taxation	95.24	-	-	0.30	0.65	(0.57)	0.40	4.58	0.03	-
13.	Profit after Taxation	347.38	0.82	(0.26)	1.02	2.38	(1.53)	(4.54)	(28.78)	0.07	6.90
14.	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
15.	% of Shareholding ***	54.40%	Nil	Nil	Nil	54.40%	54.40%	99.99%	100.00%	100.00%	50.00%

<sup>^</sup> VECV is a subsidiary company as per section 2(87) of Companies Act 2013. However, for the purpose of financial statements, VECV is treated as Joint Venture company as per Ind AS 111 - 'Joint Arrangements'

\* VECV holds 100% equity in Eicher Engineering Solutions Inc., (EESI). EESI holds 100% equity in Eicher Engineering Solutions (Shanghai) Co. Ltd. and Eicher Engineering Solutions (Beijing) Co. Ltd. On March 17, 2017, VECV has disinvested its 100% holding in EESI. Accordingly, EESI and its wholly-owned subsidiaries Eicher Engineering Solutions (Shanghai) Co. Ltd. and Eicher Engineering Solutions (Beijing) Co. Ltd. have ceased to be subsidiaries of VECV, and in turn, have also ceased to be subsidiaries of the Company.

\*\* For consolidation of financial statements and for the purpose of disclosure in this form, reporting period of all subsidiaries is same as that of the Company

\*\*\* EML holds 54.4% equity in VECV. VECV holds 100% equity in VECV Lanka (Private) Limited and VECV South Africa (PTY) Ltd.

### PART B-JOINT VENTURE

Sl. No.	Name of Joint Venture	Eicher Polaris Private Limited
1.	Latest audited Balance sheet	March 31, 2017
2.	Date on which joint venture was associated/acquired	July 23, 2012
3.	Shares of joint venture held by the Company on the year end No. as on March 31, 2017	26,69,00,000 Shares *
	Amount of Investment in joint venture - Rs. Crores	266.9
	Extent of Holding %	50%
4.	Description of how there is significant influence	There is no significant influence by Eicher Motors Limited since it is a joint venture company with 50% shareholding and control
5.	Reason why the joint venture is not consolidated	Not Applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet - Rs. Crores	186.08
7.	Profit/Loss for the year	
	i. Considered in Consolidation - Rs. Crores	(45.92)
	ii. Not Considered in Consolidation - Rs. Crores	(45.92)

\*Subsequent to year end March 31, 2017, additional 1,11,00,000 Equity Shares have been issued and allotted to the Company for value of Rs. 11.10 crores

# ANNEXURE-4

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

1 A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Board of Directors of the Company at their meeting held on November 12, 2014 had approved the Corporate Social Responsibility Policy of the Company pursuant to Section 135 of the Companies Act 2013 (the Act) and relevant rules prescribed thereunder.

The Policy, *inter alia*, lays down the criteria for identifying programmes eligible for financial assistance and for determining the quantum of assistance in relation with such programmes, implementation procedure for programmes, evaluation, monitoring and reporting framework and administration mechanism. programmes that are eligible in accordance with the Act and are consistent with the CSR themes of the Company shall be eligible for grants.

Following CSR themes are given preference while identifying and approving CSR programmes:

1. Road safety
2. Environmental sustainability
3. Children's education
4. Healthcare

CSR Committee may include any other themes on CSR, that are within the purview of Section 135 of the Act read with Schedule VII thereto.

The Company ensures that every programme has:

1. Clearly defined objectives consistent with the policy
2. A system for monitoring actual spending by the grantees
3. Impact assessment
4. A reporting framework/system

Prospective CSR programmes are presented to the CSR Committee for evaluation. The proposal include proposed budget, social need for the programme and benefits expected. CSR Committee recommends desirable programmes with all necessary details to the Board for approval.

All CSR programme are closely monitored through field visits, comprehensive documentation and regular interaction with beneficiary communities.

Your Company implements its CSR Programmes on its own or through Eicher Group Foundation (EGF), a Section 8 Company incorporated by the Company and its unlisted subsidiary VE Commercial Vehicles Limited (VECV) with a view to facilitate and monitor CSR initiatives of the Company and VECV. The Company may also collaborate with third parties for undertaking CSR Programmes in such manner as the CSR Committee may deem fit.

Your Company will continue to support social projects that are consistent with the policy.

CSR Policy of the Company is available at [http://www.eicher.in/uploads/1427718324\\_EMLCSR.pdf](http://www.eicher.in/uploads/1427718324_EMLCSR.pdf)

Details of Company's CSR Projects and Programmes are provided under Annexure A.

2 The Composition of the CSR Committee

The CSR Committee comprises:

1. Mr. S Sandilya – Chairman
2. Mr. Siddhartha Lal
3. Mr. Prateek Jalan

3	Average net profit of the Company for last three financial years	Rs. 916.61 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 18.33 Crores
5	Details of CSR spent during the financial year:	
(1)	Total amount to be spent for the financial year	Rs. 18.33 Crores
(2)	Amount unspent, if any	Nil
(3)	Manner in which the amount spent during the financial year	The manner in which the amount is spent is provided under Annexure A
6	In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report	Not Applicable
7	We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.	

**Siddhartha Lal**  
 Managing Director  
 & Chief Executive Officer  
 DIN: 00037645

**S. Sandilya**  
 Chairman  
 DIN: 00037542

Place: Gurugram  
 Date: May 5, 2017

## ANNEXURE-A

REPORTING PERIOD : APRIL 1, 2016 TO MARCH 31, 2017

(Rupees in Lacs)							
1	2	3	4	5	6	7	8
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programmes Subheads: 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative expenses up to the reporting period	Amount spent: Direct or through implementing agency
1	Disaster relief	Promoting healthcare, eradicating hunger, poverty and malnutrition, sanitation and making available safe drinking water	Local Area Chennai and surrounding area, Tamil Nadu	491.0	352.9	426.9	Through implementing agency - Eicher Group Foundation
2	Improve employment opportunities for school dropouts unemployed youth by skill-building	Employment enhancing vocational skills	Local Area Chennai and surrounding area, Tamil Nadu Gurugram, Haryana	550.0	65.8	65.8	Through implementing agency - Eicher Group Foundation

(Rupees in Lacs)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programmes Subheads: 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative expenses up to the reporting period	Amount spent: Direct or through implementing agency
3	Road Safety and Community Development Programme	(i) Promoting health care and sanitation (ii) Promoting education including special education, employment enhancing vocational skills	Other Leh, Jammu and Kashmir, Lahaul and Spiti, Himachal Pradesh	1,000.0	86.1	86.1	Through implementing agency - Eicher Group Foundation
4	Eradication of blindness and deafness	Promoting healthcare	Other various states	250.0	153.1	240.1	Through implementing agency - Eicher Group Foundation
5	Vocational training	Promoting education, employment enhancing vocational skills	Other various states	225.0	164.1	176.1	Through implementing agency - Eicher Group Foundation
6	Infrastructure development and operational expenses for school	Promoting education	Other Alwar and surrounding area, Rajasthan	850.0	470.2	842.2	Through implementing agency - Eicher Group Foundation
7	Village upgradation programme a) Education- children's learning centres, renovation of anganwadis b) Environment- reviving of lakes/ ponds, waste collection, kitchen garden c) Livelihood-self help groups d) Multi disciplinary training centre e) Community safe drinking water f) Healthcare	Rural development projects	Local Tiruvottiyur, Oragadam, Vallam (Tamil Nadu)	330.0	253.3	253.3	Through implementing agency - Eicher Group Foundation
8	Eicher Group Foundation		Sl. Nos. 1 to 7 above	258.8	258.8	258.8	
<b>Direct expenditure on projects or programmes (A)</b>					<b>1,804.3</b>		
<b>Overheads relating to 1 to 7 above (B)</b>					<b>29.0</b>		
<b>Grand Total (A)+(B)</b>					<b>1,833.3</b>		

# ANNEXURE-5

## SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2017

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

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

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

Based on our verification of **Eicher Motors Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi) The Motor Vehicles Act, 1988 and rules made thereunder (the law, which is applicable specifically to the Company, being manufacturer/dealer of Automobile products and related components).

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

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

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

1. The Company has suo moto initiated steps with revenue authorities regarding determination of duties payable, if any.

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors cum Independent Directors. The re-appointment of Mr. Siddhartha Lal as Managing Director of the Company during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice has been given to all Directors to schedule the Board Meetings including committee meetings, agenda and detailed notes on agenda were sent properly before the

scheduled meeting(s), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting(s) and for meaningful participation at the meeting(s).

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

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

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

- (i) Re-appointed Mr. Siddhartha Lal, a Non Resident, as Managing Director of the Company for a further period of five years and complied with the provisions of the Act.
- (ii) The Company has allotted shares under Employee Stock Option Plan to its employees and officers of the Company and necessary compliances of the Act were made.

For **RDA & Associates**  
Company Secretaries

**CS Ranjeet Pandey**

Partner

Place: New Delhi

Date: 04/05/2017

FCS - 5922, CP No.- 6087

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

## ANNEXURE-A

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

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

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RDA & Associates**  
Company Secretaries

**CS Ranjeet Pandey**

Partner

Place: New Delhi

Date: 04/05/2017

FCS - 5922, CP No.- 6087

# ANNEXURE-6

## EXTRACT OF ANNUAL RETURN Form No. MGT-9

(As on the financial year ended on March 31, 2017)  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L34102DL1982PLC129877
ii)	Registration Date	October 14, 1982
iii)	Name of the Company	Eicher Motors Limited
iv)	Category / Sub-Category of the Company	Public Company Limited by Shares
v)	Address of the Registered office and contact details	3 <sup>rd</sup> Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017 Phone: 011-29563722
vi)	Whether listed company (Yes / No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, 2 <sup>nd</sup> Floor, Community Centre Narayana Industrial Area, Phase-I, New Delhi - 110 028 Phone No: 011-41410592-94 Fax No: 011-41410591 E-Mail: delhi@linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and Description of Main Products/ Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacture of motorcycles	3091	92%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN/ Reg. No.	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	VE Commercial Vehicles Ltd. Address: 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017	U74900DL2008PLC175032	Subsidiary	54.4%	2(87)
2.	VECV Lanka (Private) Limited Address: Level 1, The Landmark Building, No. 385, Galle Road, Kollupitiya, Colombo-03 Sri Lanka	PV 91985	Subsidiary	54.4%	2(87)
3.	VECV South Africa (PTY) Ltd. Address: Unit 15 Cambridge Office Park, 5 Bauhinia Street, Highveld Technopark, Centurion, South Africa	2016/007012/07	Subsidiary	54.4%	2(87)
4.	Eicher Polaris Private Limited Address: 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017	U34300DL2012PTC243453	Joint Venture	50%	2(6)
5.	Royal Enfield North America Limited Address: 10976, Bridge Street Cedarburg WI 53012, USA	R062747	Subsidiary	100%	2(87)
6.	Royal Enfield Brasil Comércio de Motocicletas Ltda Address: Avenida das Nações Unidas, No 14.171, 15th Floor, Room Numbers 1548/1549, Postal Code 04794-100, City of São Paulo, State of São Paulo	18369408/0001-09	Subsidiary	99.99%	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN/ Reg. No.	Holding / Subsidiary / Associate	% of shares held	Applicable Section
7.	Eicher Group Foundation (Section 8 Company) Address: 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017	U74900DL2015NPL287551	Subsidiary	50% is held by the Company and remaining 50% is held by VE Commercial Vehicles Ltd.	2(87)
8.	Royal Enfield Canada Limited Address: 1055 West Georgia Street 1500, Royal Centre, P.O. Box 11117 Vancouver BC V6E 4N7 Canada	BC1072545	Subsidiary	100%	2(87)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/ HUF	43,30,629	-	43,30,629	15.94	9,35,992	-	9,35,992	3.44	(12.50)	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	15,143	-	15,143	0.06	15,143	-	15,143	0.06	0.00	
e) Banks/Fl	-	-	-	-	-	-	-	-	-	
f) Any Other (Trust)	1,05,57,258	-	1,05,57,258	38.87	1,25,16,355	-	1,25,16,355	46.00	7.13	
<b>Sub-total (A)(1)</b>	<b>1,49,03,030</b>	<b>-</b>	<b>1,49,03,030</b>	<b>54.87</b>	<b>1,34,67,490</b>	<b>-</b>	<b>1,34,67,490</b>	<b>49.50</b>	<b>(5.37)</b>	
<b>(2) Foreign</b>										
a) NRIs Individuals	-	-	-	-	2,94,694	-	2,94,694	1.08	1.08	
b) Other Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks/ Fl	-	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,94,694</b>	<b>-</b>	<b>2,94,694</b>	<b>1.08</b>	<b>1.08</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1,49,03,030</b>	<b>-</b>	<b>1,49,03,030</b>	<b>54.87</b>	<b>1,37,62,184</b>	<b>-</b>	<b>1,37,62,184</b>	<b>50.58</b>	<b>(4.29)</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	8,43,402	-	8,43,402	3.11	10,57,518	1180	10,58,698	3.89	0.78	
b) Banks/Fl	20,141	-	20,141	0.07	37,088	121	37,209	0.14	0.07	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FIs	39,79,539	-	39,79,539	14.65	88,30,176	-	88,30,176	32.45	17.80	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1)</b>	<b>48,43,082</b>	<b>-</b>	<b>48,43,082</b>	<b>17.83</b>	<b>99,24,782</b>	<b>1301</b>	<b>99,26,083</b>	<b>36.48</b>	<b>18.65</b>	



Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
i) Indian	4,45,067	12,461	4,57,528	1.68	5,60,160	9,688	5,69,848	2.09	0.41	
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	17,80,280	5,46,796	23,27,076	8.57	18,39,759	4,90,309	23,30,068	8.56	(0.01)	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,28,972	-	3,28,972	1.21	1,69,660	-	1,69,660	0.62	(0.59)	
c) Others (specify)										
(1) Trust	27,778	-	27,778	0.10	54,957	3,209	58,166	0.21	0.11	
(2) Foreign Nationals	-	-	-	-	226	-	226	-	0.00	
(3) Non Resident Indians	2,03,823	1,25,361	3,29,184	1.21	1,68,918	1,15,849	2,84,767	1.05	(0.16)	
(4) Overseas Corporate Bodies	-	980	980	0.00	-	880	880	0.00	0.00	
(5) Clearing Members	36,874	-	36,874	0.14	58,253	-	58,253	0.21	0.07	
(6) HUF	45,239	-	45,239	0.17	49,709	-	49,709	0.18	0.01	
(7) Foreign Corporate Bodies	38,58,513	-	38,58,513	14.21	-	-	-	-	(14.21)	
(8) Others	2,927	-	2,927	0.01	405	-	405	-	(0.01)	
<b>Sub-total (B)(2)</b>	<b>67,29,473</b>	<b>6,85,598</b>	<b>74,15,071</b>	<b>27.30</b>	<b>29,02,047</b>	<b>6,19,935</b>	<b>35,21,982</b>	<b>12.94</b>	<b>(14.36)</b>	
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1,15,72,555</b>	<b>6,85,598</b>	<b>1,22,58,153</b>	<b>45.13</b>	<b>1,28,26,829</b>	<b>6,21,236</b>	<b>1,34,48,065</b>	<b>49.42</b>	<b>4.29</b>	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	<b>2,64,75,585</b>	<b>6,85,598</b>	<b>2,71,61,183</b>	<b>100.00</b>	<b>2,65,89,013</b>	<b>6,21,236</b>	<b>2,72,10,249</b>	<b>100.00</b>	<b>-</b>	

**(ii) Shareholding of Promoters & Promoter Group:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016)			Shareholding at the end of the year (as on March 31, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
1	Ms. Simran Lal	3,15,241	1.16	-	3,15,241	1.16	-	0.00
2	Ms. Tara Lal	3,14,994	1.16	-	3,14,994	1.16	-	0.00
3	Ms. Rukmani Joshi	3,60,083	1.33	-	3,05,757	1.12	-	(0.21)
4	Mr. Siddhartha Lal	2,94,694	1.08	-	2,94,694	1.08	-	0.00
5	Ms. Anita Lal	30,23,167	11.13	-	-	-	-	(11.13)
6	Mr. Vikram Lal	22,450	0.08	-	-	-	-	(0.08)
7	Eicher Goodearth Pvt Ltd	15,143	0.06	-	-	-	-	(0.06)
8	The Simran Siddhartha Tara Benefit Trust, Trustee - Vikram Lal	67,99,828	25.04	-	1,20,30,648	44.21	-	19.17

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016)			Shareholding at the end of the year (as on March 31, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
9	Eicher Goodearth Trust, Trustee - Vikram Lal	32,71,723	12.05	-	-	-	-	(12.05)
10	The Brinda Lal Trust, Trustee - Vikram Lal	4,85,707	1.79	-	4,85,707	1.79	-	0.00
11	Karvansarai Travel & Lifestyle Private Limited	-	-	-	15,143	0.06	-	0.06
	<b>Total</b>	<b>1,49,03,030</b>	<b>54.87</b>	<b>-</b>	<b>1,37,62,184</b>	<b>50.58</b>	<b>-</b>	<b>(4.29)*</b>

\* Out of a total 4.29% decrease in shareholding of Promoters & Promoter Group, 0.09% decrease is on account of allotment of equity shares by the Company under its Employee Stock Option Plan, 2006, during the FY 2016-17.

### (iii) Change in Promoters & Promoter Group Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Ms. Simran Lal</b>					
1	At the beginning of the year	3,15,241	1.16	3,15,241	1.16
	Data-wise Increase/Decrease in Promoters Shareholding during the year			No Change	
	At the end of the year i.e. as on March 31, 2017			3,15,241	1.16
<b>Ms. Tara Lal</b>					
2	At the beginning of the year	3,14,994	1.16	3,14,994	1.16
	Data-wise Increase/Decrease in Promoters Shareholding during the year			No Change	
	At the end of the year i.e. as on March 31, 2017			3,14,994	1.16
<b>Ms. Rukmani Joshi</b>					
3	At the beginning of the year	3,60,083	1.33	3,60,083	1.33
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Market Sale on May 13, 2016	(54,326)	(0.20)	3,05,757	1.12
	At the end of the year i.e. as on March 31, 2017			3,05,757	1.12
<b>Mr. Siddhartha Lal</b>					
4	At the beginning of the year	2,94,694	1.08	2,94,694	1.08
	Data-wise Increase/Decrease in Promoters Shareholding during the year			No Change	
	At the end of the year i.e. as on March 31, 2017			2,94,694	1.08
<b>Ms. Anita Lal</b>					
5	At the beginning of the year	30,23,167	11.13	30,23,167	11.13
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Market Sale on May 13, 2016	(5,43,260)	(2.00)	24,79,907	9.13
	Inter-se transfer between Promoters on December 26, 2016	(24,79,907)	(9.12)	NIL	NIL
	At the end of the year i.e. as on March 31, 2017			NIL	NIL
<b>Mr. Vikram Lal</b>					
6	At the beginning of the year	22,450	0.08	22,450	0.08
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Inter-se transfer between Promoters on December 26, 2016	27,28,463	10.03	27,50,913	10.11
	Inter-se transfer between Promoters on December 30, 2016	(27,50,913)	(10.11)	NIL	NIL
	At the end of the year i.e. as on March 31, 2017			NIL	NIL
<b>Eicher Goodearth Private Limited</b>					
7	At the beginning of the year	15,143	0.06	15,143	0.06
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Inter-se transfer between Promoters on March 24, 2017	(15,143)	(0.06)	NIL	NIL
	At the end of the year i.e. as on March 31, 2017			NIL	NIL

Sl. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>The Simran Siddhartha Tara Benefit Trust</b>					
8	At the beginning of the year	67,99,828	25.04	67,99,828	25.04
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Inter-se transfer between Promoters on December 26, 2016	24,79,907	9.12	92,79,735	34.12
	Inter-se transfer between Promoters on December 30, 2016	27,50,913	10.11	1,20,30,648	44.23
	At the end of the year i.e. as on March 31, 2017			1,20,30,648	44.21
<b>Eicher Goodearth Trust</b>					
9	At the beginning of the year	32,71,723	12.05	32,71,723	12.05
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Market Sale on May 13, 2016	(5,43,260)	(2.00)	27,28,463	10.05
	Inter-se transfer between Promoters on December 26, 2016	(27,28,463)	(10.03)	NIL	NIL
	At the end of the year i.e. as on March 31, 2017			NIL	NIL
<b>The Brinda Lal Trust</b>					
10	At the beginning of the year	4,85,707	1.79	4,85,707	1.79
	Data-wise Increase/Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2017			4,85,707	1.79
<b>Karvansarai Travel &amp; Lifestyle Private Limited</b>					
11	At the beginning of the year	NIL	NIL	NIL	NIL
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Inter-se transfer between Promoters on March 24, 2017	15,143	0.06	15,143	0.06
	At the end of the year i.e. as on March 31, 2017			15,143	0.06

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (as on April 1, 2016)		Shareholding at the end of the year (as on March 31, 2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Cartica Capital Ltd®	9,86,002	3.63	1,60,092	0.59
2	Tiaa-Cref Institutional Mutual Funds-International Equity Fund®	2,59,335	0.95	2,09,353	0.77
3	Amansa Holdings Private Limited*	1,98,410	0.73	1,44,966	0.53
4	Tree Line Asia Master Fund (Singapore) PTE Ltd*	2,35,000	0.87	1,35,000	0.50
5	Steadview Capital Mauritius Limited®	2,22,457	0.82	2,20,457	0.81
6	Vanguard Emerging Markets Stock Index Fund, A series Of Vanguard International Equity Index Fund®	1,87,768	0.69	2,07,399	0.76
7	Europacific Growth Fund®	2,48,800	0.92	10,87,308	4.00
8	New World Fund INC®	2,44,500	0.90	2,66,400	0.98
9	Copthall Mauritius Investment Limited®	2,05,992	0.76	2,28,756	0.84
10	Government of Singapore®	1,68,514	0.62	1,94,637	0.72
11	Ishares India Index Mauritius Company^^	1,43,795	0.53	1,61,224	0.59
12	Vanguard Total International Stock Index Fund^^	1,26,343	0.47	1,60,629	0.59

Note: More than 97% of the Shares of the Company are held in dematerialised form, and are widely traded on daily basis. Therefore, the data-wise increase/decrease in shareholding is not indicated.

@ Amongst common top ten Shareholders as on April 1, 2016 and March 31, 2017.

\* Amongst top ten Shareholders only as on April 1, 2016.

^^ Amongst top ten Shareholders only as on March 31, 2017.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on April 1, 2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Siddhartha Lal, Managing Director & Chief Executive Officer				
	At the beginning of the year	2,94,694	1.08	2,94,694	1.08
	Data-wise Increase/Decrease in Shareholding		No Change		
	At the end of the year i.e., 31.3.2017			2,94,694	1.08
2.	Mr. S. Sandilya, Chairman and Non-Executive Independent Director				
	At the beginning of the year	12,766	0.05	12,766	0.05
	Data-wise Increase/Decrease in Shareholding				
	Market Sale on August 12, 2016	(975)	(0.00)	11,791	0.04
	Market Sale on August 16, 2016	(25)	(0.00)	11,766	0.04
	At the end of the year i.e., 31.3.2017			11,766	0.04
3.	Mr. Lalit Malik, Chief Financial Officer				
	At the beginning of the year	5,000	0.02	5,000	0.02
	Data-wise Increase/Decrease in Shareholding				
	Exercise of Stock Option on July 28, 2016	4,000	0.01	9,000	0.03
	At the end of the year i.e., 31.3.2017			9,000	0.03

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

Sl. No.	Particulars of Remuneration paid during the year	Name of MD/WTD/Manager Mr. Siddhartha Lal- Managing Director & Chief Executive Officer	(Amount in Rs.)
			Total Amount
1.	Gross salary*		
	a) Salary	3,29,26,252	3,29,26,252
	b) Value of perquisites	1,71,35,022	1,71,35,022
	c) Profits in lieu of salary	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	4,50,00,000	4,50,00,000
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>9,50,61,274</b>	<b>9,50,61,274</b>
	<b>Ceiling as per the Act</b>		<b>1,14,36,67,964</b>

\*Mr. Siddhartha Lal-Managing Director & Chief Executive Officer is a Non-resident Indian. His salary and value of perquisites as above is calculated as per the laws of United Kingdom where he presently resides.

**B. REMUNERATION TO OTHER DIRECTORS:**

							(Amount in Rs.)
Sl. No.	Particulars of Remuneration paid during the year	Name of Directors					Total Amount
1.	Independent Directors	Mr. S. Sandilya	Mr. Priya Brat	Mr. M. J. Subbaiah	Mr. Prateek Jalan	Ms. Manvi Sinha	
	• Fee for attending Board/Committee meetings	3,40,000	2,60,000	2,30,000	2,70,000	1,00,000	<b>12,00,000</b>
	• Commission	55,00,000	10,31,250	10,31,250	30,25,000	10,31,250	<b>1,16,18,750</b>
	• Others, please specify	-	-	-	-	-	<b>-</b>
	<b>Total (1)</b>	<b>58,40,000</b>	<b>12,91,250</b>	<b>12,61,250</b>	<b>32,95,000</b>	<b>11,31,250</b>	<b>1,28,18,750</b>
2.	Other Non-Executive Directors						
	• Fee for attending Board/Committee meetings	-	-	-	-	-	<b>-</b>
	• Commission	-	-	-	-	-	<b>-</b>
	• Others, please specify	-	-	-	-	-	<b>-</b>
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1 + 2)</b>	<b>58,40,000</b>	<b>12,91,250</b>	<b>12,61,250</b>	<b>32,95,000</b>	<b>11,31,250</b>	<b>1,28,18,750</b>
	<b>Total Managerial Remuneration (A+B)</b>						<b>10,78,80,024</b>
	<b>Overall Ceiling as per the Act</b>						<b>2,51,60,69,520</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

				(Amount in Rs.)		
Sl. No.	Particulars of Remuneration paid during the year	Key Managerial Personnel			Total	
		Company Secretary	CFO			
1.	Gross salary					
a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		81,77,118	2,50,51,884	<b>3,32,29,002</b>	
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		39,600	5,797	<b>45,397</b>	
c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961		-	-	<b>-</b>	
2.	Stock Option		-	-	<b>-</b>	
3.	Sweat Equity		-	-	<b>-</b>	
4.	Commission		-	-	<b>-</b>	
5.	Others, please specify		-	-	<b>-</b>	
	<b>Total</b>		<b>82,16,718</b>	<b>2,50,57,681</b>	<b>3,32,74,399</b>	

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017 under the Companies Act, 2013.

# CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

## 2. BOARD OF DIRECTORS

### 2.1 Composition, Meetings, Attendance, Other Directorship, Chairmanship and Membership

The Board is responsible for the management of the affairs of the Company's businesses. As on March 31, 2017, the Board strength consists of Six Directors comprising Five Non-Executive Independent Directors of which one is a Woman Director and One Executive Director. Six Board Meetings were held during the financial year ended March 31, 2017, on April 27, 2016, May 5, 2016, July 28, 2016, October 28, 2016, February 1, 2017 and March 27, 2017. Attendance and other details of the Directors are given below:

Sl. No.	Name of the Director	Category	No. of Board Meetings attended	Whether attended the 34th AGM held on June 18, 2016	Number of Directorship held in other Companies#	Number of Committee Memberships /Chairmanships held in other Companies#	
						Memberships*	Chairmanships*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr S. Sandilya DIN: 00037542	Chairman - Non-Executive Independent Director	6	Yes	5	1	4
2.	Mr Siddhartha Lal DIN: 00037645	Promoter - Managing Director	5	No	1	-	-
3.	Mr Priya Brat DIN: 00041859	Non-Executive Independent Director	6	Yes	3	3	1
4.	Mr M. J. Subbaiah DIN: 00044799	Non-Executive Independent Director	5	Yes	-	-	-
5.	Mr Prateek Jalan DIN: 02170139	Non-Executive Independent Director	5	No	1	1	-
6.	Ms Manvi Sinha DIN: 07038675	Non-Executive Independent Director	5	Yes	-	-	-

None of the Directors hold Chairmanship of the Board Committees in excess of the maximum ceiling of five and membership in excess of the maximum ceiling of ten as specified under Regulation 26 of SEBI (LODR) Regulations, 2015. No Director of the Company is related to any other Director on the Board.

No Independent Director serves as a Whole-time Director in any other listed company. Further, none

of the Independent Director of the Company serve as Independent Director in more than seven listed companies as required under Regulation 25 of SEBI (LODR) Regulations, 2015.

#For the purpose of this disclosure, Listed Companies and public limited companies, whether listed or not, are included and all other companies including private

limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 or Section 25 of the Companies Act, 1956 are excluded.

\*For the purpose of reckoning the limit under this sub-clause, Chairmanship(s)/ membership(s) of the Audit Committee and the Stakeholders' Relationship Committee alone are considered.

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

## 2.2 Appointment of Directors

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

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

## 2.3 Information supplied to the Board

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI (LODR) Regulations, 2015 is made available to the Board of Directors, for discussions and consideration at the Board Meetings.

## 2.4 Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on May 5, 2016 without the attendance of non-independent Director and members of management to:

- (a) review the performance of non-independent Director and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;

- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 2.5 Shareholding of Non-Executive Directors

As on March 31, 2017, Mr S. Sandilya, Chairman and Non-Executive Independent Director of the Company holds 11,766 equity shares of the Company. Other Non-Executive Directors viz. Mr Priya Brat, Mr M.J. Subbaiah, Mr Prateek Jalan and Ms Manvi Sinha do not hold any shares in the Company. The Company has not issued any convertible instruments.

## 2.6 Induction and Familiarisation Programme for Independent Directors

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

## 3. AUDIT COMMITTEE

Composition and terms of Reference of the Audit Committee of Directors of the Company are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, with all members being financially literate and most having accounting or related financial management expertise. As on March 31, 2017, Audit Committee consists of four Non-Executive Independent Directors and one Executive Director. The role of the Audit Committee is, inter alia, 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 carry out such other matters as are required in terms of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### 3.1 Major terms of reference

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (ii) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services;
- (iii) Reviewing with the management the quarterly, half yearly and annual financial statements

and auditors' report thereon before submission to the Board for approval;

- (iv) Reviewing the Company's financial and risk management policies;
- (v) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- (vi) Approval or any subsequent modification of transactions of the Company with related parties;
- (vii) Scrutiny of inter-corporate loans and investments;
- (viii) Valuation of assets of the Company, whenever it is necessary;
- (ix) Evaluation of internal financial controls and risk management systems;
- (x) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xi) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xii) Discussion with internal auditors of any significant findings and follow-up thereon;
- (xiii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xiv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xv) To review the functioning of the whistle blower mechanism;
- (xvi) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of related party transactions submitted by management;

(iii) internal audit reports relating to internal control weaknesses;

(iv) management letters / letters of internal control weaknesses issued by the statutory auditors.

### 3.2 Meetings and Attendance

Six Meetings of the Audit Committee of Directors were held during the Financial Year 2016-17 on April 27, 2016, May 5, 2016, July 28, 2016, October 28, 2016, February 1, 2017 and March 27, 2017. The attendance details are as under:

Sl. No.	Name	Chairman/ Member	No. of meetings held	No. of meetings attended
1.	Mr M.J. Subbaiah	Chairman	6	5
2.	Mr S. Sandilya	Member	6	6
3.	Mr Siddhartha Lal	Member	6	5
4.	Mr Priya Brat	Member	6	6
5.	Mr Prateek Jalan	Member	6	5

The Chief Financial Officer, the Head of Internal Audit and the Statutory Auditors are invited for the Audit Committee meetings as required.

Mr Manhar Kapoor, General Counsel & Company Secretary acts as the Secretary to the Audit Committee.

## 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of Regulation 20 of the SEBI (LODR) Regulations, 2015, the Company has a Stakeholders' Relationship Committee which consists of two Non-Executive Independent Directors. The Committee looks into the redressal of Shareholders' and Investors' complaints relating to transfer of shares, Non-receipt of Annual Report and Non-receipt of declared dividends, etc.

### 4.1 Meetings and Attendance

Four Meetings of the Stakeholders' Relationship Committee of Directors were held during the Financial Year 2016-17 on May 5, 2016, July 28, 2016, October 28, 2016 and February 1, 2017. The attendance details are as under:

Sl. No.	Name	Chairman/ Member	No. of meetings held	No. of meetings attended
1.	Mr Priya Brat	Chairman	4	4
2.	Mr S. Sandilya	Member	4	4

The Managing Director and the Chief Financial Officer are invited at the Stakeholders' Relationship Committee meetings as required.



Mr Manhar Kapoor, General Counsel & Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee. He is the compliance officer of the Company.

#### 4.2 Status of Complaints

Sl. No.	Particulars	Numbers
1.	No. of complaints received	163
2.	No. of complaints resolved	160
3.	No. of pending complaints	3

### 5. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee comprising three Directors, all being Non-Executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

#### 5.1 Major terms of Reference

- (i) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal.
- (ii) Laying down the evaluation criteria for performance evaluation of Independent Directors.
- (iii) Carrying out evaluation of every Director's performance.
- (iv) To decide on whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.
- (v) Devising a policy on diversity of Board of Directors.
- (vi) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to the Remuneration of the Directors, Key Managerial Personnel and other employees.
- (vii) To undertake and perform all such functions, powers for administration and superintendence of Employees Stock Option Plan – 2006 (ESOP), inter alia as contained under SEBI (Share Based Employee Benefits) Regulations, 2014 including any amendments thereof.
- (viii) The Nomination & Remuneration Committee shall meet at least once a year.

- (ix) To review and approve any other matter relating to the aforesaid ESOP which may be considered necessary and incidental thereto.

#### 5.2 Meetings and Attendance

Six Meetings of the Nomination & Remuneration Committee of Directors of the Company were held during the Financial Year 2016-17 on April 27, 2016, May 5, 2016, July 28, 2016, October 28, 2016, February 1, 2017 and March 27, 2017. The attendance details are as under:

Sl. No.	Name	Chairman/Member	No. of meetings held	No. of meetings attended
1.	Mr Prateek Jalan	Chairman	6	5
2.	Mr S. Sandilya	Member	6	6
3.	Mr M J Subbaiah	Member	6	5

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

#### 5.3 Performance Evaluation Criteria for Independent Directors

The Company has adopted an Evaluation policy to evaluate performance of individual Directors, the Board as a whole and its committees. Evaluation of Individual Directors including Independent Directors is carried out by the entire Board as well as by the Nomination and Remuneration Committee in accordance with the provisions of Code for Independent Directors as outlined under Schedule IV and Section 178 of the Companies Act, 2013. Such evaluation factors includes various criteria including thought contribution, business insight, applied knowledge, etc.

During the financial year under review, formal annual evaluation of the Board, its committees, the Chairman and individual Directors was carried out pursuant to the Board Performance Evaluation Policy on May 5, 2016.

### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility Committee of Directors comprising two Non-Executive Independent Directors and one Executive Director. The composition and the role of the Committee are in conformity with the provisions of Section 135 of Companies Act, 2013

#### 6.1 Major terms of Reference

- (i) Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013.

- (ii) Recommending the amount of expenditure to be incurred on the activities referred to in CSR policy.
- (iii) Monitoring the CSR Policy of the Company from time to time.

## 6.2 Meetings and Attendance

Two Meetings of the Corporate Social Responsibility Committee of the Company were held during the Financial Year 2016-17 on May 5, 2016 and October 28, 2016. The names of the members, chairperson and attendance details are as under:

Sl. No.	Name	Chairman/Member	No. of meetings held	No. of meetings attended
1.	Mr S. Sandilya	Chairman	2	2
2.	Mr Siddhartha Lal	Member	2	2
3.	Mr Prateek Jalan	Member	2	2

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

## 7. RISK MANAGEMENT COMMITTEE

In terms of Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company has a Risk Management Committee. The constitution of the Risk Management Committee is in compliance with the above provisions. As on March 31, 2017, the Risk Management Committee consists of two Directors and the Chief Financial Officer.

## 9. REMUNERATION OF DIRECTORS

### 9.1 Remuneration to Managing Director

The remuneration of the Managing Director is fixed by the Board of Directors and approved by shareholders in the Annual General Meeting. The details of remuneration of Managing Director for the financial year ended March 31, 2017 is as under:

Name of the Director	Salary	Commission	Perquisites	Service Contract	
				Tenure	Notice period
Mr Siddhartha Lal Managing Director	3.29	4.20	1.71	5 years (Members at their AGM held on June 18, 2016, approved re-appointment of Mr Siddhartha Lal as Managing Director w.e.f. May 1, 2016 up to April 30, 2021)	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, Allowances, Perquisites and Commission does not exceed 5% of the net profits computed in the manner provided under Section 197 read with Section 198 of the Companies Act, 2013.

Factors such as industry standards, responsibilities and performance assessment are considered while determining the Quantum of Commission to be paid to the Managing Director.

### 7.1 Major Terms of Reference

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

### 7.2 Members of the Committee

Sl. No.	Name	Chairman/Member
1.	Mr Siddhartha Lal (Managing Director & Chief Executive Officer)	Chairman
2.	Mr S. Sandilya (Chairman and Non-Executive Independent Director)	Member
3.	Mr Lalit Malik (Chief Financial Officer)	Member

## 8. SHARES COMMITTEE

The Shares Committee of the Company consists of three members i.e. Mr Siddhartha Lal - Managing Director & Chief Executive Officer, Mr Lalit Malik - Chief Financial Officer and Mr Manhar Kapoor - General Counsel & Company Secretary to look after and approve transfer/transmission of equity shares, dematerialisation, issue of duplicate certificates, etc. All valid requests for transfer & transmission of shares in physical form, duplicate issue of share certificate were processed in time.

During the financial year ended March 31, 2017, 21 meetings of the Committee were held to approve requests for transfer of 3,911 shares, 66,763 shares for dematerialisation, 19,953 shares for issue of duplicate certificates, 3,983 shares for name deletion and 4,702 shares for transmission of securities.

No sitting fee has been paid to Mr Siddhartha Lal and no stock option have been granted to him under the Company's Employees Stock Option Plan, 2006, during the financial year ended March 31, 2017.

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

The members of the Company in their 33rd Annual General Meeting held on March 20, 2015 had

approved payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 2013, for a period of five years with effect from the financial year ended December 31, 2014.

The remuneration comprising sitting fee and commission to Non-Executive and Independent Directors for the financial year ended March 31, 2017 is as under:

Name of the Director	(Amount in Rs. lacs)	
	Sitting fee*	Commission#
Mr S. Sandilya - Chairman and Non-Executive Independent Director	3.40	48.40
Mr Priya Brat - Non-Executive Independent Director	2.60	9.07
Mr M. J. Subbaiah - Non-Executive Independent Director	2.30	9.07
Mr Prateek Jalan - Non-Executive Independent Director	2.70	20.62
Ms Manvi Sinha - Non-Executive Independent Director	1.00	9.07
<b>Total</b>	<b>12.00</b>	<b>96.23</b>

\* Remuneration paid to Non-Executive Independent Directors represents sitting fee as approved by the Board of Directors for attending the Board and Committee Meetings.

# Annual commission payable to Non-Executive Independent Directors is subject to approval of annual financial statements by the shareholders at the forthcoming Annual General Meeting of the Company.

#### Notes:

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

The Non-Executive and Independent Directors are paid sitting fees @ Rs. 10,000/- for attending each meeting of Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Independent Directors are not entitled to any stock options.

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

## 10. SUBSIDIARY COMPANIES

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

- (i) Financial statements, in particular, the investments made by the subsidiary companies are periodically reviewed by the Audit Committee of the Company.

- (ii) Minutes of Board meetings of subsidiary companies are periodically placed before the Company's Board.
- (iii) All significant transactions and arrangements entered into by the subsidiary companies are reviewed periodically by the Board of the Company.
- (iv) Mr Prateek Jalan, a Non-Executive Independent Director of the Company is a Director on the Board of VE Commercial Vehicles Limited, an unlisted material subsidiary company of the Company, incorporated in India.\*

The Company has also formulated a policy for determining material subsidiary as required under Regulation 16 of the SEBI (LODR) Regulations, 2015, and the same is disclosed on the Company's website and the web link for the same is [http://www.eicher.in/uploads/1454671647\\_policy-for-determining-material-subsidiaries.pdf](http://www.eicher.in/uploads/1454671647_policy-for-determining-material-subsidiaries.pdf)

\*As per Indian Accounting Standards, VE Commercial Vehicles Limited is considered as a Joint Venture Company for the purpose of preparation of financial statements of the Company.

## 11. OTHER DISCLOSURES

### 11.1 Related Party Transactions

In terms of Indian Accounting Standard-24 on "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013 the Company has identified the related parties and suitable disclosures relating to details of transactions with such related parties have been disclosed in Note No. 44 to the Standalone Accounts forming part of this Annual Report.

All contracts/arrangements/transactions entered into by the Company during the financial year with the Related Parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and do not have potential conflicts with the interest of the Company. Related Party Transactions are also placed in the Audit Committee Meeting(s) for its prior approval or omnibus approval, as the case may be. Audit Committee also reviews related party transactions entered into by the Company on quarterly basis. There are no materially significant related party transactions during the financial year ended March 31, 2017.

The Company has also formulated a policy on materiality of and dealing with Related Party Transactions (RPT Policy). This RPT Policy is available on the website of the Company and the weblink for the same is [http://www.eicher.in/uploads/1427720283\\_PMDRPT.pdf](http://www.eicher.in/uploads/1427720283_PMDRPT.pdf). All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013, Regulation 23 of the SEBI (LODR) Regulations, 2015 and the Company's RPT Policy.

**11.2 Compliances by the Company**

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

**11.3 Code of Conduct for Directors and Senior Management**

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management which is strictly adhered to and the same is available on Company's website at [www.eichermotors.com](http://www.eichermotors.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Managing Director & Chief Executive Officer.

Further, there are no material, financial and commercial transactions, where the Senior Management have personal interest that may have a potential conflict with the interest of the Company at large.

**11.4 Prevention of Insider Trading Code**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company, inter alia, adopted a Code of Conduct for Regulating, Monitoring and Reporting trading by an Insider. All the Directors, employees and connected persons such as auditors, consultants, etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window for dealing in securities of the Company is closed as per the provisions of the above code.

**11.5 CEO / CFO Certification**

The CEO and the CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015 and that the certificate forms part of the Annual Report.

**11.6 Status of Compliance of Non-Mandatory requirements under Regulation 27(1) of SEBI (LODR) Regulations, 2015 read with Part E of Schedule II thereto**

The Company complies with the following non-mandatory requirements:

1. The Non-Executive Chairman of the Company is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
2. The Auditors have expressed no qualification in their report.
3. The Company has appointed separate persons to the post of the Chairman and the Chief Executive Officer. Mr S. Sandilya is the

Chairman of the Board of Directors and Mr Siddhartha Lal is the Managing Director and Chief Executive Officer of the Company.

4. The Internal Auditor reports directly to the Audit Committee on quarterly basis.

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

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

**11.8 Vigil Mechanism/Whistle Blower Policy**

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

**11.9 Dividend Distribution Policy**

In compliance with Regulation 43A of the SEBI (LODR) Regulations, 2015, the Board at its meeting held on March 27, 2017, approved a Dividend Distribution Policy of the Company. The Dividend Distribution Policy, inter alia, includes the following:

**(i) The circumstances under which the shareholders may or may not expect dividend**

The Company firmly believes in the philosophy of payment of Dividend at regular intervals, whenever the financial position and other factors permit, in addition to creating long-term value for the shareholders of the Company. The Board shall strive to strike a balance between payment of dividend at regular interval and long-term wealth creation for the shareholders.

The Company may decide not to recommend any Dividend during a financial year in circumstances where there are losses or inadequacy of profits, where other suitable means are available to reward the shareholders instead of dividend, where the Company needs to conserve its profits/surplus funds for business plans and other exigencies, where surplus cash and liquid funds are not available, among others.

**(ii) The financial parameters and internal factors that shall be considered while declaring dividend**

Amongst others, major financial parameters and internal factors that shall be considered are Net Profits for the Current financial year, surplus in the Profit & Loss account, availability of Free Reserves, Cash Flow and

liquidity projections for next three financial years, further Capital infusion requirement in Company's subsidiaries/Joint Ventures, other investment plans, Company/Brand acquisitions and declaration of dividend by Company's subsidiaries.

**(iii) The external factors that shall be considered while declaring dividend**

External factors that shall be considered are Economic Environment, Industry outlook and performance of manufacturing and other sectors having a bearing on Company's performance, Government policies and regulatory provisions, Industry's average Dividend payout and shareholder's expectation.

**(iv) Utilisation of retained earnings by the Company**

Retained earnings may be utilised by the Company inter alia for business expansion and upgradation (expansion and modernisation of production facilities, product development, market expansions etc.), payment of Dividend, Buy back of shares, etc. Investments and new business opportunities, meeting financial emergencies and other contingencies.

**(v) Classes of shares in the Company**

Issued, subscribed and paid-up share capital of the Company consist of only Equity Shares of face value of Rs. 10/- each. There is no other class of shares.

The said Policy is available on the Company's website [www.eichermotors.com](http://www.eichermotors.com).

- (ii) The Standalone and Consolidated quarterly and annual results are promptly filed with the Stock Exchanges in terms of Regulation 33 of SEBI (LODR) Regulations, 2015.
- (iii) Official news releases are also available on the Company's website. Schedule of Analyst or institutional investor meetings and/or conference call information, presentations made to them, if any, and the transcripts are promptly displayed on the website of the Company.
- (iv) The Company also discloses on its website all disclosures filed with the stock exchanges under Regulation 30 of SEBI (LODR) Regulations, 2015 and all other information and documents that are required to be placed on the website of the Company.
- (v) The following are displayed on the Website of the Company i.e. [www.eichermotors.com](http://www.eichermotors.com):
  - ◆ Business of the Company
  - ◆ Terms and conditions of appointment of Independent Directors
  - ◆ Composition of various committees of the Board
  - ◆ Whistle Blower Policy
  - ◆ Annual Report of the Company
  - ◆ Policy on materiality of and dealing with related party transactions
  - ◆ Policy for determining material subsidiaries
  - ◆ Details of familiarisation programmes for Independent Directors
  - ◆ Standalone and Consolidated Quarterly and Annual Financial Results of Company
  - ◆ Shareholding Pattern
  - ◆ Company Profile
  - ◆ Press Releases
  - ◆ Schedule of analyst or institutional investor meet and presentations made to them
  - ◆ Code of Conduct for the Directors and Senior Management
  - ◆ Investors/analysts conference call information and transcripts
  - ◆ Contact information - for solving any investor's queries
  - ◆ Other information as required under Regulation 46 of SEBI (LODR) Regulations, 2015

## 12. MEANS OF COMMUNICATION

- (i) The consolidated quarterly and annual results are generally published in the Business Standard (English) - All Editions and Business Standard (Hindi), Delhi edition, having wide circulation. The Standalone and Consolidated quarterly and annual results of the Company along with limited review reports of the Auditors thereon and/or Auditors' Report are available on the Company's website at [www.eichermotors.com](http://www.eichermotors.com).

## 13. GENERAL SHAREHOLDER INFORMATION

**13.1 Day, date, time and venue of the Annual General Meeting** : Tuesday, August 8, 2017 at 10:00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003

### 13.2 Financial Year

The financial year under review is of 12 (twelve) months from April 1, 2016 to March 31, 2017.

### 13.3 General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
January 1, 2015- March 31, 2016	18.06.2016 (AGM)	Saturday	10.00 A.M.	Shri Ram Centre, 4, Safdar Hashmi Marg, New Delhi - 110001	No
January 1, 2014 - December 31, 2014	20.03.2015 (AGM)	Friday	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003	Yes
January 1, 2013 - December 31, 2013	21.03.2014 (AGM)	Friday	10.00 A.M.	LTG Auditorium, Copernicus Marg, New Delhi - 110 001	No

**Notes:**

1. The Company in its AGM held on March 20, 2015, passed two special resolutions for the following:
  - (a) Approval of payment of remuneration by way of commission not exceeding one percent of the net profits of the Company in every financial year for five years, effective from the financial year ended on December 31, 2014 to the Directors of the Company (other than the managing director(s) or whole-time director(s), if any).
  - (b) Approval for increase in limit of investment by FIIs in the Company to 49% of Company's total capital.
2. No Special Resolution was passed through postal ballot last year. Also, no Special Resolutions are proposed to be conducted through postal ballot.

**13.4 Financial Calendar – 2016-17**

Adoption of Quarterly/Annual Results for the quarter/year ended	Date of Board Meetings	Date of publication	Name of Newspapers
June 30, 2016 (Quarterly Results)	28/07/2016	29/07/2016	Business Standard - All Editions (English), and Business Standard (Hindi), Delhi Edition
September 30, 2016 (Quarterly Results)	28/10/2016	29/10/2016	Business Standard - All Editions (English), and Business Standard (Hindi), Delhi Edition
December 31, 2016 (Quarterly Results)	01/02/2017	02/02/2017	Business Standard - All Editions (English), and Business Standard (Hindi), Delhi Edition
March 31, 2017 (Annual Results)	05/05/2017	06/05/2017 (Proposed)	Business Standard - All Editions (English), and Business Standard (Hindi), Delhi Edition (Proposed)

**Tentative Financial Calendar – for the financial year ending March 31, 2018**

Quarterly results for the quarters ending June 30, 2017, September 30, 2017, December 31, 2017 and annual results for the year ending March 31, 2018 will be approved in the Board Meetings which will be tentatively held in the months of August 2017, November 2017, February 2018 and May 2018 respectively (subject to the finalisation of dates by the Board of Directors). Annual General Meeting for the Financial Year 2017-18 will be tentatively held in between July-September 2018. The Consolidated quarterly and annual results will likely be published in the Business Standard (English) in all Editions and in Business Standard (Hindi), Delhi Edition. The Standalone and Consolidated quarterly and annual results will be intimated to Stock Exchanges. Additionally, the same will be posted on Company's website at [www.eichermotors.com](http://www.eichermotors.com).

**13.5 Book Closure :** August 2, 2017 to August 8, 2017 (both days inclusive).

**13.6 Dividend payment date:** Dividend, if declared by the Members will be paid on or before September 6, 2017.

**13.7 Listing on Stock Exchanges:** The equity shares of the Company are listed on the following Stock Exchanges:

**BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001

**National Stock Exchange of India Ltd.**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051

The annual listing fees has been paid to both the stock exchanges for the financial year 2017-18.

**13.8 Name of Depositories for dematerialisation of equity shares**

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

The equity shares are quoted under the following Codes/Symbol:

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

**13.9 Registrar and Share Transfer Agent:**

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

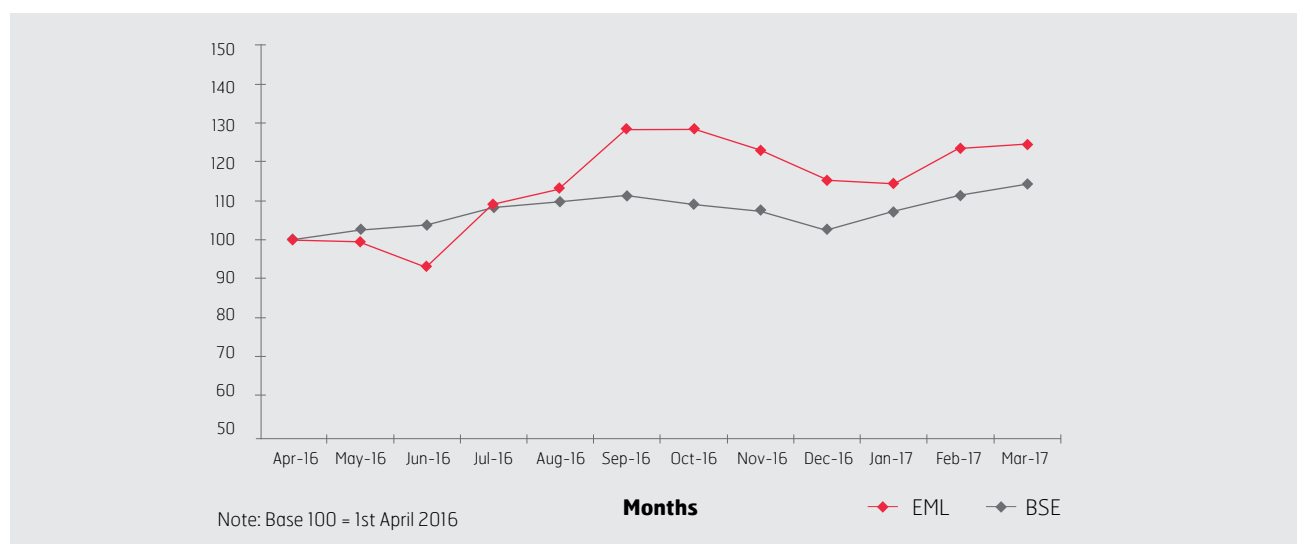
Link Intime India Pvt. Ltd.  
Registrar and Share Transfer Agent  
44, 2<sup>nd</sup> Floor, Community Centre, Narayana Industrial Area, Phase-I, New Delhi - 110 028  
Phone No: 011-41410592-94  
Fax No: 011-41410591  
E-Mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

Members may write for any queries / information to Mr Manhar Kapoor, General Counsel and Company Secretary at Eicher Motors Limited, 3<sup>rd</sup> Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi - 110 017, or at # 96, Sector 32, Gurugram - 122 001, Haryana, or any query can be sent by email to investors@eichermotors.com.

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

April 2016 to March 2017	BSE			NSE		
	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)
<b>April 2016</b>	20705.75	18664.50	60775	20699.80	18635.50	779802
<b>May 2016</b>	20500.00	18025.10	154893	20500.00	18010.00	2481896
<b>June 2016</b>	19330.00	18006.00	49908	19349.35	18000.00	641750
<b>July 2016</b>	22567.00	19020.05	91105	22520.00	19050.15	810870
<b>August 2016</b>	23390.95	20980.55	82876	23429.25	21005.00	972680
<b>September 2016</b>	26601.95	22296.55	79199	26641.30	22266.05	1147607
<b>October 2016</b>	26513.95	23700.00	56696	26505.00	23676.30	710106
<b>November 2016</b>	25500.00	19570.90	135525	25520.90	19530.00	1531683
<b>December 2016</b>	23779.90	20210.00	132746	23700.05	20228.00	1344870
<b>January 2017</b>	23699.95	22107.85	151487	23710.65	22088.85	882585
<b>February 2017</b>	25532.95	23088.80	66384	25550.00	23050.00	886112
<b>March 2017</b>	25797.85	22990.00	79270	25814.90	22997.50	933967

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



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



**13.11 Share transfer system**

Shares of the Company are transferred through Link Intime India Private Limited, the Registrar and Share Transfer Agents of the Company and the Shares Committee of the Company approves the said share transfers. All valid requests for transfer/transmission of Equity Shares held in physical form are processed within a period of 15 days from the date of receipt of complete documents/verification and the Share Certificates duly transferred are immediately returned to the transferee/lodger.

Total number of shares transferred/transmitted/ name deleted during the financial year ended March 31, 2017 were 12,596 shares.

**13.12 Dematerialisation of shares and liquidity**

As per SEBI's circular dated February 21, 2000, the Company's equity shares are under the Compulsory

Demat Category and can only be traded in the dematerialised form w.e.f. March 22, 2000.

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

As on March 31, 2017, 2,65,89,013 shares constituting 97.72% of the total paid-up equity share capital of the Company have been dematerialised with NSDL and CDSL.

**13.13 Distribution of shareholding as on March 31, 2017**

Category	No. of shareholders	% holders	No. of shares of face value of Rs. 10/- each	% Shareholding
1-500	80,760	98.64	21,44,304	7.88
501-1,000	378	0.46	2,78,702	1.02
1,001-2,000	233	0.29	3,38,067	1.24
2,001-3,000	87	0.11	2,17,005	0.80
3,001-4,000	56	0.07	1,97,491	0.73
4,001-5,000	39	0.05	1,75,221	0.64
5,001-10,000	109	0.13	7,97,153	2.93
10,001-50,000	157	0.19	32,27,183	11.86
50,001-1,00,000	27	0.03	19,52,624	7.18
1,00,001 and above	26	0.03	1,78,82,499	65.72
	<b>81,872</b>	<b>100.00</b>	<b>2,72,10,249</b>	<b>100.00</b>

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

**13.14 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 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

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

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

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



### 13.15 Unclaimed shares suspense account

In compliance with Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has maintained Eicher Motors Limited - Unclaimed Suspense Account, in which unclaimed shares lying with the Company have been credited after dematerialisation thereof.

The details with respect to the unclaimed shares of the Company for the financial year ended March 31, 2017 are as under:

Sl. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year	864	21,640
(ii)	Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	6	362
(iii)	Number of shareholders to whom shares were transferred from the Suspense Account during the year	6	362
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	858	21,278

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

### 13.16 Nomination facility

Your Company is pleased to offer the facility of nomination to members. Pursuant to Section 72 of the Companies Act, 2013, the Members, who hold shares in the physical form and wish to avail nomination facility, are requested to send the duly complete nomination form to the Registrar and Share Transfer Agent of the Company. The Members, who hold shares in the electronic form and wish to avail nomination facility, are requested to send separate request to their respective Depository Participant(s) only.

### 13.17 Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Share Transfer Agent at the address given at Para 13.9, indicating the folio numbers to be consolidated.

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

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

### 13.19 Registered Office

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

### 13.20 Corporate Office

#96, Sector 32,  
Gurugram - 122 001, Haryana.  
Tel. No. (0124) - 4415600  
Website: www.eichermotors.com

### 13.21 Plant locations

- (i) Thiruvottiyur High Road,  
Thiruvottiyur, Chennai - 600 019  
(Tamil Nadu)
- (ii) A-19/1, SIPCOT Industrial Growth Centre,  
Oragadam, Kanchipuram - 602 105  
(Tamil Nadu)

This Corporate Governance Report of the Company for the financial year ended March 31, 2017 is in compliance with the requirements of Corporate Governance under SEBI (LODR) Regulations, 2015. Further, the Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation 2 of Regulation 46 of the said Regulations.

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

For **Eicher Motors Limited**

**Siddhartha Lal**  
Managing Director  
& Chief Executive Officer  
DIN: 00037645

**S. Sandilya**  
Chairman  
DIN: 00037542

Place: Gurugram  
Date: May 5, 2017

## **DECLARATION**

As per Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year ended March 31, 2017.

For **Eicher Motors Limited**

**Siddhartha Lal**

Managing Director

ξ Chief Executive Officer

DIN: 00037645

Place: Gurugram

Date: May 5, 2017

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

## **TO THE MEMBERS OF EICHER MOTORS LIMITED**

### **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 8, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of **EICHER MOTORS LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

Place: Gurugram  
Date: May 5, 2017

## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

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

- a) We have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2017 and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2017 are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
  - (i) there have not been any significant changes in internal controls over financial reporting during the year ended March 31, 2017;
  - (ii) the financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is January 1, 2015;
  - (iii) there has not been any instance during the year ended March 31, 2017 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.

**Siddhartha Lal**  
Managing Director  
§ Chief Executive Officer  
(DIN: 00037645)

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

Place: Gurugram  
Date: May 5, 2017

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# FINANCIAL STATEMENTS

STANDALONE  
CONSOLIDATED



# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**Eicher Motors Limited**

## **REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS**

We have audited the accompanying standalone Ind AS financial statements of **EICHER MOTORS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **AUDITOR'S RESPONSIBILITY**

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our

knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in

its standalone Ind AS financial statements - Refer note 39 of the financial statements

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 53 of the financial statements
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer note 54 of the financial statements
  - iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management - Refer note 51 of the financial statements
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Jaideep Bhargava**

Partner

(Membership No. 090295)

Place: GURUGRAM

Date: May 5, 2017

# ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT

## **(REFERRED TO IN PARAGRAPH 1(F) UNDER ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ OF OUR REPORT OF EVEN DATE)**

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

We have audited the internal financial controls over financial reporting of **EICHER MOTORS LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the



internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: GURUGRAM  
Date: May 5, 2017

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.
- b) The Property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and transfer deed / conveyance deed provided to us, we report that, the title deeds of immovable properties of land and buildings included under the head "Property, plant and equipment", are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Carrying value as at March 31, 2017 (Rs. in crores)	Remarks
Freehold land located at Alwar and Jhajjar admeasuring 1,08,938 square metres and 558 square metres, respectively	0.74	Pending registration in the name of the Company

- ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for inventories lying with third parties at the end of the year for which confirmations have been obtained in most of the cases and no material discrepancies were noticed on physical verification.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of making investments during the year. The Company has not granted any loans or provided guarantees and securities during the year.
- v) According to the information and explanations given to us, the Company has neither accepted any deposit during the year nor has any unclaimed deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of certain products manufactured by the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has been regular in depositing undisputed statutory dues, including Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- b) There are no disputed dues in respect of Customs Duty and Cess as at March 31, 2017 which have not been deposited on account of dispute. Details of disputed dues not deposited/deposited under protest of Income-tax, Sales Tax, Service Tax and Excise Duty as at March 31, 2017 are as follows:

Nature of the Statute	Nature of dues	Forum where pending	Amount* (Rs. in crores)	Amount paid under protest (Rs. in crores)	Period to which amount relate
Central Excise Act	Excise Duty	Appellate Authority up to Commissioner's level	0.79	-	1995-96 to 1996-97, 2012-13 to 2015-16
		CESTAT	0.95	0.12	1983-84 to 2000-01
Sales Tax Act	Sales Tax	Appellate Authority up to Commissioner's level	3.33	2.01	1986-87, 1987-88, 1991-92, 1993-94 to 1994-95, 1996-97 to 1999-00, 2000-01 to 2005-06, 2008-09 to 2010-11, 2012-13, 2013-14
		Appellate Tribunal	1.81	0.39	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	1.75	0.61	1984-85, 1985-86, 1993-94, 2000-01, 2001-02, 2004-05
		Supreme Court	1.96	0.55	1986-87, 1990-91, 1991-92, 2001-02 to 2003-04
Finance Act, 1994	Service Tax	Appellate Authority up to Commissioner's level	0.39	0.03	2006-07 to 2011-12
Income Tax Act	Income Tax	Appellate Authority up to Commissioner's level	7.85	-	2008-09, 2012-13 and 2013-14

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

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans/borrowing to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debentures during the year.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees have been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013,

where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or joint venture companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Jaideep Bhargava**

Partner

(Membership No. 090295)

Place: GURUGRAM

Date: May 5, 2017

**BALANCE SHEET****AS AT MARCH 31, 2017**

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	5	<b>832.43</b>	759.46	395.90
(b) Capital work-in-progress	6	<b>265.01</b>	33.31	42.67
(c) Investment property	7	<b>4.21</b>	4.56	5.33
(d) Intangible assets	8	<b>33.41</b>	29.04	11.93
(e) Intangible assets under development	9	<b>108.76</b>	61.17	16.67
(f) Financial assets				
(i) Investments	10	<b>2,658.12</b>	1,486.15	271.13
(ii) Other financial assets	12	<b>27.54</b>	52.57	62.00
(g) Income tax assets (net)	13	<b>-</b>	7.57	13.61
(h) Other non-current assets	14	<b>232.00</b>	140.64	183.83
<b>Total non-current assets</b>		<b>4,161.48</b>	2,574.47	1,003.07
<b>Current assets</b>				
(a) Inventories	15	<b>322.45</b>	300.36	205.13
(b) Financial assets				
(i) Investments	10	<b>883.61</b>	582.90	998.60
(ii) Trade receivables	16	<b>48.94</b>	46.13	10.70
(iii) Cash and cash equivalents	17	<b>12.79</b>	31.20	17.12
(iv) Bank balances other than (iii) above	18	<b>7.82</b>	13.32	3.77
(v) Loans	11	<b>0.34</b>	6.80	-
(vi) Other financial assets	12	<b>8.70</b>	5.61	3.44
(c) Other current assets	14	<b>75.71</b>	63.12	72.96
<b>Total current assets</b>		<b>1,360.36</b>	1,049.44	1,311.72
<b>Total assets</b>		<b>5,521.84</b>	3,623.91	2,314.79
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	19	<b>27.21</b>	27.16	27.10
(b) Other equity	20	<b>3,895.38</b>	2,309.25	1,440.66
<b>Total equity</b>		<b>3,922.59</b>	2,336.41	1,467.76
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Other financial liabilities	21	<b>7.16</b>	5.87	4.52
(b) Provisions	22	<b>36.01</b>	29.67	13.82
(c) Deferred tax liabilities (net)	23	<b>79.22</b>	40.82	21.97
(d) Other non-current liabilities	24	<b>23.20</b>	9.55	-
<b>Total non-current liabilities</b>		<b>145.59</b>	85.91	40.31
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	25	<b>-</b>	22.57	-
(ii) Trade payables	26	<b>831.93</b>	721.30	482.14
(iii) Other financial liabilities	21	<b>140.25</b>	81.64	33.59
(b) Provisions	22	<b>32.63</b>	26.47	15.56
(c) Income tax liabilities (net)	13	<b>19.32</b>	-	-
(d) Other current liabilities	24	<b>429.53</b>	349.61	275.43
<b>Total current liabilities</b>		<b>1,453.66</b>	1,201.59	806.72
<b>Total liabilities</b>		<b>1,599.25</b>	1,287.50	847.03
<b>Total equity and liabilities</b>		<b>5,521.84</b>	3,623.91	2,314.79

See accompanying notes forming part of the financial statements 1 to 55

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 5, 2017

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>INCOME</b>			
Revenue from operations	27	<b>7,944.06</b>	6,983.86
Other income	28	<b>227.31</b>	283.49
<b>Total Income</b>		<b>8,171.37</b>	7,267.35
<b>EXPENSES</b>			
Cost of raw materials consumed	29	<b>3,615.45</b>	3,423.41
Purchases of stock-in-trade	30	<b>105.62</b>	74.04
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	<b>(14.50)</b>	(53.22)
Excise duty on sale of goods		<b>906.09</b>	797.67
Employee benefits expenses	32	<b>385.05</b>	342.22
Finance costs	33	<b>2.79</b>	2.12
Depreciation and amortisation expenses	34	<b>153.34</b>	136.55
Other expenses	35	<b>740.54</b>	691.55
<b>Total expenses</b>		<b>5,894.38</b>	5,414.34
<b>Profit before tax</b>		<b>2,276.99</b>	1,853.01
<b>Tax expense</b>			
Current tax	36	<b>678.53</b>	524.69
Deferred tax charge	36	<b>38.44</b>	19.10
<b>Total tax expense</b>		<b>716.97</b>	543.79
<b>Profit for the year/period</b>		<b>1,560.02</b>	1,309.22
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans		<b>(0.12)</b>	(0.71)
Income tax effect	36	<b>0.04</b>	0.25
<b>Net other comprehensive income not to be reclassified to profit or loss</b>		<b>(0.08)</b>	(0.46)
<b>Total Comprehensive income for the year/period, net of tax</b>		<b>1,559.94</b>	1,308.76
Earnings per share (of Rs. 10 each) (not annualized) in Rs.			
(a) Basic	42	<b>573.75</b>	482.45
(b) Diluted	42	<b>572.17</b>	480.68
See accompanying notes forming part of the financial statements	1 to 55		

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 5, 2017

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

## A EQUITY SHARE CAPITAL

	Number of Shares	Amount
<b>Balance as at January 1, 2015</b>	<b>2,71,04,783</b>	<b>27.10</b>
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note no. 47)	56,400	0.06
<b>Balance as at March 31, 2016</b>	<b>2,71,61,183</b>	<b>27.16</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (refer note no. 47)	49,066	0.05
<b>Balance as at March 31, 2017</b>	<b>2,72,10,249</b>	<b>27.21</b>

## B OTHER EQUITY

Particulars	Reserves and surplus						Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share options outstanding account	Retained earnings	
<b>Balance as at January 1, 2015</b>	<b>0.25</b>	<b>1.41</b>	<b>20.88</b>	<b>216.91</b>	<b>2.11</b>	<b>1,199.10</b>	<b>1,440.66</b>
Profit for the period	-	-	-	-	-	1,309.22	1,309.22
Other comprehensive income for the period, net of income tax	-	-	-	-	-	(0.46)	(0.46)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,308.76</b>	<b>1,308.76</b>
Recognition of share-based payments	-	-	-	-	23.29	-	23.29
Payment of dividends and dividend tax	-	-	-	-	-	(468.21)	(468.21)
Proceeds from issue of equity shares under employee share option plan	-	-	4.75	-	-	-	4.75
Transfer to securities premium on issue of shares	-	-	0.17	-	(0.17)	-	-
Transfer to general reserves	-	-	-	122.98	-	(122.98)	-
<b>Balance as at March 31, 2016</b>	<b>0.25</b>	<b>1.41</b>	<b>25.80</b>	<b>339.89</b>	<b>25.23</b>	<b>1,916.67</b>	<b>2,309.25</b>
Profit for the year	-	-	-	-	-	1,560.02	1,560.02
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.08)	(0.08)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,559.94</b>	<b>1,559.94</b>
Recognition of share-based payments	-	-	-	-	20.50	-	20.50
Proceeds from issue of equity shares under employee share option plan	-	-	5.69	-	-	-	5.69
Transfer to securities premium on issue of shares	-	-	0.60	-	(0.60)	-	-
<b>Balance as at March 31, 2017</b>	<b>0.25</b>	<b>1.41</b>	<b>32.09</b>	<b>339.89</b>	<b>45.13</b>	<b>3,476.61</b>	<b>3,895.38</b>

See accompanying notes forming part of the financial statements 1 to 55

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 5, 2017

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year/period</b>	<b>1,560.02</b>	1,309.22
<b>Adjustments for:</b>		
Current tax	<b>678.53</b>	524.69
Deferred tax charge	<b>38.44</b>	19.10
Depreciation and amortisation expenses	<b>153.34</b>	136.55
Gain on disposal of property, plant and equipment	<b>(0.12)</b>	(0.06)
Property, plant and equipment discarded	<b>0.03</b>	1.35
Dividend on unquoted non trade current investments	<b>-</b>	(1.83)
Rent income	<b>(2.80)</b>	(3.39)
Loss on sale of property, plant and equipment	<b>0.36</b>	0.12
Dividend on long-term unquoted trade investment in subsidiary company	<b>-</b>	(105.40)
Net gain on financial instruments at fair value through profit or loss	<b>(219.74)</b>	(162.99)
Interest income	<b>(3.93)</b>	(4.66)
Share-based payments to employees	<b>20.50</b>	23.29
Re-measurement gains/(losses) on defined benefit plans	<b>(0.12)</b>	(0.71)
Finance costs recognised in profit or loss	<b>2.79</b>	2.12
<b>Operating profit before changes in working capital</b>	<b>2,227.30</b>	1,737.40
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in non-current assets:</b>		
Other financial assets	<b>(6.37)</b>	(2.90)
Other assets	<b>2.89</b>	(0.59)
<b>Adjustments for (increase) / decrease in current assets:</b>		
Inventories	<b>(22.09)</b>	(95.23)
Trade receivables	<b>(2.81)</b>	(35.43)
Loans	<b>6.46</b>	(6.80)
Other financial assets	<b>(2.00)</b>	(1.80)
Other assets	<b>(12.60)</b>	9.84
<b>Adjustments for increase / (decrease) in non-current liabilities:</b>		
Other financial liabilities	<b>1.29</b>	1.35
Provisions	<b>6.34</b>	15.85
Other liabilities	<b>13.65</b>	9.55
<b>Adjustments for increase / (decrease) in current liabilities:</b>		
Trade payables	<b>110.63</b>	239.16
Other financial liabilities	<b>4.73</b>	37.49
Provisions	<b>6.16</b>	10.91
Other liabilities	<b>79.92</b>	74.18
<b>Cash generated from operating activities</b>	<b>2,413.50</b>	1,992.98
Direct taxes paid	<b>(651.64)</b>	(518.65)
<b>Net cash flow from operating activities (A)</b>	<b>1,761.86</b>	1,474.33
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	<b>(545.45)</b>	(508.82)
Proceeds from disposal of property, plant and equipment	<b>0.70</b>	0.61
Investment in subsidiary company	<b>(11.01)</b>	(17.07)
Investment in a joint venture company	<b>(38.70)</b>	(108.80)
Net investment in unquoted current investments	<b>(242.15)</b>	422.31
Proceeds from sale of unquoted non-current investments	<b>417.34</b>	100.00
Investment in non-current investments	<b>(1,474.04)</b>	(1,084.10)
Profit on sale of unquoted current investments	<b>102.52</b>	58.33

# CASH FLOW STATEMENT (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Dividend from investment in subsidiary company	-	105.40
Dividend on unquoted current investments	-	1.83
Proceeds from investment in non-current fixed deposits (net)	24.50	5.33
Rent received	2.80	3.34
Interest received	2.84	4.34
<b>Net cash flow from investing activities (B)</b>	<b>(1,760.65)</b>	<b>(1,017.30)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(2.79)	(2.12)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	5.74	4.81
Dividend paid	-	(407.13)
Tax on dividend paid	-	(61.08)
<b>Net cash flow from financing activities (C)</b>	<b>2.95</b>	<b>(465.52)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>4.16</b>	<b>(8.49)</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	<b>8.63</b>	<b>17.12</b>
<b>Cash and cash equivalents at the end of the year/period</b>	<b>12.79</b>	<b>8.63</b>

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.01	0.07
Cheques/drafts on hand	0.12	0.09
<b>Balances with banks:</b>		
In current accounts	12.66	22.75
In deposit accounts	-	8.29
<b>Cash and cash equivalents as per balance sheet (refer note 17)</b>	<b>12.79</b>	<b>31.20</b>
<b>Bank overdrafts (refer note 25)</b>	<b>-</b>	<b>22.57</b>
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>12.79</b>	<b>8.63</b>
See accompanying notes forming part of the financial statements	1 to 55	

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 5, 2017

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Eicher Motors Limited ("the Company") is a public company domiciled and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services. The Company has its registered office at New Delhi, India and its corporate office at Gurugram, Haryana, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited.

### 2. BASIS OF PREPARATION AND PRESENTATION

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is January 1, 2015. Refer Note 3.21 for the details of first-time adoption exemptions availed by the Company.

#### 2.2 Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 2.3 Operating cycle

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

#### Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- ♦ the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ♦ the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ♦ the amount of revenue can be measured reliably;
- ♦ it is probable that the economic benefits associated with the transaction will flow to the Company; and
- ♦ the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 3.2 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### 3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise:

### 3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current

assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

### 3.6 Employee benefits

#### Retirement benefit

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- ♦ service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- ♦ net interest expense or income; and
- ♦ re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, in

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 3.7 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 47.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### 3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.9 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act except in respect of moulds and dies depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.10 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- ◆ the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ◆ the intention to complete the intangible asset and use or sell it;
- ◆ the ability to use or sell the intangible asset;
- ◆ how the intangible asset will generate probable future economic benefits;
- ◆ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- ◆ the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised profit or loss in the period in which it is incurred.

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## FORMING PART OF THE FINANCIAL STATEMENTS

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

### **Useful lives of intangible assets**

Intangible assets comprising of product design, prototypes, etc. either acquired or internally developed are amortised over a period of 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

### **3.11 Impairment of tangible (property, plant and equipment) and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **3.12 Investment property**

Investment property is a property held to earn rentals. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model.

### **3.13 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads and where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### **3.14 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

### Warranties

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

### 3.15 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3.16 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except

for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ♦ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ♦ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ♦ the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ♦ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

### **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investment in subsidiaries and joint ventures is carried at cost in the separate financial statements.

### **Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward-looking information.

### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### **3.17 Financial liabilities and equity instruments Classification as debt or equity**

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### **Financial liabilities**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate,

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

### **3.18 Cash flow statement**

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

### **3.19 Earnings per share**

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

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

### **3.20 Recent accounting pronouncements**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from April 1, 2017.

#### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes

arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on financial statements is being evaluated.

### **3.21 First-time adoption - mandatory exceptions, optional exemptions**

#### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of January 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below:

#### **Share-based payment transactions**

The Company is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the Eicher Employee Stock Option Plan. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP.

The excess of stock compensation expense measured using fair value over the cost recognised under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

#### **Investments in subsidiaries and joint ventures**

The Company has elected to continue with the carrying value of its investments in subsidiary companies and joint venture companies as of January 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

#### Recoverability of intangible asset

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Company's management has determined

that there are no factors which indicates that these assets have suffered any impairment loss.

#### Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable.

#### Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

#### Investment in equity instruments of subsidiary and joint venture companies

During the year, the Company assessed the investment in equity instrument of subsidiary and joint venture companies carried at cost for impairment testing. Some of these companies are at early stage of their operations and are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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### 5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
<b>Cost</b>							
At January 1, 2015	85.89	81.10	319.63	3.18	26.08	14.21	530.09
Additions	0.06	96.20	358.93	7.59	25.19	5.24	493.21
Disposals	-	-	15.41	0.24	0.16	0.93	16.74
<b>At March 31, 2016</b>	<b>85.95</b>	<b>177.30</b>	<b>663.15</b>	<b>10.53</b>	<b>51.11</b>	<b>18.52</b>	<b>1,006.56</b>
Additions	-	52.59	133.02	3.77	17.01	10.82	217.21
Disposals	-	0.49	1.38	0.38	0.35	1.70	4.30
<b>At March 31, 2017</b>	<b>85.95</b>	<b>229.40</b>	<b>794.79</b>	<b>13.92</b>	<b>67.77</b>	<b>27.64</b>	<b>1,219.47</b>
<b>Accumulated depreciation</b>							
At January 1, 2015	-	11.01	108.39	1.18	7.74	5.87	134.19
Charge for the period	-	7.94	102.86	2.02	11.18	3.88	127.88
Adjustments	-	-	14.19	0.18	0.09	0.51	14.97
<b>At March 31, 2016</b>	<b>-</b>	<b>18.95</b>	<b>197.06</b>	<b>3.02</b>	<b>18.83</b>	<b>9.24</b>	<b>247.10</b>
Charge for the year	-	9.15	113.87	2.99	13.22	4.11	143.34
Adjustments	-	0.35	1.23	0.18	0.34	1.30	3.40
<b>At March 31, 2017</b>	<b>-</b>	<b>27.75</b>	<b>309.70</b>	<b>5.83</b>	<b>31.71</b>	<b>12.05</b>	<b>387.04</b>
<b>Carrying amount</b>							
At January 1, 2015	85.89	70.09	211.24	2.00	18.34	8.34	395.90
At March 31, 2016	85.95	158.35	466.09	7.51	32.28	9.28	759.46
<b>At March 31, 2017</b>	<b>85.95</b>	<b>201.65</b>	<b>485.09</b>	<b>8.09</b>	<b>36.06</b>	<b>15.59</b>	<b>832.43</b>

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

### 6. CAPITAL WORK-IN-PROGRESS

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Capital work-in-progress*	<b>265.01</b>	33.31	42.67
	<b>265.01</b>	33.31	42.67

\* including pre-operative expenditure pending allocation amounting to Rs. 0.64 crore (March 31, 2016 Rs. 0.32 crore, January 1, 2015 Rs. 1.98 crores) (Refer note 6A below)

### 6A. PRE-OPERATIVE EXPENDITURE (PENDING ALLOCATION)

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Salaries and wages	<b>0.78</b>	0.72	0.82
Contribution to provident and other funds	<b>0.03</b>	0.03	0.05
Repairs and maintenance : Plant and equipment	-	-	0.01
Legal and professional charges	-	-	0.01
Travelling expenses	-	-	0.04
Development expenses	-	-	0.15
	<b>0.81</b>	0.75	1.08
Add: Balance brought forward from previous period	<b>0.32</b>	1.98	0.90
	<b>1.13</b>	2.73	1.98
Less: Capitalised during the year/period	<b>0.49</b>	2.41	-
	<b>0.64</b>	0.32	1.98

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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### 7. INVESTMENT PROPERTY

	Building	Total
<b>Cost</b>		
<b>At January 1, 2015</b>	10.66	10.66
Additions	-	-
Disposals	0.54	0.54
<b>At March 31, 2016</b>	<b>10.12</b>	<b>10.12</b>
Additions	-	-
Disposals	-	-
<b>At March 31, 2017</b>	<b>10.12</b>	<b>10.12</b>
<b>Accumulated depreciation</b>		
At January 1, 2015	5.33	5.33
Charge for the period	0.53	0.53
Adjustments	0.30	0.30
<b>At March 31, 2016</b>	<b>5.56</b>	<b>5.56</b>
Charge for the year	0.35	0.35
Adjustments	-	-
<b>At March 31, 2017</b>	<b>5.91</b>	<b>5.91</b>
<b>Carrying amount</b>		
At January 1, 2015	5.33	5.33
At March 31, 2016	4.56	4.56
<b>At March 31, 2017</b>	<b>4.21</b>	<b>4.21</b>

#### FAIR VALUE OF THE INVESTMENT PROPERTY

The fair value of the Company's investment properties as at March 31, 2017, March 31, 2016 and January 1, 2015 have been arrived at on the basis of valuation carried out on the respective dates by Purshotam Khandelwal, independent valuers not related to the Company. Purshotam Khandelwal is a registered valuer with the authority which governs the valuers in India, and they have appropriate qualifications and experience in the valuation of properties in the relevant location.

For the building located in Jaipur, India, the fair value of structure as on January 1, 2015 was determined based on S.O. No.X-3/2011 dated 24/04/2011 of State P.W.D. B&R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since April 2011 to average mean period of construction. The items not covered under Standing Order No. X-3/2011 have been valued on the rates of State PWD BSR. The fair value of structure as on March 31, 2016 and March 31, 2017 was determined based on S.O. No. X-3/2015 dated 15/07/2015 of State P.W.D.B&R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since July 2015 to average mean period of construction. The items not covered under Standing Order No. X-3/2015 have been valued on the rates of State PWD BSR.

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**Detail of the investment properties and information about the fair value hierarchy as at March 31, 2017, March 31, 2016 and January 1, 2015 are as follows :**

	Fair value as at March 31, 2017	Level 3	
		Fair value as at March 31, 2016	Fair value as at January 1, 2015
Building located at Jaipur, India	4.50	4.61	5.35
	<b>4.50</b>	4.61	5.35

### 8. INTANGIBLE ASSETS

	Product designs, prototypes etc.	Computer softwares	Total
<b>Cost</b>			
<b>At January 1, 2015</b>	9.37	18.40	27.77
Additions	15.34	9.92	25.26
Disposals	-	0.02	0.02
<b>At March 31, 2016</b>	<b>24.71</b>	<b>28.30</b>	<b>53.01</b>
Additions	1.55	12.54	14.09
Disposals	1.06	3.73	4.79
<b>At March 31, 2017</b>	<b>25.20</b>	<b>37.11</b>	<b>62.31</b>
<b>Accumulated amortisation</b>			
<b>At January 1, 2015</b>	6.42	9.42	15.84
Charge for the period	1.28	6.86	8.14
Adjustments	-	0.01	0.01
<b>At March 31, 2016</b>	<b>7.70</b>	<b>16.27</b>	<b>23.97</b>
Charge for the year	2.53	7.12	9.65
Adjustments	1.03	3.69	4.72
<b>At March 31, 2017</b>	<b>9.20</b>	<b>19.70</b>	<b>28.90</b>
<b>Carrying amount</b>			
At January 1, 2015	2.95	8.98	11.93
At March 31, 2016	17.01	12.03	29.04
<b>At March 31, 2017</b>	<b>16.00</b>	<b>17.41</b>	<b>33.41</b>

### 9. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Intangible assets under development	108.76	61.17	16.67
	<b>108.76</b>	61.17	16.67

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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### 10. INVESTMENTS

Category-wise investments	Units As at March 31, 2017	Units As at March 31, 2016	Units As at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
Investment in equity instruments				300.42	-	243.81	-	110.94	-
Investment in mutual funds				2,313.76	883.61	1,225.58	582.90	160.19	998.60
Investment in bonds				43.94	-	16.76	-	-	-
				2,658.12	883.61	1,486.15	582.90	271.13	998.60
<b>Unquoted Investments</b>									
<b>(a) Investment in equity instruments of subsidiary companies (at cost)</b>				9.82	-	1.53	-	-	-
47,13,569 (March 31, 2016 8,10,348; January 1, 2015 Nil) shares of BRL 1 each fully paid up of Royal Enfield Brasil Comércio de Motocicletas Ltda									
1,00,000 (March 31, 2016 1,00,000; January 1, 2015 Nil) shares of Royal Enfield North America Limited (no face value)				18.26	-	15.54	-	-	-
				28.08	-	17.07	-	-	-
<b>Sub-total (A)</b>									
<b>(b) Investment in equity instruments of joint venture companies (at cost)</b>				5.44	-	5.44	-	5.44	-
54,40,000 (March 31, 2016 54,40,000; January 1, 2015 54,40,000) Equity shares of Rs.10 each fully paid up of VE Commercial Vehicles Limited									
26,69,00,000 (March 31, 2016 22,13,00,000; January 1, 2015 10,55,00,000) Equity shares of Rs.10 each fully paid up of Eicher Polaris Private Limited				266.90	-	221.30	-	105.50	-
Eicher Group Foundation (Licence under Section 8(I) of the Companies Act, 2013)*				-	-	-	-	-	-
				272.34	-	226.74	-	110.94	-
* Cost of investment is stated as Rs. Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of Rs. 2,50,000 has been charged to the Statement of Profit and Loss in the previous period.									
<b>(c) Investments in mutual funds carried at fair value through profit or loss (FVTPL)</b>				29.14	-	26.64	-	-	-
UTI Fixed Term Income Fund-Series XXII-X-Direct Growth	2,50,00,000	2,50,00,000	-						
DHFL Pramerica Fixed Maturity Plan-Series 91 (1100 Days) Direct Growth	1,00,00,000	1,00,00,000	-	11.72	-	10.71	-	-	-
Reliance Interval Fund-IV Series 3-Direct -Growth	1,50,00,000	1,50,00,000	-	17.38	-	15.89	-	-	-
Reliance Fixed Horizon Fund-XXIX-Series 8-Growth Direct	1,00,00,000	1,00,00,000	-	11.43	-	10.45	-	-	-
Reliance Fixed Horizon Fund-XXIX-Series 1-Growth Direct	2,00,00,000	2,00,00,000	-	23.11	-	21.10	-	-	-
ICICI Prudential FMP Series 74-369 Days Plan K-Direct Plan Cumulative	-	2,00,00,000	-	-	-	23.42	-	-	-
Reliance Fixed Horizon Fund-XXVI-Series 31-Direct Plan Growth	-	80,00,000	-	-	-	9.29	-	-	-

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	Units As at March 31, 2017	Units As at March 31, 2016	Units As at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
ICICI Prudential FMP Series 74-369 Days Plan T Regular Plan-Growth	-	1,50,00,000	-	-	-	17.45	-	-	-
HDFC FMP 370 Days June 2014 (2) Series 31 - Regular Growth Option	-	80,00,000	-	-	-	9.30	-	-	-
ICICI Prudential FMP Series 74-370 Days Plan X Direct Plan Cumulative	-	1,50,00,000	-	-	-	17.38	-	-	-
SBI Debt Fund Series A-35 (369 Days) Regular Plan-Growth	-	2,00,00,000	-	-	-	23.13	-	-	-
SBI Debt Fund Series B-27 (1100 Days) Direct Plan-Growth	<b>3,50,00,000</b>	3,50,00,000	-	<b>39.29</b>	-	35.91	-	-	-
Birla Sun Life Fixed Term Plan-Series LQ -Direct Growth	-	50,00,000	-	-	-	5.79	-	-	-
ICICI Prudential FMP Series 75-1100 Days Plan N -Direct-Growth	-	1,50,00,000	1,50,00,000	-	-	16.99	-	15.27	-
ICICI Prudential FMP Series 75-1100 Days Plan T-Regular-Growth	-	1,00,00,000	1,00,00,000	-	-	11.25	-	10.08	-
DHFL Pramerica Fixed Maturity Plan-Series 82 (1100 Days) Direct Growth	-	1,50,00,000	1,50,00,000	-	-	16.86	-	15.13	-
ICICI Prudential FMP Series 76-1155 Days Plan K -Direct Plan-Growth	<b>2,00,00,000</b>	2,00,00,000	-	<b>24.05</b>	-	22.05	-	-	-
ICICI Prudential FMP Series 76-1142 Days Plan M -Direct-Growth	<b>2,00,00,000</b>	2,00,00,000	-	<b>23.87</b>	-	21.91	-	-	-
SBI Debt Fund Series B-9 (1105 Days) Direct-Growth	<b>2,00,00,000</b>	2,00,00,000	-	<b>23.66</b>	-	21.65	-	-	-
ICICI Prudential FMP Series 78-1212 Days Plan A -Direct Growth	<b>1,50,00,000</b>	1,50,00,000	-	<b>16.79</b>	-	15.38	-	-	-
ICICI Prudential FMP Series 76-1132 Days Plan P -Direct-Growth	<b>1,50,00,000</b>	1,50,00,000	-	<b>17.92</b>	-	16.42	-	-	-
Birla Sun Life Fixed Term Plan-Series NE (1100 Days)	<b>2,00,00,000</b>	2,00,00,000	-	<b>22.33</b>	-	20.36	-	-	-
Religare Invesco FMP Series 27 Plan C (1100 Days) Direct Sub Plan Growth	<b>2,00,00,000</b>	2,00,00,000	-	<b>22.28</b>	-	20.35	-	-	-
Kotak FMP-Series 185 (1176 Days) Direct Growth	<b>2,00,00,000</b>	2,00,00,000	-	<b>22.29</b>	-	20.37	-	-	-
HDFC FMP 1176 Days January 2016 (1) Direct Growth Series-35	<b>2,50,00,000</b>	2,50,00,000	-	<b>27.89</b>	-	25.45	-	-	-
ICICI Prudential FMP Series 78-1190 Days Plan E -Direct Plan-Cumulative	<b>1,00,00,000</b>	1,00,00,000	-	<b>11.13</b>	-	10.18	-	-	-
HDFC FMP 1167 Days January 2016 (1) Direct Growth Series-35	<b>2,50,00,000</b>	2,50,00,000	-	<b>27.88</b>	-	25.43	-	-	-
Reliance Fixed Horizon Fund-XXX-Series 4-Direct Growth Plan	<b>6,00,00,000</b>	6,00,00,000	-	<b>66.86</b>	-	60.97	-	-	-
HDFC FMP 1155 Days February 2016 (1) Direct Growth Series-35	<b>1,00,00,000</b>	1,00,00,000	-	<b>11.13</b>	-	10.17	-	-	-
Birla Sun Life Fixed Term Plan-Series NK (1196 Days) Growth Direct	<b>3,00,00,000</b>	3,00,00,000	-	<b>33.40</b>	-	30.48	-	-	-
ICICI Prudential FMP Series 78-1170 Days Plan I -Direct Plan-Cumulative	<b>2,00,00,000</b>	2,00,00,000	-	<b>22.29</b>	-	20.38	-	-	-

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	Units As at March 31, 2017	Units As at March 31, 2016	Units As at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
ICICI Prudential FMP Series 78-1150 Days Plan N-Direct Plan-Cumulative	4,00,00,000	4,00,00,000	-	44.29	-	40.51	-	-	-
HDFC FMP 1114 Days March 2016 (1) Direct Growth Series-35	1,00,00,000	-	-	11.00	-	-	-	-	-
Kotak FMP-Series 150 (1109 Days) Direct Growth	-	1,00,00,000	1,00,00,000	-	-	12.09	-	-	10.89
UTI Fixed Term Income Fund-Series XVII-XIII-Direct Growth	-	1,50,00,000	-	-	-	18.08	-	-	-
HDFC FMP 370 Days February 2014 (1) Series 29 - Regular	-	1,36,59,709	-	-	-	16.45	-	-	-
HDFC FMP 369 Days February 2014 (2) Series 29 - Regular	-	2,00,00,000	-	-	-	24.02	-	-	-
HDFC FMP 370 Days March 2014 (1) Series 29 - Regular	-	3,00,00,000	-	-	-	35.96	-	-	-
UTI Fixed Term Income Fund-Series XVII-XVI-Direct Growth	-	90,96,615	-	-	-	10.92	-	-	-
ICICI Prudential FMP Series 73-368 Days Plan D-Direct Plan-Cumulative	-	2,00,00,000	-	-	-	23.94	-	-	-
Birla Sun Life Fixed Term Plan-Series KZ-Direct Growth	-	1,37,33,497	-	-	-	16.24	-	-	-
ICICI Prudential FMP Series 74-369 Days Plan B-Direct Plan Growth	-	2,50,00,000	-	-	-	29.58	-	-	-
Reliance Fixed Horizon Fund-XXVI-Series 9 - Direct Plan - Growth	-	2,50,00,000	-	-	-	29.55	-	-	-
Reliance Fixed Horizon Fund-XXVI-Series 9 - Regular Plan Growth	-	1,00,00,000	-	-	-	11.79	-	-	-
UTI Fixed Term Income Fund-Series XVIII-V-Direct Growth	-	1,00,00,000	-	-	-	11.81	-	-	-
HDFC FMP 369 Days April 2014 (2) Series 31 - Regular	-	2,50,00,000	-	-	-	29.41	-	-	-
HDFC FMP 367 Days April 2014 (1) Series 31 - Regular	-	2,00,00,000	-	-	-	23.53	-	-	-
HDFC FMP 370 Days May 2014 (1) Series 31 - Regular Growth	-	1,50,00,000	-	-	-	17.62	-	-	-
HDFC FMP 366 Days May 2014 (1) - Direct Growth	-	1,30,00,000	-	-	-	15.23	-	-	-
Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	-	1,18,48,125	-	-	-	14.20	-	-	-
DSP BlackRock Ultra Short Term Fund - Direct Plan - Growth	6,20,49,059	-	-	73.89	-	-	-	-	-
ICICI Prudential Banking & PSU Debt Plan - Direct - Growth	3,57,95,376	-	-	67.76	-	-	-	-	-
Reliance Banking & PSU Debt Fund-Direct Growth Plan	11,95,20,427	-	-	141.42	-	-	-	-	-
ICICI Prudential Income Opp Plan-Direct Growth	3,85,32,108	-	-	89.88	-	-	-	-	-
IDFC SSIF Short Term Plan - Growth	2,94,91,108	-	-	101.21	-	-	-	-	-
IDFC Corporate Bond Fund Direct Plan-Growth	11,90,32,082	-	-	133.51	-	-	-	-	-
IDFC Money Manager Fund Investment Plan-Growth-Direct Plan	3,28,18,182	-	-	84.49	-	-	-	-	-
IDFC Ultra Short Term Fund	2,10,81,857	2,10,81,857	-	48.81	-	44.94	-	-	-
HDFC Medium Term Opportunity Fund-Direct-Growth	6,91,56,956	2,26,87,349	-	125.71	-	37.52	-	-	-
HDFC Medium Term Opportunity Fund-Growth	1,14,85,100	1,14,85,100	-	20.80	-	18.94	-	-	-
Kotak Bond Short Term-Direct Plan-Growth	4,53,65,355	-	-	143.54	-	-	-	-	-

**NOTES****FORMING PART OF THE FINANCIAL STATEMENTS**

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Units As at March 31, 2017		Units As at March 31, 2016		Units As at January 1, 2015		As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current
Axis Short Term Fund	5,55,79,170	-	-	-	-	-	102.27	-	-	-	-	-
L&T Mutual Fund-Short Term Opportunities	6,61,62,991	1,43,38,048	-	-	-	-	105.44	20.98	-	-	-	-
HDFC FMP 370D Sep 2013-I-Regular-GR	-	-	1,00,00,000	-	-	-	-	-	-	-	11.44	-
ICICI Pru FMP Series 68-368 Days Plan G Regular Plan Cumulative	-	-	1,50,00,000	-	-	-	-	-	-	-	17.22	-
ICICI Pru FMP Series 72-368 Days Plan A Direct Plan Cumulative	-	-	2,00,00,000	-	-	-	-	-	-	-	21.82	-
Reliance Fixed Horizon Fund XXIV Series -11-Growth Plan	-	-	1,50,00,000	-	-	-	-	-	-	-	17.20	-
Reliance Interval Fund-II-Series 4-DP-Growth Plan	-	-	1,83,07,306	-	-	-	-	-	-	-	20.25	-
Reliance Interval Fund-III-Series 1-DP-Growth Plan	-	-	1,50,00,000	-	-	-	-	-	-	-	15.38	-
SBI Debt Fund Series 366 Days-46-Dir-Growth	-	-	50,00,000	-	-	-	-	-	-	-	5.51	-
IDFC SSIF-Medium Term Plan-Growth Direct Plan	4,53,45,363	-	-	-	-	-	129.49	-	-	-	-	-
Kotak Flexi Debt Direct Plan- Growth	1,34,43,553	-	-	-	-	-	28.97	-	-	-	-	-
Kotak FMP Series 202 - 1144 Days	1,60,00,000	-	-	-	-	-	16.03	-	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O	2,50,00,000	-	-	-	-	-	25.17	-	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	50,00,000	-	-	-	-	-	5.03	-	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	2,50,00,000	-	-	-	-	-	25.14	-	-	-	-	-
Birla Sun Life Fixed Term Plan-Series 01 (1120 Days) Growth Direct	3,00,00,000	-	-	-	-	-	30.18	-	-	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 6	1,00,00,000	-	-	-	-	-	10.03	-	-	-	-	-
HDFC FMP 1169 Days Feb 2017 (I) Direct Growth Series-37	4,50,00,000	-	-	-	-	-	45.20	-	-	-	-	-
Invesco Fixed Maturity Plan - Series 29 - Plan B (1150 Days)	2,50,00,000	-	-	-	-	-	25.08	-	-	-	-	-
DSP BlackRock FMP Series 204 - 37M	2,50,00,000	-	-	-	-	-	25.17	-	-	-	-	-
Birla Sun Life Floating Rate Fund-Long Term Plan-Growth	13,38,587	13,38,587	-	-	-	-	26.86	24.54	-	-	-	-
SBI Ultra Short Term Fund-Growth	4,33,511	4,33,511	-	-	-	-	91.38	84.62	-	-	-	-
DHFL Pramerica Fixed Duration Fund - Series AE	3,00,000	-	-	-	-	-	30.17	-	-	-	-	-
IDFC Fixed Term Plan-Series 21-Direct Growth	-	1,00,00,000	1,00,00,000	-	-	-	-	-	12.52	-	11.33	-
ICICI Prudential FMP Series 68-368 Days Plan G Regular-Growth	-	1,50,00,000	-	-	-	-	-	-	19.08	-	-	-
Birla Sun Life Interval Income Fund Annual Plan-Series X-Direct Growth	-	1,80,85,308	-	-	-	-	-	-	22.82	-	-	-
Reliance Fixed Horizon Fund-XXIV-Series 11-Direct Growth	-	1,50,00,000	-	-	-	-	-	-	19.04	-	-	-
HDFC FMP 370 Days September 2013 (I) Regular Growth	-	1,00,00,000	-	-	-	-	-	-	12.68	-	-	-
Reliance Interval Fund-II-Series 1-Regular Growth	-	50,00,000	50,00,000	-	-	-	-	-	6.16	-	5.59	-
SBI Debt Fund Series-366 Days-46 Direct Plan-Growth	-	50,00,000	-	-	-	-	-	-	6.11	-	-	-
Birla Sun Life Interval Income Fund Annual Plan-Series IX-Direct Growth	-	1,00,00,000	1,00,00,000	-	-	-	-	-	12.59	-	11.40	-
ICICI Prudential FMP Series 72-368 Days Plan A-Direct Plan-Cumulative	2,00,00,000	2,00,00,000	-	-	-	-	26.07	24.22	-	-	-	-



# NOTES

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	Units As at March 31, 2017	Units As at March 31, 2016		Units As at January 1, 2015		As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current
ICICI Prudential FMP Series 72-368 Days Plan D-Direct Plan-Cumulative	-	1,00,00,000	-	1,00,00,000	-	-	-	-	12.07	-	10.89
IDFC Yearly Interval Fund-Series II-Direct Growth	<b>60,13,135</b>	1,70,95,461	-	45,82,531	-	<b>8.56</b>	-	22.60	-	-	5.43
UTI Fixed Term Income Fund-Series XVII-XIII-Direct Growth	<b>1,50,00,000</b>	-	1,50,00,000	-	-	<b>19.54</b>	-	-	-	-	16.29
Birla Sun Life Fixed Term Plan-Series KD-Direct Growth	-	1,00,00,000	-	1,00,00,000	-	-	-	12.03	-	-	10.85
HDFC FMP 370 Days February 2014 (1) Series 29 - Regular	<b>1,36,59,709</b>	-	2,00,00,000	-	-	<b>17.73</b>	-	-	-	-	21.72
HDFC FMP 369 Days February 2014 (2) Series 29 - Regular	<b>2,00,00,000</b>	-	2,00,00,000	-	-	<b>25.96</b>	-	-	-	-	21.69
ICICI Prudential FMP Series 72-366 Days Plan K-Direct Plan-Cumulative	-	3,00,00,000	-	3,00,00,000	-	-	-	36.24	-	-	32.62
Reliance Fixed Horizon Fund-XXV-Series 18-Direct Plan - Growth Option	-	1,82,37,359	-	5,50,00,000	-	-	-	22.03	-	-	59.77
Reliance Yearly Interval Fund-Series 2- Regular Growth Option	<b>2,75,88,974</b>	5,95,88,759	-	3,20,99,784	-	<b>39.08</b>	-	78.71	-	-	38.01
DSP BlackRock Fixed Maturity Plan-Series 146-12 Months-Direct Growth	-	1,80,00,000	-	1,80,00,000	-	-	-	21.73	-	-	19.52
Reliance Fixed Horizon Fund-XXV Series 26- Regular Growth	-	-	-	1,50,00,000	-	-	-	-	-	-	16.21
HDFC FMP 370 Days March 2014 (1) Series 29 - Regular	<b>3,00,00,000</b>	-	3,00,00,000	-	-	<b>38.81</b>	-	-	-	-	32.47
UTI Fixed Term Income Fund-Series XVII-XVI-Direct Growth	<b>90,96,615</b>	-	3,00,00,000	-	-	<b>11.81</b>	-	-	-	-	32.49
ICICI Prudential FMP Series 73-368 Days Plan D-Direct Plan-Cumulative	<b>2,00,00,000</b>	-	2,00,00,000	-	-	<b>25.76</b>	-	-	-	-	21.56
DSP BlackRock Fixed Maturity Plan-Series 149-12 Months-Regular Growth	-	3,00,00,000	-	3,00,00,000	-	-	-	36.13	-	-	32.49
Kotak FMP-Series 143 (370 Days) Direct Growth	-	45,39,257	-	1,00,00,000	-	-	-	5.45	-	-	10.84
Kotak FMP-Series 150 (1109 Days) Direct Growth	<b>1,00,00,000</b>	-	-	-	-	<b>13.10</b>	-	-	-	-	-
Birla Sun Life Fixed Term Plan-Series KZ-Direct Growth	<b>1,37,33,497</b>	-	2,00,00,000	-	-	<b>17.53</b>	-	-	-	-	21.39
ICICI Prudential FMP Series 74-369 Days Plan B-Direct Plan Growth	<b>2,50,00,000</b>	-	2,50,00,000	-	-	<b>31.95</b>	-	-	-	-	26.62
Reliance Fixed Horizon Fund-XXVI-Series 9-Direct Plan - Growth	<b>2,50,00,000</b>	-	2,50,00,000	-	-	<b>31.97</b>	-	-	-	-	26.73
Reliance Fixed Horizon Fund-XXVI-Series 9-Regular Plan Growth	<b>1,00,00,000</b>	-	1,00,00,000	-	-	<b>12.75</b>	-	-	-	-	10.68
UTI Fixed Term Income Fund-Series XVIII-V-Direct Growth	<b>1,00,00,000</b>	-	1,00,00,000	-	-	<b>12.78</b>	-	-	-	-	10.68
HDFC FMP 369 Days April 2014 (2) Series 31 - Regular	<b>2,50,00,000</b>	-	2,50,00,000	-	-	<b>31.76</b>	-	-	-	-	26.62
HDFC FMP 367 Days April 2014 (1) Series 31 - Regular	<b>2,00,00,000</b>	-	2,00,00,000	-	-	<b>25.42</b>	-	-	-	-	21.24
HDFC FMP 370 Days May 2014 (1) Series 31 - Regular Growth	<b>1,50,00,000</b>	-	1,50,00,000	-	-	<b>19.02</b>	-	-	-	-	15.89
HDFC FMP 366 Days May 2014 (1) - Direct Growth	<b>1,30,00,000</b>	-	1,30,00,000	-	-	<b>16.47</b>	-	-	-	-	13.72
Reliance Yearly Interval Fund-Series 8- Growth	<b>1,84,28,933</b>	1,84,28,933	-	1,84,28,933	-	<b>25.05</b>	-	23.21	-	-	20.96

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	Units As at March 31, 2017	Units As at March 31, 2016	Units As at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
DHFL Pramerica Interval Fund Annual Plan Series-I Direct Plan - Growth	92,05,730	92,05,730	92,05,730	-	12.43	-	11.53	-	10.42
Reliance Interval Fund-III Series I, Growth Plan	1,02,38,733	1,50,00,000	-	-	12.43	-	16.94	-	-
Reliance Interval Fund-II-Series 4-Direct Growth	1,25,52,465	1,83,07,306	-	-	16.43	-	22.33	-	-
IDFC Yearly Interval Fund-Series III-Direct Growth	-	83,17,876	-	-	-	-	10.98	-	-
ICICI Prudential Interval Series-VII Annual Interval Plan C Regular-Growth	1,07,68,497	1,82,11,453	-	-	13.95	-	21.97	-	-
Reliance Yearly Interval Fund-Series I-Growth	1,67,79,931	1,67,79,931	-	-	23.67	-	22.05	-	-
ICICI Prudential FMP Series 74-369 Days Plan K-Direct Plan Cumulative	2,00,00,000	-	2,00,00,000	-	25.36	-	-	-	21.09
Reliance Fixed Horizon Fund-XXVI -Series 31-Direct Plan Growth	80,00,000	-	80,00,000	-	10.07	-	-	-	8.37
ICICI Prudential FMP Series 74-369 Days Plan T Regular Plan-Growth	1,50,00,000	-	1,50,00,000	-	18.92	-	-	-	15.73
HDFC FMP 370 Days June 2014 (2) Series 31 - Regular Growth Option	80,00,000	-	80,00,000	-	10.05	-	-	-	8.37
ICICI Prudential FMP Series 74-370 Days Plan X Direct Plan Cumulative	1,50,00,000	-	1,50,00,000	-	18.84	-	-	-	15.66
SBI Debt Fund Series A-35 (369 Days) Regular Plan-Growth	2,00,00,000	-	2,00,00,000	-	25.08	-	-	-	20.86
Birla Sun Life Fixed Term Plan-Series LQ -Direct Growth	50,00,000	-	50,00,000	-	6.27	-	-	-	5.22
SBI Premier Liquid Fund-Growth	-	-	2,00,268	-	-	-	-	-	20.09
UTI Money Market Fund	-	-	-	-	-	-	-	-	-
IDFC Super Saver Income Fund	-	-	51,66,277	-	-	-	-	-	11.89
IDFC Money Manager Fund - Investment Plan - Growth-(Regular Plan)	-	-	1,08,62,401	-	-	-	-	-	22.99
IDFC Fixed Term Plan Series 69 Direct Plan - Growth	-	-	2,00,00,000	-	-	-	-	-	21.71
Birla Sun Life Fixed Term Plan Series JZ-Growth Direct	-	-	2,30,00,000	-	-	-	-	-	24.99
Birla Sun Life Fixed Term Plan Series JZ-Growth Regular	-	-	2,20,00,000	-	-	-	-	-	23.89
Birla Sun Life Interval Inc Annual Plan X-GZ	-	-	1,80,85,308	-	-	-	-	-	20.65
HDFC Medium Term Opp Fund-Growth	-	-	1,14,85,100	-	-	-	-	-	17.04
Kotak FMP Series 138 Direct-Growth	-	-	1,00,00,000	-	-	-	-	-	10.86
ICICI Pru FMP Series 72-366 Days Plan M Direct Plan Cumulative	-	-	2,00,00,000	-	-	-	-	-	21.73
SBI Debt Fund Series 366 Days-52-Direct Growth	-	-	1,50,00,000	-	-	-	-	-	16.28
Tata FMP Series 46 Scheme L-DP - Growth-INF277K0IXMI	-	-	1,00,00,000	-	-	-	-	-	10.87
Tata FMP Series 46 Scheme P-DP - Growth-INF277K0IYCO	-	-	1,00,00,000	-	-	-	-	-	10.85
Templeton India Short Term Income Plan	-	-	66,106	-	-	-	-	-	18.51
Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	1,18,48,125	-	-	-	15.30	-	-	-	-
ICICI Prudential FMP Series 75-1100 Days Plan N-Direct-Growth	1,50,00,000	-	-	-	18.59	-	-	-	-



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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### 11. LOANS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Current</b>			
Unsecured, considered good			
Loans to employees	0.34	6.80	-
<b>Total</b>	<b>0.34</b>	6.80	-

Note : These financial assets are carried at amortised cost.

### 12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
<b>Unsecured, considered good</b>			
Security deposits	16.44	10.07	7.15
Fixed deposits*	-	24.50	29.83
Advance given to joint venture company for subscription of equity shares (at cost)	11.10	18.00	25.00
Advances to employees	-	-	0.02
<b>Total</b>	<b>27.54</b>	52.57	62.00
<b>Current</b>			
<b>Unsecured, considered good</b>			
Insurance claim receivable	5.80	2.52	2.51
Lease rent receivable	0.05	0.05	-
Interest accrued on fixed deposits and bonds	2.34	1.25	0.93
Others	0.51	1.79	-
<b>Total</b>	<b>8.70</b>	5.61	3.44

Note: These financial assets are carried at amortised cost unless otherwise stated.

\* Pledged with banks

### 13. INCOME TAX ASSETS/ (LIABILITY) (NET)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Tax assets</b>			
Advance income tax	1,468.78	901.20	382.45
<b>Total</b>	<b>1,468.78</b>	901.20	382.45
<b>Tax liabilities</b>			
Provision for Income tax	1,488.10	893.63	368.84
<b>Total</b>	<b>1,488.10</b>	893.63	368.84
<b>Net</b>	<b>(19.32)</b>	7.57	13.61

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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### 14. OTHER ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
<b>Unsecured, considered good</b>			
Capital advances	133.74	39.49	83.27
Balance with government authorities	7.71	8.96	7.42
Prepayment land leases	89.14	90.07	90.99
Other prepayments	1.41	2.12	2.11
Others	-	-	0.04
<b>Total</b>	<b>232.00</b>	140.64	183.83
<b>Current</b>			
<b>Unsecured, considered good</b>			
<b>Advances to related parties</b>	-	-	0.10
<b>Other advances</b>			
Advance to suppliers	28.62	26.66	14.97
Advance to employees	2.03	2.64	2.02
Prepaid expenses	6.47	2.75	2.86
Balance with government authorities			
Considered good	36.58	29.25	51.45
Considered doubtful	1.11	1.11	-
	37.69	30.36	51.45
Less: Provision for doubtful advances	1.11	1.11	-
	36.58	29.25	51.45
Gratuity fund (net)	0.35	0.31	-
Prepayment land leases	0.96	0.97	1.18
Other prepayments	0.70	0.54	0.38
Others			
Considered doubtful	-	-	0.02
	-	-	0.02
Less: Provision for doubtful advances	-	-	0.02
	-	-	-
	75.71	63.12	72.86
<b>Total</b>	<b>75.71</b>	63.12	72.96

### 15. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Raw materials	122.03	113.93	75.52
(Includes goods in transit of Rs. 18.47 crores (March 31, 2016 Rs. 12.87 crores ; January 1, 2015 Rs. 14.42 crores))			
Work in progress	14.90	9.43	7.74
Finished goods	156.63	148.44	107.69
Stock-in-trade	20.32	19.48	8.70
Stores and spares	6.98	5.64	3.59
Loose tools	1.59	3.44	1.89
<b>Total</b>	<b>322.45</b>	300.36	205.13

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS

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- The cost of inventories recognised as an expense during the year was Rs 4,140.86 crores (previous period Rs 3,880.64 crores).
- The cost of inventories recognised as an expense includes Rs.5.60 crores (during January 1, 2015 to March 31, 2016 Rs.10.87 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs.7.69 crores (during January 1, 2015 to March 31, 2016 Rs.0.58 crores) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of material consumed/sold.
- Inventories of Rs 6.27 crores (March 31, 2016 Rs 5.83 crores and January 1, 2015 Rs 1.18 crores) are expected to be recovered after more than 12 months.
- The mode of valuation of inventories has been stated in Note no. 3.13.

### 16. TRADE RECEIVABLES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Current</b>			
Secured, considered good	0.89	0.15	0.06
Unsecured - considered good	48.05	45.98	10.64
- considered doubtful	0.25	0.43	0.43
	49.19	46.56	11.13
Less: Provision for doubtful receivables	0.25	0.43	0.43
<b>Total</b>	<b>48.94</b>	46.13	10.70
<b>Age of receivables</b>			
Within the credit period	42.93	39.59	9.03
Up to 6 months	5.37	6.16	1.64
More than 6 months	0.64	0.38	0.03
	48.94	46.13	10.70

### 17. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Cash on hand	0.01	0.07	0.06
Cheques/drafts on hand	0.12	0.09	0.22
<b>Balances with banks:</b>			
In current accounts	12.66	22.75	16.84
In deposit accounts	-	8.29	-
<b>Cash and cash equivalents as per balance sheet Total</b>	<b>12.79</b>	31.20	17.12
<b>Bank overdrafts (refer note 25)</b>	-	22.57	-
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>12.79</b>	8.63	17.12

### 18. OTHER BANK BALANCES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
In unpaid dividend accounts	7.82	13.32	3.77
<b>Total</b>	<b>7.82</b>	13.32	3.77

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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### 19. SHARE CAPITAL

#### (a) Equity share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Authorised Equity share capital</b>			
3,00,00,000 (March 31, 2016 3,00,00,000; January 1, 2015 3,00,00,000) Equity shares of Rs. 10 each	<b>30.00</b>	30.00	30.00
<b>Total</b>	<b>30.00</b>	30.00	30.00
<b>Issued, subscribed and fully paid up</b>			
2,72,10,249 (March 31, 2016 2,71,61,183; January 1, 2015 2,71,04,783) Equity shares of Rs. 10 each	<b>27.21</b>	27.16	27.10
<b>Total</b>	<b>27.21</b>	27.16	27.10

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

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	For the year ended March 31, 2017		For the fifteen months ended March 31, 2016	
	Nos.	Rs. in Crores	Nos.	Rs. in Crores
At the beginning of the year	<b>2,71,61,183</b>	<b>27.16</b>	2,71,04,783	27.10
Issued during the year/period - ESOP (refer note no. 47)	<b>49,066</b>	<b>0.05</b>	56,400	0.06
Outstanding at the end of the year/period	<b>2,72,10,249</b>	<b>27.21</b>	2,71,61,183	27.16

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	% holding in the class	Nos.	% holding in the class
Eicher Goodearth Trust	-	-	32,71,723	12.05%
Anita Lal	-	-	30,23,167	11.13%
The Simran Siddhartha Tara Benefit Trust	<b>1,20,30,648</b>	<b>44.21%</b>	67,99,828	25.04%

Particulars	As at January 1, 2015	
	Nos.	% holding in the class
Eicher Goodearth Trust	32,71,723	12.07%
Anita Lal	30,23,167	11.15%
The Simran Siddhartha Tara Benefit Trust	67,99,828	25.09%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	22,75,610	8.40%

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### (iii) Shares options granted under the Company's employee share option plan outstanding at the year end

Option Series	Share options outstanding (in Nos.)			Expiry Date
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015	
22nd October, 2007	500	3,000	29,500	22-Oct-17
29th April, 2010	29,000	40,000	40,000	28-Apr-18
6th May, 2011	-	32,100	60,200	5-May-21
11th February, 2012	1,800	3,600	5,400	10-Feb-22
16th December, 2013	3,334	5,000	5,000	15-Dec-23
11th August, 2014	16,000	16,000	22,500	10-Aug-24
12th November, 2014	2,400	5,400	5,400	11-Nov-24
12th January, 2015	22,300	22,300	-	11-Jan-25
20th March, 2015	1,500	4,500	-	20-Mar-25
8th May, 2015	48,450	53,000	-	7-May-25
21st July, 2015	6,590	6,590	-	20-Jul-25
6th November, 2015	7,800	7,800	-	5-Nov-25
5th February, 2016	4,200	4,200	-	4-Feb-26
27th April, 2016	2,400	-	-	26-Apr-26
28th July, 2016	2,100	-	-	27-Jul-26
28th October, 2016	3,000	-	-	27-Oct-26
1st February, 2017	1,800	-	-	31-Jan-27
27th March, 2017	3,500	-	-	26-Mar-27

Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note no. 47.

### (b) Preference share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Authorised Preference share capital</b>			
1,01,000 (March 31, 2016 1,01,000; January 1, 2015 1,01,000)	1.01	1.01	1.01
Redeemable cumulative preference shares of Rs. 100 each			
<b>Total</b>	<b>1.01</b>	1.01	1.01

The Company has not issued preference share capital.

## 20. OTHER EQUITY

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Capital reserves	0.25	0.25	0.25
Capital redemption reserve	1.41	1.41	1.41
Securities premium account	32.09	25.80	20.88
General reserves	339.89	339.89	216.91
Share options outstanding account	45.13	25.23	2.11
Retained earnings	3,476.61	1,916.67	1,199.10
	<b>3,895.38</b>	2,309.25	1,440.66



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>A Capital reserve</b>		
Opening balance	0.25	0.25
Add / Less: Movement during the year/period	-	-
<b>Closing balance</b>	<b>0.25</b>	0.25
<b>B Capital redemption reserve</b>		
Opening balance	1.41	1.41
Add / Less: Movement during the year/period	-	-
<b>Closing balance</b>	<b>1.41</b>	1.41

The Capital redemption reserve was created at the time of buy back of shares. The Company can utilise the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>C Securities premium reserve</b>		
Opening balance	25.80	20.88
Add : Proceeds from issue of equity shares@	5.69	4.75
Add : Transferred from share options outstanding account	0.60	0.17
<b>Closing balance</b>	<b>32.09</b>	25.80

@ Represents premium @ Rs. 452 per equity share on 2,500 (26,500) equity shares, @ Rs. 685 per equity share on 11,000 (Nil) equity shares, @ Rs. 1,152 per equity share on 32,100 (28,100) equity shares, @ Rs. 1,760 per equity share on 1,800 (1,800) equity shares, and @ Rs. 4,905 per equity share on 1,666 (Nil) equity shares issued and allotted during the year/period under Employee Stock Option Scheme. The Company can utilise the same for the purpose of buy back of shares or issue of fully paid bonus shares or for such other permitted purposes as may be decided by the Management.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>D General reserves</b>		
Opening balance	339.89	216.91
Add: Amount transferred from retained earnings	-	122.98
<b>Closing balance</b>	<b>339.89</b>	339.89

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>E Share options outstanding account</b>		
Opening balance	25.23	2.11
Add : ESOP expense during the year/period	20.50	23.29
Less : Transferred to securities premium on issue of shares	0.60	0.17
<b>Closing balance</b>	<b>45.13</b>	25.23

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note no. 47.

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>F Retained earnings</b>		
Opening balance	1,916.67	1,199.10
Add: Profit for the year/period	1,560.02	1,309.22
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	(0.08)	(0.46)
Less: Interim dividend (amount per share Rs. Nil (Rs. 100.0))	-	271.61
Less: Dividend (amount per share Rs. Nil (Rs. 50.0))	-	135.52
Less: Tax on dividend	-	61.08
Less: Transferred to general reserve	-	122.98
<b>Balance at end of year</b>	<b>3,476.61</b>	1,916.67

In respect of the year ended March 31, 2017, the directors propose that a dividend of Rs. 100 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 272.10 crores.

## 21. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
Security deposits received	7.16	5.87	4.52
<b>Total</b>	<b>7.16</b>	5.87	4.52
<b>Current</b>			
Employee dues	49.17	42.89	19.92
Capital creditors	70.29	10.91	9.90
Unpaid dividend *	7.82	13.32	3.77
Book overdraft	2.66	6.55	-
Others	10.31	7.97	-
<b>Total</b>	<b>140.25</b>	81.64	33.59

\* Does not include any amounts outstanding which are required to be credited to Investor Education and Protection Fund.

## 22. PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
Employee benefits (i)			
Gratuity	-	-	8.66
Compensated absences	9.88	7.34	4.04
Other employee benefits	2.96	1.57	1.12
<b>Sub-total (A)</b>	<b>12.84</b>	8.91	13.82
Warranties (ii)	23.17	20.76	-
<b>Sub-total (B)</b>	<b>23.17</b>	20.76	-
<b>Total (A+B)</b>	<b>36.01</b>	29.67	13.82

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Current</b>			
Employee benefits (i)			
Gratuity	-	-	0.21
Compensated absences	0.52	1.04	0.87
Other employee benefits	0.07	0.04	0.09
<b>Sub-total (A)</b>	<b>0.59</b>	1.08	1.17
Warranties (ii)	32.04	25.39	14.39
<b>Sub-total (B)</b>	<b>32.04</b>	25.39	14.39
<b>Total (A+B)</b>	<b>32.63</b>	26.47	15.56

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward. The increase in the carrying amount of the provision for the current year results from increase in the number of employees, period of service, salary cost, etc.

(ii) Movement in warranties provision

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening balance	46.15	14.39
Additions during the year/period	47.80	65.76
Amount utilised during the year/period	40.27	34.71
Unwinding of discount	1.53	0.71
Closing balance	55.21	46.15

The provision for warranty claims represents the present value of the management's best estimate of the future economic costs that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

### 23. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Deferred tax liabilities on</b>			
Property, plant and equipment and intangible assets	81.67	41.73	24.81
Investments measured at FVTPL	8.01	8.76	5.42
Others	1.09	0.76	-
<b>Sub-total (A)</b>	<b>90.77</b>	51.25	30.23
<b>Less: Deferred tax assets on</b>			
Accrued expenses deductible on payment	3.26	2.26	1.52
Provision for gratuity	-	-	3.40
Provision for compensated absences and other employee benefits	3.60	2.89	1.67
Provision for doubtful debts and advances	0.47	0.53	0.15
Others	4.22	4.75	1.52
<b>Sub-total (B)</b>	<b>11.55</b>	10.43	8.26
<b>Total (A-B)</b>	<b>79.22</b>	40.82	21.97

**NOTES****FORMING PART OF THE FINANCIAL STATEMENTS**

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**Movement of deferred tax liabilities/assets****For the year ended March 31, 2017**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities on</b>				
Property, plant and equipment and intangible assets	41.73	39.94	-	81.67
Investments measured at FVTPL	8.76	(0.75)	-	8.01
Others	0.76	0.33	-	1.09
<b>Sub-total (A)</b>	51.25	39.52	-	90.77
<b>Less: Deferred tax assets on</b>				
Accrued expenses deductible on payment	2.26	1.00	-	3.26
Provision for compensated absences and other employee benefits	2.89	0.71	-	3.60
Remeasurement of defined benefit obligation	-	(0.04)	0.04	-
Provision for doubtful debts and advances	0.53	(0.06)	-	0.47
Others	4.75	(0.53)	-	4.22
<b>Sub-total (B)</b>	10.43	1.08	0.04	11.55
<b>Total (A-B)</b>	40.82	38.44	(0.04)	79.22

**For the fifteen months ended March 31, 2016**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities on</b>				
Property, plant and equipment and intangible assets	24.81	16.92	-	41.73
Investments measured at FVTPL	5.42	3.34	-	8.76
Others	-	0.76	-	0.76
<b>Sub-total (A)</b>	30.23	21.02	-	51.25
<b>Less: Deferred tax assets on</b>				
Accrued expenses deductible on payment	1.52	0.74	-	2.26
Provision for gratuity	3.40	(3.65)	0.25	-
Provision for compensated absences and other employee benefits	1.67	1.22	-	2.89
Provision for doubtful debts and advances	0.15	0.38	-	0.53
Others	1.52	3.23	-	4.75
<b>Sub-total (B)</b>	8.26	1.92	0.25	10.43
<b>Total (A-B)</b>	21.97	19.10	(0.25)	40.82

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 24. OTHER LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
Deferred revenue arising from Government grant (i)	23.20	9.55	-
<b>Total</b>	<b>23.20</b>	9.55	-
<b>Current</b>			
Advance from customers	292.06	241.97	163.11
Deferred revenue	18.82	14.30	12.46
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	113.78	89.14	99.86
Others	4.87	4.20	-
<b>Total</b>	<b>429.53</b>	349.61	275.43

- (i) The deferred revenue arises as a result of the benefit received by the United Kingdom (UK) Branch of the Company from the Government of UK - Department for Business Innovation & Skills - Regional Growth Fund. The grant will be recognised in statement of profit and loss on a systematic basis over the useful life of the assets after capitalisation of the related fixed assets.

### 25. BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Unsecured</b>			
Loan repayable on demand			
- From bank			
Overdraft facility	-	22.57	-
<b>Total</b>	<b>-</b>	22.57	-

Unsecured loan carries interest @ 9.30% per annum as at March 31, 2016.

### 26. TRADE PAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Acceptances	158.22	145.41	95.12
Other trade payables	673.71	575.89	387.02
<b>Total</b>	<b>831.93</b>	721.30	482.14

Note: Refer note 40 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006

### 27. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Revenue from operations</b>		
Sale of products		
Manufactured goods (including excise duty)	7,695.33	6,809.14
Stock-in-trade	218.38	148.16
<b>Sub-total (A)</b>	<b>7,913.71</b>	6,957.30

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## FORMING PART OF THE FINANCIAL STATEMENTS

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Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Other operating revenue</b>		
Export benefits	6.25	5.87
Scrap sale	19.01	17.52
Excess liability no longer required written back	0.18	-
Income from other operating revenues	4.91	3.17
<b>Sub-total (B)</b>	<b>30.35</b>	26.56
<b>Revenue from operations</b>	<b>Total (A+B)</b>	<b>7,944.06</b>
		6,983.86

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Details of products sold</b>		
<b>Manufactured goods</b>		
Two wheelers	7,279.23	6,469.81
Spare parts and other components	416.10	339.33
<b>Total</b>	<b>7,695.33</b>	6,809.14
<b>Stock-in-trade</b>		
Spare parts and other allied products	218.38	148.16
<b>Total</b>	<b>218.38</b>	148.16

## 28. OTHER INCOME

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Interest income on financial assets carried at amortised cost</b>		
Bank deposits and bonds	2.03	3.78
Others	1.90	0.88
<b>Total</b>	<b>3.93</b>	4.66
<b>Dividend income</b>		
Dividend on unquoted non-current investments	-	1.83
Dividend on unquoted investment in subsidiary company	-	105.40
<b>Total</b>	<b>-</b>	107.23
<b>Net gain on financial instruments at fair value through profit or loss</b>	<b>219.74</b>	162.99
<b>Other non-operating income</b>		
Rent income	2.80	3.39
Other income	0.72	5.16
Profit on sale of property, plant and equipment	0.12	0.06
<b>Total</b>	<b>3.64</b>	8.61
<b>Total</b>	<b>227.31</b>	283.49

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

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### 29. COST OF RAW MATERIALS CONSUMED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Inventory at the beginning of the year/period	113.93	75.52
Add: Purchases	3,647.56	3,473.74
	3,761.49	3,549.26
Less: Inventory at the end of the year/period	122.03	113.93
Less: Material cost of vehicles capitalised	1.64	0.54
	3,637.82	3,434.79
Less: Sale of raw materials to suppliers on cost to cost basis	22.37	11.38
<b>Net consumption</b>	<b>Total 3,615.45</b>	3,423.41

### 30. PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Spare parts and other allied products	105.62	74.04
<b>Total</b>	<b>105.62</b>	74.04

### 31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Inventories at the end of the year/period</b>		
Finished goods	156.63	148.44
Work-in-progress	14.90	9.43
Stock-in-trade	20.32	19.48
<b>A</b>	<b>191.85</b>	177.35
<b>Inventories at the beginning of the year/period</b>		
Finished goods	148.44	107.69
Work-in-progress	9.43	7.74
Stock-in-trade	19.48	8.70
<b>B</b>	<b>177.35</b>	124.13
<b>Net change (B-A)</b>	<b>(14.50)</b>	(53.22)

### 32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Salaries and wages	306.10	270.34
Contribution to provident and other funds	16.07	9.08
Share-based payments to employees	20.50	23.29
Staff welfare expenses	42.38	39.51
<b>Total</b>	<b>385.05</b>	342.22

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 33. FINANCE COSTS

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Interest expense		
On income tax	-	0.11
On other borrowings	1.26	1.30
	1.26	1.41
Unwinding of discount on provisions	1.53	0.71
<b>Total</b>	<b>2.79</b>	<b>2.12</b>

### 34. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Depreciation on property, plant and equipment	143.34	127.88
Depreciation of investment property	0.35	0.53
Amortisation of intangible assets	9.65	8.14
<b>Total</b>	<b>153.34</b>	<b>136.55</b>

### 35. OTHER EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Consumption of stores and machinery spares (including loose tools and packing material)	115.42	117.30
Increase/decrease of excise duty on finished goods	2.37	13.25
Loss on sale of property, plant and equipment and intangible assets	0.36	0.12
Property, plant and equipment discarded	0.03	1.35
Power and fuel	45.99	46.17
Insurance	8.75	7.41
Repairs and maintenance		
Buildings	2.30	4.08
Plant and equipment	34.16	26.62
Others	18.08	12.36
Rates and taxes	11.68	10.48
Advertisement	17.64	34.09
Freight and handling charges	103.86	87.99
Incentives	15.20	9.72
Warranty	47.80	65.76
Other selling and distribution expenses	103.51	71.50
Rent	28.40	27.93
Legal and professional charges*	49.59	37.45
Travelling expenses	29.20	28.69
Development expenses	7.18	4.44
Corporate social responsibility expenditure (refer note no. 50)	18.33	8.99
Bad debts / advances written off	-	0.01
Provision for doubtful debts and advances	-	1.11
Exchange loss (net)	11.80	1.35
Miscellaneous expenses	68.89	73.38
<b>Total</b>	<b>740.54</b>	<b>691.55</b>



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### \* Including payment to auditors as below:

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
a) For audit	0.34	0.27
b) For limited reviews of unaudited financial results	0.19	0.23
c) For other services	0.07	0.18
d) For reimbursement of expenses	0.01	0.01
e) Audit of accounts for the fiscal year	-	0.06
	<b>0.61</b>	0.75

### 36. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Current tax</b>		
In respect of the current year/period	678.53	524.69
	<b>678.53</b>	524.69
<b>Deferred tax charge</b>		
In respect of the current year/period	38.44	19.10
	<b>38.44</b>	19.10
<b>Total income tax expense recognised in the current year/period</b>	<b>716.97</b>	543.79

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Profit before tax	2,276.99	1,853.01
Income tax expense calculated at 34.608% (2015-16 : 34.608%)	788.02	641.29
Effect of lower tax on long-term capital gain from investment in mutual funds	(68.15)	(41.52)
Effect of additional deduction of research and product development cost	(11.77)	(13.16)
Effect of additional deduction for investment allowance under section 32AC of the Income tax Act, 1961	(6.10)	(16.84)
Effect of ESOP expenses not deductible in determining taxable profits	7.09	8.06
Effect of income exempt from taxation	(0.52)	(37.23)
Others	8.40	3.19
	<b>716.97</b>	543.79
Income tax expense recognised in statement of profit and loss	<b>716.97</b>	543.79

### Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Deferred tax charge/(benefit)</b>		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(0.04)	(0.25)
<b>Total income tax recognised in other comprehensive income</b>	<b>(0.04)</b>	(0.25)
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	(0.04)	(0.25)
	<b>(0.04)</b>	(0.25)

## NOTES

### FORMING PART OF THE FINANCIAL STATEMENTS

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- 37.** Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 397.57 crores (Rs. 96.92 crores).

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

**38. Research and development expenses:**

Revenue expenditure on research and development incurred and expensed off during the year/period through the appropriate heads of account aggregate Rs. 36.78 crores (previous period Rs. 32.20 crores). The capital expenditure incurred during the year/period for research and development purposes aggregate Rs. 91.29 crores (previous period Rs. 59.33 crores). The details of capital expenditure and revenue expenditure are as below:

Capital expenditure	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Building - factory	-	-
Plant and equipment	3.12	2.40
Furniture and fittings	0.33	0.15
Office equipment	1.22	1.58
Vehicles	2.21	1.00
Intangible assets	3.39	17.32
Capital work-in-progress including intangible assets under development	81.02	36.88
<b>Total</b>	<b>91.29</b>	<b>59.33</b>

Revenue expenditure	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Employee cost	21.04	17.48
Development expenses	3.28	2.23
Depreciation	6.67	6.37
Overheads	5.79	6.12
<b>Total</b>	<b>36.78</b>	<b>32.20</b>

**39. CONTINGENT LIABILITIES NOT PROVIDED FOR**

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
a) In respect of the following:			
- Excise duty matters	1.74	2.12	54.98
- Sales tax matters	6.75	6.25	5.06
- Service tax matters	0.39	0.39	0.39
- Income tax matters	-	0.17	4.26
b) Claims against the Company not acknowledged as debts	7.34	6.87	6.13
c) Guarantees given:	75.41	24.08	-
to bank/others for credit facility granted to 100% subsidiary Company			
- Dues outstanding	44.41	-	-

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

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### 40. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year/period	13.27	10.99
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	5.00	22.46
(iv) The amount of interest due and payable for the year/period	0.07	0.41
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year/period	0.14	0.07
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

### 41. EMPLOYEE BENEFIT PLANS

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

#### A. Defined Contribution Plans

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident fund*	15.73	8.74
b) Superannuation fund	0.43	0.51
c) Employees' State Insurance Corporation	2.22	1.69

\*includes Rs. 0.06 crore (Rs. 0.14 crore) capitalised during the year/period and Rs. 0.03 crore (Rs. 0.03 crore) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 2.59 crores (Rs. 2.28 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government-administered provident fund.

The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2017 is Rs. 154.36 crores as against the total plan assets of Rs. 155.97 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

#### B. Defined benefit plans:

The Defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

This plan typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Mr. K.K. Dharni (FIAI M. No. 00051), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Discount rate	7.50%	7.50%	7.50%
Future salary increase	7.00%	7.00%	7.00%
Retirement age	58 years	58 years	58 years
Rate of withdrawal	2.00%	2.00%	2.00%
In service mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Service cost:		
Current service cost	1.96	1.49
Net Interest expense	(0.01)	1.26
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.95</b>	<b>2.75</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	0.12	0.71
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.12</b>	<b>0.71</b>
<b>Total</b>	<b>2.07</b>	<b>3.46</b>

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Present value of funded defined benefit obligation	13.32	11.34	8.87
Fair value of plan assets	13.67	11.65	-
<b>Net liability arising from defined benefit obligation</b>	<b>(0.35)</b>	<b>(0.31)</b>	<b>8.87</b>

Movements in the present value of the defined benefit obligation are as follows:

	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening defined obligation	11.34	8.87
Current service cost	1.96	1.49
Interest cost	0.85	1.26
Actuarial (gains)/ losses	0.53	0.71
Benefits paid	(1.36)	(0.99)
<b>Closing defined benefit obligation</b>	<b>13.32</b>	<b>11.34</b>

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### Movements in the fair value of the plan assets are as follows:

	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening fair value of plan assets@	11.65	-
Interest income	0.86	-
Actuarial gains/ (losses)	0.41	-
Contribution	1.00	11.65
Benefit paid	(0.25)	-
Closing fair value of plan assets@	13.67	11.65

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

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

#### The Fair value of the plan assets at the end of reporting period for each category are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Government securities	4.64	5.94	-
Debt instruments categorised by issuers' credit rating:			
AAA	7.25	4.08	-
AA+	0.82	1.17	-
AA	0.55	-	-
Cash, deposits, etc.	0.41	0.46	-

The fair values of the above instruments are determined based on quoted market prices in active market. The actual return on plan assets was Rs. 1.27 crores for the year ended March 31, 2017.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 0.62 crore (increase by Rs. 0.68 crore) (as at March 31, 2016: Decrease by Rs. 0.46 crore (increase by Rs. 0.51 crore))(as at January 1, 2015: Decrease by Rs. 0.29 crore (increase by Rs. 0.32 crore)).
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 0.68 crore (decrease by Rs. 0.62 crore) (as at March 31, 2016: Increase by Rs. 0.51 crore (decrease by Rs. 0.46 crore))(as at January 1, 2015: increase by Rs. 0.32 crore (increase by Rs. 0.30 crore)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

#### Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

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There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### Other disclosures

#### Maturity profile of defined benefit obligation

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Average duration of the defined benefit obligation (in years)</b>	<b>19.27</b>	18.65	17.82

The estimated contribution during next year is Rs. 2.36 crores (previous period Rs. 1.78 crores) to the defined benefit plan.

## 42. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Basic earnings per share</b>	<b>573.75</b>	482.45
<b>Diluted earnings per share</b>	<b>572.17</b>	480.68
<b>Basic earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year/period, per statement of profit and loss (Rs. in crores)	<b>1,560.02</b>	1,309.22
Weighted average number of equity shares for the purposes of basic earnings per share	<b>2,71,89,996</b>	2,71,37,015
<b>Diluted earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
Profit for the year/period, per statement of profit and loss (Rs. in crores)	<b>1,560.02</b>	1,309.22
Weighted average number of equity shares for the purposes of basic earnings per share	<b>2,71,89,996</b>	2,71,37,015
Shares deemed to be issued for no consideration in respect of:		
- employee options	<b>74,974</b>	99,768
Weighted average number of equity shares for the purposes of diluted earnings per share	<b>2,72,64,970</b>	2,72,36,783

## 43. SEGMENT REPORTING DISCLOSURE

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

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### Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

	Domestic	Overseas	Total
<b>Revenue from operations</b>			
<b>For the year ended March 31, 2017</b>	<b>7,722.28</b>	<b>221.78</b>	<b>7,944.06</b>
Fifteen months ended March 31, 2016	6,787.76	196.10	6,983.86
<b>Non-current segment assets</b>			
<b>As at March 31, 2017</b>	<b>1,355.95</b>	<b>136.31</b>	<b>1,492.26</b>
As at March 31, 2016	986.43	51.82	1,038.25
As at January 1, 2015	662.69	0.79	663.48

- Domestic segment includes sales and services to customers located in India.
- Overseas segment includes sales and services rendered to customers located outside India.
- Non-current segment assets include property, plant and equipment, non-current financial assets and other non-current assets.
- The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

### Information about major customers

No customer individually accounted for more than 10% of the revenue.

## 44. RELATED PARTY DISCLOSURES UNDER IND AS 24

### a. Related party disclosures:

Name of related parties and their relationship:

Name of related party		Nature of Relationship
Royal Enfield North America Ltd.*	(RENA)	Subsidiary company
Royal Enfield Canada Ltd.^	(RECA)	100% subsidiary company of RENA
Royal Enfield Brasil Comercio de Motocicletas Ltda	(RE Brasil)	Subsidiary company
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation #	(EGF)	Joint venture company
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
Eicher Executive Provident Fund	(EETF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETSSF)	Post employment benefit plan
EML Employees Company Gratuity Scheme	(EECGS)	Post employment benefit plan

\* Incorporated on March 23, 2015

^ Incorporated on April 19, 2016

# Incorporated on November 19, 2015

### b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. S. Sandilya	Non-executive and independent director
Mr. Priya Brat	Non-executive and independent director
Mr. M.J. Subbaiah	Non-executive and independent director
Mr. Prateek Jalan	Non-executive and independent director
Ms. Manvi Sinha	Non-executive and independent director (w.e.f. February 13, 2015)
Mr. Lalit Malik	Chief Financial Officer
Mr. Manhar Kapoor	Company Secretary

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**c. Transactions with the key management personnel during the year/period:**

Particulars	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Mr. Siddhartha Lal	<b>Managerial remuneration</b>		
	Short-term benefits	<b>9.20</b>	8.49
	Post-employment benefits	<b>0.33</b>	0.24
	Other long-term benefits	<b>0.17</b>	0.01
		<b>9.70</b>	8.74
Mr. S. Sandilya	Sitting fees	<b>0.03</b>	0.03
	Commission	<b>0.48</b>	0.55
Mr. Priya Brat	Sitting fees	<b>0.03</b>	0.03
	Commission	<b>0.09</b>	0.10
Mr. M.J. Subbaiah	Sitting fees	<b>0.02</b>	0.02
	Commission	<b>0.09</b>	0.10
Mr. Prateek Jalan	Sitting fees	<b>0.03</b>	0.03
	Commission	<b>0.21</b>	0.30
Ms. Manvi Sinha	Sitting fees	<b>0.01</b>	0.01
	Commission	<b>0.09</b>	0.10
Mr. Lalit Malik	<b>Remuneration</b>		
	Short-term benefits	<b>2.51</b>	2.27
	Post-employment benefits	<b>0.05</b>	0.04
	Other long-term benefits	<b>0.05</b>	0.02
		<b>2.61</b>	2.33
Mr. Manhar Kapoor	<b>Remuneration</b>		
	Short-term benefits	<b>0.82</b>	0.67
	Post-employment benefits	<b>0.02</b>	0.01
	Other long-term benefits	<b>0.01</b>	0.01
		<b>0.85</b>	0.69

**d. Transactions with the related parties:**

Name of related party	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
VE Commercial Vehicles Limited	Purchase of finished goods/services	<b>145.74</b>	116.97
	Expenses reimbursed	<b>0.43</b>	0.23
	Corporate service charges paid	<b>2.60</b>	3.04
	Tooling advance given	-	0.21
	Dividend received	-	105.40
Eicher Polaris Private Limited	Investment in equity share capital (including advance given in previous period/year)	<b>45.60</b>	115.80
	Advance given for subscription of equity shares	<b>11.10</b>	18.00
	Expenses recovered	<b>1.07</b>	0.08
	Rent income	<b>2.78</b>	3.28
Eicher Goodearth Private Limited	Expenses reimbursed	<b>6.28</b>	0.02
	Corporate service charges paid	<b>0.83</b>	0.91
	Rent paid	<b>3.33</b>	3.77
	Brand fees paid	<b>17.55</b>	15.30
Royal Enfield North America Ltd	Investment in share capital of joint venture/ subsidiary company	<b>2.72</b>	15.54
	Guarantee given	<b>51.33</b>	24.08
	Sale of finished goods/services	<b>18.99</b>	15.32
	Expenses recovered	-	0.19
	Expenses reimbursed	<b>0.65</b>	-



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Name of related party	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Royal Enfield Brasil Comercio de Motocicletas Ltda	Investment in share capital of joint venture/ subsidiary company	8.29	1.53
	Sale of finished goods/services	1.73	-
Eicher Group Foundation	Contribution for CSR expenditure	18.09	3.93
Eicher Executive Provident Fund	Contribution	2.59	2.28
Eicher Tractors Executive Staff Superannuation Fund	Contribution	0.25	0.30
EML Employees Company Gratuity Scheme	Contribution	1.00	11.65
	Benefits paid	(0.25)	-

### Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
VE Commercial Vehicles Limited	- Payables	32.68	26.63	14.07
	- Advances	-	0.21	-
	- Investment in equity share capital	5.44	5.44	5.44
Eicher Polaris Private Limited	- Receivables	-	-	0.10
	- Advances	11.10	18.00	25.00
	- Investment in equity share capital	266.90	221.30	105.50
Eicher Goodearth Private Limited	- Payables	0.23	15.51	7.54
	- Security deposit receivable	1.09	1.09	1.09
Royal Enfield North America Ltd	- Receivables	0.75	15.04	-
	- Investment in equity share capital	18.26	15.54	-
	- Guarantee given	75.41	24.08	-
Royal Enfield Brasil Comercio de Motocicletas Ltda	- Receivables	1.73	-	-
	- Investment in equity share capital	9.82	1.53	-
Mr. Siddhartha Lal	Commission payable	4.20	4.50	3.00
Non-executive and independent directors	Commission payable	1.02	1.05	0.77

Note: Outstanding balances at the year-end are unsecured and settlement occurs in cash.

## 45. FINANCIAL INSTRUMENTS

### Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company does not have any debt to meet its capital requirement and uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

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The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers risks associated with the movement in the working capital.

The following table summarises the capital of the Company:

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Share capital	27.21	27.16	27.10
Other equity	3,895.38	2,309.25	1,440.66
<b>Total Equity</b>	<b>3,922.59</b>	2,336.41	1,467.76

### 45.1 Categories of financial instruments

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	2,313.76	1,225.58	160.19
<b>Current</b>			
Investments in mutual funds	883.61	582.90	998.60
<b>Financial assets at amortised cost</b>			
<b>Non-current</b>			
Investments in bonds	43.94	16.76	-
Other financial assets	16.44	34.57	37.00
<b>Current</b>			
Trade receivables	48.94	46.13	10.70
Cash and bank balances	20.61	44.52	20.89
Loans	0.34	6.80	-
Other financial assets	8.70	5.61	3.44
<b>Financial liabilities at amortised cost</b>			
<b>Non-current</b>			
Other financial liabilities	7.16	5.87	4.52
<b>Current</b>			
Borrowings	-	22.57	-
Trade payables	831.93	721.30	482.14
Other financial liabilities	140.25	81.64	33.59

### 45.2 Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques.

The following is the basis for categorising the financial instruments measured at fair value into Level 1 to Level 3 :

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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### Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

	Fair value as at January 1, 2015		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	-	160.19	-
<b>Current</b>			
Investments in mutual funds	125.34	873.26	-

	Fair value as at March 31, 2016		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	231.53	994.05	-
<b>Current</b>			
Investments in mutual funds	71.68	511.22	-

	Fair value as at March 31, 2017		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	<b>1,515.41</b>	<b>798.35</b>	-
<b>Current</b>			
Investments in mutual funds	<b>174.50</b>	<b>709.11</b>	-

### Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values.

	March 31, 2017		March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at amortised cost</b>				
<b>Non-current</b>				
Investments in bonds	<b>43.94</b>	<b>44.36</b>	16.76	16.80

	Fair value hierarchy	
	As at March 31, 2017 Level 1	As at March 31, 2016 Level 1
<b>Financial assets at amortised cost</b>		
<b>Non-current</b>		
Investments in bonds	<b>44.36</b>	16.80

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The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- The fair value of bonds is based on quoted prices and market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year/period end.
- There were no transfers between Level 1 and Level 2 during the year.

### 46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

#### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency exposure	(in Crores)			
	As at March 31, 2017		As at March 31, 2016	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.19	0.10	0.30	0.01
EURO	0.27	0.04	0.20	0.01
GBP	0.11	0.07	0.28	0.04
JPY	-	7.44	-	3.13
Others	-	0.60	-	4.11

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Foreign currency exposure	As at January 1, 2015	
	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.01	0.01
EURO	0.08	0.01
GBP	-	0.01
JPY	-	1.75

### Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Currency	As at March 31, 2017		As at March 31, 2016	
	5% increase	5% decrease	5% increase	5% decrease
<b>Foreign currency monetary assets</b>				
USD	<b>(0.62)</b>	<b>0.62</b>	(0.99)	0.99
EURO	<b>(0.92)</b>	<b>0.92</b>	(0.74)	0.74
GBP	<b>(0.44)</b>	<b>0.44</b>	(1.33)	1.33
Others				
<b>Foreign currency monetary liabilities</b>				
USD	<b>0.32</b>	<b>(0.32)</b>	0.03	(0.03)
EURO	<b>0.14</b>	<b>(0.14)</b>	0.05	(0.05)
GBP	<b>0.28</b>	<b>(0.28)</b>	0.17	(0.17)
JPY	<b>0.21</b>	<b>(0.21)</b>	0.09	(0.09)
Others	<b>0.09</b>	<b>(0.09)</b>	0.02	(0.02)
Impact on profit or loss as at the end of the reporting year/period	<b>(0.93)</b>	<b>0.93</b>	(2.70)	2.70
Impact on total equity as at the end of the reporting year/period (net of tax)	<b>(0.61)</b>	<b>0.61</b>	(1.77)	1.77

Currency	As at January 1, 2015	
	5% increase	5% decrease
<b>Foreign currency monetary assets</b>		
USD	(0.04)	0.04
EURO	(0.31)	0.31
<b>Foreign currency monetary liabilities</b>		
USD	0.03	(0.03)
EURO	0.05	(0.05)
GBP	0.04	(0.04)
JPY	0.05	(0.05)
Impact on profit or loss as at the end of the reporting year	(0.19)	0.19
Impact on total equity as at the end of the reporting year/period (net of tax)	(0.13)	0.13

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In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the Note no. 16 above.

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

### Movement in the expected credit loss allowance of financial assets

	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Balance at beginning of the year	0.43	0.43
Less: Reversals of provision	0.18	-
Balance at end of the year	0.25	0.43

### Other price risks including interest rate risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, etc. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

### NAV price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

- profit for the year ended March 31, 2017 would increase/decrease by Rs. 31.97 crores (for the fifteen months ended March 31, 2016: increase/decrease by Rs. 18.08 crores).

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Since the Company's borrowings which are affected by interest rate fluctuation is very insignificant to the size and operations of the Company, therefore, a change in interest rate risk does not have a material impact on the Company's financial statements in relation to fair value of financial instruments.

### Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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### Maturity profile of financial liabilities:

Particulars	As at March 31, 2017			Total
	Less than 1 year	1 to 5 years	>5 Years	
Non-current Other financial liabilities	-	-	7.16	7.16
<b>Current</b>				
(i) Trade payables	831.93	-	-	831.93
(ii) Other financial liabilities	140.25	-	-	140.25

Particulars	As at March 31, 2016			Total
	Less than 1 year	1 to 5 years	>5 Years	
Non-current Other financial liabilities	-	-	5.87	5.87
<b>Current</b>				
(i) Borrowings	22.57	-	-	22.57
(ii) Trade payables	721.30	-	-	721.30
(iii) Other financial liabilities	81.64	-	-	81.64

Particulars	As at January 1, 2015			Total
	Less than 1 year	1 to 5 years	>5 Years	
Non-current Other financial liabilities	-	-	4.52	4.52
<b>Current</b>				
(i) Trade payables	482.14	-	-	482.14
(ii) Other financial liabilities	33.59	-	-	33.59

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period..

## 47. SHARE-BASED PAYMENTS

### Employee share option plan of the Company

Eicher Employee Stock Option Plan is applicable to all permanent and full-time employees (as defined in the Plan), excluding promoters of the Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

### Details of the employee share option plan of the company

The following share-based payment arrangements were in existence during the current and prior years :

Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(ii)	2,08,900	22-Oct-07	3 Years	21-Oct-17	462.00	243.90
(iii)	40,000	29-Apr-10	1 Year	28-Apr-18	695.00	154.62
(iv)	15,400	8-Nov-10	3 Years	7-Nov-20	1,411.00	243.90
(v)	1,08,200	6-May-11	3-5 Years	5-May-21	1,162.00	625.14
(vi)	5,400	11-Feb-12	3-5 Years	10-Feb-22	1,770.00	967.06

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Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(vii)	5,000	16-Dec-13	3-5 Years	15-Dec-23	4,915.00	2,522.03
(viii)	16,000	11-Aug-14	3-5 Years	10-Aug-24	8,477.50	4,336.33
(ix)	5,400	12-Nov-14	3-5 Years	11-Nov-24	12,993.65	6,555.65
(x)	2,000	12-Jan-15	1 Year	11-Jan-25	14,739.00	7,626.61
(xi)	20,300	12-Jan-15	3-5 Years	11-Jan-25	14,739.00	7,393.91
(xii)	4,500	20-Mar-15	3-5 Years	20-Mar-25	16,112.00	8,295.62
(xiii)	53,000	8-May-15	3-5 Years	7-May-25	14,807.00	7,741.96
(xiv)	6,590	21-Jul-15	3-5 Years	20-Jul-25	21,248.00	11,112.50
(xv)	7,800	6-Nov-15	3-5 Years	5-Nov-25	17,678.00	9,010.46
(xvi)	4,200	5-Feb-16	3-5 Years	4-Feb-26	16,894.00	8,565.87
(xvii)	2,400	27-Apr-16	3-5 Years	26-Apr-26	20,148.00	10,055.79
(xviii)	2,100	28-Jul-16	3-5 Years	27-Jul-26	20,340.00	10,437.06
(xix)	3,000	28-Oct-16	3-5 Years	27-Oct-26	24,492.00	11,753.96
(xx)	1,800	1-Feb-17	3-5 Years	31-Jan-27	23,028.00	10,875.64
(xxi)	3,500	27-Mar-17	3-5 Years	26-Mar-27	24,350.00	11,601.21

### Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is Rs. 22,751.16 (previous period: Rs. 15,599.37). Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3 years.

### Inputs into the model

	Option series					
	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)
<b>Grant date share price</b>	14,739	14,739	16,112	14,807	21,248	17,678
Exercise price	14,739	14,739	16,112	14,807	21,248	17,678
Expected volatility	37.78%-42.83%	31.91%-42.83%	37.66%-42.77%	34.40%-41.44%	34.45%-41.39%	34.30%-40.92%
Option life	1Year	3-5Years	3-5Years	3-5Years	3-5Years	3-5Years
Dividend yield	1.21%	1.21%	1.21%	0.94%	0.94%	0.94%
Risk-free interest rate	7.88%-7.90%	7.88%-7.95%	7.77%-7.78%	7.99%-8.03%	8.05%-8.14%	7.67%-7.71%

	(xvi)	(xvii)	(xviii)	(xix)	(xx)	(xxi)
<b>Grant date share price</b>	16,894	20,148	20,340	24,492	23,028	24,350
Exercise price	16,894	20,148	20,340	24,492	23,028	24,350
Expected volatility	33.54%-40.78%	33.65%-39.83%	32.04%-37.36%	31.91%-33.37%	31.34%-32.78%	30.73%-32.54%
Option life	3-5Years	3-5Years	3-5Years	3-5Years	3-5Years	3-5Years
Dividend yield	0.94%	0.94%	0.94%	0.89%	0.89%	0.89%
Risk-free interest rate	7.72%-7.85%	7.52%-7.60%	7.30%-7.38%	6.96%-7.01%	6.69%-6.85%	6.07%-6.28%



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### Movements in share options during the year

	For the year ended March 31, 2017		For the fifteen months ended March 31, 2016	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
	Balance at beginning of the year	2,03,490	9,032.69	1,68,000
Granted during the year	12,800	22,751.61	98,390	15,599.37
Forfeited during the year	(10,550)	14,662.45	(6,500)	8,477.50
Exercised during the year	(49,066)	1,171.37	(56,400)	852.50
Expired during the year	-	-	-	-
<b>Balance at end of the year</b>	<b>1,56,674</b>	<b>12,236.35</b>	<b>2,03,490</b>	<b>9,032.69</b>

### Share options exercised during the year

The following share options were exercised during the year and previous year/period:

Option series	Number exercised	Exercise date	Share price at exercise date Rs.
<b>For the year ended March 31, 2017</b>			
(vi) Granted on February 11, 2012	1,800	05/05/2016	1,770
(iii) Granted on April 29, 2010	3,000	28/07/2016	695
(v) Granted on May 06, 2011	32,100	28/07/2016	1,162
(ii) Granted on October 22, 2007	2,500	28/10/2016	462
(iii) Granted on April 29, 2010	3,000	28/10/2016	695
(iii) Granted on April 29, 2010	5,000	01/02/2017	695
(vii) Granted on December 16, 2013	1,666	01/02/2017	4,915
	<b>49,066</b>		
<b>For the fifteen months ended March 31, 2016</b>			
(ii) Granted on October 22, 2007	2,500	13/02/2015	462
(ii) Granted on October 22, 2007	7,000	08/05/2015	462
(v) Granted on May 06, 2011	28,100	08/05/2015	1,162
(ii) Granted on October 22, 2007	10,700	06/11/2015	462
(vi) Granted on February 11, 2012	1,000	06/11/2015	1,770
(ii) Granted on October 22, 2007	6,300	05/02/2016	462
(vi) Granted on February 11, 2012	800	05/02/2016	1,770
	<b>56,400</b>		

### Share options outstanding at end of the year

Option series		Options outstanding		Remaining contractual life		Exercise Price Rs.
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	
(ii)	22-Oct-07	500	3,000	0.56	1.56	462
(iii)	29-Apr-10	29,000	40,000	1.08	2.08	695
(iv)	8-Nov-10	-	-	3.61	4.61	1,411
(v)	6-May-11	-	32,100	4.10	5.10	1,162
(vi)	11-Feb-12	1,800	3,600	4.87	5.87	1,770
(vii)	16-Dec-13	3,334	5,000	6.71	7.71	4,915
(viii)	11-Aug-14	16,000	16,000	7.37	8.37	8,478
(ix)	12-Nov-14	2,400	5,400	7.62	8.62	12,994

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Option series		Options outstanding		Remaining contractual life		Exercise Price
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	
						<b>Rs.</b>
(x)	12-Jan-15	<b>2,000</b>	2,000	<b>7.79</b>	8.79	14,739
(xi)	12-Jan-15	<b>20,300</b>	20,300	<b>7.79</b>	8.79	14,739
(xii)	20-Mar-15	<b>1,500</b>	4,500	<b>7.98</b>	8.98	16,112
(xiii)	8-May-15	<b>48,450</b>	53,000	<b>8.11</b>	9.11	14,807
(xiv)	21-Jul-15	<b>6,590</b>	6,590	<b>8.31</b>	9.31	21,248
(xv)	6-Nov-15	<b>7,800</b>	7,800	<b>8.61</b>	9.61	17,678
(xvi)	5-Feb-16	<b>4,200</b>	4,200	<b>8.85</b>	9.85	16,894
(xvii)	27-Apr-16	<b>2,400</b>	-	<b>9.08</b>	-	20,148
(xviii)	28-Jul-16	<b>2,100</b>	-	<b>9.33</b>	-	20,340
(xix)	28-Oct-16	<b>3,000</b>	-	<b>9.58</b>	-	24,492
(xx)	1-Feb-17	<b>1,800</b>	-	<b>9.84</b>	-	23,028
(xxi)	27-Mar-17	<b>3,500</b>	-	<b>9.99</b>	-	24,350
		<b>1,56,674</b>	2,03,490			

Option series		Options outstanding	Remaining contractual life	Exercise Price
		As at January 1, 2015	As at January 1, 2015	
				<b>Rs.</b>
(ii)	22-Oct-07	29,500	2.81	462
(iii)	29-Apr-10	40,000	3.33	695
(iv)	8-Nov-10	-	5.86	1,411
(v)	6-May-11	60,200	6.35	1,162
(vi)	11-Feb-12	5,400	7.12	1,770
(vii)	16-Dec-13	5,000	8.96	4,915
(viii)	11-Aug-14	22,500	9.62	8,478
(ix)	12-Nov-14	5,400	9.87	12,994
		1,68,000		

### 48. DISCLOSURE IN RESPECT OF OPERATING LEASES

#### (A) Assets taken on lease:

The Company has taken certain premises under various operating lease agreements. The total lease rental recognised as expense aggregate to Rs. 28.40 crores (Rs. 27.93 crores).

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Not later than one year	<b>6.67</b>	9.03	5.68
Later than one year and not later than five years	<b>3.46</b>	6.29	7.99

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### (B) Assets given on lease:

The Company has given assets under operating lease agreement to its joint venture company "Eicher Polaris Private Limited". The total lease rental recognised as income aggregate to Rs. 2.78 crores (Rs. 3.28 crores).

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

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Not later than one year	2.92	2.78	2.61
Later than one year and not later than five years	13.20	12.57	11.84
Later than five years	3.72	7.27	11.45

49. The details of disputed excise duty, sales tax, service tax and income tax dues as on March 31, 2017 which have not been deposited or deposited under protest are as follows:

Nature of the Statute	Nature of dues	Forum where pending	Amount* (Rs. in crores)	Amount paid under protest (Rs. in crores)	Period to which amount relate
Central Excise Act	Excise Duty	Appellate Authority up to Commissioner's level	0.79	-	1995-96 to 1996-97, 2012-13 to 2015-16
		CESTAT	0.95	0.12	1983-84 to 2000-01
Sales Tax Act	Sales Tax	Appellate Authority up to Commissioner's level	3.33	2.01	1986-87, 1987-88, 1991-92, 1993-94 to 1994-95, 1996-97 to 1999-00, 2000-01 to 2005-06, 2008-09 to 2010-11, 2012-13, 2013-14
		Appellate Tribunal	1.81	0.39	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	1.75	0.61	1984-85, 1985-86, 1993-94, 2000-01, 2001-02, 2004-05
		Supreme Court	1.96	0.55	1986-87, 1990-91, 1991-92, 2001-02 to 2003-04
Finance Act, 1994	Service Tax	Appellate Authority up to Commissioner's level	0.39	0.03	2006-07 to 2011-12
Income Tax Act, 1961	Income Tax	Appellate Authority up to Commissioner's level	7.85	-	2008-09, 2012-13 and 2013-14

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

### 50. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(a) Gross amount required to be spent	18.33	8.36
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	18.09	8.99
(c) Administrative expenses	0.24	-

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**51. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:**

Particulars	SBNs	Other Denomination Notes	(in Rs.)
			Total
Closing cash in hand as on 8.11.2016	3,81,000	25,787	4,06,787
(+) Permitted receipts		1,07,276	1,07,276
(-) Permitted payments		56,857	56,857
(-) Amount deposited in Banks	3,81,000		3,81,000
Closing cash in hand as on 30.12.2016	-	76,206	76,206

**52.** The figures for the current year are for twelve months from April 1, 2016 to March 31, 2017, whereas the corresponding previous period figures are for fifteen months from January 1, 2015 to March 31, 2016. As such corresponding figures for the previous period are not directly comparable with those of current year.

**53.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**54.** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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### 55. FIRST-TIME IND AS ADOPTION RECONCILIATIONS

#### 55.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016 and January 1, 2015

	Refer Notes in 55.6	As at March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	(a)	845.71	(86.25)	759.46
(b) Capital work-in-progress		33.31	-	33.31
(c) Investment property	(i)	9.35	(4.79)	4.56
(d) Intangible assets		29.04	-	29.04
(e) Intangible assets under development	(l)	51.62	9.55	61.17
(f) Financial assets				
(i) Investments	(j)	1,377.91	108.24	1,486.15
(ii) Other financial assets	(c)	55.23	(2.66)	52.57
(g) Income tax assets (net)		7.57	-	7.57
(h) Other non-current assets	(a), (c), (i)	48.45	92.19	140.64
<b>Total Non-Current Assets</b>		<b>2,458.19</b>	<b>116.28</b>	<b>2,574.47</b>
<b>Current assets</b>				
(a) Inventories		300.36	-	300.36
(b) Financial assets				
(i) Investments	(j)	494.78	88.12	582.90
(ii) Trade receivables		46.13	-	46.13
(iii) Cash and cash equivalents		31.20	-	31.20
(iv) Bank balances other than (iii) above		13.32	-	13.32
(v) Loans		6.80	-	6.80
(vi) Other financial assets		5.61	-	5.61
(c) Other current assets	(a), (c), (i)	61.61	1.51	63.12
<b>Total Current Assets</b>		<b>959.81</b>	<b>89.63</b>	<b>1,049.44</b>
<b>Total Assets</b>		<b>3,418.00</b>	<b>205.91</b>	<b>3,623.91</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital		27.16	-	27.16
(b) Other equity	(d), (j), (k)	2,123.62	185.63	2,309.25
<b>Total Equity</b>		<b>2,150.78</b>	<b>185.63</b>	<b>2,336.41</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Other financial liabilities		5.87	-	5.87
(b) Provisions	(d)	31.88	(2.21)	29.67
(c) Deferred tax liabilities (net)	(d), (j), (k)	33.10	7.72	40.82
(d) Other non-current liabilities	(l)	-	9.55	9.55
<b>Total Non-Current Liabilities</b>		<b>70.85</b>	<b>15.06</b>	<b>85.91</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings		22.57	-	22.57
(ii) Trade payables	(k)	730.38	(9.08)	721.30
(iii) Other financial liabilities		81.64	-	81.64
(b) Provisions		26.47	-	26.47
(c) Other current liabilities	(k)	335.31	14.30	349.61
<b>Total Current Liabilities</b>		<b>1,196.37</b>	<b>5.22</b>	<b>1,201.59</b>
<b>Total Equity and Liabilities</b>		<b>3,418.00</b>	<b>205.91</b>	<b>3,623.91</b>

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 55.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016 and January 1, 2015 (Contd.)

	Refer Notes in 55.6	As at January 1, 2015		As per Ind AS Balance Sheet
		Previous GAAP	Effect of transition to Ind AS	
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	(a), (b), (h)	488.65	(92.75)	395.90
(b) Capital work-in-progress		42.67	-	42.67
(c) Investment property	(h), (i)	10.55	(5.22)	5.33
(d) Intangible assets		11.93	-	11.93
(e) Intangible assets under development		16.67	-	16.67
(f) Financial assets				
(i) Investments	(j)	260.94	10.19	271.13
(ii) Other financial assets	(c)	64.49	(2.49)	62.00
(g) Income tax assets (net)		13.61	-	13.61
(h) Other non-current assets	(a), (c), (i)	90.73	93.10	183.83
<b>Total Non-Current Assets</b>		<b>1,000.24</b>	<b>2.83</b>	<b>1,003.07</b>
<b>Current assets</b>				
(a) Inventories		205.13	-	205.13
(b) Financial assets				
(i) Investments	(j)	917.09	81.51	998.60
(ii) Trade receivables		10.70	-	10.70
(iii) Cash and cash equivalents		17.12	-	17.12
(iv) Bank balances other than (iii) above		3.77	-	3.77
(v) Other financial assets		3.44	-	3.44
(c) Other current assets	(a), (c), (i)	71.40	1.56	72.96
<b>Total Current Assets</b>		<b>1,228.65</b>	<b>83.07</b>	<b>1,311.72</b>
<b>Total Assets</b>		<b>2,228.89</b>	<b>85.90</b>	<b>2,314.79</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital		27.10	-	27.10
(b) Other equity	(b), (j), (e), (k)	1,206.56	234.10	1,440.66
<b>Total Equity</b>		<b>1,233.66</b>	<b>234.10</b>	<b>1,467.76</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Other financial liabilities		4.52	-	4.52
(b) Provisions		13.82	-	13.82
(c) Deferred tax liabilities (net)	(b), (j), (k)	20.07	1.90	21.97
<b>Total Non-Current Liabilities</b>		<b>38.41</b>	<b>1.90</b>	<b>40.31</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	(k)	490.24	(8.10)	482.14
(ii) Other financial liabilities		33.59	-	33.59
(b) Provisions	(e)	170.02	(154.46)	15.56
(c) Other current liabilities	(k)	262.97	12.46	275.43
<b>Total Current Liabilities</b>		<b>956.82</b>	<b>(150.10)</b>	<b>806.72</b>
<b>Total Equity and Liabilities</b>		<b>2,228.89</b>	<b>85.90</b>	<b>2,314.79</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 55.2 Reconciliation of total equity as at March 31, 2016 and January 1, 2015

	Refer Notes in 55.6	As at March 31, 2016	As at January 1, 2015
Total equity under previous GAAP		2,150.78	1,233.66
Reversal of dividend and dividend tax	(e)	-	154.46
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(j)	196.36	91.70
Deferral of revenue on future performance	(k)	(5.22)	(4.36)
Impact of discounting of provisions as per Ind AS 37	(d)	2.21	-
Impact of change in estimated useful lives of Property, plant and equipment		-	(5.80)
Tax adjustments	(b), (d), (j), (k)	(7.72)	(1.90)
<b>Total equity under Ind AS</b>		<b>2,336.41</b>	<b>1,467.76</b>

### 55.3 Effect of Ind AS Adoption on the statement of profit and loss for the fifteen months ended March 31, 2016

	Refer Notes in 55.6	Fifteen months ended March 31, 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Statement of profit and loss
<b>Income</b>				
Revenue from operations (gross)	(k)	6,985.70	(1.84)	6,983.86
Less: Excise duty	(f)	797.67	(797.67)	-
Revenue from operations (net)		6,188.03	795.83	6,983.86
Other income	(j), (c)	178.24	105.25	283.49
<b>Total Income</b>		<b>6,366.27</b>	<b>901.08</b>	<b>7,267.35</b>
<b>Expenses</b>				
Cost of raw materials consumed		3,423.41	-	3,423.41
Purchases of stock-in-trade		74.04	-	74.04
Change in inventories of finished goods, work-in-progress and stock-in-trade		(53.22)	-	(53.22)
Excise duty on sale of goods	(f)	-	797.67	797.67
Employee benefits expenses	(m), (g)	319.64	22.58	342.22
Finance costs	(d)	1.41	0.71	2.12
Depreciation and amortisation expenses	(a), (i)	137.73	(1.18)	136.55
Other expenses	(a), (c), (d), (i), (k)	693.68	(2.13)	691.55
<b>Total Expenses</b>		<b>4,596.69</b>	<b>817.65</b>	<b>5,414.34</b>
<b>Profit before tax</b>		<b>1,769.58</b>	<b>83.43</b>	<b>1,853.01</b>
<b>Tax expense</b>				
Current tax		524.69	-	524.69
Deferred tax	(d), (g), (j), (k)	15.04	4.06	19.10
<b>Total Tax Expense</b>		<b>539.73</b>	<b>4.06</b>	<b>543.79</b>
<b>Profit for the period</b>		<b>1,229.85</b>	<b>79.37</b>	<b>1,309.22</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss:				
Re-measurement gains (losses) on defined benefit plans	(g)	-	(0.71)	(0.71)
Income tax effect		-	0.25	0.25
		<b>-</b>	<b>(0.46)</b>	<b>(0.46)</b>
<b>Total Comprehensive income for the year, net of tax</b>		<b>1,229.85</b>	<b>78.91</b>	<b>1,308.76</b>

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 55.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

	Refer Notes in 55.6	For the fifteen months ended March 31, 2016
<b>Profit as per previous GAAP</b>		1,229.85
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(j)	104.66
Impact of discounting of provisions as per Ind AS 37	(d)	2.21
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to "Other Comprehensive Income"	(g)	0.71
Deferral of revenue on future performance	(k)	(0.86)
Impact of recognising the cost of the employee stock option scheme at fair value	(m)	(23.29)
Tax adjustments	(d), (g), (j), (k)	(4.06)
Profit after tax as reported under Ind AS		<b>1,309.22</b>
Other comprehensive income/(expense) (net of tax)	(g)	(0.46)
Total comprehensive income as reported under Ind AS		<b>1,308.76</b>

Note : Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

### 55.5 Cash flow statements

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

### 55.6 Notes to the reconciliations

	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>(a) Leasehold land being considered as operating lease opposed to fixed assets under IGAAP</b>				
<b>On Balance sheet</b>				
Property, plant and equipment	Decrease	(87.33)	(86.25)	
Other non-current assets	Increase	86.21	85.34	
Other current assets	Increase	1.12	0.91	
<b>On Statement of profit and loss</b>				
Depreciation expense	Decrease			(1.12)
Rent expense	Increase			1.12
Profit before tax				-
Profit after tax				-
<b>(b) Providing depreciation on fixed assets over estimated useful life which generally is in accordance with the useful life specified in schedule II to the Companies Act, 2013</b>				
<b>On Balance sheet</b>				
Property, plant and equipment	Decrease	(5.80)		
Deferred tax liability on accelerated depreciation	Decrease	(2.01)		
<b>On equity</b>				
	Decrease	(3.79)		



# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>(c) Recognition of financial instruments comprising of security deposits, employee loan, etc. at their fair value as opposed to transition values as considered under IGAAP</b>				
<b>On Balance sheet</b>				
<b>Non-current</b>				
<b>Financial assets</b>				
Other financial assets (security deposits)	Decrease	(2.49)	(2.66)	
Other non-current assets (Prepayment security deposits)	Increase	2.11	2.12	
Other current assets (Prepayment security deposits)	Increase	0.38	0.54	
<b>On Statement of profit and loss</b>				
Interest income	Increase			0.59
Rent expense	Increase			0.59
<b>(d) Recognising provision for warranty at present value as opposed to without discounting under IGAAP</b>				
<b>On Balance sheet</b>				
<b>Non-current</b>				
<b>Long-term provisions</b>				
Provisions for warranties	Decrease		(2.21)	
<b>Deferred tax liability</b>	Increase		0.76	
<b>On equity</b>	Increase		1.45	
<b>On Statement of profit and loss</b>				
Interest expense	Increase			0.71
Warranty expense	Decrease			(2.92)
Profit before tax	Increase			2.21
Tax expense	Increase			0.76
Profit after tax	Increase			1.45
<b>(e) Dividends including tax thereon are recognised when declared by the members in a general meeting as opposed to recognition on recommendation by the board of directors under IGAAP</b>				
<b>On Balance sheet</b>				
<b>Current</b>				
Short-term provisions	Decrease	(154.46)		
On equity	Increase	154.46		

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>(f) Excise duty on sale of products to be presented separately on the face of statement of profit and loss as opposed to netting it off from revenue from operations under IGAAP</b>				
<b>On statement of profit and loss</b>				
Revenue from operations	Increase			797.67
Excise duty on sale of products	Increase			797.67
<b>(g) Actuarial gains and losses to be recognised in other comprehensive income instead of statement of profit and loss</b>				
<b>On statement of profit and loss</b>				
Employee benefit expense	Decrease			(0.71)
Profit after tax	Increase			0.46
<b>On Other comprehensive income</b>				
Remeasurement of the net defined liability/asset (Net of tax)	Decrease			(0.46)
<b>On equity</b>				
		-	-	
<b>(h) Plant and machinery given under lease were re-classified from investment property to Property, plant and equipment</b>				
<b>On Balance sheet</b>				
Property, plant and equipment	Increase	0.38		
Investment property	Decrease	(0.38)		
<b>On equity</b>				
		-		
<b>On profit before tax and profit after tax</b>				
Profit before tax				-
Profit after tax				-
<b>(i) Leasehold land being considered as operating lease opposed to investment property under IGAAP</b>				
<b>On Balance sheet</b>				
Investment property	Decrease	(4.84)	(4.79)	
Non-current other assets	Increase	4.78	4.73	
Current other assets	Increase	0.06	0.06	

# NOTES

## FORMING PART OF THE FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>On Statement of profit and loss</b>				
Depreciation expense	Decrease			(0.06)
Rent expense	Increase			0.06
<b>(j) Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)</b>				
<b>On Balance sheet</b>				
Investments in mutual funds - Non-current	Increase	10.19	108.24	
Investments in mutual funds - current	Increase	81.51	88.12	
<b>On equity</b>				
Deferred tax liability	Increase	5.42	8.76	
<b>On Statement of profit and loss</b>				
Net gain on financial instruments at fair value through profit or loss	Increase			104.66
Profit before tax	Increase			104.66
Tax impact	Increase			3.34
Profit after tax	Increase			101.32
<b>(k) Impact of deferral of revenue on future performances</b>				
<b>On Balance sheet</b>				
Trade payables	Decrease	(8.10)	(9.08)	
Other current liabilities	Increase	12.46	14.30	
Deferred tax liability	Decrease	(1.51)	(1.80)	
<b>On equity</b>				
	Decrease	(2.85)	(3.42)	
<b>On Statement of profit and loss</b>				
Revenue from operation deferred	Decrease			(1.84)
Other selling and distribution expenses	Decrease			(0.98)
Profit before tax	Decrease			(0.86)
Tax impact	Decrease			(0.29)
Profit after tax	Decrease			(0.57)

**NOTES****FORMING PART OF THE FINANCIAL STATEMENTS**

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>(l) Impact of grant received recognised as deferred income opposed to deduction from cost of respective asset</b>				
<b>On Balance sheet</b>				
Intangible assets under development	Increase		9.55	
Other non-current liabilities	Increase		9.55	
<b>(m) Impact of recognising equity settled share based payments using the intrinsic value</b>				
ESOP outstanding reserve	Increase		23.29	
<b>On Statement of profit and loss</b>				
Profit before tax	Decrease			23.29
Profit after tax	Decrease			23.29

For and on behalf of Board of Directors

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

Place: Gurugram  
Date: May 5, 2017

# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**Eicher Motors Limited**

## **REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

We have audited the accompanying consolidated Ind AS financial statements of EICHER MOTORS LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its joint ventures comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries of a jointly controlled entity, VE Commercial Vehicles Limited (VECVL), referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint ventures as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

**OTHER MATTERS**

- (a) The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 0.36 crore for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of subsidiary companies of a jointly controlled entity, VECVL, viz. Eicher Engineering Solutions, Inc., U.S.A. (EES, Inc., U.S.A.), Eicher Engineering Solutions (Beijing) Co., Ltd. (EES Beijing) and Eicher Engineering Solutions (Shanghai) Co., Ltd. (EES Shanghai) (ceased to be subsidiaries of VECVL w.e.f. March 18, 2017), V E C V Lanka (Private) Limited (VECV Lanka), VECV South Africa (PTY) Limited (VECV South Africa), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these companies, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid companies, is based solely on the reports of the other auditors.
- (b) The comparative financial information for the fifteen months ended March 31, 2016 and the transition date opening balance sheet as at January 1, 2015 in respect of subsidiary company of a jointly controlled entity VECVL viz. V E C V Lanka included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements, referred in the Other Matters paragraph above, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its joint venture companies incorporated in India, none of the directors of the Parent and its joint venture companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act. The subsidiaries within the Group are not incorporated in India. Since the subsidiaries are not incorporated in India, the reporting requirements on disqualification of directors in terms of Section 164 (2) of the Act are not applicable for these subsidiary companies.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/joint venture companies incorporated in India of internal financial controls over financial reporting. Since the subsidiaries are not incorporated in India, the reporting requirements on adequacy and operating effectiveness of internal financial controls over financial reporting under Section 143(3)(i) of the Act is not applicable for these subsidiaries.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures-Refer note 39 of the consolidated financial statements.

- ii. The Group, and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts- Refer note 53 of the consolidated financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education by the Parent and by joint venture companies incorporated in India-Refer note 54 of the consolidated financial statements.
- iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December,

2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us-Refer note 50 of the consolidated financial statements.

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

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

Place: GURUGRAM  
Date: May 5, 2017

# ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

**(REFERRED TO IN PARAGRAPH 1(F) UNDER ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ OF OUR REPORT OF EVEN DATE)**

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **EICHER MOTORS LIMITED** (hereinafter referred to as “the Parent Company”) and jointly controlled companies, which are companies incorporated in India, as of that date. Since the subsidiaries are not incorporated in India, the reporting requirements on adequacy and operating effectiveness of internal financial controls over financial reporting under Section 143(3)(i) of the Act is not applicable for these subsidiaries.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the Parent company and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance

Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,



material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the Parent Company and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: GURUGRAM  
Date: May 5, 2017

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	5	835.13	760.55	395.90
(b) Capital work-in-progress	6	265.01	33.31	42.67
(c) Investment property	7	4.21	4.56	5.33
(d) Intangible assets	8	33.44	29.04	11.93
(e) Intangible assets under development	9	108.76	61.17	16.67
(f) Financial assets				
(i) Investments	10	4,103.52	2,800.78	1,560.16
(ii) Other financial assets	12	27.56	52.57	62.00
(g) Income tax assets (net)	13	-	7.57	13.61
(h) Other non-current assets	14	232.09	140.66	183.83
<b>Total non-current assets</b>		<b>5,609.72</b>	3,890.21	2,292.10
<b>Current assets</b>				
(a) Inventories	15	335.90	308.39	203.96
(b) Financial assets				
(i) Investments	10	883.61	582.90	998.60
(ii) Trade receivables	16	50.04	32.64	10.70
(iii) Cash and cash equivalents	17	17.24	35.85	17.12
(iv) Bank balances other than (iii) above	18	7.82	13.32	3.77
(v) Loans	11	0.34	6.80	-
(vi) Other financial assets	12	8.83	5.64	3.44
(c) Other current assets	14	77.16	63.26	72.96
<b>Total current assets</b>		<b>1,380.94</b>	1,048.80	1,310.55
<b>Total assets</b>		<b>6,990.66</b>	4,939.01	3,602.65
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	19	27.21	27.16	27.10
(b) Other equity	20	5,317.86	3,625.93	2,728.45
<b>Total equity</b>		<b>5,345.07</b>	3,653.09	2,755.55
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Other financial liabilities	21	7.16	5.87	4.52
(b) Provisions	22	36.01	29.67	13.82
(c) Deferred tax liabilities (net)	23	77.77	35.85	21.97
(d) Other non-current liabilities	24	23.20	9.55	-
<b>Total non-current liabilities</b>		<b>144.14</b>	80.94	40.31
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	25	44.41	22.57	-
(ii) Trade payables	26	832.74	723.22	482.21
(iii) Other financial liabilities	21	142.40	82.61	33.59
(b) Provisions	22	32.63	26.47	15.56
(c) Income tax liabilities (net)	13	19.35	-	-
(d) Other current liabilities	24	429.92	350.11	275.43
<b>Total current liabilities</b>		<b>1,501.45</b>	1,204.98	806.79
<b>Total liabilities</b>		<b>1,645.59</b>	1,285.92	847.10
<b>Total equity and liabilities</b>		<b>6,990.66</b>	4,939.01	3,602.65

See accompanying notes forming part of the financial statements 1 to 55

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 5, 2017

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>INCOME</b>			
Revenue from operations	27	<b>7,939.45</b>	6,971.13
Other income	28	<b>227.33</b>	178.09
<b>Total Income</b>		<b>8,166.78</b>	7,149.22
<b>EXPENSES</b>			
Cost of raw materials consumed	29	<b>3,615.69</b>	3,423.15
Purchases of stock-in-trade	30	<b>108.39</b>	74.04
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	<b>(19.61)</b>	(62.05)
Excise duty on sale of goods		<b>906.09</b>	797.67
Employee benefits expenses	32	<b>402.36</b>	350.21
Finance costs	33	<b>3.56</b>	2.12
Depreciation and amortisation expenses	34	<b>153.81</b>	136.60
Other expenses	35	<b>752.58</b>	698.50
<b>Total expenses</b>		<b>5,922.87</b>	5,420.24
Share of profit/(loss) of joint ventures		<b>143.47</b>	147.94
<b>Profit before tax</b>		<b>2,387.38</b>	1,876.92
<b>Tax expense</b>			
Current tax	36	<b>678.56</b>	524.69
Deferred tax charge	36	<b>41.74</b>	14.19
<b>Total tax expense</b>		<b>720.30</b>	538.88
<b>Net profit after taxes and share of profit/(loss) of joint ventures</b>		<b>1,667.08</b>	1,338.04
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss:			
Exchange differences in translating the financial statements of foreign operations		<b>0.65</b>	(0.09)
Income tax effect		<b>(0.22)</b>	0.03
Share of other comprehensive income in joint ventures (net of tax)		<b>(0.95)</b>	0.23
		<b>(0.52)</b>	0.17
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans		<b>(0.12)</b>	(0.71)
Income tax effect	36	<b>0.04</b>	0.25
Share of other comprehensive income in joint ventures (net of tax)		<b>(1.83)</b>	(0.10)
		<b>(1.91)</b>	(0.56)
<b>Total Comprehensive income for the year/period, net of tax</b>		<b>1,664.65</b>	1,337.65
<b>Profit for the year/period attributable to:</b>			
-Owners of the Company		<b>1,667.08</b>	1,338.04
-Non-controlling interests		-	-
<b>Other comprehensive income for the year/period attributable to:</b>			
-Owners of the Company		<b>(2.43)</b>	(0.39)
-Non-controlling interests		-	-
<b>Total comprehensive income for the year/period attributable to:</b>			
-Owners of the Company		<b>1,664.65</b>	1,337.65
-Non-controlling interests		-	-
Earnings per share (of Rs. 10 each) (not annualised) in Rs.			
(a) Basic	42	<b>613.12</b>	493.07
(b) Diluted	42	<b>611.44</b>	491.26
See accompanying notes forming part of the financial statements	1 to 55		

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 5, 2017

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

## A EQUITY SHARE CAPITAL

	Number of Shares	Amount
<b>Balance as at January 1, 2015</b>	<b>2,71,04,783</b>	<b>27.10</b>
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note no. 47)	56,400	0.06
<b>Balance as at March 31, 2016</b>	<b>2,71,61,183</b>	<b>27.16</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (refer note no. 47)	49,066	0.05
<b>Balance as at March 31, 2017</b>	<b>2,72,10,249</b>	<b>27.21</b>

## B OTHER EQUITY

Particulars	Reserves and surplus							Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share options Outstanding account	Foreign currency translation reserve	Retained earnings	
<b>Balance as at January 1, 2015</b>	<b>0.25</b>	<b>1.41</b>	<b>20.88</b>	<b>216.91</b>	<b>2.11</b>	<b>-</b>	<b>2,486.89</b>	<b>2,728.45</b>
Profit for the period	-	-	-	-	-	-	1,338.04	1,338.04
Other comprehensive income for the period, net of income tax	-	-	-	-	-	0.17	(0.56)	(0.39)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.17</b>	<b>1,337.48</b>	<b>1,337.65</b>
Recognition of share-based payments	-	-	-	-	23.29	-	-	23.29
Payment of dividends and dividend tax	-	-	-	-	-	-	(468.21)	(468.21)
Proceeds from issue of equity shares under employee share option plan	-	-	4.75	-	-	-	-	4.75
Transfer to securities premium on issue of shares	-	-	0.17	-	(0.17)	-	-	-
Transfer to general reserves	-	-	-	122.98	-	-	(122.98)	-
<b>Balance as at March 31, 2016</b>	<b>0.25</b>	<b>1.41</b>	<b>25.80</b>	<b>339.89</b>	<b>25.23</b>	<b>0.17</b>	<b>3,233.18</b>	<b>3,625.93</b>
Profit for the year	-	-	-	-	-	-	1,667.08	1,667.08
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.52)	(1.91)	(2.43)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.52)</b>	<b>1,665.17</b>	<b>1,664.65</b>
Charged to investment in joint venture	-	-	-	-	-	1.09	-	1.09
Recognition of share-based payments	-	-	-	-	20.50	-	-	20.50
Proceeds from issue of equity shares under employee share option plan	-	-	5.69	-	-	-	-	5.69
Transfer to securities premium on issue of shares	-	-	0.60	-	(0.60)	-	-	-
<b>Balance at March 31, 2017</b>	<b>0.25</b>	<b>1.41</b>	<b>32.09</b>	<b>339.89</b>	<b>45.13</b>	<b>0.74</b>	<b>4,898.35</b>	<b>5,317.86</b>

See accompanying notes forming part of the financial statements 1 to 55

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 5, 2017

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit after tax</b>	<b>1,667.08</b>	1,338.04
<b>Adjustments for:</b>		
Share of (profit)/loss of joint ventures	(143.47)	(147.94)
Current tax	678.56	524.69
Deferred tax charge	41.74	14.19
Depreciation and amortisation expenses	153.81	136.60
Gain on disposal of property, plant and equipment	(0.12)	(0.06)
Property, plant and equipment discarded	0.07	1.35
Dividend on unquoted non-trade current investments	-	(1.83)
Rent income	(2.80)	(3.39)
Loss on sale of property, plant and equipment	0.36	0.12
Net gain on financial instruments at fair value through profit or loss	(219.74)	(162.99)
Interest income recognised in profit or loss	(3.95)	(4.66)
Expenses recognised in respect of equity-settled share-based payments	20.50	23.29
Finance costs recognised in profit or loss	3.56	2.12
Remeasurement of defined benefit obligation	(0.12)	(0.71)
Exchange difference on conversion	0.65	(0.09)
<b>Operating profit before changes in working capital</b>	<b>2,196.13</b>	1,718.73
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in non-current assets:</b>		
Other financial assets	(6.39)	(2.90)
Other non-current assets	2.91	(0.61)
<b>Adjustments for (increase) / decrease in current assets:</b>		
Inventories	(27.51)	(104.43)
Trade receivables	(17.40)	(21.94)
Loans	6.46	(6.80)
Other financial assets	(2.10)	(1.83)
Other current assets	(13.90)	9.70
<b>Adjustments for increase / (decrease) in non-current liabilities:</b>		
Other financial liabilities	1.29	1.35
Provisions	6.34	15.85
Other non-current liabilities	13.65	9.55
<b>Adjustments for increase / (decrease) in current liabilities:</b>		
Trade payables	109.52	241.01
Other financial liabilities	5.59	38.46
Provisions	6.16	10.91
Other current liabilities	79.81	74.68
<b>Cash generated from operating activities</b>	<b>2,360.56</b>	1,981.73
<b>Direct taxes paid</b>	<b>(651.64)</b>	(518.65)
<b>Net cash flow from operating activities (A)</b>	<b>1,708.92</b>	1,463.08
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(547.73)	(509.99)
Proceeds from disposal of property, plant and equipment	0.73	0.61
Investment in a joint venture company	(38.70)	(108.80)
Net investment in unquoted current investments	(242.15)	422.31
Proceeds from sale of unquoted non-current investments	417.34	100.00
Investment in non-current investments	(1,474.04)	(1,084.10)
Profit on sale of unquoted current investments	102.52	58.33

# CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2017

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Dividend on long-term unquoted from joint venture company	-	105.40
Dividend on unquoted current investments	-	1.83
Proceeds from investment in non-current fixed deposit under lien (net)	24.50	5.33
Rent received	2.80	3.34
Interest received	2.86	4.34
<b>Net cash flow from investing activities (B)</b>	<b>(1,751.87)</b>	<b>(1,001.40)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in short-term borrowings (net)	44.41	-
Interest paid	(3.24)	(2.12)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	5.74	4.81
Dividend paid	-	(407.13)
Tax on dividend paid	-	(61.08)
<b>Net cash flow from financing activities (C)</b>	<b>46.91</b>	<b>(465.52)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>3.96</b>	<b>(3.84)</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	<b>13.28</b>	<b>17.12</b>
<b>Cash and cash equivalents at the end of the year/period</b>	<b>17.24</b>	<b>13.28</b>

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.02	0.07
Cheques/drafts on hand	0.12	0.09
<b>Balances with banks:</b>		
In current accounts	17.10	27.40
In deposit accounts	-	8.29
<b>Cash and cash equivalents as per balance sheet (refer note 17)</b>	<b>17.24</b>	<b>35.85</b>
<b>Bank overdrafts (refer note 25)</b>	<b>-</b>	<b>22.57</b>
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>17.24</b>	<b>13.28</b>
See accompanying notes forming part of the financial statements	1 to 55	

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

For and on behalf of Board of Directors

**Jaideep Bhargava**  
Partner

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

Place: Gurugram  
Date: May 5, 2017

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Eicher Motors Limited ("the Holding Company") is a public Company domiciled & incorporated under the provisions of the Companies Act, 1956. The Holding Company and its subsidiaries (hereinafter referred to as "the Group") is engaged in the manufacturing and selling of motorised two-wheelers, spare parts and related services. The Holding Company has its registered office at New Delhi, India and its corporate office at Gurugram, Haryana, India. The Group is a leading two-wheeler manufacturer and has a dominant presence in domestic market.

### 2. BASIS OF PREPARATION AND PRESENTATION

#### 2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is January 1, 2015. Refer Note 3.23 for the details of first-time adoption exemptions availed by the Group.

#### 2.2 Accounting convention

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 2.3 Operating cycle

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of consolidation

The consolidated financial statements incorporate the consolidated financial

statements of the Holding Company and entities controlled by the Holding Company and its subsidiaries. Control is achieved when the Company:

- ♦ has power over the investee;
- ♦ is exposed, or has rights, to variable return from its involvement with the investee; and
- ♦ has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- ♦ The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- ♦ Potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- ♦ Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are

made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 3.1.1 The following subsidiary companies are considered in the consolidated financial statements:

Name of the subsidiary Company	Country of Incorporation	Voting power held as at March 31, 2017	Voting power held as at March 31, 2016	Voting power held as at January 1, 2015
Royal Enfield North America Limited (RENA) (incorporated on March 23, 2015)	U.S.A.	100%	100%	-
Royal Enfield Brasil Comercio De Motocicletas LTDA	Brazil	99.99%	99.99%	99.99%
Royal Enfield Canada Limited (100% subsidiary Company of RENA) (Incorporated on April 19, 2016)	Canada	100%	-	-

### 3.2 Investment in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests

that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS



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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of

the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The following joint venture companies are considered in the consolidated financial statements:

Name of the subsidiary Company	Country of Incorporation	Voting power held as at March 31, 2017	Voting power held as at March 31, 2016	Voting power held as at January 1, 2015
VE Commercial Vehicles Limited	India	54.4%	54.4%	54.4%
Eicher Polaris Private Limited	India	50.0%	50.0%	50.0%

### 3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

#### Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- ♦ the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ♦ the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ♦ the amount of revenue can be measured reliably;
- ♦ it is probable that the economic benefits associated with the transaction will flow to the Group; and
- ♦ the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on,

time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Rental expense from operating leases is generally recognised on a straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### 3.5 Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than

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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

### 3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should

purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

### 3.8 Employee benefits

#### Retirement benefit

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- ◆ service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- ◆ net interest expense or income; and
- ◆ re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### 3.9 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 47.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### 3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that

are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is recognised, subject to the consideration of prudence on timing differences, being the deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.11 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of its fixed assets generally in accordance with that provided in the Schedule II to the Act except in respect of moulds and dies depreciated over the useful life of 1 to 15 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated

usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.12 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- ♦ the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ♦ the intention to complete the intangible asset and use or sell it;
- ♦ the ability to use or sell the intangible asset;
- ♦ how the intangible asset will generate probable future economic benefits;

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- ♦ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- ♦ the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

### **Useful lives of intangible assets**

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

### **3.13 Impairment of tangible (property, plant and equipment) and intangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cost-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **3.14 Investment property**

Investment property is a property held to earn rentals. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model.

### **3.15 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate

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proportion of overheads and where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

### Warranties

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

### 3.17 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3.18 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ♦ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ♦ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ♦ the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ♦ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Impairment of financial assets**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Group measures the loss allowance for a financial instrument at an amount equal to the

lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward looking information.

### **Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### **3.19 Financial liabilities and equity instruments Classification as debt or equity**

Debt and equity instruments issued by Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### **Financial liabilities**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

### **3.20 Cash flow statement**

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

### **3.21 Earnings per share**

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

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

### **3.22 Recent accounting pronouncements**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Group from April 1, 2017.

#### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the

opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on financial statements is being evaluated.

### **3.23 First-time adoption – mandatory exceptions, optional exemptions**

#### **Overall principle**

The Group has prepared the opening balance sheet as per Ind AS as of January 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below:

#### **Share-based payment transactions**

The Group is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Group has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the Eicher Employee Stock Option Plan. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP.

The excess of stock compensation expense measured using fair value over the cost recognised under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

#### **Past business combinations**

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of January 1, 2015.

#### **Accounting for VE Commercial Vehicles Limited**

VE Commercial Vehicles Limited was accounted for



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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as subsidiary using the line-by-line consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Group has:

- ♦ On transition date, recognised investment in VECVL by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had consolidated under previous GAAP as of the transition date.
- ♦ This investment amount has been deemed to be the cost of investment at initial recognition.
- ♦ The Group has tested the investment in VECVL for impairment as of the transition date.
- ♦ After initial recognition at the transition date, the Group has accounted for VECVL using the equity method in accordance with Ind AS 28; and
- ♦ The breakdown of the assets and liabilities of VECVL that have been aggregated into the single line investment balance at the transition date is below:

(Rs. in Crores)	
Particulars	As at January 1, 2015 (Date of transition) (amounts as reported in previous GAAP)
<b>Non-current assets</b>	
Property, plant and equipment	1,490.67
Capital work-in-progress	124.43
Other intangible assets	315.61
Intangible assets under development	142.48
Financial assets	146.81
Income tax assets	1.97
Other non-current assets	129.82
<b>Current assets</b>	
Inventories	441.56
Financial assets	928.13
Other current assets	280.11
<b>Non-current liabilities</b>	
Financial liabilities	8.41
Provisions	58.79
Deferred tax liabilities	28.78
Other non-current liabilities	3.94
<b>Current liabilities</b>	
Financial liabilities	1,240.60
Provisions	153.43
Other current liabilities	203.28

### Accounting for Eicher Polaris Private Limited (EPPL)

Eicher Polaris Private Limited was accounted for as joint venture using the proportionate consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101, the Group has:

- ♦ On transition date, recognised investment in EPPL by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had consolidated under previous GAAP as of the transition date.
- ♦ This investment amount has been deemed to be the cost of investment at initial recognition.
- ♦ The Group has tested the investment in EPPL for impairment as of the transition date.
- ♦ After initial recognition at the transition date, the Group has accounted for EPPL using the equity method in accordance with Ind AS 28; and
- ♦ The breakdown of the assets and liabilities of EPPL that have been aggregated into the single line investment balance at the transition date is below:

(Rs. in Crores)	
Particulars	As at January 1, 2015 (Date of transition) (amounts as reported in previous GAAP)
<b>Non-current assets</b>	
Property, plant and equipment	3.54
Capital work-in-progress	138.49
Other intangible assets	1.39
Intangible assets under development	46.63
Financial assets	0.54
Other non-current assets	50.91
<b>Current assets</b>	
Financial assets	33.91
Other current assets	0.92
<b>Non-current liabilities</b>	
Provisions	0.44
<b>Current liabilities</b>	
Financial liabilities	24.64
Provisions	0.02
Income tax liabilities (net)	0.02
Other current liabilities	1.19

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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

#### Control over VE Commercial Vehicles Limited

VE Commercial Vehicles Limited (VECVL) is a joint venture Company of Eicher Motors Limited (EML) and Aktiebolaget Volvo (PUBL), Volvo (AB Volvo). Under previous GAAP, an entity controls another entity when it has ownership, directly or indirectly, of more than one-half of the voting power of the other entity or control over the composition of the board of directors as to obtain economic benefits from its activities. Accordingly, since EML was holding 54.4% in VECVL, VECVL was considered as a subsidiary of EML.

The composition of the Board of Directors for the management of VECVL is jointly controlled by both the investors i.e. EML and AB Volvo. Further, EML is also not meeting the criteria of control as given in Ind AS 110, for e.g. EML exposure/right to variable returns from its involvement in VECVL, ability to use its power over VECV to affect the amount of returns, etc. and therefore, VECVL should be considered as joint venture instead of a subsidiary company for EML.

The arrangement shall be treated as a joint arrangement under Ind AS 111 "Joint Arrangements".

Ind AS 111 classifies joint arrangements into:

- ♦ Joint operations whereby the parties have joint control over the rights and obligations of the arrangement. It also includes an arrangement which is not structured through a separate vehicle.

- ♦ Joint venture whereby the parties have joint control over the net assets of the arrangement.

Joint Control has been described to be existing only when decisions about relevant activities require the unanimous consent of the parties that collectively control the arrangement. The contractual arrangement requires a minimum proportion of the voting rights to make relevant decisions.

As per the above description, the arrangement between EML and AB Volvo shall be classified as a Joint Venture as it has been structured through a separate vehicle (i.e. VECVL) and also the parties don't have control over specific rights and obligations rather they have joint control over the net assets.

There will be no changes in the net financial performance/position of the Group at consolidated level. However, instead of line-by-line consolidation, equity method will be applied and net returns from the operation of Joint Venture Company will be considered in the consolidated financial statement of EML and the value of investment in joint venture company will be adjusted to the extent of returns.

#### Recoverability of intangible asset and intangible assets under development

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

#### Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in consolidated financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the consolidated financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable.

#### Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

# NOTES

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### 5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
<b>Cost</b>							
At January 1, 2015	85.89	81.10	319.63	3.18	26.08	14.21	530.09
Additions	0.06	96.20	359.18	7.62	25.26	6.03	494.35
Disposals	-	-	15.41	0.24	0.16	0.93	16.74
<b>At March 31, 2016</b>	<b>85.95</b>	<b>177.30</b>	<b>663.40</b>	<b>10.56</b>	<b>51.18</b>	<b>19.31</b>	<b>1,007.70</b>
Additions	-	52.70	133.33	3.89	17.30	12.12	219.34
Disposals	-	0.49	1.38	0.38	0.35	1.77	4.37
<b>At March 31, 2017</b>	<b>85.95</b>	<b>229.51</b>	<b>795.35</b>	<b>14.07</b>	<b>68.13</b>	<b>29.66</b>	<b>1,222.67</b>
<b>Accumulated depreciation</b>							
At January 1, 2015	-	11.01	108.39	1.18	7.74	5.87	134.19
Charge for the period	-	7.94	102.86	2.02	11.19	3.92	127.93
Adjustments	-	-	14.19	0.18	0.09	0.51	14.97
<b>At March 31, 2016</b>	<b>-</b>	<b>18.95</b>	<b>197.06</b>	<b>3.02</b>	<b>18.84</b>	<b>9.28</b>	<b>247.15</b>
Charge for the year	-	9.16	114.00	3.02	13.29	4.33	143.80
Adjustments	-	0.35	1.23	0.18	0.34	1.31	3.41
<b>At March 31, 2017</b>	<b>-</b>	<b>27.76</b>	<b>309.83</b>	<b>5.86</b>	<b>31.79</b>	<b>12.30</b>	<b>387.54</b>
<b>Carrying amount</b>							
At January 1, 2015	85.89	70.09	211.24	2.00	18.34	8.34	395.90
At March 31, 2016	85.95	158.35	466.34	7.54	32.34	10.03	760.55
<b>At March 31, 2017</b>	<b>85.95</b>	<b>201.75</b>	<b>485.52</b>	<b>8.21</b>	<b>36.34</b>	<b>17.36</b>	<b>835.13</b>

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

### 6. CAPITAL WORK-IN-PROGRESS

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Capital work-in-progress*	<b>265.01</b>	33.31	42.67
	<b>265.01</b>	33.31	42.67

\*including pre-operative expenditure (pending allocation) amounting to Rs. 0.64 crore (March 31, 2016 Rs. 0.32 crore, January 1, 2015 Rs. 1.98 crores) (Refer Note No. 6A below)

### 6A. PRE-OPERATIVE EXPENDITURE (PENDING ALLOCATION)

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Salaries, wages, bonus, etc.	<b>0.78</b>	0.72	0.82
Contribution to provident and other funds	<b>0.03</b>	0.03	0.05
Repairs and maintenance : Plant and machinery	-	-	0.01
Legal and professional charges	-	-	0.01
Travelling expenses	-	-	0.04
Development expenses	-	-	0.15
	<b>0.81</b>	0.75	1.08
Add: Balance brought forward from previous period	<b>0.32</b>	1.98	0.90
	<b>1.13</b>	2.73	1.98
Less: Capitalised during the year/period	<b>0.49</b>	2.41	-
	<b>0.64</b>	0.32	1.98

# NOTES

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### 7. INVESTMENT PROPERTY

	Building	Total
<b>Cost</b>		
<b>At January 1, 2015</b>	10.66	10.66
Additions	-	-
Disposals	0.54	0.54
<b>At March 31, 2016</b>	<b>10.12</b>	<b>10.12</b>
Additions	-	-
Disposals	-	-
<b>At March 31, 2017</b>	<b>10.12</b>	<b>10.12</b>
<b>Accumulated depreciation</b>		
At January 1, 2015	5.33	5.33
Charge for the period	0.53	0.53
Adjustments	0.30	0.30
<b>At March 31, 2016</b>	<b>5.56</b>	<b>5.56</b>
Charge for the year	0.35	0.35
Adjustments	-	-
<b>At March 31, 2017</b>	<b>5.91</b>	<b>5.91</b>
<b>Carrying amount</b>		
At January 1, 2015	5.33	5.33
At March 31, 2016	4.56	4.56
<b>At March 31, 2017</b>	<b>4.21</b>	<b>4.21</b>

#### FAIR VALUE OF THE INVESTMENT PROPERTY

The fair value of the Company's investment properties as at March 31, 2017, March 31, 2016 and January 1, 2015 have been arrived at on the basis of valuation carried out on the respective dates by Purshotam Khandelwal, independent valuers not related to the Company. Purshotam Khandelwal is a registered valuer with the authority which governs the valuers in India, and they have appropriate qualifications and experience in the valuation of properties in the relevant location.

For the building located in Jaipur, India, the fair value of structure as on January 1, 2015 was determined based on S.O. No. X-3/2011 dated 24/04/2011 of State PWD B&R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since April 2011 to average mean period of construction. The items not covered under Standing Order No. X-3/2011 have been valued on the rates of State PWD BSR. For the fair value of structure as on March 31, 2016 and March 31, 2017 was determined based on S.O. No. X-3/2015 dated 15/07/2015 of State PWD B&R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since July 2015 to average mean period of construction. The items not covered under Standing Order No. X-3/2015 have been valued on the rates of State PWD BSR.

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**Detail of the investment properties and information about the fair value hierarchy as at March 31, 2017, March 31, 2016 and January 1, 2015 are as follows:**

	Fair value as at March 31, 2017	Level 3	
		Fair value as at March 31, 2016	Fair value as at January 1, 2015
Building located at Jaipur, India	4.50	4.61	5.35
	<b>4.50</b>	4.61	5.35

### 8. INTANGIBLE ASSETS

	Product designs, prototypes etc.	Computer softwares	Total
<b>Cost</b>			
<b>At January 1, 2015</b>	9.37	18.40	27.77
Additions	15.34	9.92	25.26
Disposals	-	0.02	0.02
<b>At March 31, 2016</b>	<b>24.71</b>	<b>28.30</b>	<b>53.01</b>
Additions	1.55	12.58	14.13
Disposals	1.06	3.73	4.79
<b>At March 31, 2017</b>	<b>25.20</b>	<b>37.15</b>	<b>62.35</b>
<b>Accumulated amortisation</b>			
<b>At January 1, 2015</b>	6.42	9.42	15.84
Charge for the period	1.28	6.86	8.14
Adjustments	-	0.01	0.01
<b>At March 31, 2016</b>	<b>7.70</b>	<b>16.27</b>	<b>23.97</b>
Charge for the year	2.53	7.13	9.66
Adjustments	1.03	3.69	4.72
<b>At March 31, 2017</b>	<b>9.20</b>	<b>19.71</b>	<b>28.91</b>
<b>Carrying amount</b>			
At January 1, 2015	2.95	8.98	11.93
At March 31, 2016	17.01	12.03	29.04
<b>At March 31, 2017</b>	<b>16.00</b>	<b>17.44</b>	<b>33.44</b>

### 9. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Intangible assets under development	108.76	61.17	16.67
	<b>108.76</b>	61.17	16.67



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	Units As at March 31, 2017		Units as at January 1, 2015		As at March 31, 2017		As at January 1, 2015	
	March 31, 2017	Current	January 1, 2015	Current	Non-Current	Current	Non-Current	
ICICI Prudential FMP Series 75-1100 Days Plan T-Regular-Growth	-	1,00,00,000	1,00,00,000	-	-	11.25	-	10.08
DHFL Pramerica Fixed Maturity Plan-Series 82 (1100 Days) Direct Growth	-	1,50,00,000	1,50,00,000	-	-	16.86	-	15.13
ICICI Prudential FMP Series 76-1155 Days Plan K-Direct Plan-Growth	<b>2,00,00,000</b>	2,00,00,000	-	-	<b>24.05</b>	22.05	-	-
ICICI Prudential FMP Series 76-1142 Days Plan M-Direct-Growth	<b>2,00,00,000</b>	2,00,00,000	-	-	<b>23.87</b>	21.91	-	-
SBI Debt Fund Series B-9 (1105 Days) Direct-Growth	<b>2,00,00,000</b>	2,00,00,000	-	-	<b>23.66</b>	21.65	-	-
ICICI Prudential FMP Series 78-1212 Days Plan A-Direct Growth	<b>1,50,00,000</b>	1,50,00,000	-	-	<b>16.79</b>	15.38	-	-
ICICI Prudential FMP Series 76-1132 Days Plan P-Direct Growth	<b>1,50,00,000</b>	1,50,00,000	-	-	<b>17.92</b>	16.42	-	-
Birla Sun Life Fixed Term Plan-Series NE (1100 Days)	<b>2,00,00,000</b>	2,00,00,000	-	-	<b>22.33</b>	20.36	-	-
Religare Invesco FMP Series 27 Plan C (1100 Days) Direct Sub Plan Growth	<b>2,00,00,000</b>	2,00,00,000	-	-	<b>22.28</b>	20.35	-	-
Kotak FMP-Series 185 (1176 Days) Direct Growth	<b>2,00,00,000</b>	2,00,00,000	-	-	<b>22.29</b>	20.37	-	-
HDFC FMP 1176 Days January 2016 (1) Direct Growth Series-35	<b>2,50,00,000</b>	2,50,00,000	-	-	<b>27.89</b>	25.45	-	-
ICICI Prudential FMP Series 78-1190 Days Plan E-Direct Plan-Cumulative	<b>1,00,00,000</b>	1,00,00,000	-	-	<b>11.13</b>	10.18	-	-
HDFC FMP 1167 Days January 2016 (1) Direct Growth Series-35	<b>2,50,00,000</b>	2,50,00,000	-	-	<b>27.88</b>	25.43	-	-
Reliance Fixed Horizon Fund-XXX-Series 4-Direct Growth Plan	<b>6,00,00,000</b>	6,00,00,000	-	-	<b>66.86</b>	60.97	-	-
HDFC FMP 1155 Days February 2016 (1) Direct Growth Series-35	<b>1,00,00,000</b>	1,00,00,000	-	-	<b>11.13</b>	10.17	-	-
Birla Sun Life Fixed Term Plan-Series NK (1196 Days) Growth Direct	<b>3,00,00,000</b>	3,00,00,000	-	-	<b>33.40</b>	30.48	-	-
ICICI Prudential FMP Series 78-1170 Days Plan I-Direct Plan-Cumulative	<b>2,00,00,000</b>	2,00,00,000	-	-	<b>22.29</b>	20.38	-	-
ICICI Prudential FMP Series 78-1150 Days Plan N-Direct Plan-Cumulative	<b>4,00,00,000</b>	4,00,00,000	-	-	<b>44.29</b>	40.51	-	-
HDFC FMP 1114 Days March 2016 (1) Direct Growth Series-35	<b>1,00,00,000</b>	-	-	-	<b>11.00</b>	-	-	-
Kotak FMP-Series 150 (1109 Days) Direct Growth	-	1,00,00,000	1,00,00,000	-	-	12.09	-	10.89
UTI Fixed Term Income Fund-Series XVII-XIII-Direct Growth	-	1,50,00,000	-	-	-	18.08	-	-
HDFC FMP 370 Days February 2014 (1) Series 29 - Regular	-	1,36,59,709	-	-	-	16.45	-	-
HDFC FMP 369 Days February 2014 (2) Series 29 - Regular	-	2,00,00,000	-	-	-	24.02	-	-
HDFC FMP 370 Days March 2014 (1) Series 29 - Regular	-	3,00,00,000	-	-	-	35.96	-	-
UTI Fixed Term Income Fund-Series XVII-XVI-Direct Growth	-	90,96,615	-	-	-	10.92	-	-
ICICI Prudential FMP Series 73-368 Days Plan D-Direct Plan-Cumulative	-	2,00,00,000	-	-	-	23.94	-	-
Birla Sun Life Fixed Term Plan-Series KZ-Direct Growth	-	1,37,33,497	-	-	-	16.24	-	-
ICICI Prudential FMP Series 74-369 Days Plan B-Direct Plan Growth	-	2,50,00,000	-	-	-	29.58	-	-
Reliance Fixed Horizon Fund-XXVI-Series 9-Direct Plan - Growth	-	2,50,00,000	-	-	-	29.55	-	-

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	Units As at March 31, 2017	Units As at March 31, 2016	Units as at January 1, 2015	As at March 31, 2017		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current
Reliance Fixed Horizon Fund-XXXVI - Series 9-Regular Plan Growth	-	1,00,00,000	-	-	-	11.79	-
UTI Fixed Term Income Fund-Series XVIII-V - Direct Growth	-	1,00,00,000	-	-	-	11.81	-
HDFC FMP 369 Days April 2014 (2) Series 31 - Regular	-	2,50,00,000	-	-	-	29.41	-
HDFC FMP 367 Days April 2014 (1) Series 31 - Regular	-	2,00,00,000	-	-	-	23.53	-
HDFC FMP 370 Days May 2014 (1) Series 31 - Regular Growth	-	1,50,00,000	-	-	-	17.62	-
HDFC FMP 366 Days May 2014 (1) - Direct Growth	-	1,30,00,000	-	-	-	15.23	-
Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	-	1,18,48,125	-	-	-	14.20	-
DSP BlackRock Ultra Short Term Fund - Direct Plan - Growth	<b>6,20,49,059</b>	-	-	<b>73.89</b>	-	-	-
ICICI Prudential Banking & PSU Debt Plan - Direct - Growth	<b>3,57,95,376</b>	-	-	<b>67.76</b>	-	-	-
Reliance Banking & PSU Debt Fund - Direct Growth Plan	<b>11,95,20,427</b>	-	-	<b>141.42</b>	-	-	-
ICICI Prudential Income Opp Plan - Direct Growth	<b>3,85,32,108</b>	-	-	<b>89.88</b>	-	-	-
IDFC SSIF Short Term Plan - Growth	<b>2,94,91,108</b>	-	-	<b>101.21</b>	-	-	-
IDFC Corporate Bond Fund Direct Plan - Growth	<b>11,90,32,082</b>	-	-	<b>133.51</b>	-	-	-
IDFC Money Manager Fund Investment Plan - Growth - Direct Plan	<b>3,28,18,182</b>	-	-	<b>84.49</b>	-	-	-
IDFC Ultra Short Term Fund	<b>2,10,81,857</b>	2,10,81,857	-	<b>48.81</b>	-	44.94	-
HDFC Medium Term Opportunity Fund - Direct - Growth	<b>6,91,56,956</b>	2,26,87,349	-	<b>125.71</b>	-	37.52	-
HDFC Medium Term Opportunity Fund - Growth	<b>1,14,85,100</b>	1,14,85,100	-	<b>20.80</b>	-	18.94	-
Kotak Bond Short Term - Direct Plan - Growth	<b>4,53,65,355</b>	-	-	<b>143.54</b>	-	-	-
Axis Short Term Fund	<b>5,55,79,170</b>	-	-	<b>102.27</b>	-	-	-
L&T Mutual Fund - Short Term Opportunities	<b>6,61,62,991</b>	1,43,38,048	-	<b>105.44</b>	-	20.98	-
HDFC FMP 3700 Sep 2013-1-Regular-GR	-	-	1,00,00,000	-	-	-	11.44
ICICI Pru FMP Series 68-368 Days Plan G - Regular Plan Cumulative	-	-	1,50,00,000	-	-	-	17.22
ICICI Pru FMP Series 72-368 Days Plan A - Direct Plan Cumulative	-	-	2,00,00,000	-	-	-	21.82
Reliance Fixed Horizon Fund XXIV Series -11- Growth Plan	-	-	1,50,00,000	-	-	-	17.20
Reliance Interval Fund - II - Series 4-DP - Growth Plan	-	-	1,83,07,306	-	-	-	20.25
Reliance Interval Fund - III - Series 1-DP - Growth Plan	-	-	1,50,00,000	-	-	-	15.38
SBI Debt Fund Series 366 Days - 46 - Dir - Growth	-	-	50,00,000	-	-	-	5.51
IDFC SSIF - Medium Term Plan - Growth Direct Plan	<b>4,53,45,363</b>	-	-	<b>129.49</b>	-	-	-
Kotak Flexi Debt Direct Plan - Growth	<b>1,34,43,553</b>	-	-	<b>28.97</b>	-	-	-
Kotak FMP Series 202 - 1144 Days	<b>1,60,00,000</b>	-	-	<b>16.03</b>	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O	<b>2,50,00,000</b>	-	-	<b>25.17</b>	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P	<b>50,00,000</b>	-	-	<b>5.03</b>	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q	<b>2,50,00,000</b>	-	-	<b>25.14</b>	-	-	-
Birla Sun Life Fixed Term Plan - Series OI (1120 Days) Growth Direct	<b>3,00,00,000</b>	-	-	<b>30.18</b>	-	-	-
Reliance Fixed Horizon Fund XXXIII Series 6	<b>1,00,00,000</b>	-	-	<b>10.03</b>	-	-	-



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	Units As at March 31, 2017		Units As at March 31, 2016		Units as at January 1, 2015		As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
							Non-Current	Current	Non-Current	Current	Non-Current	Current
HDFC FMP 1169 Days Feb 2017 (1) Direct Growth Series-37	4,50,00,000	-	-	-	-	-	45.20	-	-	-	-	-
Invesco Fixed Maturity Plan - Series 29 - Plan B (1150 Days)	2,50,00,000	-	-	-	-	-	25.08	-	-	-	-	-
DSP BlackRock FMP Series 204 - 37M	2,50,00,000	-	-	-	-	-	25.17	-	-	-	-	-
Birla Sun Life Floating Rate Fund-Long Term Plan-Growth	13,38,587	13,38,587	-	-	-	-	26.86	24.54	-	-	-	-
SBI Ultra Short Term Fund-Growth	4,33,511	4,33,511	-	-	-	-	91.38	84.62	-	-	-	-
DHFL Pramerica Fixed Duration Fund - Series AE	3,00,000	-	-	-	-	-	30.17	-	-	-	-	-
IDFC Fixed Term Plan-Series 21-Direct Growth	-	1,00,00,000	1,00,00,000	-	-	-	-	-	12.52	-	-	11.33
ICICI Prudential FMP Series 68-368 Days Plan G Regular-Growth	-	1,50,00,000	-	-	-	-	-	-	19.08	-	-	-
Birla Sun Life Interval Income Fund Annual Plan-Series X-Direct Growth	-	1,80,85,308	-	-	-	-	-	-	22.82	-	-	-
Reliance Fixed Horizon Fund-XXIV-Series 11-Direct Growth	-	1,50,00,000	-	-	-	-	-	-	19.04	-	-	-
HDFC FMP 370 Days September 2013 (1) Regular Growth	-	1,00,00,000	-	-	-	-	-	-	12.68	-	-	-
Reliance Interval Fund-II-Series 1-Regular Growth	-	50,00,000	50,00,000	-	-	-	-	-	6.16	-	-	5.59
SBI Debt Fund Series-366 Days-46 Direct Plan-Growth	-	50,00,000	-	-	-	-	-	-	6.11	-	-	-
Birla Sun Life Interval Income Fund Annual Plan-Series IX-Direct Growth	-	1,00,00,000	1,00,00,000	-	-	-	-	-	12.59	-	-	11.40
ICICI Prudential FMP Series 72-368 Days Plan A-Direct Plan-Cumulative	2,00,00,000	2,00,00,000	-	-	-	-	-	26.07	24.22	-	-	-
ICICI Prudential FMP Series 72-368 Days Plan D-Direct Plan-Cumulative	-	1,00,00,000	1,00,00,000	-	-	-	-	-	12.07	-	-	10.89
IDFC Yearly Interval Fund-Series II-Direct Growth	60,13,135	1,70,95,461	45,82,531	-	-	-	-	8.56	22.60	-	-	5.43
UTI Fixed Term Income Fund-Series XVII-Direct Growth	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-	-	19.54	-	-	-	16.29
Birla Sun Life Fixed Term Plan-Series KD-Direct Growth	-	1,00,00,000	1,00,00,000	-	-	-	-	-	12.03	-	-	10.85
HDFC FMP 370 Days February 2014 (1) Series 29 - Regular	1,36,59,709	-	2,00,00,000	-	-	-	-	17.73	-	-	-	21.72
HDFC FMP 369 Days February 2014 (2) Series 29 - Regular	2,00,00,000	-	2,00,00,000	-	-	-	-	25.96	-	-	-	21.69
ICICI Prudential FMP Series 72-366 Days Plan K-Direct Plan-Cumulative	-	3,00,00,000	3,00,00,000	-	-	-	-	-	36.24	-	-	32.62
Reliance Fixed Horizon Fund-XXXV-Series 18-Direct Plan - Growth Option	-	1,82,37,359	5,50,00,000	-	-	-	-	-	22.03	-	-	59.77
Reliance Yearly Interval Fund-Series 2 - Regular Growth Option	2,75,88,974	5,96,88,759	3,20,99,784	-	-	-	-	39.08	78.71	-	-	38.01
DSP BlackRock Fixed Maturity Plan-Series 146-12 Months-Direct Growth	-	1,80,00,000	1,80,00,000	-	-	-	-	-	21.73	-	-	19.52
Reliance Fixed Horizon Fund-XXXV Series 26-Regular Growth	-	-	1,50,00,000	-	-	-	-	-	-	-	-	16.21
HDFC FMP 370 Days March 2014 (1) Series 29 - Regular	3,00,00,000	-	3,00,00,000	-	-	-	-	38.81	-	-	-	32.47
UTI Fixed Term Income Fund-Series XVII-Direct Growth	90,96,615	-	3,00,00,000	-	-	-	-	11.81	-	-	-	32.49
ICICI Prudential FMP Series 73-368 Days Plan D-Direct Plan-Cumulative	2,00,00,000	-	2,00,00,000	-	-	-	-	25.76	-	-	-	21.56
DSP BlackRock Fixed Maturity Plan-Series 149-12 Months-Regular Growth	-	3,00,00,000	3,00,00,000	-	-	-	-	-	36.13	-	-	32.49
Kotak FMP-Series 143 (370 Days) Direct Growth	-	45,39,257	1,00,00,000	-	-	-	-	-	5.45	-	-	10.84
Kotak FMP-Series 150 (1109 Days) Direct Growth	1,00,00,000	-	-	-	-	-	-	13.10	-	-	-	-
Birla Sun Life Fixed Term Plan-Series KZ-Direct Growth	1,37,33,497	-	2,00,00,000	-	-	-	-	17.53	-	-	-	21.39

**NOTES****FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Units As at March 31, 2017	Units as at March 31, 2016	Units as at January 1, 2015	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
				Non-Current	Current	Non-Current	Current	Non-Current	Current
ICICI Prudential FMP Series 74-369 Days Plan B-Direct Plan Growth	2,50,00,000	-	2,50,00,000	-	31.95	-	-	-	26.62
Reliance Fixed Horizon Fund-XXXVI-Series 9-Direct Plan - Growth	2,50,00,000	-	2,50,00,000	-	31.97	-	-	-	26.73
Reliance Fixed Horizon Fund-XXXVI-Series 9-Regular Plan Growth	1,00,00,000	-	1,00,00,000	-	12.75	-	-	-	10.68
UTI Fixed Term Income Fund-Series XVIII-V-Direct Growth	1,00,00,000	-	1,00,00,000	-	12.78	-	-	-	10.68
HDFC FMP 369 Days April 2014 (2) Series 31 - Regular	2,50,00,000	-	2,50,00,000	-	31.76	-	-	-	26.62
HDFC FMP 367 Days April 2014 (1) Series 31 - Regular	2,00,00,000	-	2,00,00,000	-	25.42	-	-	-	21.24
HDFC FMP 370 Days May 2014 (1) Series 31 Regular Growth	1,50,00,000	-	1,50,00,000	-	19.02	-	-	-	15.89
HDFC FMP 366 Days May 2014 (1) - Direct Growth	1,30,00,000	-	1,30,00,000	-	16.47	-	-	-	13.72
Reliance Yearly Interval Fund-Series 8-Growth	1,84,28,933	1,84,28,933	1,84,28,933	-	25.05	-	23.21	-	20.96
DHFL Pramerica Interval Fund Annual Plan Series-I Direct Plan - Growth	92,05,730	92,05,730	92,05,730	-	12.43	-	11.53	-	10.42
Reliance Interval Fund-III Series 1 Growth Plan	1,02,38,733	1,50,00,000	1,50,00,000	-	12.43	-	16.94	-	-
Reliance Interval Fund-II-Series 4-Direct Growth	1,25,52,465	1,83,07,306	1,83,07,306	-	16.43	-	22.33	-	-
IDFC Yearly Interval Fund-Series III-Direct Growth	-	83,17,876	-	-	-	-	10.98	-	-
ICICI Prudential Interval Series-VII Annual Interval Plan C Regular-Growth	1,07,68,497	1,82,11,453	-	-	13.95	-	21.97	-	-
Reliance Yearly Interval Fund-Series I-Growth	1,67,79,931	1,67,79,931	-	-	23.67	-	22.05	-	-
ICICI Prudential FMP Series 74-369 Days Plan K-Direct Plan Cumulative	2,00,00,000	-	2,00,00,000	-	25.36	-	-	-	21.09
Reliance Fixed Horizon Fund-XXXVI - Series 31-Direct Plan Growth	80,00,000	-	80,00,000	-	10.07	-	-	-	8.37
ICICI Prudential FMP Series 74-369 Days Plan T Regular Plan-Growth	1,50,00,000	-	1,50,00,000	-	18.92	-	-	-	15.73
HDFC FMP 370 Days June 2014 (2) Series 31 - Regular Growth Option	80,00,000	-	80,00,000	-	10.05	-	-	-	8.37
ICICI Prudential FMP Series 74-370 Days Plan X Direct Plan Cumulative	1,50,00,000	-	1,50,00,000	-	18.84	-	-	-	15.66
SBI Debt Fund Series A-35 (369 Days) Regular Plan-Growth	2,00,00,000	-	2,00,00,000	-	25.08	-	-	-	20.86
Birla Sun Life Fixed Term Plan-Series LQ - Direct Growth	50,00,000	-	50,00,000	-	6.27	-	-	-	5.22
SBI Premier Liquid Fund-Growth	-	-	2,00,268	-	-	-	-	-	20.09
UTI Money Market Fund	-	-	-	-	-	-	-	-	-
IDFC Super Saver Income Fund	-	-	51,66,277	-	-	-	-	-	11.89
IDFC Money Manager Fund - Investment Plan - Growth-(Regular Plan)	-	-	1,08,62,401	-	-	-	-	-	22.99
IDFC Fixed Term Plan Series 69 Direct Plan - Growth	-	-	2,00,00,000	-	-	-	-	-	21.71
Birla Sun Life Fixed Term Plan Series JZ-Growth Direct	-	-	2,30,00,000	-	-	-	-	-	24.99
Birla Sun Life Fixed Term Plan Series JZ-Growth Regular	-	-	2,20,00,000	-	-	-	-	-	23.89
Birla Sun Life Interval Inc Annual Plan X-GZ	-	-	1,80,85,308	-	-	-	-	-	20.65
HDFC Medium Term Opp Fund-Growth	-	-	1,14,85,100	-	-	-	-	-	17.04
Kotak FMP Series 138 Direct-Growth	-	-	1,00,00,000	-	-	-	-	-	10.86
ICICI Pru FMP Series 72-366 Days Plan M Direct Plan Cumulative	-	-	2,00,00,000	-	-	-	-	-	21.73

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	Units As at March 31, 2017	Units As at March 31, 2016		Units as at January 1, 2015		As at March 31, 2017		As at January 1, 2015		
		March 31, 2017	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
SBI Debt Fund Series 366 Days-52-Dir-Growth	-	-	-	1,50,00,000	-	-	-	-	-	16.28
Tata FMP Series 46 Scheme L-DP - Growth- INF277K01XMI	-	-	-	1,00,00,000	-	-	-	-	-	10.87
Tata FMP Series 46 Scheme P-DP - Growth- INF277K01YCO	-	-	-	1,00,00,000	-	-	-	-	-	10.85
Templeton India Short Term Income Plan	-	-	-	66,106	-	-	-	-	-	18.51
Reliance Fixed Horizon Fund-XXV Series 26-Regular Growth	<b>1,18,48,125</b>	-	-	-	-	-	<b>15.30</b>	-	-	-
ICICI Prudential FMP Series 75-1100 Days Plan N-Direct-Growth	<b>1,50,00,000</b>	-	-	-	-	-	<b>18.59</b>	-	-	-
ICICI Prudential FMP Series 75-1100 Days Plan T-Regular-Growth	<b>1,00,00,000</b>	-	-	-	-	-	<b>12.24</b>	-	-	-
DHFL Pramerica Fixed Maturity Plan-Series 82 (1100.Days) Direct Growth	<b>1,50,00,000</b>	-	-	-	-	-	<b>18.36</b>	-	-	-
Birla Sun Life Savings Fund-Growth	-	20,64,894	-	13,21,284	-	-	-	60.67	-	34.83
Kotak Liquid Scheme	-	35,878	-	-	-	-	-	11.01	-	-
UTI-Liquid Cash Plan - Institutional - Growth	<b>2,02,541</b>	-	-	-	-	-	<b>53.81</b>	-	-	-
L&T Mutual Fund-Liquid Fund Direct-Growth	<b>5,42,481</b>	-	-	-	-	-	<b>120.69</b>	-	-	-
<b>Sub-total (B)</b>						1,225,58	582.90	160.19	998.60	
<b>Quoted Investments</b>										
<b>(c) Investments carried at fair value through amortised cost</b>										
PFC Tax Free Bond	<b>25,670</b>	25,670	-	-	-	2.57	-	-	-	-
IRFC Tax Free Bond	<b>1,41,940</b>	1,41,940	-	-	-	14.19	-	-	-	-
NHAI Tax Free Bond	<b>2,44,484</b>	-	-	-	-	27.18	-	-	-	-
<b>Sub-total (C)</b>						43.94	-	16.76	-	-
<b>Total (A+B+C)</b>						2,800.78	582.90	1,560.16	998.60	
<b>Aggregate carrying value of quoted investments</b>						43.94	-	16.76	-	-
<b>Aggregate market value of quoted investments</b>						44.36	-	16.80	-	-
<b>Aggregate carrying value of unquoted investments</b>						4,059.58	883.61	2,784.02	582.90	1,560.16
<b>Category-wise investments - as per Ind AS 109 Classifications*</b>										
<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>										
<b>Unquoted</b>										
Investment in mutual funds						2,313.76	883.61	1,225.58	582.90	160.19
<b>Financial assets carried at fair value through amortised cost</b>										
<b>Quoted</b>										
Investment in bonds						43.94	-	16.76	-	-

\*These investments excludes investment in joint ventures accounted as per equity method aggregating Rs. 1,745.82 crores (March 31, 2016 Rs. 1,558.44 crores; January 1, 2015 Rs. 1,399.97 crores).

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### 10.1. Investment in Joint Venture

#### Details of material joint ventures

Name of the Company	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group		
			As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
VE Commercial Vehicles Limited	Manufacturing and sales of commercial vehicles	India	54.40%	54.40%	54.40%
Eicher Polaris Private Limited	Manufacturing and sales of personal utility vehicles	India	50.00%	50.00%	50.00%

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

VE Commercial Vehicles Limited	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current assets	2,534.54	2,430.35	2,337.74
Current assets	3,162.56	2,416.22	1,653.12
Non-current liabilities	156.96	118.94	93.92
Current liabilities	2,652.53	2,185.10	1,507.31

VE Commercial Vehicles Limited	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Revenue from operations	9,258.64	10,011.51
Profit for the year/period	348.29	385.62
Other comprehensive income for the year/period	(5.20)	0.20
Total comprehensive income for the year/period	343.09	385.83
Dividends received from the joint venture during the year/period	-	105.40

#### Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Net assets of the joint venture	2,887.61	2,542.53	2,389.63
Proportion of the Group's ownership interest in the joint venture	1,570.86	1,383.14	1,299.96
Carrying amount of the Group's interest in the joint venture	1,570.86	1,383.14	1,299.96

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

Eicher Polaris Private Limited	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current assets	<b>358.66</b>	369.45	245.24
Current assets	<b>48.76</b>	62.99	34.83
Non-current liabilities	<b>11.20</b>	10.76	4.19
Current liabilities	<b>24.09</b>	35.08	25.86

Eicher Polaris Private Limited	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Revenue from operations	<b>42.65</b>	21.20
Profit/(loss) for the year/period	<b>(91.99)</b>	(81.06)
Other comprehensive income for the year/period	<b>0.10</b>	0.04
Total comprehensive income for the year/period	<b>(91.89)</b>	(81.02)

### Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Net assets of the joint venture	<b>372.13</b>	386.60	250.02
Proportion of the Group's ownership interest in the joint venture	<b>186.06</b>	193.30	125.01
Less: Advances given for investment in shares	<b>11.10</b>	18.00	25.00
Carrying amount of the Group's interest in the joint venture	<b>174.96</b>	175.30	100.01

## 11. LOANS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Current</b>			
Unsecured, considered good			
Loans to employees	<b>0.34</b>	6.80	-
<b>Total</b>	<b>0.34</b>	6.80	-

Note : These financial assets are carried at amortised cost.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
<b>Unsecured, considered good</b>			
Security deposits	16.46	10.07	7.15
Fixed deposits*	-	24.50	29.83
Advance given to joint venture company for subscription of equity shares (at cost)	11.10	18.00	25.00
Advances to employees	-	-	0.02
<b>Total</b>	<b>27.56</b>	<b>52.57</b>	<b>62.00</b>
<b>Current</b>			
<b>Unsecured, considered good</b>			
Security deposits	0.04	0.03	-
Insurance claim receivable	5.80	2.52	2.51
Lease rent receivable	0.05	0.05	-
Interest accrued on fixed deposits and bonds	2.34	1.25	0.93
Others	0.60	1.79	-
<b>Total</b>	<b>8.83</b>	<b>5.64</b>	<b>3.44</b>

Note : These financial assets are carried at amortised cost unless otherwise stated.

\* Pledged with banks

### 13. INCOME TAX ASSETS/ (LIABILITY) (NET)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Tax assets</b>			
Advance income tax	1,468.78	901.20	382.45
<b>Total</b>	<b>1,468.78</b>	<b>901.20</b>	<b>382.45</b>
<b>Tax liabilities</b>			
Provision for income tax	1,488.13	893.63	368.84
<b>Total</b>	<b>1,488.13</b>	<b>893.63</b>	<b>368.84</b>
<b>Net</b>	<b>(19.35)</b>	<b>7.57</b>	<b>13.61</b>

### 14. OTHER ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
<b>Unsecured, considered good</b>			
Capital advances	133.83	39.49	83.27
Balance with government authorities	7.71	8.96	7.42
Prepayment land leases	89.14	90.07	90.99
Other prepayments	1.41	2.14	2.11
Others	-	-	0.04
<b>Total</b>	<b>232.09</b>	<b>140.66</b>	<b>183.83</b>

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Current</b>			
<b>Unsecured, considered good</b>			
<b>Advances to related parties</b>	-	-	0.10
<b>Other advances</b>			
Advance to suppliers	28.75	26.66	14.97
Advance to employees	2.05	2.65	2.02
Prepaid expenses	7.02	2.89	2.86
Balance with government authorities			
Considered good	37.33	29.25	51.45
Considered doubtful	1.11	1.11	-
	38.44	30.36	51.45
Less: Provision for doubtful advances	1.11	1.11	-
	37.33	29.25	51.45
Gratuity fund (net)	0.35	0.31	-
Prepayment land leases	0.96	0.96	1.18
Other prepayments	0.70	0.54	0.38
Others			
Considered doubtful	-	-	0.02
	-	-	0.02
Less: Provision for doubtful advances	-	-	0.02
	-	-	-
	77.16	63.26	72.86
<b>Total</b>	<b>77.16</b>	63.26	72.96

## 15. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Raw materials	121.54	113.13	74.35
(Includes goods in transit of Rs. 14.28 crores (March 31, 2016 Rs. 12.87 crores; January 1, 2015 Rs. 14.42 crores))			
Work-in-progress	14.90	9.43	7.74
Finished goods	168.27	157.27	107.69
Stock-in-trade	22.62	19.48	8.70
Stores and spares	6.98	5.64	3.59
Loose tools	1.59	3.44	1.89
<b>Total</b>	<b>335.90</b>	308.39	203.96

- The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 4,139.24 crores (previous period Rs. 3,871.51 crores).
- The cost of inventories recognised as an expense includes Rs.5.60 crores (during January 1, 2015 to March 31, 2016 Rs.10.87 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs.7.69 crores (during January 1, 2015 to March 31, 2016 Rs. 0.58 crores) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of material consumed/sold.
- Inventories of Rs. 6.27 crores (March 31, 2016 Rs. 5.83 crores and January 1, 2015 Rs. 1.18 crores) are expected to be recovered after more than 12 months.
- The mode of valuation of inventories has been stated in note no. 3.15.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### 16. TRADE RECEIVABLES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Current</b>			
Secured, considered good	0.89	0.15	0.06
Unsecured - considered good	49.15	32.49	10.64
- considered doubtful	0.25	0.43	0.43
	50.29	33.07	11.13
Less: Provision for doubtful receivables	0.25	0.43	0.43
<b>Total</b>	<b>50.04</b>	32.64	10.70
<b>Age of receivables</b>			
Within the credit period	43.95	26.10	9.03
Up to 6 months	5.45	6.16	1.64
More than 6 months	0.64	0.38	0.03
	50.04	32.64	10.70

### 17. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Cash on hand	0.02	0.07	0.06
Cheques/drafts on hand	0.12	0.09	0.22
<b>Balances with banks:</b>			
In current accounts	17.10	27.40	16.84
In deposit accounts	-	8.29	-
<b>Cash and cash equivalents as per balance sheet Total</b>	<b>17.24</b>	35.85	17.12
<b>Bank overdrafts (refer note 25)</b>	<b>-</b>	22.57	-
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>17.24</b>	13.28	17.12

### 18. OTHER BANK BALANCES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
In unpaid dividend accounts	7.82	13.32	3.77
<b>Total</b>	<b>7.82</b>	13.32	3.77

### 19. SHARE CAPITAL

#### (a) Equity share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Authorised equity share capital</b>			
3,00,00,000 (March 31, 2016 3,00,00,000; January 1, 2015 3,00,00,000) Equity shares of Rs. 10 each	30.00	30.00	30.00
<b>Total</b>	<b>30.00</b>	30.00	30.00



# NOTES

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Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Issued, subscribed and fully paid up</b>			
2,72,10,249 (March 31, 2016 2,71,61,183; January 1, 2015 2,71,04,783) Equity shares of Rs. 10 each	<b>27.21</b>	27.16	27.10
<b>Total</b>	<b>27.21</b>	27.16	27.10

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

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

Particulars	For the year ended March 31, 2017		For the fifteen months ended March 31, 2016	
	Nos.	Rs. in Crores	Nos.	Rs. in Crores
At the beginning of the year	<b>2,71,61,183</b>	<b>27.16</b>	2,71,04,783	27.10
Issued during the year/period - ESOP (refer note no. 47)	<b>49,066</b>	<b>0.05</b>	56,400	0.06
Outstanding at the end of the year/period	<b>2,72,10,249</b>	<b>27.21</b>	2,71,61,183	27.16

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	% holding in the class	Nos.	% holding in the class
Eicher Goodearth Trust	-	-	32,71,723	12.05%
Anita Lal	-	-	30,23,167	11.13%
The Simran Siddhartha Tara Benefit Trust	<b>1,20,30,648</b>	<b>44.21%</b>	67,99,828	25.04%

Particulars	As at January 1, 2015	
	Nos.	% holding in the class
Eicher Goodearth Trust	32,71,723	12.07%
Anita Lal	30,23,167	11.15%
The Simran Siddhartha Tara Benefit Trust	67,99,828	25.09%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	22,75,610	8.40%

## NOTES

### FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

#### (iii) Share options granted under the Company's employee share option plan outstanding at the year/period end

Option Series	Share options outstanding (in Nos.)			Expiry Date
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015	
22nd October, 2007	500	3,000	29,500	22-Oct-17
29th April, 2010	29,000	40,000	40,000	28-Apr-18
6th May, 2011	-	32,100	60,200	5-May-21
11th February, 2012	1,800	3,600	5,400	10-Feb-22
16th December, 2013	3,334	5,000	5,000	15-Dec-23
11th August, 2014	16,000	16,000	22,500	10-Aug-24
12th November, 2014	2,400	5,400	5,400	11-Nov-24
12th January, 2015	22,300	22,300	-	11-Jan-25
20th March, 2015	1,500	4,500	-	20-Mar-25
8th May, 2015	48,450	53,000	-	7-May-25
21st July, 2015	6,590	6,590	-	20-Jul-25
6th November, 2015	7,800	7,800	-	5-Nov-25
5th February, 2016	4,200	4,200	-	4-Feb-26
27th April, 2016	2,400	-	-	26-Apr-26
28th July, 2016	2,100	-	-	27-Jul-26
28th October, 2016	3,000	-	-	27-Oct-26
1st February, 2017	1,800	-	-	31-Jan-27
27th March, 2017	3,500	-	-	26-Mar-27

Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in Note no. 47.

#### (b) Preference share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Authorised preference share capital</b>			
1,01,000 (March 31, 2016 1,01,000; January 1, 2015 1,01,000)	1.01	1.01	1.01
Redeemable cumulative preference shares of Rs. 100 each			
<b>Total</b>	<b>1.01</b>	<b>1.01</b>	<b>1.01</b>

The Company has not issued preference share capital.

## 20. OTHER EQUITY

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Capital reserves	0.25	0.25	0.25
Capital redemption reserve	1.41	1.41	1.41
Securities premium reserve	32.09	25.80	20.88
General reserves	339.89	339.89	216.91
Share options outstanding account	45.13	25.23	2.11
Foreign currency translation reserve	0.74	0.17	-
Retained earnings	4,898.35	3,233.18	2,486.89
	<b>5,317.86</b>	<b>3,625.93</b>	<b>2,728.45</b>

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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>A Capital reserve</b>		
Opening balance	0.25	0.25
Add / Less: Movement during the year/period	-	-
<b>Closing balance</b>	<b>0.25</b>	0.25
<b>B Capital redemption reserve</b>		
Opening balance	1.41	1.41
Add / Less: Movement during the year/period	-	-
<b>Closing balance</b>	<b>1.41</b>	1.41

The Capital redemption reserve was created at the time of buy back of shares. The Company can utilise the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>C Securities premium reserve</b>		
Opening balance	25.80	20.88
Add : Proceeds from issue of equity shares@	5.69	4.75
Add : Transferred from share options outstanding account	0.60	0.17
<b>Closing balance</b>	<b>32.09</b>	25.80

@ Represents premium @ Rs. 452 per equity share on 2,500 (26,500) equity shares, @ Rs. 685 per equity share on 11,000 (Nil) equity shares, @ Rs. 1,152 per equity share on 32,100 (28,100) equity shares, @ Rs. 1,760 per equity share on 1,800 (1,800) equity shares, and @ Rs. 4,905 per equity share on 1,666 (Nil) equity shares issued and allotted during the year/period under Employee Stock Option Scheme. The Company can utilise the same for the purpose of buy back of share or issue of fully paid bonus shares or for such other permitted purposes as may be decided by the Management.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>D General reserves</b>		
Opening balance	339.89	216.91
Add: Amount transferred from retained earnings	-	122.98
<b>Closing balance</b>	<b>339.89</b>	339.89

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>E Share options outstanding account</b>		
Opening balance	25.23	2.11
Add : ESOP expense during the year/period	20.50	23.29
Less : Transferred to securities premium on issue of shares	0.60	0.17
<b>Closing balance</b>	<b>45.13</b>	25.23

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 47.

**NOTES****FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>F Foreign currency translation reserve</b>		
Opening balance	0.17	-
Less: Exchange fluctuation of subsidiary company of joint venture transferred to exchange loss pursuant to divestment	(1.09)	-
Add: Exchange differences in translating the financial statements of foreign operations	(0.52)	0.17
<b>Closing balance</b>	<b>0.74</b>	0.17

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>G Retained earnings</b>		
Opening balance	3,233.18	2,486.89
Add: Profit for the year/period	1,667.08	1,338.04
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	(1.91)	(0.56)
Less: Interim dividend (amount per share Rs. Nil (Rs. 100.0))	-	271.61
Less: Dividend (amount per share Rs. Nil (Rs. 50.0))	-	135.52
Less: Tax on dividend	-	61.08
Less: Transferred to general reserve	-	122.98
<b>Balance at end of year</b>	<b>4,898.35</b>	3,233.18

In respect of the year ended March 31, 2017, the directors propose that a dividend of Rs. 100 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 272.10 crores.

**21. OTHER FINANCIAL LIABILITIES**

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
Security deposits received	7.16	5.87	4.52
<b>Total</b>	<b>7.16</b>	5.87	4.52
<b>Current</b>			
Employee dues	51.00	43.86	19.92
Capital creditors	70.29	10.91	9.90
Unpaid dividend*	7.82	13.32	3.77
Book overdraft	2.66	6.55	-
Interest accrued but not due	0.32	-	-
Others	10.31	7.97	-
<b>Total</b>	<b>142.40</b>	82.61	33.59

\* Does not include any amounts outstanding which are required to be credited to Investor Education and Protection Fund.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### 22. PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
Employee benefits (i)			
Gratuity	-	-	8.66
Compensated absences	9.88	7.34	4.04
Other employee benefits	2.96	1.57	1.12
<b>Sub-total (A)</b>	<b>12.84</b>	8.91	13.82
Other provisions: Warranties (ii)	23.17	20.76	-
<b>Sub-total (B)</b>	<b>23.17</b>	20.76	-
<b>Total (A+B)</b>	<b>36.01</b>	29.67	13.82
<b>Current</b>			
Employee benefits (i)			
Gratuity	-	-	0.21
Compensated absences	0.52	1.04	0.87
Other employee benefits	0.07	0.04	0.09
<b>Sub-total (A)</b>	<b>0.59</b>	1.08	1.17
Other provisions: warranties (ii)	32.04	25.39	14.39
<b>Sub-total (B)</b>	<b>32.04</b>	25.39	14.39
<b>Total (A+B)</b>	<b>32.63</b>	26.47	15.56

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward. The increase in the carrying amount of the provision for the current year results from increase in the number of employees, period of service, salary cost, etc.

(ii) Movement in warranties provision

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening balance	46.15	14.39
Additions during the year/period	47.80	65.76
Amount utilised during the year/period	40.27	34.71
Unwinding of discount	1.53	0.71
Closing balance	55.21	46.15

The provision for warranty claims represents the present value of the management's best estimate of the future economic benefits that will be required under the Company's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### 23. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Deferred tax liabilities on</b>			
Property, plant and equipment and intangible assets	<b>81.67</b>	41.73	24.81
Investments measured at FVTPL	<b>8.01</b>	8.76	5.42
Others	<b>1.28</b>	0.76	-
<b>Sub-total (A)</b>	<b>90.96</b>	51.25	30.23
<b>Less: Deferred tax assets on</b>			
Business loss carried forward	-	4.91	-
Accrued expenses deductible on payment	<b>3.26</b>	2.29	1.52
Provision for gratuity	-	-	3.40
Provision for compensated absences and other employee benefits	<b>3.60</b>	2.89	1.67
Provision for doubtful debts and advances	<b>0.47</b>	0.53	0.15
Others	<b>5.86</b>	4.78	1.52
<b>Sub-total (B)</b>	<b>13.19</b>	15.40	8.26
<b>Total (A-B)</b>	<b>77.77</b>	35.85	21.97

#### Movement of deferred tax liabilities/assets

##### For the year ended March 31, 2017

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities on</b>				
Property, plant and equipment and intangible assets	41.73	39.94	-	81.67
Investments measured at FVTPL	8.76	(0.75)	-	8.01
Others	0.76	0.30	0.22	1.28
<b>Sub-total (A)</b>	51.25	39.49	0.22	90.96
<b>Less: Deferred tax assets on</b>				
Business loss carried forward	4.91	(4.91)	-	-
Accrued expenses deductible on payment	2.29	0.97	-	3.26
Provision for compensated absences and other employee benefits	2.89	0.71	-	3.60
Re-measurement on defined benefit plans	-	(0.04)	0.04	-
Provision for doubtful debts and advances	0.53	(0.06)	-	0.47
Others	4.78	1.08	-	5.86
<b>Sub-total (B)</b>	15.40	(2.25)	0.04	13.19
<b>Total (A-B)</b>	35.85	41.74	0.18	77.77

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### For the fifteen months ended March 31, 2016

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities on</b>				
Property, plant and equipment and intangible assets	24.81	16.92	-	41.73
Investments measured at FVTPL	5.42	3.34	-	8.76
Others	-	0.76	-	0.76
<b>Sub-total (A)</b>	<b>30.23</b>	<b>21.02</b>	<b>-</b>	<b>51.25</b>
<b>Less: Deferred tax assets on</b>				
Business loss carried forward	-	4.91	-	4.91
Accrued expenses deductible on payment	1.52	0.77	-	2.29
Provision for gratuity	3.40	(3.40)	-	-
Re-measurement on defined benefit plans	-	(0.25)	0.25	-
Provision for compensated absences and other employee benefits	1.67	1.22	-	2.89
Provision for doubtful debts and advances	0.15	0.38	-	0.53
Others*	1.52	3.23	0.03	4.78
<b>Sub-total (B)</b>	<b>8.26</b>	<b>6.86</b>	<b>0.28</b>	<b>15.40</b>
<b>Total (A-B)</b>	<b>21.97</b>	<b>14.16</b>	<b>(0.28)</b>	<b>35.85</b>

\*includes Rs. 0.03 crore on account of foreign exchange fluctuation

## 24. OTHER LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Non-current</b>			
Deferred revenue arising from Government grant (i)	<b>23.20</b>	9.55	-
<b>Total</b>	<b>23.20</b>	9.55	-
<b>Current</b>			
Advance from customers	<b>292.06</b>	241.97	163.11
Deferred revenue	<b>18.82</b>	14.30	12.46
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	<b>114.17</b>	89.64	99.86
Others	<b>4.87</b>	4.20	-
<b>Total</b>	<b>429.92</b>	350.11	275.43

- (i) The deferred revenue arises as a result of the benefit received by the United Kingdom (UK) Branch of the Company from the Government of UK - Department for Business Innovation & Skills - Regional Growth Fund. The grant will be recognised in statement of profit and loss after capitalisation of the related fixed assets on a systematic basis over the useful life of the assets.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### 25. BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Unsecured</b>			
Loan repayable on demand			
- From bank			
Overdraft facility*	-	22.57	-
Short-term Loan#	44.41	-	-
<b>Total</b>	<b>44.41</b>	22.57	-

\*Unsecured loan carries interest @ 9.30% per annum as at March 31, 2016.

#Unsecured Short Term loans are against Corporate Guarantee given by the Parent Company, Eicher Motors Limited.

### 26. TRADE PAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Acceptances	158.22	145.41	95.12
Other trade payables	674.52	577.81	387.09
<b>Total</b>	<b>832.74</b>	723.22	482.21

Note: Refer note 40 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006

### 27. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Revenue from operations</b>		
Sale of products		
Manufactured goods (including excise duty)	7,690.32	6,796.41
Stock-in-trade	218.78	148.16
<b>Sub-total (A)</b>	<b>7,909.10</b>	6,944.57
<b>Other operating revenue</b>		
Export benefits	6.25	5.87
Scrap sale	19.01	17.52
Excess liability no longer required written back	0.18	-
Income from other operating revenues	4.91	3.17
<b>Sub-total (B)</b>	<b>30.35</b>	26.56
<b>Revenue from operations</b>	<b>Total (A+B)</b>	
	<b>7,939.45</b>	6,971.13

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Details of products sold</b>		
<b>Manufactured goods</b>		
Two wheelers	7,276.50	6,457.08
Spare parts and other components	413.82	339.33
<b>Total</b>	<b>7,690.32</b>	6,796.41
<b>Stock-in-trade</b>		
Two wheelers	0.15	-
Spare parts and other allied products	218.63	148.16
<b>Total</b>	<b>218.78</b>	148.16



# NOTES

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### 28. OTHER INCOME

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Interest income on financial assets carried at amortised cost</b>		
Bank deposits and bonds	2.03	3.78
Others	1.92	0.88
	3.95	4.66
<b>Dividend income</b>		
Dividend on unquoted non-current investments	-	1.83
	-	1.83
<b>Net gain on financial instruments at fair value through profit or loss</b>	219.74	162.99
<b>Other non-operating income</b>		
Rent income	2.80	3.39
Other income	0.72	5.16
Profit on sale of property, plant and equipment	0.12	0.06
	3.64	8.61
<b>Total</b>	227.33	178.09

### 29. COST OF RAW MATERIALS CONSUMED

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Inventory at the beginning of the year/period	113.13	74.35
Add: Purchases	3,648.11	3,473.85
	3,761.24	3,548.20
Less: Inventory at the end of the year/period	121.54	113.13
Less: Material cost of vehicles capitalised	1.64	0.54
	3,638.06	3,434.53
Less: Sale of raw materials to suppliers on cost to cost basis	22.37	11.38
<b>Net consumption</b>	<b>Total 3,615.69</b>	3,423.15

### 30. PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Two wheelers	1.00	-
Spare parts and other allied products	107.39	74.04
<b>Total</b>	<b>108.39</b>	74.04

### 31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Inventories at the end of the year/period</b>		
Finished goods	168.27	157.27
Work-in-progress	14.90	9.43
Stock-in-trade	22.62	19.48
<b>A</b>	<b>205.79</b>	186.18

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Inventories at the beginning of the year/period</b>		
Finished goods	157.27	107.69
Work-in-progress	9.43	7.74
Stock-in-trade	19.48	8.70
<b>B</b>	<b>186.18</b>	124.13
<b>Net change (B-A)</b>	<b>(19.61)</b>	(62.05)

### 32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Salaries and wages	321.78	278.09
Contribution to provident and other funds	17.56	9.25
Share-based payments to employees	20.50	23.29
Staff welfare expenses	42.52	39.58
<b>Total</b>	<b>402.36</b>	350.21

### 33. FINANCE COSTS

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Interest expense		
On income tax	-	0.11
On bills discounting	0.15	-
On other borrowings	1.88	1.30
Total interest expenses	2.03	1.41
Unwinding of discount on provisions	1.53	0.71
<b>Total</b>	<b>3.56</b>	2.12

### 34. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Depreciation on property, plant and equipment	143.80	127.93
Depreciation of investment property	0.35	0.53
Amortisation of intangible assets	9.66	8.14
<b>Total</b>	<b>153.81</b>	136.60

### 35. OTHER EXPENSES

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Consumption of stores and machinery spares (including loose tools and packing material)	115.90	117.33
Increase/decrease of excise duty on finished goods	2.37	13.25
Loss on sale of property, plant and equipment and intangible assets	0.36	0.12

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Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Property, plant and equipment discarded	0.07	1.35
Power and fuel	46.02	46.18
Insurance	9.31	7.49
Repairs and maintenance	-	-
Buildings	2.37	4.10
Plant and machinery	34.16	26.62
Others	18.29	12.46
Rates and taxes	11.92	10.52
Advertisement	17.69	34.29
Freight and handling charges	104.83	88.09
Incentives	15.27	9.78
Warranty	47.80	65.76
Other selling and distribution expenses	106.87	73.13
Rent	30.13	28.35
Legal and professional charges*	50.87	39.99
Travelling expenses	31.47	30.26
Development expenses	7.20	4.44
Corporate social responsibility expenditure (refer note no. 49)	18.33	8.99
Bad debts / advances written off	-	0.01
Provision for doubtful debts and advances	-	1.11
Exchange loss (net)	11.80	1.35
Miscellaneous expenses	69.55	73.53
<b>Total</b>	<b>752.58</b>	<b>698.50</b>

### \* Including payment to auditors as below:

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
a) For audit	0.34	0.27
b) For limited reviews of unaudited financial results	0.19	0.23
c) For other services	0.07	0.18
d) For reimbursement of expenses	0.01	0.01
e) Audit of accounts for the fiscal year	-	0.06
	<b>0.61</b>	<b>0.75</b>

### 36. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Current tax</b>		
In respect of the current year/period	678.56	524.69
	<b>678.56</b>	<b>524.69</b>
<b>Deferred tax charge</b>		
In respect of the current year/period	41.74	14.19
	<b>41.74</b>	<b>14.19</b>
<b>Total income tax expense recognised in the current year/period</b>	<b>720.30</b>	<b>538.88</b>

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Profit before tax	<b>2,387.38</b>	1,876.92
Income tax expense calculated at 34.608% (2015-16 : 34.608%)	<b>826.22</b>	649.56
Effect of lower tax on long-term capital gain from investment in mutual funds	<b>(68.15)</b>	(41.52)
Effect of addition deduction of research and product development cost	<b>(11.77)</b>	(13.16)
Effect of addition deduction for investment allowance under section 32AC of the Income tax Act, 1961	<b>(6.10)</b>	(16.84)
Effect of ESOP expenses not deductible in determining taxable profits	<b>7.09</b>	8.06
Effect of income exempt from taxation	<b>(0.52)</b>	(0.76)
Deferred tax asset not created on carried forward business loss of subsidiary companies	<b>13.32</b>	-
Impact of share of profit/(loss) of joint ventures included in profit before tax	<b>(49.65)</b>	(51.20)
Others	<b>9.86</b>	4.74
	<b>720.30</b>	538.88
Income tax expense recognised in statement of profit and loss	<b>720.30</b>	538.88

### Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Deferred tax charge/(benefit)</b>		
Arising on income and expenses recognised in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	<b>0.22</b>	(0.03)
Remeasurement of defined benefit obligation	<b>(0.04)</b>	(0.25)
<b>Total income tax recognised in other comprehensive income</b>	<b>0.18</b>	(0.28)
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that may be reclassified to profit or loss	<b>0.22</b>	(0.03)
Items that will not be reclassified to profit or loss	<b>(0.04)</b>	(0.25)
	<b>0.18</b>	(0.28)

- 37.** Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 397.57 crores (Rs. 96.92 crores).

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

### 38. RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure on research and development incurred and expensed off during the year/period through the appropriate heads of account aggregate Rs. 36.78 crores (previous period Rs. 32.20 crores). The capital expenditure incurred during the year/period for research and development purposes aggregate Rs. 91.29 crores (previous period Rs. 59.33 crores).

### 39. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
a) In respect of following:			
- Excise duty matters	<b>1.74</b>	2.12	54.98
- Sales tax matters	<b>6.75</b>	6.25	5.06
- Service tax matters	<b>0.39</b>	0.39	0.39
- Income tax matters	<b>-</b>	0.17	4.26
b) Claims against the Company not acknowledged as debts	<b>7.34</b>	6.87	6.13
c) Contingent liabilities arising from its interests in joint ventures	<b>155.27</b>	169.24	182.69

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

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### 40. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year/period	13.27	10.99
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	5.00	22.46
(iv) The amount of interest due and payable for the year/period	0.07	0.41
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year/period	0.14	0.07
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

### 41. EMPLOYEE BENEFIT PLANS

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

#### A. Defined Contribution Plans

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
a) Provident fund*	15.73	8.74
b) Superannuation fund	0.43	0.51
d) Other fund	1.48	0.17
c) Employees' State Insurance Corporation	2.22	1.69

\*includes Rs. 0.06 crore (Rs. 0.14 crore) capitalised during the year/period and Rs. 0.03 crore (Rs. 0.03 crore) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 2.59 crores (Rs. 2.28 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government administered provident fund.

The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2017 is Rs. 154.36 crores as against the total plan assets of Rs. 155.97 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

#### B. Defined benefit plans:

The Defined benefit plan of the Group includes entitlement of gratuity for each year of service until the retirement age.

This plan typically expose the Group to actuarial risks such as: investment risk, inherent rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Mr. K.K. Dharni (FIAI M No. 00051), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Discount rate	7.50%	7.50%	7.50%
Future salary increase	7.00%	7.00%	7.00%
Retirement age	58 years	58 years	58 years
Rate of withdrawal	2.00%	2.00%	2.00%
In service mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Service cost:		
Current service cost	1.96	1.49
Net interest expense	(0.01)	1.26
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.95</b>	<b>2.75</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	0.12	0.71
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.12</b>	<b>0.71</b>
<b>Total</b>	<b>2.07</b>	<b>3.46</b>

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Present value of funded defined benefit obligation	13.32	11.34	8.87
Fair value of plan assets	13.67	11.65	-
<b>Net liability arising from defined benefit obligation</b>	<b>(0.35)</b>	<b>(0.31)</b>	<b>8.87</b>

Movements in the present value of the defined benefit obligation are as follows:

	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening defined obligation	11.34	8.87
Current service cost	1.96	1.49
Interest cost	0.85	1.26
Actuarial (gains)/ losses	0.53	0.71
Benefits paid	(1.36)	(0.99)
<b>Closing defined benefit obligation</b>	<b>13.32</b>	<b>11.34</b>

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### Movements in the fair value of the plan assets are as follows:

	Gratuity	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening fair value of plan assets@	11.65	-
Interest income	0.86	-
Actuarial gains/ (losses)	0.41	-
Contribution	1.00	11.65
Benefit paid	(0.25)	-
Closing fair value of plan assets@	13.67	11.65

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

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

#### The fair value of the plan assets at the end of reporting period for each category are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Government securities	4.64	5.94	-
Debt instruments categorised by issuers' credit rating:			
AAA	7.25	4.08	-
AA+	0.82	1.17	-
AA	0.55	-	-
Cash, deposits, etc.	0.41	0.46	-

The fair values of the above instruments are determined based on quoted market prices in active market. The actual return on plan assets was Rs. 1.27 crores for the year ended March 31, 2017.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 0.62 crore (increase by Rs. 0.68 crore) (as at March 31, 2016: Decrease by Rs. 0.46 crore (increase by Rs. 0.51 crore))(as at January 1, 2015: decrease by Rs.0.29 crore (increase by Rs.0.32 crore)).
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 0.68 crore (decrease by Rs. 0.62 crore) (as at March 31, 2016: Increase by Rs. 0.51 crore (decrease by Rs. 0.46 crore))(as at January 1, 2015: increase by Rs. 0.32 crore (increase by Rs.0.30 crore)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

### Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

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There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

#### Other disclosures

##### Maturity profile of defined benefit obligation

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Average duration of the defined benefit obligation (in years)</b>	<b>19.27</b>	18.65	17.82

The estimated contribution during next year is Rs. 2.36 crores (previous period Rs. 1.78 crores) to the defined benefit plan.

#### 42. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>Basic earnings per share</b>	<b>613.12</b>	493.07
<b>Diluted earnings per share</b>	<b>611.44</b>	491.26
<b>Basic earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year/period, per statement of profit and loss (Rs. in crores)	<b>1,667.08</b>	1,338.04
Weighted average number of equity shares for the purposes of basic earnings per share	<b>2,71,89,996</b>	2,71,37,015
<b>Diluted earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
Profit for the year/period, per consolidated statement of profit and loss (Rs. in crores)	<b>1,667.08</b>	1,338.04
Weighted average number of equity shares for the purposes of basic earnings per share	<b>2,71,89,996</b>	2,71,37,015
Shares deemed to be issued for no consideration in respect of:		
- employee options	<b>74,974</b>	99,768
Weighted average number of equity shares for the purposes of diluted earnings per share	<b>2,72,64,970</b>	2,72,36,783

#### 43. SEGMENT REPORTING DISCLOSURE

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".



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### Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

	Domestic	Overseas	Total
<b>Revenue from operations</b>			
<b>For the year ended March 31, 2017</b>	<b>7,722.28</b>	<b>217.17</b>	<b>7,939.45</b>
Fifteen months ended March 31, 2016	6,787.76	183.37	6,971.13
<b>Non-current segment assets</b>			
<b>As at March 31, 2017</b>	<b>1,355.94</b>	<b>139.15</b>	<b>1,495.10</b>
As at March 31, 2016	986.43	52.94	1,039.37
As at January 1, 2015	662.69	0.79	663.48

- Domestic segment includes sales to customers located in India.
- Overseas segment includes sales rendered to customers located outside India.
- Non-current segment assets include property, plant and equipment, investments, and other non-current assets.
- The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

### Information about major customers

No customer individually accounted for more than 10% of the revenue.

## 44. RELATED PARTY DISCLOSURES UNDER IND AS 24

### a. Related party disclosures:

Name of related parties and their relationship:

Name of related party		Nature of Relationship
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation*	(EGF)	Joint venture company
Eicher Executive Provident Fund	(EETF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETSSF)	Post employment benefit plan
EML Employees Company Gratuity Scheme	(EECGS)	Post employment benefit plan

\*Incorporated on November 19, 2015

### b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. S. Sandilya	Non-executive and independent director
Mr. Priya Brat	Non-executive and independent director
Mr. M.J. Subbaiah	Non-executive and independent director
Mr. Prateek Jalan	Non-executive and independent director
Ms. Manvi Sinha	Non-executive and independent director (w.e.f. February 13, 2015)
Mr. Lalit Malik	Chief Financial Officer
Mr. Manhar Kapoor	Company Secretary

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**c. Transactions with the key management personnel during the year/period:**

Particulars	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Mr. Siddhartha Lal	<b>Managerial remuneration</b>		
	Short-term benefits	9.20	8.49
	Post-employment benefits	0.33	0.24
	Other long-term benefits	0.17	0.01
		<b>9.70</b>	8.74
Mr. S. Sandilya	Sitting fees	0.03	0.03
	Commission	0.48	0.55
Mr. Priya Brat	Sitting fees	0.03	0.03
	Commission	0.09	0.10
Mr. M.J. Subbaiah	Sitting fees	0.02	0.02
	Commission	0.09	0.10
Mr. Prateek Jalan	Sitting fees	0.03	0.03
	Commission	0.21	0.30
Ms. Manvi Sinha	Sitting fees	0.01	0.01
	Commission	0.09	0.10
Mr. Lalit Malik	<b>Remuneration</b>		
	Short-term benefits	2.51	2.27
	Post-employment benefits	0.05	0.04
	Other long-term benefits	0.05	0.02
		<b>2.61</b>	2.33
Mr. Manhar Kapoor	<b>Remuneration</b>		
	Short-term benefits	0.82	0.67
	Post-employment benefits	0.02	0.01
	Other long-term benefits	0.01	0.01
		<b>0.85</b>	0.69

**d. Transactions with the related parties:**

Name of related party	Nature of transaction	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
VE Commercial Vehicles Limited	Purchase of finished goods/services	145.74	116.97
	Expenses reimbursed	0.43	0.23
	Corporate service charges paid	2.60	3.04
	Tooling advance given	-	0.21
	Dividend received	-	105.40
Eicher Polaris Private Limited	Investment in equity share capital (including advance given in previous period/year)	45.60	115.80
	Advance given for subscription of equity shares	11.10	18.00
	Expenses recovered	1.07	0.08
	Rent income	2.78	3.28
Eicher Goodearth Private Limited	Expenses reimbursed	6.28	0.02
	Corporate service charges paid	0.83	0.91
	Rent paid	3.33	3.77
	Brand fees paid	17.55	15.30
Eicher Group Foundation	Contribution for CSR expenditure	18.09	3.93
Eicher Executive Provident Fund	Contribution	2.59	2.28
Eicher Tractors Executive Staff Superannuation Fund	Contribution	0.25	0.30
EML Employees Company Gratuity Scheme	Contribution	1.00	11.65
	Benefits paid	(0.25)	-

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### Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
VE Commercial Vehicles Limited	- Payables	32.68	26.63	14.07
	- Advances	-	0.21	-
	- Investment in equity share capital	1,570.86	1,383.14	1,299.96
Eicher Polaris Private Limited	- Receivables	-	-	0.10
	- Advances	11.10	18.00	25.00
	- Investment in equity share capital	174.96	175.30	100.01
Eicher Goodearth Private Limited	- Payables	0.23	15.51	7.54
	- Security deposit receivable	1.09	1.09	1.09
Mr. Siddhartha Lal	Commission payable	4.20	4.50	3.00
Non-Executive and Independent Directors	Commission payable	1.02	1.05	0.77

Note: Outstanding balances at the year-end are unsecured and settlement occurs in cash.

## 45. FINANCIAL INSTRUMENTS

### Capital Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Group uses the operational cash flows and equity to meet its capital requirements.

The Group is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers risks associated with the movement in the working capital.

The following table summarises the capital of the Group:

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Share capital	27.21	27.16	27.10
Other equity	5,317.86	3,625.93	2,728.45
<b>Total Equity</b>	<b>5,345.07</b>	<b>3,653.09</b>	<b>2,755.55</b>

### 45.1 Categories of financial instruments

Carrying value of the financial instruments are as follows:

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	2,313.76	1,225.58	160.19
<b>Current</b>			
Investments in mutual funds	883.61	582.90	998.60

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	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>Financial assets at amortised cost</b>			
<b>Non-current</b>			
Investments in bonds	43.94	16.76	-
Other financial assets	16.46	34.57	37.00
<b>Current</b>			
Trade receivables	50.04	32.64	10.70
Cash and bank balances	25.06	49.17	20.89
Loans	0.34	6.80	-
Other financial assets	8.83	5.64	3.44
<b>Financial liabilities at amortised cost</b>			
<b>Non-current</b>			
Other financial liabilities	7.16	5.87	4.52
<b>Current</b>			
Borrowings	44.41	22.57	-
Trade payables	832.74	723.22	482.21
Other financial liabilities	142.40	82.61	33.59

### 45.2 Fair value measurements

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques.

The following table categorises the financial instruments measured at fair value into Level 1 to Level 3, as described below:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:

	Fair value as at January 1, 2015		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	-	160.19	-
<b>Current</b>			
Investments in mutual funds	125.34	873.26	-

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	Fair value as at March 31, 2016		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	231.53	994.05	-
<b>Current</b>			
Investments in mutual funds	71.68	511.22	-

	Fair value as at March 31, 2017		
	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit or loss</b>			
<b>Non-current</b>			
Investments in mutual funds	1,515.41	798.35	-
<b>Current</b>			
Investments in mutual funds	174.50	709.11	-

### Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	March 31, 2017		March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at amortised cost</b>				
<b>Non-current</b>				
Investments in bonds	43.94	44.36	16.76	16.80

	Fair value hierarchy	
	March 31, 2017	March 31, 2016
	Level 1	Level 1
<b>Financial assets at amortised cost</b>		
<b>Non-current</b>		
Investments in bonds	44.36	16.80

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- The fair value of bonds is based on quoted prices and market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year/period end.
- There were no transfers between Level 1 and Level 2 during the year.

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### 46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial risk management objectives

The Group's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

#### Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in Crores)				
Foreign currency exposure	As at March 31, 2017		As at March 31, 2016	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.27	0.83	0.39	0.06
EURO	0.27	0.04	0.20	0.01
GBP	0.11	0.07	0.28	0.04
JPY	-	7.44	-	3.13
Others	0.14	0.62	0.02	4.12

(in Crores)		
Foreign currency exposure	As at January 1, 2015	
	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.01	0.01
EURO	0.08	0.01
GBP	-	0.01
JPY	-	1.75

#### Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

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Currency	As at March 31, 2017		As at March 31, 2016	
	5% increase	5% decrease	5% increase	5% decrease
<b>Receivable</b>				
USD	<b>(0.89)</b>	<b>0.89</b>	(1.29)	1.29
EURO	<b>(0.92)</b>	<b>0.92</b>	(0.75)	0.75
GBP	<b>(0.45)</b>	<b>0.45</b>	(1.33)	1.33
Others	<b>(0.14)</b>	<b>0.14</b>	(0.02)	0.02
<b>Payable</b>				
USD	<b>2.69</b>	<b>(2.69)</b>	0.19	(0.19)
EURO	<b>0.14</b>	<b>(0.14)</b>	0.04	(0.04)
GBP	<b>0.28</b>	<b>(0.28)</b>	0.19	(0.19)
JPY	<b>0.21</b>	<b>(0.21)</b>	0.09	(0.09)
Others	<b>0.12</b>	<b>(0.12)</b>	0.02	(0.02)
Impact on profit or loss as at the end of the reporting year/period	<b>1.04</b>	<b>(1.04)</b>	(2.86)	2.86
Impact on total equity as at the end of the reporting year/period (net of tax)	<b>0.68</b>	<b>(0.68)</b>	(1.87)	1.87

Currency	As at January 1, 2015	
	5% increase	5% decrease
<b>Receivable</b>		
USD	(0.04)	0.04
EURO	(0.31)	0.31
<b>Payable</b>		
USD	0.03	(0.03)
EURO	0.05	(0.05)
GBP	0.04	(0.04)
JPY	0.05	(0.05)
Impact on profit or loss as at the end of the reporting year	(0.19)	0.19
Impact on total equity as at the end of the reporting year/period (net of tax)	(0.13)	0.13

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in note no. 16 above.

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

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### Movement in the expected credit loss allowance of financial assets

	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Balance at beginning of the year	0.43	0.43
Less: Reversals of provision	0.18	-
Balance at end of the year	0.25	0.43

### Other price risks including interest rate risk

The Group has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, etc. The Group is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

### NAV price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

- profit for the year ended March 31, 2017 would increase/decrease by Rs. 31.97 crores (for the fifteen months ended March 31, 2016: increase/decrease by Rs. 18.08 crores).

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Since the Group's borrowings which are affected by interest rate fluctuation is very insignificant to the size and operations of the Group, therefore, a change in interest rate risk does not have a material impact on the Group's financial statements in relation to fair value of financial instruments.

### Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Maturity profile of financial liabilities:

Particulars	As at March 31, 2017			Total
	Less than 1 year	1 to 5 years	>5 years	
Non-current other financial liabilities	-	-	7.16	7.16
<b>Current</b>				
(i) Borrowings	44.41	-	-	44.41
(ii) Trade payables	832.74	-	-	832.74
(iii) Other financial liabilities	142.40	-	-	142.40

Particulars	As at March 31, 2016			Total
	Less than 1 year	1 to 5 years	>5 years	
Non-current other financial liabilities	-	-	5.87	5.87
<b>Current</b>				
(i) Borrowings	22.57	-	-	22.57
(ii) Trade payables	723.22	-	-	723.22
(iii) Other financial liabilities	82.61	-	-	82.61



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Particulars	As at January 1, 2015			Total
	Less than 1 year	1 to 5 years	>5 years	
Non-current other financial liabilities	-	-	4.52	4.52
<b>Current</b>				
(i) Trade payables	482.21	-	-	482.21
(ii) Other financial liabilities	33.59	-	-	33.59

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

### 47. SHARE-BASED PAYMENTS

#### Employee share option plan of the Group

Eicher Employee Stock Option Plan is applicable to all permanent and full-time employees (as defined in the Plan), excluding promoters of the Group. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion.

Each employee share option converts into one equity share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

#### Details of the employee share option plan of the company

The following share-based payment arrangements were in existence during the current and prior years :

Option series	Number	Grant date	Vesting period	Expiry date	Exercise price	Fair value of options at grant date
					Rs.	Rs.
(ii)	2,08,900	22-Oct-07	3 Years	21-Oct-17	462.00	243.90
(iii)	40,000	29-Apr-10	1 Year	28-Apr-18	695.00	154.62
(iv)	15,400	8-Nov-10	3 Years	7-Nov-20	1,411.00	243.90
(v)	1,08,200	6-May-11	3-5 Years	5-May-21	1,162.00	625.14
(vi)	5,400	11-Feb-12	3-5 Years	10-Feb-22	1,770.00	967.06
(vii)	5,000	16-Dec-13	3-5 Years	15-Dec-23	4,915.00	2,522.03
(viii)	16,000	11-Aug-14	3-5 Years	10-Aug-24	8,477.50	4,336.33
(ix)	5,400	12-Nov-14	3-5 Years	11-Nov-24	12,993.65	6,555.65
(x)	2,000	12-Jan-15	1 Year	11-Jan-25	14,739.00	7,626.61
(xi)	20,300	12-Jan-15	3-5 Years	11-Jan-25	14,739.00	7,393.91
(xii)	4,500	20-Mar-15	3-5 Years	20-Mar-25	16,112.00	8,295.62
(xiii)	53,000	8-May-15	3-5 Years	7-May-25	14,807.00	7,741.96
(xiv)	6,590	21-Jul-15	3-5 Years	20-Jul-25	21,248.00	11,112.50
(xv)	7,800	6-Nov-15	3-5 Years	5-Nov-25	17,678.00	9,010.46
(xvi)	4,200	5-Feb-16	3-5 Years	4-Feb-26	16,894.00	8,565.87
(xvii)	2,400	27-Apr-16	3-5 Years	26-Apr-26	20,148.00	10,055.79
(xviii)	2,100	28-Jul-16	3-5 Years	27-Jul-26	20,340.00	10,437.06
(xix)	3,000	28-Oct-16	3-5 Years	27-Oct-26	24,492.00	11,753.96
(xx)	1,800	1-Feb-17	3-5 Years	31-Jan-27	23,028.00	10,875.64
(xxi)	3,500	27-Mar-17	3-5 Years	26-Mar-27	24,350.00	11,601.21

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## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is Rs. 22,751.16 (previous period: Rs. 15,599.37). Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3 years.

### Inputs into the model

	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)
<b>Grant date share price</b>	14,739	14,739	16,112	14,807	21,248	17,678
Exercise price	14,739	14,739	16,112	14,807	21,248	17,678
Expected volatility	37.78%-42.83%	31.91%-42.83%	37.66%-42.77%	34.40%-41.44%	34.45%-41.39%	34.30%-40.92%
Option life	1 Year	3-5 Years	3-5 Years	3-5 Years	3-5 Years	3-5 Years
Dividend yield	1.21%	1.21%	1.21%	0.94%	0.94%	0.94%
Risk-free interest rate	7.88%-7.90%	7.88%-7.95%	7.77%-7.78%	7.99%-8.03%	8.05%-8.14%	7.67%-7.71%

	(xvi)	(xvii)	(xviii)	(xix)	(xx)	(xxi)
<b>Grant date share price</b>	16,894	20,148	20,340	24,492	23,028	24,350
Exercise price	16,894	20,148	20,340	24,492	23,028	24,350
Expected volatility	33.54%-40.78%	33.65%-39.83%	32.04%-37.36%	31.91%-33.37%	31.34%-32.78%	30.73%-32.54%
Option life	3-5 Years	3-5 Years	3-5 Years	3-5 Years	3-5 Years	3-5 Years
Dividend yield	0.94%	0.94%	0.94%	0.89%	0.89%	0.89%
Risk-free interest rate	7.72%-7.85%	7.52%-7.60%	7.30%-7.38%	6.96%-7.01%	6.69%-6.85%	6.07%-6.28%

### Movements in share options during the year

	For the year ended March 31, 2017		For the fifteen months ended March 31, 2016	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	2,03,490	9,032.69	1,68,000	2,419.19
Granted during the year	12,800	22,751.61	98,390	15,599.37
Forfeited during the year	(10,550)	14,662.45	(6,500)	8,477.50
Exercised during the year	(49,066)	1,171.37	(56,400)	852.50
Expired during the year	-	-	-	-
<b>Balance at end of the year</b>	<b>1,56,674</b>	<b>12,236.35</b>	2,03,490	9,032.69

### Share options exercised during the year

The following share options were exercised during the year and previous year/period:

Option series	Number exercised	Exercise date	Share price at exercise date Rs.
<b>For the year ended March 31, 2017</b>			
(vi) Granted on February 11, 2012	1,800	05/05/2016	1,770
(iii) Granted on April 29, 2010	3,000	28/07/2016	695
(v) Granted on May 06, 2011	32,100	28/07/2016	1,162
(ii) Granted on October 22, 2007	2,500	28/10/2016	462
(iii) Granted on April 29, 2010	3,000	28/10/2016	695
(iii) Granted on April 29, 2010	5,000	01/02/2017	695
(vii) Granted on December 16, 2013	1,666	01/02/2017	4,915
	<b>49,066</b>		

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Option series	Number exercised	Exercise date	Share price at exercise date Rs.
<b>For the fifteen months ended March 31, 2016</b>			
(ii) Granted on October 22, 2007	2,500	13/02/2015	462
(ii) Granted on October 22, 2007	7,000	08/05/2015	462
(v) Granted on May 06, 2011	28,100	08/05/2015	1,162
(ii) Granted on October 22, 2007	10,700	06/11/2015	462
(vi) Granted on February 11, 2012	1,000	06/11/2015	1,770
(ii) Granted on October 22, 2007	6,300	05/02/2016	462
(vi) Granted on February 11, 2012	800	05/02/2016	1,770
	<b>56,400</b>		

### Share options outstanding at end of the year

Option series	Options outstanding		Remaining contractual life		Exercise price Rs.
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	
(ii) 22-Oct-07	500	3,000	0.56	1.56	462
(iii) 29-Apr-10	29,000	40,000	1.08	2.08	695
(iv) 8-Nov-10	-	-	3.61	4.61	1,411
(v) 6-May-11	-	32,100	4.10	5.10	1,162
(vi) 11-Feb-12	1,800	3,600	4.87	5.87	1,770
(vii) 16-Dec-13	3,334	5,000	6.71	7.71	4,915
(viii) 11-Aug-14	16,000	16,000	7.37	8.37	8,478
(ix) 12-Nov-14	2,400	5,400	7.62	8.62	12,994
(x) 12-Jan-15	2,000	2,000	7.79	8.79	14,739
(xi) 12-Jan-15	20,300	20,300	7.79	8.79	14,739
(xii) 20-Mar-15	1,500	4,500	7.98	8.98	16,112
(xiii) 8-May-15	48,450	53,000	8.11	9.11	14,807
(xiv) 21-Jul-15	6,590	6,590	8.31	9.31	21,248
(xv) 6-Nov-15	7,800	7,800	8.61	9.61	17,678
(xvi) 5-Feb-16	4,200	4,200	8.85	9.85	16,894
(xvii) 27-Apr-16	2,400	-	9.08	-	20,148
(xviii) 28-Jul-16	2,100	-	9.33	-	20,340
(xix) 28-Oct-16	3,000	-	9.58	-	24,492
(xx) 1-Feb-17	1,800	-	9.84	-	23,028
(xxi) 27-Mar-17	3,500	-	9.99	-	24,350
	<b>1,56,674</b>	2,03,490			

Option series	Options outstanding		Remaining contractual life	Exercise price Rs.
	As at January 1, 2015	As at January 1, 2015		
(ii) 22-Oct-07	29,500	2.81	462	
(iii) 29-Apr-10	40,000	3.33	695	
(iv) 8-Nov-10	-	5.86	1,411	
(v) 6-May-11	60,200	6.35	1,162	
(vi) 11-Feb-12	5,400	7.12	1,770	
(vii) 16-Dec-13	5,000	8.96	4,915	
(viii) 11-Aug-14	22,500	9.62	8,478	
(ix) 12-Nov-14	5,400	9.87	12,994	
	<b>1,68,000</b>			

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#### 48. DISCLOSURE IN RESPECT OF OPERATING LEASES:

##### (A) Assets taken on lease:

The Group has taken certain premises under various operating lease agreements. The total lease rental recognised as expense aggregate to Rs. 30.13 crores (Rs. 28.35 crores).

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Not later than one year	7.54	9.03	5.68
Later than one year and not later than five years	6.73	6.29	7.99

##### (B) Assets given on lease:

The Group has given assets under operating lease agreement to its joint venture Group "Eicher Polaris Private Limited". The total lease rental recognised as income aggregate to Rs. 2.78 crores (Rs. 3.28 crores).

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Not later than one year	2.92	2.78	2.61
Later than one year and not later than five years	13.20	12.57	11.84
Later than five years	3.72	7.27	11.45

#### 49. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	As at March 31, 2017	For the fifteen months ended March 31, 2016
(a) Gross amount required to be spent	18.33	8.36
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	18.09	8.99
(c) Administrative expenses	0.24	-

#### 50. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:

Particulars	SBNs	(in Rs.)	
		Other Denomination Notes	Total
Closing cash in hand as on 8.11.2016	3,81,000	25,787	4,06,787
(+) Permitted receipts		1,07,276	1,07,276
(-) Permitted payments		56,857	56,857
(-) Amount deposited in Banks	3,81,000		3,81,000
Closing cash in hand as on 30.12.2016	-	76,206	76,206

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**51.** Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Share of net assets As at March 31, 2017		Share of profit or loss For the year ended March 31, 2017	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
<b>Parent</b>				
Eicher Motors Limited	73.23%	3,914.45	93.41%	1,557.17
<b>Subsidiaries</b>				
Foreign				
1. Royal Enfield North America Limited	-0.70%	(37.22)	-1.74%	(29.02)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	-0.11%	(5.64)	-0.27%	(4.54)
<b>Joint Ventures (investment as per the equity method)</b>				
Indian				
1. VE Commercial Vehicles Limited	29.29%	1,565.42	11.37%	189.47
2. Eicher Polaris Private Limited	-1.72%	(91.94)	-2.76%	(46.00)

Name of the entity	Share of other comprehensive income For the year ended March 31, 2017		Share of total comprehensive income For the year ended March 31, 2017	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
<b>Parent</b>				
Eicher Motors Limited	3.35%	(0.08)	93.54%	1,557.09
<b>Subsidiaries</b>				
Foreign				
1. Royal Enfield North America Limited	-27.42%	0.67	-1.70%	(28.35)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	9.95%	(0.24)	-0.29%	(4.78)
<b>Joint Ventures (investment as per the equity method)</b>				
Indian				
1. VE Commercial Vehicles Limited	116.28%	(2.83)	11.21%	186.64
2. Eicher Polaris Private Limited	-2.15%	0.05	-2.76%	(45.95)

**52.** The figures for the current year are for twelve months from April 1, 2016 to March 31, 2017, whereas the corresponding previous period figures are for fifteen months from January 1, 2015 to March 31, 2016. As such corresponding figures for the previous period are not directly comparable with those of current year.

**53.** The Group and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**54.** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its jointly controlled entities.

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### 55. FIRST-TIME IND AS ADOPTION RECONCILIATIONS

#### 55.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016 and January 1, 2015

	Refer Notes in 55.6	As at March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	(a),(o)	2,547.68	(1,787.13)	760.55
(b) Capital work-in-progress	(o)	117.91	(84.60)	33.31
(c) Investment property	(i)	9.35	(4.79)	4.56
(d) Intangible assets	(o)	356.11	(327.07)	29.04
(e) Intangible assets under development	(l),(o)	291.88	(230.71)	61.17
(f) Financial assets				
(i) Investments	(j),(o)	1,134.15	1,666.63	2,800.78
(ii) Loans	(o)	2.25	(2.25)	-
(iii) Other financial assets	(c), (o)	117.97	(65.40)	52.57
(g) Income tax assets	(o)	298.54	(290.97)	7.57
(h) Other non-current assets	(a), (i), (c), (o)	194.76	(54.10)	140.66
<b>Total Non-Current Assets</b>		<b>5,070.60</b>	<b>(1,180.39)</b>	<b>3,890.21</b>
<b>Current assets</b>				
(a) Inventories	(o)	1,014.31	(705.92)	308.39
(b) Financial assets				
(i) Investments	(j)	494.78	88.12	582.90
(ii) Trade receivables	(o)	833.61	(800.97)	32.64
(iii) Cash and cash equivalents	(o)	576.57	(540.72)	35.85
(iv) Bank balances other than (iii) above	(o)	14.86	(1.54)	13.32
(v) Loans	(o)	9.41	(2.61)	6.80
(vi) Other financial assets	(o)	42.66	(37.02)	5.64
(c) Other current assets	(a), (i), (c),(o)	421.44	(358.18)	63.26
<b>Total Current Assets</b>		<b>3,407.64</b>	<b>(2,358.84)</b>	<b>1,048.80</b>
<b>Total Assets</b>		<b>8,478.24</b>	<b>(3,539.23)</b>	<b>4,939.01</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital		27.16	-	27.16
(b) Other equity	(j), (d), (k), (o)	3,437.13	188.80	3,625.93
<b>Total Equity</b>		<b>3,464.29</b>	<b>188.80</b>	<b>3,653.09</b>
Minority interest	(o)	1,156.85	(1,156.85)	-
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Other financial liabilities	(o)	13.50	(7.63)	5.87
(b) Provisions	(d), (o)	136.07	(106.40)	29.67
(c) Deferred tax liabilities (net)	(j), (d), (k), (o)	338.18	(302.33)	35.85
(d) Other non-current liabilities	(c),(o)	2.35	7.20	9.55
<b>Total Non-Current Liabilities</b>		<b>490.10</b>	<b>(409.16)</b>	<b>80.94</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	(o)	85.87	(63.30)	22.57
(ii) Trade payables	(k), (o)	2,497.10	(1,773.88)	723.22
(iii) Other financial liabilities	(o)	208.20	(125.59)	82.61
(b) Provisions	(o)	82.56	(56.09)	26.47
(c) Other current liabilities	(k), (o)	493.27	(143.16)	350.11
<b>Total Current Liabilities</b>		<b>3,367.00</b>	<b>(2,162.02)</b>	<b>1,204.98</b>
<b>Total Equity and Liabilities</b>		<b>8,478.24</b>	<b>(3,539.23)</b>	<b>4,939.01</b>

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 55.1 Effect of Ind AS Adoption on the balance sheet as at March 31, 2016 and January 1, 2015 (Contd.)

	Refer Notes in 55.6	As at January 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	(a), (b), (i), (o)	1,981.09	(1,585.19)	395.90
(b) Capital work-in-progress	(o)	236.34	(193.67)	42.67
(c) Investment property	(i)	10.55	(5.22)	5.33
(d) Other intangible assets	(o)	328.24	(316.31)	11.93
(e) Intangible assets under development	(o)	182.46	(165.79)	16.67
(f) Financial assets				
(i) Investments	(j), (o)	150.05	1,410.11	1,560.16
(ii) Loans	(o)	2.01	(2.01)	-
(iii) Other financial assets	(c), (o)	158.91	(96.91)	62.00
(g) Tax assets	(o)	206.08	(192.47)	13.61
(h) Other non-current assets	(a), (i), (c), (o)	246.00	(62.17)	183.83
<b>Total Non-Current Assets</b>		<b>3,501.73</b>	<b>(1,209.63)</b>	<b>2,292.10</b>
<b>Current assets</b>				
(a) Inventories	(o)	645.52	(441.56)	203.96
(b) Financial assets				
(i) Investments	(j)	917.09	81.51	998.60
(ii) Trade receivables	(o)	562.17	(551.47)	10.70
(iii) Cash and cash equivalents	(o)	349.55	(332.43)	17.12
(iv) Bank balances other than (iii) above		3.77	-	3.77
(v) Loans		1.47	(1.47)	-
(vi) Other financial assets		74.37	(70.93)	3.44
(c) Other current assets	(a), (i), (c), (o)	351.90	(278.94)	72.96
<b>Total - Current Assets</b>		<b>2,905.84</b>	<b>(1,595.29)</b>	<b>1,310.55</b>
<b>Total - Assets</b>		<b>6,407.57</b>	<b>(2,804.92)</b>	<b>3,602.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital		27.10	-	27.10
(b) Other equity	(b), (j), (d), (e), (k), (o)	2,488.76	239.69	2,728.45
<b>Total Equity</b>		<b>2,515.86</b>	<b>239.69</b>	<b>2,755.55</b>
Minority interest	(o)	1,085.06	(1,085.06)	-
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Other financial liabilities	(o)	12.93	(8.41)	4.52
(b) Provisions	(o)	72.83	(59.01)	13.82
(c) Deferred tax liabilities (net)	(b), (j), (k), (o)	239.35	(217.38)	21.97
(d) Other non-current liabilities	(o)	3.94	(3.94)	-
<b>Total Non-Current Liabilities</b>		<b>329.05</b>	<b>(288.74)</b>	<b>40.31</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	(o)	58.36	(58.36)	-
(ii) Trade payables	(k), (o)	1,512.67	(1,030.46)	482.21
(iii) Other financial liabilities	(o)	191.26	(157.67)	33.59
(b) Provisions	(e), (o)	248.47	(232.91)	15.56
(c) Other current liabilities	(k), (o)	466.84	(191.41)	275.43
<b>Total Current Liabilities</b>		<b>2,477.60</b>	<b>(1,670.81)</b>	<b>806.79</b>
<b>Total Equity and Liabilities</b>		<b>6,407.57</b>	<b>(2,804.92)</b>	<b>3,602.65</b>

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 55.2 Reconciliation of total equity as at March 31, 2016 and January 1, 2015

	Refer Notes in 55.6	As at March 31, 2016	As at January 1, 2015
Total equity under previous GAAP		3,464.29	2,515.86
Impact of accounting VECVL as per Equity method under Ind AS instead of line by line consolidation method hitherto followed	(o)	-	8.16
Reversal of dividend and dividend tax	(e)	-	154.46
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(j)	196.36	91.70
Deferral of revenue on future performance	(k)	(5.22)	(4.36)
Impact of discounting of provisions as per Ind AS 37	(d), (o)	7.18	1.91
Impact of change in estimated useful lives of property, plant and equipment		-	(11.64)
Tax adjustments	(b), (j), (d), (k), (o)	(9.52)	(0.54)
<b>Total equity under Ind AS</b>		<b>3,653.09</b>	<b>2,755.55</b>

### 55.3 Effect of Ind AS Adoption on the statement of profit and loss for the fifteen months ended March 31, 2016

	Refer Notes in 55.6	Fifteen months ended March 31, 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS statement of profit and loss
<b>Income</b>				
Revenue from operations (gross)	(k), (p)	17,188.36	(10,217.23)	6,971.13
Less: Excise duty	(f), (p)	1,499.70	(1,499.70)	-
Revenue from operations (net)		15,688.66	(8,717.53)	6,971.13
Other income	(j), (c), (p)	111.98	66.11	178.09
<b>Total Income</b>		<b>15,800.64</b>	<b>(8,651.42)</b>	<b>7,149.22</b>
<b>Expenses</b>				
Cost of raw materials consumed	(p)	8,568.83	(5,145.68)	3,423.15
Purchases of stock-in-trade	(p)	1,840.71	(1,766.67)	74.04
Change in inventories of finished goods, work-in-progress and stock-in-trade	(p)	(288.31)	226.26	(62.05)
Excise duty on sale of goods	(f), (p)	-	797.67	797.67
Employee benefits expenses	(m), (g), (p)	1,057.48	(707.27)	350.21
Finance costs	(d), (p)	9.04	(6.92)	2.12
Depreciation and amortisation expenses	(a), (p)	451.66	(315.06)	136.60
Other expenses	(a), (c), (d), (p)	2,062.73	(1,364.23)	698.50
<b>Total Expenses</b>		<b>13,702.14</b>	<b>(8,281.90)</b>	<b>5,420.24</b>
<b>Share of profit/(loss) of joint ventures</b>	(p)	<b>-</b>	<b>147.94</b>	<b>147.94</b>
<b>Profit before tax</b>		<b>2,098.50</b>	<b>(221.58)</b>	<b>1,876.92</b>
<b>Tax expense</b>				
Current tax		650.41	(125.72)	524.69
Minimum alternate tax (MAT) credit entitlement		(108.39)	108.39	-
Deferred tax	(j), (d), (k)	104.54	(90.35)	14.19
<b>Total Tax Expense</b>	(p)	<b>646.56</b>	<b>(107.68)</b>	<b>538.88</b>
<b>Profit for the period</b>		<b>1,451.94</b>	<b>(113.90)</b>	<b>1,338.04</b>
<b>Minority interest</b>	(p)	<b>174.06</b>	<b>(174.06)</b>	<b>-</b>
<b>Net profit after taxes and share of profit/(loss) of joint ventures</b>		<b>1,277.88</b>	<b>60.16</b>	<b>1,338.04</b>



# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

	Refer Notes in 55.6	Fifteen months ended March 31, 2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS statement of profit and loss
<b>Other comprehensive income</b>				
Items that may be reclassified to profit or loss:				
Exchange differences in translating the financial statements of foreign operations		-	(0.09)	(0.09)
Income tax effect	(n), (p)	-	0.03	0.03
Share of other comprehensive income in joint ventures (net of tax)	(p)	-	0.23	0.23
		<b>-</b>	<b>0.17</b>	<b>0.17</b>
Items that will not be reclassified to profit or loss:				
Re-measurement gains (losses) on defined benefit plans	(g)	-	(0.71)	(0.71)
Income tax effect	(g)	-	0.25	0.25
Share of other comprehensive income in joint ventures (net of tax)	(p)	-	(0.10)	(0.10)
		<b>-</b>	<b>(0.56)</b>	<b>(0.56)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>1,277.88</b>	<b>59.77</b>	<b>1,337.65</b>

### 55.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

Profit and Loss reconciliation	Refer Notes in 55.6	For the fifteen months ended March 31, 2016
<b>Profit as per previous GAAP</b>		1,277.88
Impact of accounting VECVL as per Equity method under Ind AS instead of line by line consolidation method hitherto followed	(o)	(21.31)
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(j)	104.66
Impact of discounting of provisions as per Ind AS 37	(d), (p)	5.27
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to "Other Comprehensive Income"	(g)	0.87
Deferral of revenue on future performance	(k)	(0.86)
Impact of recognising the cost of the employee stock option scheme at fair value	(m)	(23.29)
Tax adjustments	(j), (d), (k), (p)	(5.18)
<b>Profit after tax as reported under Ind AS</b>		<b>1,338.04</b>
Other comprehensive income/(expense) (net of tax)	(g), (n), (p)	(0.39)
<b>Total comprehensive income as reported under Ind AS</b>		<b>1,337.65</b>

Note : Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

### 55.5 Cash flow statements

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS other than following cash flows of VE Commercial Vehicles Limited and Eicher Polaris Private Limited for the period ended March 31, 2016 which were fully/proportionately consolidated under previous GAAP @100% and @50% respectively, whereas in Ind AS, these are not considered for the consolidated cash flow statement as equity method is applied on the jointly controlled entities.

Particulars	VECV	EPPL
	For the fifteen months ended March 31, 2016	For the fifteen months ended March 31, 2016
Cash flow from operating activities	854.90	(79.23)
Cash flow from investing activities	(412.01)	(136.32)
Cash flow from financing activities	(2.69)	(0.01)

### 55.6 Notes to the reconciliations

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>(a) Leasehold land being considered as operating lease opposed to fixed assets under IGAAP</b>				
<b>On Balance sheet</b>				
Property, plant and equipment	Decrease	(87.33)	(86.25)	
Other non-current assets	Increase	86.21	85.34	
Other current assets	Increase	1.12	0.91	
<b>On Statement of profit and loss</b>				
Depreciation expense	Decrease			(1.12)
Rent expense	Increase			1.12
<b>(b) Providing depreciation on fixed assets over estimated useful life which generally is in accordance with the useful life specified in schedule II to the Companies Act, 2013</b>				
<b>On Balance sheet</b>				
Property, plant and equipment	Decrease	(5.80)		
Deferred tax liability on accelerated depreciation	Decrease	(2.01)		
<b>On equity</b>				
	Decrease	(3.79)		
<b>(c) Recognition of financial instruments comprising of security deposits, employee loan, etc. at their fair value as opposed to transition values as considered under IGAAP</b>				
<b>On Balance sheet</b>				
<b>Non-current</b>				
<b>Financial assets</b>				
Other financial assets (security deposits)	Decrease	(2.49)	(2.66)	
Other non-current assets (Prepayment security deposits)	Increase	2.11	2.12	
Other current assets (Prepayment security deposits)	Increase	0.38	0.54	

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>On statement of profit and loss</b>				
Interest income	Increase			0.59
Rent expense	Increase			0.59
<b>(d) Recognising provision for warranty at present value as opposed to without discounting under IGAAP</b>				
<b>On Balance sheet</b>				
<b>Non-current</b>				
<b>Long-term provisions</b>				
Provisions for warranties	Decrease		(2.21)	
<b>Deferred tax liability</b>	Increase		0.76	
<b>On equity</b>	Increase		1.45	
<b>On statement of profit and loss</b>				
Interest expense	Increase			0.71
Warranty expense	Decrease			(2.92)
Profit before tax	Increase			2.21
Tax expense	Increase			0.76
Profit after tax	Increase			1.45
<b>(e) Dividends including tax thereon are recognised when declared by the members in a general meeting as opposed to recognition on recommendation by the board of directors under IGAAP</b>				
<b>On Balance sheet</b>				
<b>Current</b>				
Short-term provisions	Decrease	(154.46)		
On equity	Increase	154.46		
<b>(f) Excise duty on sale of products to be presented separately on the face of statement of profit and loss as opposed to netting it off from revenue from operations under IGAAP</b>				
<b>On statement of profit and loss</b>				
Revenue from operations	Increase			797.67
Excise duty on sale of products	Increase			797.67

**NOTES****FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>(g) Actuarial gains and losses to be recognised in other comprehensive income instead of statement of profit and loss</b>				
<b>On statement of profit and loss</b>				
Employee benefit expense	Decrease			(0.71)
Profit before tax	Increase			0.71
Tax expense	Increase			0.25
Profit after tax	Increase			0.46
<b>On Other comprehensive income</b>				
Remeasurement of the net defined liability/asset (Net of tax)	Decrease			(0.46)
<b>(h) Plant and machinery given under lease were re-classified from investment property to property, plant and equipment</b>				
<b>On balance sheet</b>				
Property, plant and equipment	Increase	0.38		
Investment property	Decrease	(0.38)		
<b>(i) Leasehold land being considered as operating lease opposed to investment property under IGAAP</b>				
<b>On Balance sheet</b>				
Investment property	Decrease	(4.84)	(4.79)	
Non-current other assets	Increase	4.78	4.73	
Current other assets	Increase	0.06	0.06	
<b>On Statement of profit and loss</b>				
Depreciation expense	Decrease			(0.06)
Rent expense	Increase			0.06
<b>(j) Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)</b>				
<b>On Balance sheet</b>				
Investments in mutual funds - Non-current	Increase	10.19	108.24	
Investments in mutual funds - current	Increase	81.51	88.12	
<b>On equity</b>				
Deferred tax liability	Increase	5.42	8.76	

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>On Statement of profit and loss</b>				
Net gain on financial instruments at fair value through profit or loss	Increase			104.66
Profit before tax	Increase			104.66
Tax impact	Increase			3.34
Profit after tax	Increase			101.32
<b>(k) Impact of deferral of revenue on future performances</b>				
<b>On Balance sheet</b>				
Trade payables	Decrease	(8.10)	(9.08)	
Other current liabilities	Increase	12.46	14.30	
Deferred tax liability	Decrease	(1.51)	(1.80)	
<b>On equity</b>	Decrease	(2.85)	(3.42)	
<b>On Statement of profit and loss</b>				
Revenue from operation deferred	Decrease			(1.84)
Other selling and distribution expenses	Decrease			(0.98)
Profit before tax	Decrease			(0.86)
Tax impact	Decrease			(0.29)
Profit after tax	Decrease			(0.57)
<b>(l) Impact of grant received recognised as deferred income opposed to deduction from cost of respective asset</b>				
<b>On Balance sheet</b>				
Intangible assets under development	Increase		9.55	
Other non-current liabilities	Increase		9.55	
<b>(m) Impact of recognising equity settled share based payments using the intrinsic value</b>				
ESOP outstanding reserve	Increase		23.29	
<b>On Statement of profit and loss</b>				
Employee benefit expenses	Increase			23.29
Profit before tax	Decrease			23.29
Profit after tax	Decrease			23.29

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Impact under Ind AS on account off	Impact	As at January 1, 2015	As at March 31, 2016	For the fifteen months ended March 31, 2016
<b>(n) Foreign exchange difference on translation of foreign translation to be recognised in other comprehensive income instead of reserves</b>				
<b>On Balance sheet</b>				
Deferred tax liability	Increase	0.03		
<b>On Other comprehensive income</b>				
Exchange differences in translating the financial statements of foreign operations	Increase			0.09
Deferred tax expense	Increase			0.03

**(o) The following assets and liabilities of VE Commercial Vehicles Limited and Eicher Polaris Private Limited had been fully/proportionately consolidated under previous GAAP @100% and @50% respectively, whereas in Ind AS, these assets/liabilities are not considered for the consolidated financial statements as equity method is applied on the jointly controlled entities.**

Particulars	VECV		EPPL	
	As at March 31, 2016	As at March 31, 2016	As at January 1, 2015	As at January 1, 2015
<b>Non-current assets</b>				
(a) Property, plant and equipment	1,573.90	254.02	1,490.67	3.54
(b) Capital work-in-progress	82.37	4.46	124.43	138.49
(c) Other intangible assets	298.35	57.38	315.61	1.39
(d) Intangible assets under development	237.88	4.76	142.48	46.63
(e) Financial assets				
(i) Investments	0.05	-	0.05	-
(ii) Trade receivables	29.60	-	25.61	-
(iii) Loans	2.25	-	2.01	-
(iv) Other financial assets	74.71	12.07	119.14	0.54
(f) Tax assets	-	0.24	1.97	-
(g) Other non-current assets	133.03	26.97	129.82	50.91
<b>Current assets</b>				
(a) Inventories	694.72	22.40	441.56	-
(b) Financial assets				
(i) Trade receivables	798.27	0.09	540.26	-
(ii) Cash and cash equivalents	522.82	35.83	315.54	33.78
(iii) Bank balances other than above	-	3.08	-	-
(iv) Loans	2.61	-	1.47	-
(v) Other financial assets	36.96	0.11	70.86	0.13
(c) Other current assets	359.05	1.49	280.11	0.92
<b>Total Assets</b>	<b>4,846.57</b>	<b>422.90</b>	<b>4,001.59</b>	<b>276.33</b>

# NOTES

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	VECV		EPPL	
	As at March 31, 2016	As at March 31, 2016	As at January 1, 2015	As at January 1, 2015
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Other financial liabilities	7.63	-	8.41	-
(b) Provisions	103.58	1.22	58.79	0.44
(c) Deferred tax liabilities (net)	11.13	-	28.78	-
(d) Other non-current liabilities	2.35	-	3.94	-
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Short-term borrowings	63.30	-	58.36	-
(ii) Trade payables	1,781.14	21.58	1,033.00	7.13
(iii) Other financial liabilities	121.09	8.99	149.24	17.51
(b) Provisions	56.00	0.17	153.43	0.02
(c) Income tax liabilities (net)	8.04	-	-	0.02
(d) Other current liabilities	155.53	4.34	203.28	1.19
<b>Total Liabilities</b>	<b>2,309.79</b>	<b>36.30</b>	<b>1,697.23</b>	<b>26.31</b>
<b>Net Assets</b>	<b>2,536.78</b>	<b>386.60</b>	<b>2,304.36</b>	<b>250.02</b>

Under Ind AS, the investment in VE Commercial Vehicles Limited and Eicher Polaris Private Limited has been recognised at Rs. 1,383.14 crores and Rs. 175.30 crores respectively as at March 31, 2016 and Rs. 1,299.96 crores and Rs. 100.01 crores respectively as at January 1, 2015. Reconciliation on investment as per Ind AS and previous GAAP for VE Commercial Vehicles Limited is as below:

Particulars	VECV		EPPL	
	As at March 31, 2016	As at March 31, 2016	As at January 1, 2015	As at January 1, 2015
Share of net assets as per previous GAAP	1,380.01	193.30	1,253.57	125.01
Investment as per Ind AS	1,383.14	175.30	1,299.96	100.01
<b>Difference</b>	<b>(3.13)</b>	<b>18.00</b>	<b>(46.39)</b>	<b>25.00</b>
Dividend	-	-	40.80	-
Dividend tax	-	-	8.16	-
Discounting of warranty provision	3.25	-	1.25	-
Impact of change in useful life	-	-	(3.82)	-
Impact of tax on foreign currency translation on foreign operations	(0.12)	-	-	-
Advances given for shares	-	(18.00)	-	(25.00)
<b>Net Difference</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(p) The following are the income and expenses of VE Commercial Vehicles Limited and Eicher Polaris Private Limited for the period ended March 31, 2016. These had been fully/proportionately consolidated under previous GAAP @100% and @50% respectively, whereas in Ind AS, these items of statement of profit and loss are not considered for the consolidated financial statements as equity method is applied on the jointly controlled entities.

**NOTES****FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	VECV	EPPL
	For the fifteen months ended March 31, 2016	For the fifteen months ended March 31, 2016
<b>Income</b>		
Revenue from operations (net)	9,623.94	18.62
Other income	41.42	3.21
<b>Total Income</b>	<b>9,665.36</b>	<b>21.83</b>
<b>Expenses</b>		
Cost of materials consumed	6,795.57	16.70
Employee benefits expenses	717.01	25.68
Finance costs	7.63	0.00
Depreciation and amortisation expenses	302.38	23.00
Other expenses	1,349.41	37.28
Tax expenses	111.64	0.19
<b>Total expenses</b>	<b>9,283.64</b>	<b>102.85</b>
<b>Profit for the period</b>	<b>381.72</b>	<b>(81.02)</b>
Other comprehensive income	-	-
<b>Total comprehensive income/loss</b>	<b>381.72</b>	<b>(81.02)</b>

Under Ind AS the share of profit/(loss) of VE Commercial Vehicles Limited and Eicher Polaris Private Limited has been recognised at Rs. 188.47 crores and Rs. (40.53) crores respectively for the fifteen months ended March 31, 2016. Reconciliation as per Ind AS and previous GAAP for VE Commercial Vehicles Limited and Eicher Polaris Private Limited is as below:

Particulars	VECV	EPPL
	For the fifteen months ended March 31, 2016	For the fifteen months ended March 31, 2016
Share of profits/(loss) as per previous GAAP	207.66	(40.51)
Share of profits/(loss) as per Ind AS	188.47	(40.53)
<b>Difference</b>	<b>19.19</b>	<b>0.02</b>
Impact of accounting VECVL as per Equity method under Ind AS instead of line by line consolidation method	(21.31)	-
Discounting of provisions (net of tax)	2.00	-
Reclassification of actuarial (gain)/loss in respect of defined benefit plan to other comprehensive income	0.12	(0.02)
<b>Net Difference</b>	<b>-</b>	<b>-</b>

For and on behalf of Board of Directors

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

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

**S. Sandilya**  
Chairman  
DIN: 00037542

**Siddhartha Lal**  
Managing Director  
DIN: 00037645

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

**Prateek Jalan**  
Director  
DIN: 02170139

**Manvi Sinha**  
Director  
DIN: 07038675

**Priya Brat**  
Director  
DIN: 00041859

Place: Gurugram  
Date: May 5, 2017



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OVERVIEW OF PERFORMANCE

**VE COMMERCIAL  
VEHICLES LIMITED**

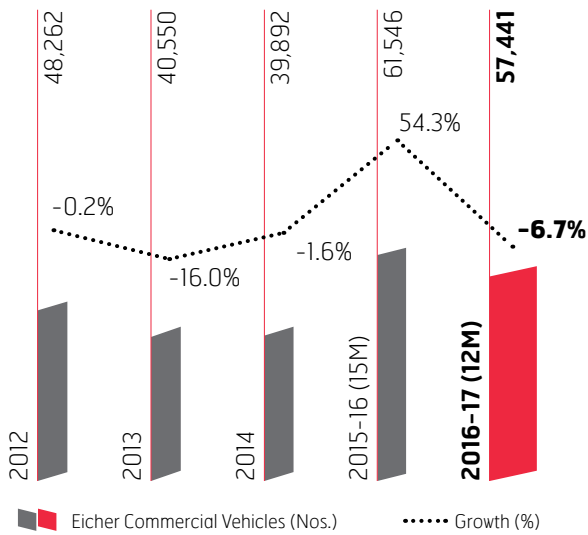
A SUBSIDIARY OF THE COMPANY



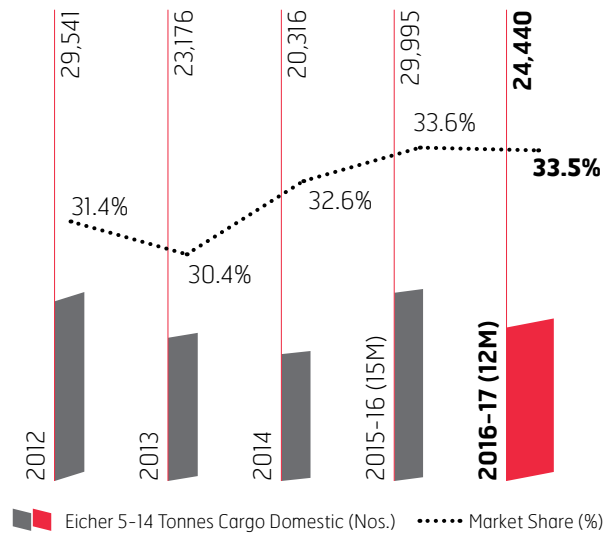
# PERFORMANCE HIGHLIGHTS

## OF VE COMMERCIAL VEHICLES LIMITED

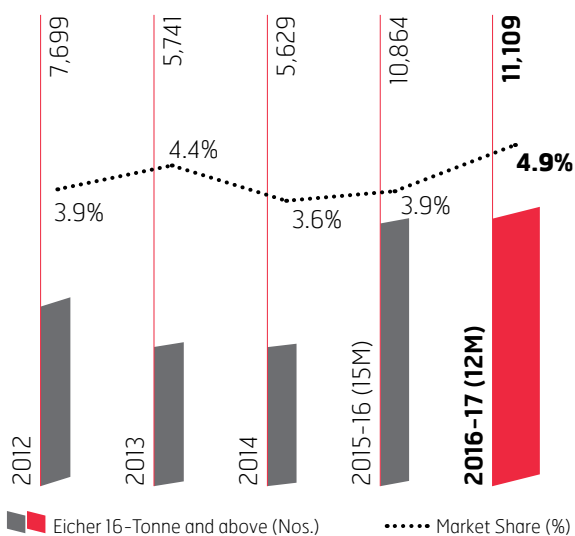
**Chart 1: Eicher Commercial Vehicles and Growth**



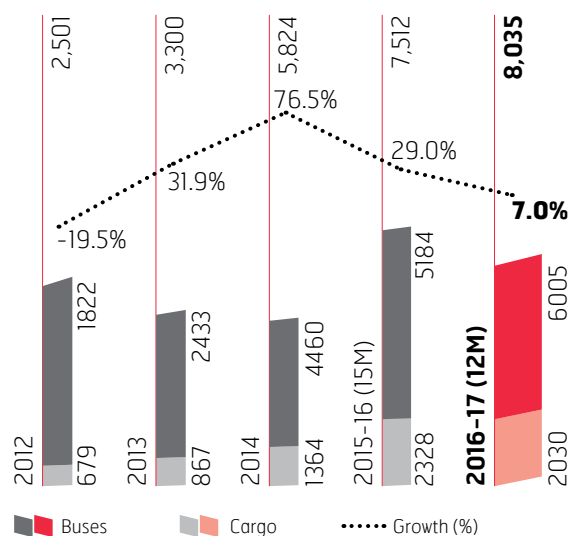
**Chart 2: Eicher 5-14 Tonnes Cargo Domestic and Market Share**



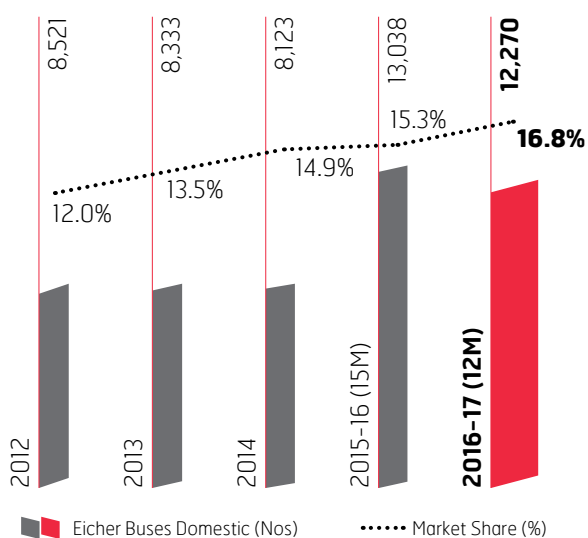
**Chart 3: Eicher 16-Tonne and above Cargo Domestic and Market Share**



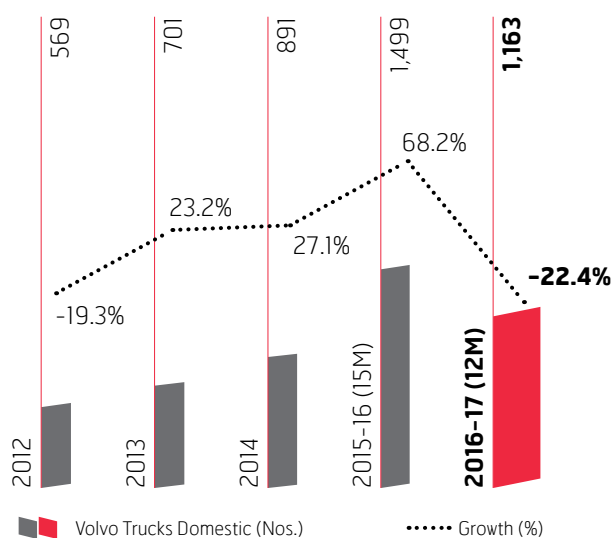
**Chart 4: Eicher Exports: Cargo/Buses and Growth**



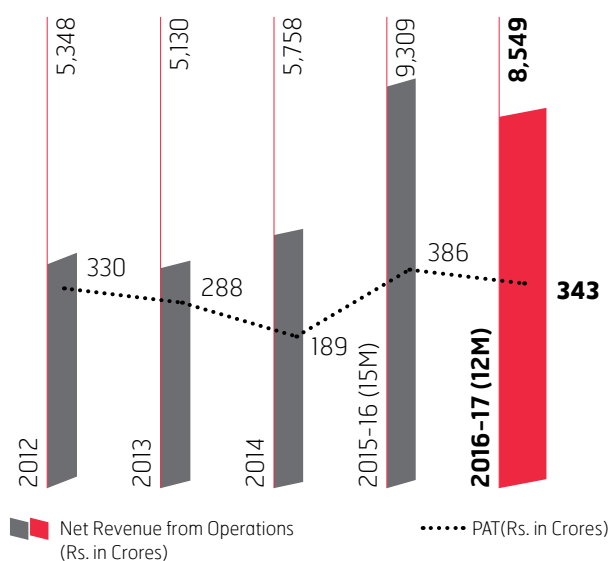
**Chart 5: Eicher Buses Domestic and Market Share**



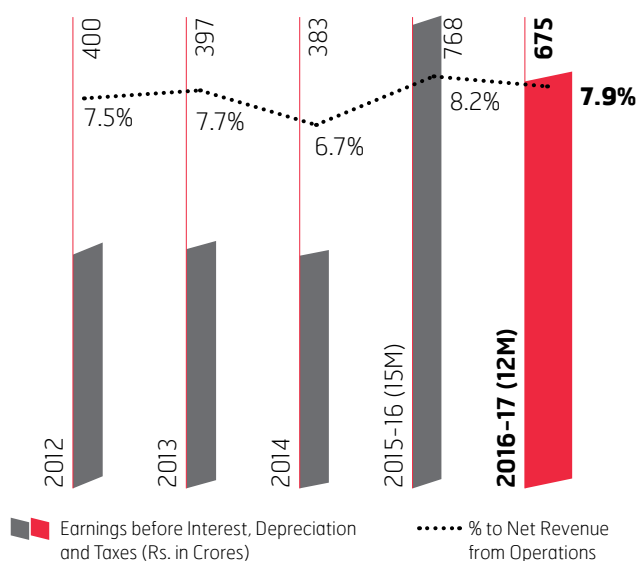
**Chart 6: Volvo Trucks Domestic and Growth**



**Chart 7: Net Revenue from Operations and Profit after Tax**



**Chart 8: Earnings before Interest, Depreciation and Taxes and percentage to Net Revenue from Operations**



# BUSINESS HIGHLIGHTS AND FUTURE PROSPECTS



## **EICHER TRUCKS AND BUSES (ETB)**

The demand for the trucks is directly linked to the growth of the economy and particularly in sectors like roads and constructions, mining, power and ports, agricultural as well as infrastructure projects. Growth in these sectors has facilitated improved performance of the Company during the period under review. ETB has achieved highest ever sales of 57,441 units in the financial year ended on March 31, 2017. ETB did very well in all segments during the period under review and achieved market share in Light Medium Duty trucks (5-15 Tonnes) of 33.5% in 2016-17 compared to 33.6% in 2015-16 despite intense competition, 4.9% in Heavy Duty trucks, up from 3.9% in 2015-16, and 16.8% Buses compared to 15.3% in 2015-16.

The domestic commercial vehicles industry slowed down in the first quarter of 2016-17 and turned negative in Q2 and Q3 before recovering in Q4. The Company believes in high focus on competitive growth as well as market development to build share in key segments such as e-commerce, mining, infrastructure, construction, allied segments, parcel and courier, FMCG, white goods, etc. which are critical for sustained growth and long-term value creation. While focussing on key segments, the Company continues to invest significantly, developing the market in these segments to drive future growth.

ETB plant has embarked on its journey to be a world-class Commercial Vehicles (CV) manufacturer. Technology infusion and capacity enhancement were done by adding new assembly lines to upgrade plant for catering upcoming volume and quality requirements. With the introduction of BS-IV variants across the entire range of trucks and buses and installation of 84,000 per annum capacity, ETB is ready to deliver higher production in 2017-18. ETB has successfully completed start of production (SOP) of new models like Pro 5000 and successful migration to BS-IV with high focus on cost and quality. Attaining Customer Satisfaction India No.1 position, while retaining agility and highest level of flexibility in supply chain remains the top priority for ETB.

## **VOLVO TRUCKS INDIA (VTI)**

Industry volumes in the high performance trucks were impacted in 2016-17 as demand for coal did not pick up as per initial estimates. Coal production growth is expected to be approximately 3% in financial year 2016-17 versus 4.4% in 2015-16. However, in March 2017, the industry volumes grew by 160% Year-on-Year (YoY) clocking around 500 units due to the liquidation efforts of BS-III truck stocks by all the players. In 2016-17, the Company expanded the business to new applications like granite, quarry and road construction, etc. thereby reducing our dependence on coal segment.

During the year under review, VolvoTruck sold 1,163 units, out of which 1,106 units were tippers. Volvo Trucks continues to be the preferred mining solution provider amongst the competition in 400 hp + segment and retained its leadership position with market share of 62.4%.

Business sentiment for 2017-18 is positive. Coal India Limited's target of one billion tonnes' coal production by 2020 remains intact. Ministry is mulling introduction of commercial coal mining. Some of the private coal blocks auctioned earlier are also likely to get operationalised. Infrastructure, construction and highways will be other key drivers. Iron ore mining and irrigation projects in states will also provide the Company an opportunity. Tractor sales slowly started picking up and proposed implementation of GST by July 2017 will enhance further demand for long haul trucks. The Company's ambition is to drive Volvo Trucks sales in the new application segments apart from coal overburden and over dimensional cargo segments. With Eicher trucks portfolio, Volvo Trucks will build volumes in mining segment and also grow the business through select construction segment accounts.

### **EICHER ENGINEERING COMPONENTS (EEC)**

The Company has made significant progress in total turnover with domestic as well as global customers including the captive businesses. During the financial year ended on March 31, 2017, EEC achieved a turnover growth of 20.9% on annualised basis.

The year 2017-18 is likely to witness further growth in businesses with the OEM customers with more efforts put in improving the share of business with the customers, development of new parts and assemblies, enhanced manufacturing technologies and productivity and meeting the increased requirements for strategic customers. The overall economy (India and US) is also buoyant signalling the increased demand overall.

EEC has gone ahead with its forward integration programme and is in the process of starting assembling transmissions for Eicher Trucks. This integration is expected to generate orders from other customers.

### **VE POWERTRAIN (VEPT)**

VE Powertrain (VEPT) has sold 23,711 engines in the financial

year 2016-17 as against 19,854 engines in the financial year 2015-16, thus registering a growth of 19.4% on annualised basis.

### **BUS BODY AND APPLICATION MANUFACTURING PLANT (BUS BODY PLANT)**

Bus Body plant has delivered 4,879 buses during the financial year as against 3,245 buses during financial year 2015-16 with a growth of 50% on annualised basis. This includes 897 buses of the newly launched platform of Skyline Pro Non-AC and AC and Midi buses. During the period under review, the plant productivity has been enhanced with man-days reduction by 18.8% per bus.

Bus Body Plant has taken major initiatives to promote the bus plant at all launch functions coupled with the visit of 400 key customers from domestic and export markets during this period. The new upgraded Starline range is now being produced in the bus plant.

### **EXPORTS**

The Company recorded the highest ever exports of 8,035 Eicher vehicles during the financial year 2016-17 as against 7,521 vehicles in financial year 2015-16. The CV exports out of India last year were led by South Asia. Certain markets such as Middle East and Africa were very subdued mainly on account of low oil prices, forex non availability and local currency depreciation. The Company recorded a growth of 7.0% over last year.



**CONSOLIDATED BALANCE SHEET**

VE COMMERCIAL VEHICLES LIMITED AS AT MARCH 31, 2017

Particulars	(Rs. in Crores)		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	<b>1,526.33</b>	1,537.15	1,440.84
(b) Capital work-in-progress	<b>175.91</b>	82.37	124.43
(c) Intangible assets	<b>430.45</b>	298.35	315.61
(d) Intangible assets under development	<b>191.25</b>	237.88	142.48
(e) Financial assets			
(i) Investments	<b>0.05</b>	0.05	0.05
(ii) Trade receivables	<b>8.90</b>	29.60	25.61
(iii) Loans	<b>1.91</b>	1.60	1.47
(iv) Other financial assets	<b>33.92</b>	70.52	115.43
(f) Income tax assets (net)	<b>-</b>	-	1.97
(g) Other assets	<b>165.82</b>	172.83	169.85
<b>Total non-current assets</b>	<b>2,534.54</b>	2,430.35	2,337.74
<b>Current assets</b>			
(a) Inventories	<b>662.77</b>	694.72	441.56
(b) Financial assets			
(i) Trade receivables	<b>1,029.61</b>	798.27	540.26
(ii) Cash and cash equivalents	<b>1,058.10</b>	522.82	315.54
(iii) Loans	<b>5.69</b>	2.61	1.47
(iv) Other financial assets	<b>42.96</b>	36.96	70.86
(c) Other assets	<b>363.44</b>	360.84	283.43
<b>Total current assets</b>	<b>3,162.57</b>	2,416.22	1,653.12
<b>Total assets</b>	<b>5,697.11</b>	4,846.57	3,990.86
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	<b>10.00</b>	10.00	10.00
(b) Other equity	<b>2,877.62</b>	2,532.53	2,379.63
<b>Total equity</b>	<b>2,887.62</b>	2,542.53	2,389.63
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	<b>9.75</b>	7.63	8.41
(b) Provisions	<b>124.62</b>	94.44	55.28
(c) Deferred tax liabilities (net)	<b>10.27</b>	14.52	26.29
(d) Other liabilities	<b>12.32</b>	2.35	3.94
<b>Total non-current liabilities</b>	<b>156.96</b>	118.94	93.92
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	<b>204.00</b>	63.30	58.36
(ii) Trade payables	<b>1,941.54</b>	1,781.14	1,033.00
(iii) Other financial liabilities	<b>221.22</b>	121.09	149.24
(b) Provisions	<b>85.85</b>	56.00	63.43
(c) Income tax liabilities (net)	<b>10.51</b>	8.04	-
(d) Other current liabilities	<b>189.41</b>	155.53	203.28
<b>Total current liabilities</b>	<b>2,652.53</b>	2,185.10	1,507.31
<b>Total liabilities</b>	<b>2,809.49</b>	2,304.04	1,601.23
<b>Total equity and liabilities</b>	<b>5,697.11</b>	4,846.57	3,990.86

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2017

Particulars	(Rs. in Crores)	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>INCOME</b>		
Revenue from operations	9,258.64	10,011.51
Other income	57.21	42.39
<b>Total Income</b>	<b>9,315.85</b>	10,053.90
<b>EXPENSES</b>		
Cost of raw materials consumed	4,850.50	5,246.38
Purchases of stock-in-trade	1,502.73	1,766.55
Change in inventories of finished goods, work-in-progress and stock-in-trade	50.42	(217.36)
Excise duty on sale of goods	709.25	702.03
Employee benefits expenses	651.25	716.91
Finance costs	18.59	10.67
Depreciation and amortisation expenses	269.70	300.03
Other expenses	819.50	1,029.37
<b>Total expenses</b>	<b>8,871.94</b>	9,554.58
<b>Profit before tax</b>	<b>443.91</b>	499.32
<b>Tax expense</b>		
Current tax	97.12	125.62
Minimum alternate tax (MAT) credit entitlement	(10.92)	(108.39)
Deferred tax charge	9.42	96.47
<b>Total tax expense</b>	<b>95.62</b>	113.70
<b>Profit for the year/period</b>	<b>348.29</b>	385.62
<b>Other comprehensive income</b>		
Items that may be reclassified to profit or loss:		
Exchange differences in translating the financial statements of foreign operations	(2.64)	0.64
Income tax effect	0.91	(0.22)
	(1.73)	0.42
Items that will not be reclassified to profit or loss:		
Re-measurement gains/(losses) on defined benefit plans	(5.31)	(0.33)
Income tax effect	1.84	0.11
	(3.47)	(0.22)
<b>Net other comprehensive income not to be reclassified to profit or loss</b>	<b>(5.20)</b>	0.20
<b>Total comprehensive income for the year/period, net of tax</b>	<b>343.09</b>	385.82
Earnings per share (of Rs. 10 each) (not annualised) in Rs.		
(a) Basic/diluted	<b>348.29</b>	385.62

# CONSOLIDATED CASH FLOW STATEMENT

## VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2017

Particulars	(Rs. in Crores)	
	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit after tax	348.29	385.62
Adjustments for:		
Current tax	97.12	125.62
Minimum alternate tax (MAT) credit entitlement	(10.92)	(108.39)
Deferred tax charge	9.42	96.47
Depreciation and amortisation expenses	269.70	300.03
Profit on sale of property, plant and equipment	(0.40)	(2.54)
Property, plant and equipment and intangible assets discarded	1.26	0.44
Loss on sale of property, plant and equipment	3.98	2.44
Exchange fluctuation of subsidiary company transferred to exchange loss pursuant to divestment	2.00	-
Exchange differences in translating the financial statements of foreign operations	(2.64)	0.68
Re-measurement gains (losses) on defined benefit plans	(5.31)	(0.33)
Profit on divestment of subsidiary company	(4.31)	-
Interest income	(44.52)	(33.52)
Finance costs	18.59	10.67
<b>Operating profit before changes in working capital</b>	<b>682.26</b>	<b>777.19</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in assets:</b>		
<b>Non-current</b>		
Trade receivables	20.70	(3.99)
Loans	(0.31)	(0.13)
Other financial assets	(2.96)	(0.28)
Other assets	(48.59)	(0.04)
<b>Current</b>		
Inventories	31.95	(253.16)
Trade receivables	(231.34)	(258.01)
Loans	(3.08)	(1.14)
Other financial assets	5.47	36.33
Other assets	(2.60)	(77.41)
<b>Adjustments for increase / (decrease) in liabilities:</b>		
<b>Non-current</b>		
Other financial liabilities	(16.77)	50.92
Provisions	30.18	39.16
Other liabilities	9.97	(1.59)
<b>Current</b>		
Trade payables	160.40	748.14
Other financial liabilities	100.13	(28.15)
Provisions	29.85	(7.43)
Other liabilities	33.88	(47.75)
<b>Cash generated from operating activities</b>	<b>799.14</b>	<b>972.66</b>
<b>Income taxes paid</b>	<b>(94.65)</b>	<b>(115.61)</b>
<b>Net cash flow from operating activities (A)</b>	<b>704.49</b>	<b>857.05</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital advances)	(374.92)	(493.82)
Sale of fixed assets	6.68	6.42
Investment in fixed deposits	39.56	45.19
Interest received	37.36	31.09
<b>Net cash flow from investing activities (B)</b>	<b>(291.32)</b>	<b>(411.12)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings (net)	140.70	4.94
Interest paid	(18.59)	(10.67)
Dividend paid	-	(193.75)
Tax on dividend	-	(39.17)
<b>Net cash flow from financing activities (C)</b>	<b>122.11</b>	<b>(238.65)</b>
<b>Net Increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>535.28</b>	<b>207.28</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	<b>522.82</b>	<b>315.54</b>
<b>Cash and cash equivalents at the end of the year/period</b>	<b>1,058.10</b>	<b>522.82</b>

Particulars	(Rs. in Crores)	
	As at March 31, 2017	As at March 31, 2016
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.11	0.13
Cheques/drafts on hand	19.37	58.26
<b>Balances with banks:</b>		
In current accounts	18.08	91.51
In deposit accounts	1,020.54	372.92
<b>Total cash and cash equivalents</b>	<b>1,058.10</b>	<b>522.82</b>



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OVERVIEW OF PERFORMANCE

**EICHER POLARIS  
PRIVATE LIMITED**

A JOINT VENTURE OF THE COMPANY



## BUSINESS HIGHLIGHTS



Eicher Motors Limited's 50:50 joint venture with Polaris Industries Inc. - Eicher Polaris Private Ltd (EPPL) launched Multix- India's first personal utility vehicle that combines personal mobility with cargo carrying capacity and power generation, a new 3-in-1 vehicle in June 2015. With Multix, EPPL intends to create a new category of Personal Utility Vehicles. With its manufacturing operations based in Jaipur, Rajasthan, EPPL has been expanding its distribution network across its target markets.

EPPL started its retail operations in August 2015. For the financial year under review, EPPL sold 1640 units. Its net revenue from operations were Rs. 37.31 crores for the year ended March 31, 2017. Earnings before Interest, Depreciation and Tax was Rs. (64.54) crores.

The distribution has been expanded steadily. The dealer count expanded from 30 dealers to 74 dealers. The distribution network now covers several new markets like Kerala, West Bengal, Odisha, Jharkhand and Assam.



The product is being appreciated for its versatility in international markets. Establishing distribution in international markets like Nepal, Bangladesh is in full swing. Given increasing acceptance of the product in India and abroad, the company expect steady growth in the years to come.

## CUSTOMER TESTIMONIALS



“Multix has become my mobile vegetable shop and is helping me to sell in nearby and remote villages. It is very convenient to load and unload material on Multix and its distinctive look attracts more customers.”

**Kaliyappan G Gopal**  
Salem, Vegetable Seller



“We use Multix to take Cables, Tools and labourers to the site. Some of the customer locations have very bad roads and the independent suspension of Multix comes very useful. It is helping us to cover remote areas without vehicle breakdown issues.”

**Santosh Somanandan**  
Ernakulam, Cable Service Provider



“I wanted a Family cum Business Vehicle fitting my budget ever since I saw Tata Xenon & Isuzu Dmax. Multix perfectly met my requirements. The load carrying capacity and mileage is far better than Maruti 800, which I used earlier. With Mutlix, I was able to save Rs. 90,000 in the first 6 months.”

**Velusamy Kandasamy**  
Namakkal, Organic Food Farmer



“There is enough space at the rear to carry the produce. I can simply fold the rear seats and carry more material when required. The high ground clearance of Multix enables me to reach inside the farmland easily. It is also suitable for my family of 5.”

**Paul PJ**  
Perumbavoor, Plantation Business

# NOTICE OF 35TH (THIRTY FIFTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 35<sup>th</sup> (Thirty Fifth) Annual General Meeting of the members of Eicher Motors Limited is scheduled to be held on Tuesday, August 8, 2017 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003 at 10:00 A.M. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 100 per equity share for the financial year ended March 31, 2017.
3. To appoint M/s. S R Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company.

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditors) Rules, 2014 and such other provisions as may be applicable, including any statutory modification(s) or re-enactment(s) thereof, approval of the shareholders be and is hereby accorded for appointment of M/s. S R Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number: FRN 301003E/E300005) as the Statutory Auditors of the Company for a period of five years, from the conclusion of 35<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 40<sup>th</sup> AGM of the Company to be held in the year 2022, subject to ratification of their appointment by the shareholders, if required, at every AGM at such remuneration plus service tax, out-of-pocket expenses, travelling and living expenses, etc. as may be determined by the Board of Directors of the Company.”

## SPECIAL BUSINESS:

4. To consider and approve payment of remuneration to Mr. Siddhartha Lal as Managing Director:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules framed thereunder read with Schedule V of the Act and subject to such provisions as may be applicable and subject to such approvals as may be required, consent of the shareholders be and is hereby accorded for payment of following remuneration to Mr. Siddhartha Lal

(DIN: 00037645) in the capacity of Managing Director for a period of one year with effect from May 1, 2017:

### A) Fixed Compensation:

- i. Salary and Allowances: Rs. 3.20 Crores (Rupees Three Crore Twenty Lac only) per annum.
- ii. Perquisite, including rent-free furnished accommodation, car with driver, club membership, reimbursement of medical expenses, leave travel concession and other perquisites in accordance with Company policies and tax incidence thereon.
- iii. Statutory contributions and Retirement benefits: As per applicable laws and Company policies.

### B) Commission:

As the Board of Directors of the Company may approve, upon recommendation of the Nomination & Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the remuneration to be paid to Mr. Siddhartha Lal (DIN: 00037645) in the capacity of Managing Director of the Company for his remaining term (until April 30, 2021) on the recommendations of Nomination & Remuneration Committee of the Company, provided the total remuneration of Mr. Siddhartha Lal for any financial year shall not exceed three percent (3%) of the profits of the Company calculated in the manner provided under Section 197 read with Section 198 and subject to other applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps and to do all such acts, deeds and things as it may consider necessary or expedient to give effect to this resolution.”

5. To consider and ratify remuneration of Cost Auditor payable for the financial year 2016-17:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 (“the Rules”),

remuneration payable to Mr. V Kalyanaraman, Cost Accountant (Membership No. 778), 4, Second Street, North Gopalapuram, Chennai-600 086, appointed by the Board of Directors as Cost Auditor of the Company to conduct audit of the cost records of the Company for the financial year 2016-17, amounting to Rs. 2,00,000/- (Rupees Two Lac only), plus service tax as applicable and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit be and is hereby ratified and confirmed.”

By order of the Board of Eicher Motors Limited

**Manhar Kapoor**

General Counsel & Company Secretary

Membership No. FCS 5564

Place: Gurugram

Date: May 5, 2017

CIN: L34102DL1982PLC129877

Regd. Off: 3<sup>rd</sup> Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110 017

Phone: 0124-4415600 Fax: 0124-4415807

Website: www.eichermotors.com

E-mail: investors@eichermotors.com

#### Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed herewith.
  2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE AT A POLL INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETE, STAMPED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) % OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**
  3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company in this regard.
  4. Corporates/other entities intending to send their respective authorised representative are requested to issue appropriate resolutions/authority letter, as applicable, authorising such representative to attend and vote at the Annual General Meeting.
  5. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain close from August 2, 2017 to August 8, 2017 (both days inclusive).
  6. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed August 1, 2017 as cut-off date for determining the Members who shall be entitled to vote through Remote e-voting or voting at the meeting. A person who is not a member as on the cut-off date shall treat this notice for information purpose only.
  7. The dividend, if approved by the shareholders shall be paid in the following manner:
    - a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on August 1, 2017;
    - b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests lodged with the Company on or before the close of business hours on August 1, 2017.
  8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  9. The amount of dividend remaining unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to financial year 2008 (April – December) and 2009 (January – December) to the IEPF within the stipulated time period. Shares on which Dividend remain unclaimed for seven consecutive years or more will also be transferred to IEPF as per Section 124 of the Act and rules made thereunder.
- Members who have not encashed their dividend warrants for the financial year 2010 (January – December) and onwards are advised to write to the Registrar immediately, for claiming dividends declared by the Company.

10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective Address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to Company's Registrar i.e. Link Intime India Pvt. Ltd. at 44, 2<sup>nd</sup> Floor, Community Centre, Narayana Industrial Area, Phase-I, New Delhi - 110 028. Beneficial owners holding shares in electronic form are requested to intimate change in Address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP). To support the "Green Initiative", members are requested to register/update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar along with their folio details.
12. Annual Report for financial year 2016-17 along with the Notice of the 35<sup>th</sup> Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participants(s) through electronic mode unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2016-17 along with Notice of the 35<sup>th</sup> Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent by other permissible modes. The process and manner of e-voting is provided under para-19 below.
13. Members may also note that the Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2016-17 is available on the Company's website [www.eichermotors.com](http://www.eichermotors.com) and on the website of the Registrar [www.linkintime.co.in](http://www.linkintime.co.in) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during 11:00 A.M. to 5:00 P.M. on any working day (Monday-Friday). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode, free of cost. For any communication, the shareholders may also write to the Company's investor email id: [investors@eichermotors.com](mailto:investors@eichermotors.com).
14. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) may write to the Company/Registrar for this facility. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
15. Guidelines for attending the ensuing Annual General Meeting of the Company:
  - a) Entry to the AGM Auditorium will be strictly against entry coupon available at the counters at the venue and against the exchange of duly filled in, signed and valid attendance slip. The shareholder/proxy need to present a valid photo identity proof such as PAN Card, Passport, Driving Licence, etc. at the time of attendance and for entry in the AGM Auditorium.
  - b) Any briefcase/bags/eatables or such other articles as may be ordered by the authorities are not allowed inside the AGM Auditorium.
16. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the Company between 11:00 A.M. and 5:00 P.M. on all working days (Monday-Friday) up to the date of AGM.
17. Members desirous of obtaining any information/ clarification on the matters provided in the Annual Report are requested to submit their query in writing to Mr. D.S. Mehta, Manager at the Registered Office of the Company at least 10 days before the date of the Meeting along with their folio number/client ID and DP ID and other details.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under Section 189 will be made available for inspection by members of the Company at the meeting. Certificate from the Auditors of the Company certifying that Employee Stock Option Plan, 2006 is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will also be made available for inspection at the meeting.
19. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to

exercise their right to vote on resolutions proposed to be considered at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot process shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting through ballot process.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on August 5, 2017 (9:00 A.M.) and ends on August 7, 2017 (5:00 P.M.). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 1, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
    - (i) Open email and open PDF file viz., "EML remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
    - (iii) Click on Shareholder-Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
    - (i) Initial password is provided in a separate sheet sent along with the Notice in below format:
 

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of para (A) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Eicher Motors Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [info@rdajuris.com](mailto:info@rdajuris.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

- VII. In case a shareholder is holding shares in demat mode, user ID is the combination of DP-ID & Client ID (DP-ID + Client ID). In case a shareholder is holding shares in physical mode, user ID is the combination of EVEN & Folio number (EVEN + Folio number).
- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of August 1, 2017.
- X. Any person, who acquires shares of the Company and becomes member of the Company after despatch of the notice and holding shares as of the cut-off date i.e. August 1, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investors@eichermotors.com](mailto:investors@eichermotors.com)
- However, if a member is already registered with NSDL for remote e-voting, then such member can use existing user ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot process.
21. Member(s) can choose only one mode of voting, i.e. either remote e-voting or voting through ballot process at the AGM. In case a member casts its vote through both the modes, voting done through remote e-voting shall prevail and voting done at the meeting through ballot process shall be treated as invalid.
22. Mr. Ranjeet Pandey, or in his absence, Mr. Awanish Dwivedi, Partners - M/s RDA & Associates, Company Secretaries shall act as Scrutinizer(s) to scrutinise the ballot voting and remote e-voting process in a fair and transparent manner.
23. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, through "Ballot Process"

for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

24. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast through ballot process at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated Scrutinizer's report within the prescribed time of the total votes cast in favour or against, if any, and submit the report to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
25. Result of voting (remote e-voting and voting through ballot process at the AGM) shall be declared within 48 hours from the time of conclusion of the meeting. The results along with the Scrutinizer's report would be displayed at the registered office of the Company, at the corporate office at #96, Sector 32, Gurugram - 122 001, Haryana and shall be intimated to the Stock Exchanges where securities of the Company are listed, Depositories and Registrar & Share Transfer Agent and will be displayed on the Company's website [www.eichermotors.com](http://www.eichermotors.com) and NSDL website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
26. Any query relating to voting including e-voting may be addressed to Mr. D.S. Mehta-Manager, at #96, Sector 32, Gurugram-122 001, Haryana (Contact No. 0124-7102968, E-mail: [investors@eichermotors.com](mailto:investors@eichermotors.com)).

By order of the Board of Eicher Motors Limited

**Manhar Kapoor**

General Counsel & Company Secretary

Place: Gurugram

Membership No. FCS 5564

Date: May 5, 2017

CIN: L34102DL1982PLC129877

Regd. Off: 3<sup>rd</sup> Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi - 110 017

Phone: 0124-4415600 Fax: 0124-4415807

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

E-mail: [investors@eichermotors.com](mailto:investors@eichermotors.com)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4:**

Mr. Siddhartha Lal was re-appointed as the Managing Director of the Company with effect from May 1, 2016 for a period of five years in the Annual General Meeting (AGM) held on June 18, 2016. Mr. Siddhartha Lal, being a Non Resident Indian, his reappointment required approval of Ministry of Corporate Affairs and the same was obtained vide Central Government approval letter dated October 25, 2016.



The shareholders at the AGM held on June 18, 2016 had also approved remuneration of Mr. Siddhartha Lal as Managing Director of the Company for a period of one (1) year (from May 1, 2016 till April 30, 2017). The Board of Directors of the Company in their meeting held on May 5, 2017 had, subject to the approval of the shareholders in the 35<sup>th</sup> Annual General Meeting, approved payment of remuneration to Mr. Siddhartha Lal w.e.f. May 1, 2017 as Managing Director, in the manner as provided under business item no. 4 of the notice of this meeting.

#### **Brief profile of Mr. Siddhartha Lal:**

Mr. Siddhartha Lal is a graduate in Economics from St. Stephens College, Delhi University. He holds a Post-Graduate Diploma in Mechanical Engineering from Cranfield University, UK and has done Masters of Science in Automotive Engineering at the University of Leeds, UK.

Mr. Siddhartha Lal became the Chief Executive of Royal Enfield in the year 2000. He became Group Chief Operating Officer in January 2004. Subsequently, he took over as Chief Executive Officer of Eicher Group in the year 2006 and is presently the Managing Director & Chief Executive Officer of the Company.

His rich experience in the automotive industry, both in India and overseas, has endowed him with deep insights and expertise on the industry. Under the leadership of Mr. Siddhartha Lal, the Company has witnessed significant growth, both in terms of revenue and profits.

Revenue from operations of the Company has increased from Rs. 484.38 crores in financial year 2010 to Rs. 7,944.06 crores in financial year 2016-17. Profit before tax of the Company has increased from Rs. 86.61 crores in 2010 to Rs. 2,276.99 crores in 2016-17 and employee base has increased from 641 in 2010 to 2,274 as on March 31, 2017. During the financial year 2016-17, Company sold 6,66,493 motorcycles in comparison to 52,576 motorcycles sold in the year 2010.

#### **Other details about Mr. Siddhartha Lal:**

- Date of Birth: 14/10/1973
- Age: 43 Years
- Name of the Companies in which Mr. Siddhartha Lal holds Directorship and Chairmanship / Membership of Committees of the Board is as follows:

Sl. No.	Names of Companies	Designation on Board	Committees		
			Audit Committee	Stakeholder Relationship Committee	Other Committees
1.	Eicher Motors Limited	Managing Director	Member	-	Member - CSR Committee Chairman - Risk Management Committee
2.	VE Commercial Vehicles Limited	Director	-	-	Chairman - CSR Committee Chairman - Nomination & Remuneration Committee
3.	Eicher Polaris Private Limited	Director	-	-	-

#### **Major Awards & Recognitions of Mr. Siddhartha Lal in recent time:**

- NextGen Entrepreneur Award - Forbes India Leadership Award 2015
- India's Best CEO Award (small Companies/ Automobiles) - Business Today Mind Rush Awards, 2015
- CEO of the Year - Business Standard Awards 2016

#### **Under the leadership of Mr. Siddhartha Lal, following awards are won by Eicher Motors Limited in recent time:**

- Emerging Company of the Year Award - ET Awards 2015
- Best Company of the Year Award - Business Standard Annual Awards, 2015

Considering the significant contribution made by Mr. Siddhartha Lal towards the growth of the Company, it is proposed to approve payment of remuneration to Mr. Siddhartha Lal w.e.f. May 1, 2017, in the manner as provided under item no. 4 of the notice of this meeting.

The Board recommends resolutions set out under item no. 4 in the Notice of this meeting for approval of shareholders.

Mr. Siddhartha Lal is not related to any Director or Key Managerial Personnel of the Company. Except Mr. Siddhartha Lal, none of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in the proposed resolution.

The Notice read with Explanatory Statement should be considered as written Memorandum setting out the remuneration of Mr. Siddhartha Lal as Managing Director as required under Section 190 of the Companies Act, 2013.

- d) Shareholding in the Company: Mr. Siddhartha Lal holds 2,94,694 equity shares of the Company. He is part of promoter & promoter group. The promoter & promoter group in aggregate holds 1,37,62,184 equity shares in the Company constituting 50.58% of Company's total Capital.
- e) Remuneration for the financial year 2016-17:
- |                 |                   |
|-----------------|-------------------|
| Fixed Component | : Rs. 3.29 crores |
| Perquisites     | : Rs. 1.71 crores |
| Commission      | : Rs. 4.20 crores |
| Total           | : Rs. 9.20 crores |
- f) Date of first appointment on the Board: May 1, 2006.
- g) No. of Board meetings attended during previous financial year:
- Mr. Siddhartha Lal attended 5 (Five) out of 6 (Six) Board Meetings held during the financial year 2016-17.  
Mr. Siddhartha Lal also attended the Board meeting held on May 5, 2017 during the financial year 2017-18.

**Item No. 5:**

Pursuant to Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Board of Directors of the Company at their meeting held on July 28, 2016 approved the appointment of Mr. V Kalyanaraman, Cost Accountant, 4, Second Street, North Gopalapuram, Chennai-600 086 to conduct audit of cost records of the

Company for the financial year 2016-17. Board of Directors at their meeting held on May 5, 2017, subject to ratification by members at the 35<sup>th</sup> Annual General Meeting approved remuneration of Rs. 2,00,000/- (Rupees Two Lacs only), plus service tax and reimbursement of out-of-pocket expenses, payable to Mr. V Kalyanaraman for audit of cost records of the Company for the financial year 2016-17. The Board recommends ratification of remuneration of Cost Auditor, as above, by the members for financial year 2016-17 by passing an Ordinary Resolution as set out under business item no. 5 of the notice of this meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in the proposed resolution.

By order of the Board of Eicher Motors Limited

**Manhar Kapoor**

General Counsel & Company Secretary  
Membership No. FCS 5564

Place: Gurugram  
Date: May 5, 2017

CIN: L34102DL1982PLC129877  
Regd. Off: 3<sup>rd</sup> Floor-Select Citywalk  
A-3 District Centre, Saket  
New Delhi – 110 017  
Phone: 0124-4415600 Fax: 0124-4415807  
Website: www.eichermotors.com  
E-mail: investors@eichermotors.com

**Eicher Motors Limited**

CIN: L34102DL1982PLC129877

Registered Office: 3<sup>rd</sup> Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi - 110 017

Phone: 0124-4415600 Fax: 0124-4415807

Website: www.eichermotors.com, Email: investors@eichermotors.com

DP ID*	Client ID*/ Regd. Folio No.	No. of Shares Held	Name and Address of the Registered Shareholders
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I being the registered Shareholder / proxy for the registered Shareholder of the Company hereby record my presence at the 35<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003 at 10:00 A.M. on Tuesday, August 08, 2017 and at any adjournment(s) thereof.

\_\_\_\_\_  
Signature of Shareholder / proxy

\* Applicable for investors holding shares in electronic form

Note: The shareholder / proxy need to present a valid photo identity proof such as PAN Card, Passport, Driving Licence, etc. at the time of attendance and for entry in the AGM Auditorium.



**PROXY FORM**

**Eicher Motors Limited**

CIN: L34102DL1982PLC129877

Registered Office: 3<sup>rd</sup> Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi - 110 017

Phone: 0124-4415600 Fax: 0124-4415807

Website: www.eichermotors.com, Email: investors@eichermotors.com

**Form No. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s) :  
Regd. Address :  
Email :  
Folio No./DP ID/Client ID :

I/We, being the holder of ..... shares of the above-named Company, hereby appoint:

- Name: ..... Address:.....  
E-mail Id: ..... Signature:....., or failing him
- Name: ..... Address:.....  
E-mail Id: ..... Signature:....., or failing him
- Name: ..... Address:.....  
E-mail Id: ..... Signature:.....



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, August 8, 2017 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003 at 10:00 AM and at any adjournment thereof in respect of such resolutions as are stated below:

**Ordinary Business:**

1. To review, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2017 together with the reports of Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 100 per equity share for the financial year ended March 31, 2017.
3. To appoint M/s. S R Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company.

**Special Business:**

4. To consider and approve payment of remuneration to Mr. Siddhartha Lal as Managing Director.
5. To consider and ratify remuneration of Cost Auditor payable for the financial year 2016-17.

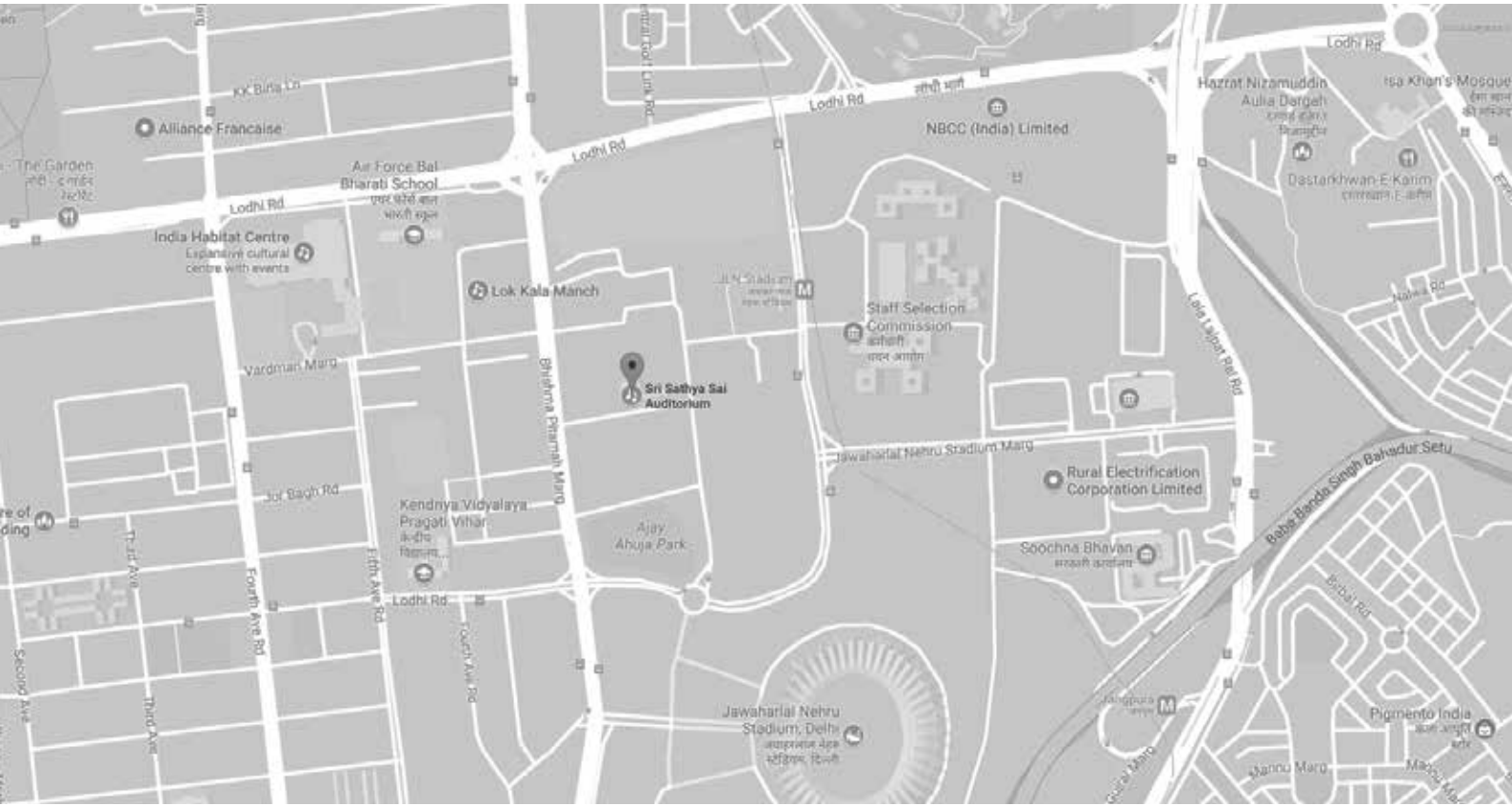
Signed this..... day of..... 2017

Signature of shareholder.....Signature of proxyholder (s).....

Affix Revenue Stamp of Re. 1/-
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Note: In order to be effective, this form should be deposited at the registered office of the Company, duly complete, stamped and signed, not less than 48 hours before the scheduled time of the meeting. A shareholder/proxy may vote either for or against each resolution.

## ROUTE MAP OF THE VENUE FOR ANNUAL GENERAL MEETING



### Venue for 35<sup>th</sup> Annual General Meeting

 **Sri Sathya Sai International Centre  
Pragati Vihar, Lodhi Road, New Delhi - 110 003  
(Landmark: Dayal Singh College / JLN Stadium Metro Station)**





**Eicher Motors Limited**

**Registered Office**

3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi - 100 017  
Tel: (011) 2956 3722

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[www.eichermotors.com](http://www.eichermotors.com)