

July 6, 2019

Online intimation/submission

The Secretary

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400 001
Security Code: 505200

The Secretary

National Stock Exchange of India Ltd

Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051
Symbol: EICHERMOT

Dear Sir/Madam,

Ref: Regulation 30 and Regulation 34 of SEBI (LODR) Regulations, 2015

Subject: Annual Report for the Financial Year 2018-19 and Notice of the 37th Annual General Meeting

Pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Annual Report for the Financial Year 2018-19 of Eicher Motors Limited ("the Company") along with Notice of the 37th Annual General Meeting of the Company scheduled to be held on Thursday, August 1, 2019 at 10.00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003. The said notice forming part of the Annual Report of the Company for the Financial Year 2018-19 ended March 31, 2019, is being dispatched to the shareholders and are also available on the website of the Company at www.eichermotors.com.

This is for your information and records.

Thanking you,

For Eicher Motors Limited



Manhar Kapoor

General Counsel & Company Secretary

Encl: a.a.



KEEP RIDING *PURE*



Eicher Motors Limited

Annual Report **2018-19**

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Shows you where you can find related information in the report



Shows you where you can find more information at www.eichermotors.com

Forward – looking statement

Certain statements used in this Report regarding the Company's business operations, industry, objectives, business strategy, management plans and expectations may be forward-looking statements. These statements can be identified by usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. These statements are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. The Company does not assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



To view the report online or to download visit www.eichermotors.com/annual-reports

Eicher Motors Limited (EML) owns the iconic Royal Enfield brand, the global leader in middleweight motorcycles and it has been making its distinctive motorcycles since 1901. Royal Enfield operates in India, and over 50 countries around the world. EML also has a joint venture with Sweden's AB Volvo - VE Commercial Vehicles Limited (VECV) - which is driving modernisation in India's commercial vehicle space, and in other developing countries. VECV has a complete range of trucks and buses from 3.5-49 tonnes.

CONSOLIDATED FINANCIAL HIGHLIGHTS*

Period of comparison

■ 1.4.2018 - 31.3.2019

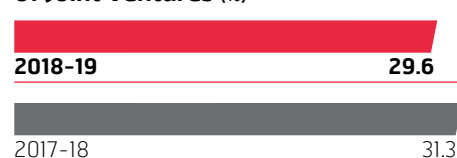
■ 1.4.2017 - 31.3.2018

Net Revenue from Operations (Rs. Crores)



9.3%

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 of Joint Venture - VECV (Rs. Crores)



0.7%

Total Comprehensive income including share of profits of Joint Venture (Rs. Crores)



1.1%

* Excluding discontinued operation of Eicher Polaris Private Limited

A vintage-style motorcycle is parked on a dirt path in a rural landscape. The background features a sunset with warm orange and yellow hues, silhouettes of trees, and a wooden fence. The foreground is a grassy field with some fallen leaves.

***TO ENCOURAGE,
ENABLE AND
KICKSTART
THE ACTIVE,
LIFELONG
PURSUIT OF
EXPLORATION***

*We believe that pure motorcycling unlocks
this pursuit, that's why - we keep riding pure*



RIDE / **Invite** people to
the world of pure
motorcycling

RIDE MORE / **Inspire** owners
to increase their
participation in this
wonderful pursuit

RIDE PURE / **Ally** with riders
for whom pure
motorcycling becomes
life's pursuit

EICHER MOTORS LIMITED

Eicher Motors Limited (EML), listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), is the owner of the iconic Royal Enfield brand. A global leader in mid-sized motorcycle segment, Royal Enfield is the oldest motorcycle brand in continuous production since 1901. With its distinctive range of simple yet engaging and accessible motorcycles, exhilarating community riding events and an ecosystem that introduces customers to the world of pure motorcycling, Royal Enfield has evolved into an experiential brand.

Royal Enfield with its motorcycle that combine modern-day elements with the brand's heritage, garners immense enthusiasm amongst global motorcyclist. It has modern product development centres at Leicestershire, UK and Chennai, India where expert technical team conceptualise next-generation motorcycles. Royal Enfield also has three state-of-the-art manufacturing facilities around Chennai to meet global demand.

EML's joint venture VE Commercial Vehicles (VECV) with Sweden's AB Volvo, engages in the manufacture of high-technology buses and trucks from 3.5-49 tonnes. It has pioneered modernisation of commercial vehicles in India and other developing countries. VECV's integrated plant in Pithampur, Madhya Pradesh is a global hub for medium duty five- and eight-litre engines for the Volvo Group.

BUSINESS SEGMENTS

Motorcycles Royal Enfield

8,22,724

motorcycles sold

96%

Market share in India's mid-size (250cc-750cc) motorcycles segment

Royal Enfield

- World's oldest motorcycle brand in continuous production
- Focussed on mid-size motorcycles (250 cc-750 cc)
- Products sold in India and 50 countries globally through exclusive stores and dealers

Portfolio

- Motorcycles – Bullet, Classic, Thunderbird, Himalayan, Interceptor 650, Continental GT 650
- Apparel – Protective riding apparel, urban casual wear and personal accessories
- Motorcycle accessories – touring seats, protective engine and leg guards, luggage solutions and controls

Commercial vehicles VE Commercial Vehicles (VECV)

72,969

commercial vehicles sold

29.4%

Commercial vehicles market share in domestic light-to-medium duty (3.5 to 15 tonnes) segment

VE Commercial Vehicles (VECV)

- Designs, manufactures and markets reliable, fuel-efficient trucks and buses

Portfolio

- Eicher branded 3.5-4.9 tonnes, Light Medium Duty Trucks (5-15 tonnes), Heavy Duty Trucks (16-49 tonnes) and buses
- Volvo Trucks
- Engineering components and aggregates
- Assembly of Euro-VI Compliant Medium Duty engines for Volvo Group

ROYAL ENFIELD: GEOGRAPHIC FOOTPRINT

3

Manufacturing facilities in India at Thiruvottiyur, Oragadam and Vallam Vadagal near Chennai, India

3

Fully-owned subsidiaries – Royal Enfield North America (USA), Royal Enfield Brazil and Royal Enfield Thailand

42

Exclusive Royal Enfield stores across UK, Colombia, USA, Mexico, UAE, France, Spain, Indonesia, Thailand, Philippines, Australia, New Zealand, Portugal, Malaysia, Brazil, Vietnam and Argentina.

2

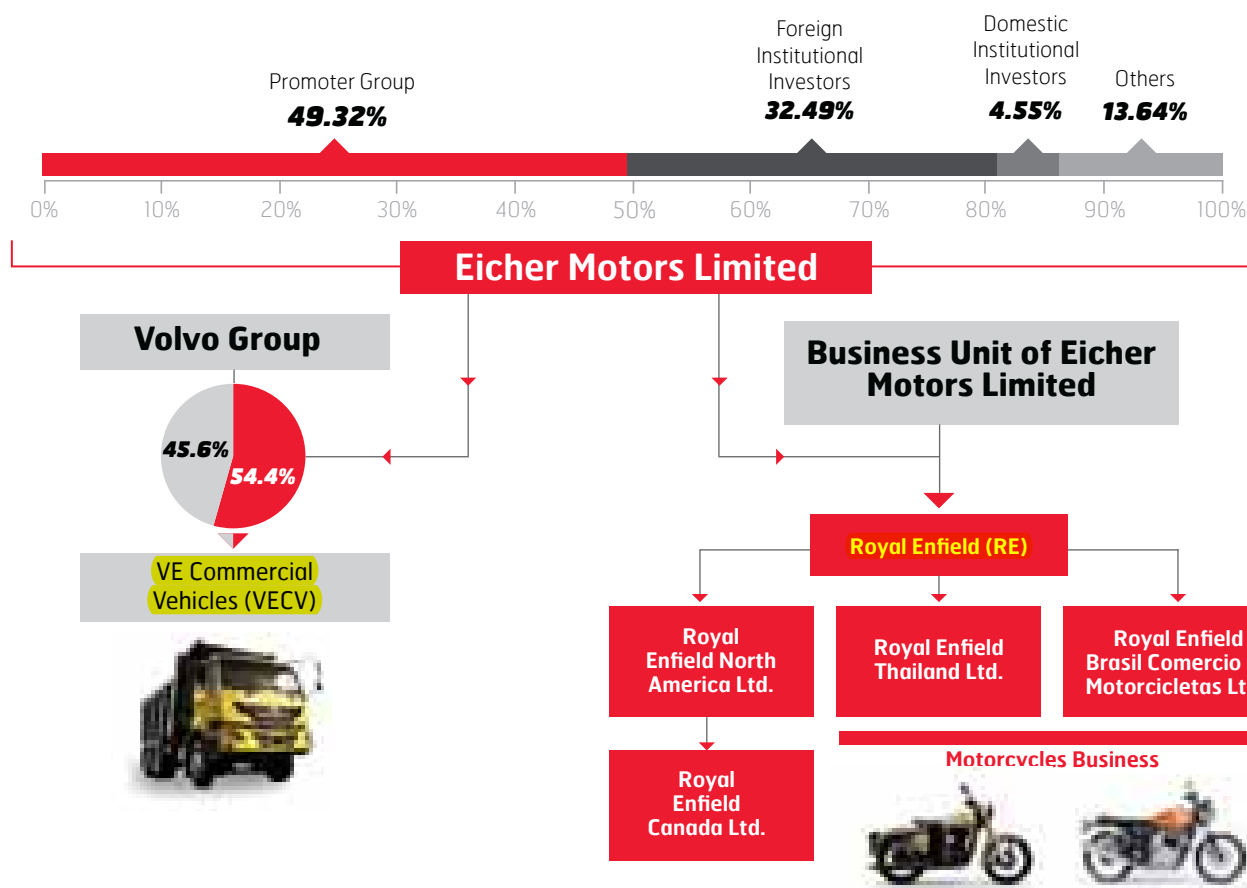
Technology Centers at Leicestershire, UK and Chennai, India

915

Exclusive stores in India

SHAREHOLDING PATTERN

(As on March 31, 2019)



FINANCIAL POSITION – CONSOLIDATED

BALANCE SHEET				
				(Rs. Crores)
	31.03.2019	31.03.2018	31.03.2017	31.03.2016
Net Fixed Assets (Property plant & equipment, Intangibles, CWIP and Investment property)	2,324.32	1,834.90	1,246.55	888.64
Investment in joint venture	1,943.92	1,764.27	1,745.82	1,558.44
Investment in mutual funds, bonds & fixed deposits	5,896.60	4,925.51	3,241.31	1,825.24
Other non-current assets	198.53	204.85	278.07	200.80
Current assets				
Inventories	633.38	394.64	335.90	308.39
Debtors	90.34	68.00	50.04	32.64
Cash and Bank Balances (excluding fixed deposits)	47.29	103.06	25.06	49.17
Other current assets	252.45	227.00	86.33	75.69
Total assets	11,386.83	9,522.23	7,009.08	4,939.01
Equity share capital	27.28	27.26	27.21	27.16
Other equity	8,891.44	7,002.81	5,317.86	3,625.93
Net worth	8,918.72	7,030.07	5,345.07	3,653.09
Non-current liabilities	370.01	226.92	134.26	73.60
Current liabilities	2,098.10	2,265.24	1,529.75	1,212.32
Total equity and liabilities	11,386.83	9,522.23	7,009.08	4,939.01
No. of Shares	2,72,82,570	2,72,55,549	2,72,10,249	2,71,61,183
Book Value per Share (Rs.)	3,269.02	2,579.32	1,964.36	1,344.97
Market Value per Share (Rs.)	20,547.70	28,372.65	25,587.50	19,180.60
Market Value to Book Value per Share	6.3:1	11:1	13:1	14.3:1
Market Capitalisation (Rs. Crores)	56,059.41	77,331.22	69,624.22	52,096.78

Net Fixed Assets (Rs. Crores)

2018-19	2,324.32
2017-18	1,834.90
2016-17	1,246.54
2015-16	888.64

Net Worth (Rs. Crores)

2018-19	8,918.72
2017-18	7,030.07
2016-17	5,345.07
2015-16	3,653.09

Book Value Per Share (Rs.)

2018-19	3,269.02
2017-18	2,579.32
2016-17	1,964.36
2015-16	1,344.97

Market Capitalisation (Rs. Crores)

2018-19	56,059.41
2017-18	77,331.22
2016-17	69,624.22
2015-16	52,096.78

OPERATIONAL HIGHLIGHTS – CONSOLIDATED

PROFIT AND LOSS ACCOUNT				
	(Rs. Crores)			
	2018-19	2017-18	2016-17	2015-16
	Apr'18 - Mar'19	Apr'17 - Mar'18	Apr'16 - Mar'17	Apr'15 - Mar'16
Sales Volume :				
Commercial Vehicles (Nos.)	72,969	65,932	58,604	51,888
Motorcycles (Nos.)	8,22,724	8,20,121	6,66,135	5,07,548
Net Revenue from operations - motorcycles	9,797.06	8,964.96	7,033.36	5,210.74
Manufacturing and other expenses	6,893.95	6,157.33	4,859.41	3,769.77
Earnings before interest, depreciation & tax (EBIDTA)	2,903.11	2,807.63	2,173.95	1,440.97
EBIDTA to Net Revenue (%)	29.6%	31.3%	30.9%	27.7%
Depreciation	300.28	223.30	153.81	118.03
Earnings before interest & tax (EBIT)	2,602.83	2,584.33	2,020.14	1,322.94
EBIT to Net Revenue (%)	26.6%	28.8%	28.7%	25.4%
Finance Cost	7.33	5.34	3.56	1.57
Other Income	443.39	280.10	227.33	147.99
Share of profit of joint venture - VECV	258.40	256.56	189.47	172.16
Profit before tax	3,297.29	3,115.65	2,433.38	1,641.52
Provision for taxation	1,077.04	935.93	720.30	459.02
Profit after taxation (PAT)	2,220.25	2,179.72	1,713.08	1,182.50
Share of loss of Joint venture from discontinued operation - EPPL*	-17.52	-220.05	-46.00	-38.89
Net Profit after tax	2,202.73	1,959.67	1,667.08	1,143.61
Other comprehensive income	-6.20	9.97	-2.43	-0.98
Total Comprehensive income	2,196.53	1,969.64	1,664.65	1,142.63
Total Comprehensive income including share of profits from Joint Venture from continuing operation to Net Revenue (%)	22.6%	24.4%	24.3%	22.7%
Basic Earnings per Share (Rs.)	807.76	719.69	613.12	421.30
Diluted Earnings per Share (Rs.)	806.86	718.33	611.44	419.76

* The operations of Eicher Polaris Private Limited (EPPL) was discontinued with effect from March 9, 2018

Net Revenue from Operations

(Rs. Crores)

2018-19	9,797.06
2017-18	8,964.96
2016-17	7,033.36
2015-16	5,210.74

EBITDA

(Rs. Crores)

2018-19	2,903.11
2017-18	2,807.63
2016-17	2,173.95
2015-16	1,440.97

Total Comprehensive income including share of profits from Joint Venture from continuing operation**

(Rs. Crores)

2018-19	2,214.05
2017-18	2,189.69
2016-17	1,710.65
2015-16	1,181.52

** Total comprehensive income excludes exceptional item for 2017-18 and 2018-19

MESSAGE TO THE SHAREHOLDERS



Dear Shareholders,

I'm writing to you after what's been a fairly tough year for the Indian automotive industry and your company. The latter half of 2018-19 was very challenging for the industry in India with a slowing economy, coupled with price increases driven by a number of regulatory changes, weakening demand across the industry.

After several years of double-digit sales growth, we recorded flat sales volumes at Royal Enfield as slowing economic growth along with price increases brought on by regulatory changes affected demand. VECV was also affected by the economic slowdown, liquidity crisis and an all-time high discounting across the commercial vehicles industry.

We believe our fundamentals are robust, and that we have built outstanding capabilities for our next phase of growth and evolution. The trend of premiumisation continues to show significant potential for Royal Enfield in India and many parts of the world. For the CV industry, we continue to believe that we can be the catalyst to drive the modernisation of commercial transportation in India and other developing markets.

Royal Enfield

In the year ended March 2019, EML's consolidated net revenue from operations (reflecting the business of Royal Enfield motorcycles) was up by 9% to Rs. 9,797 crores, compared to Rs. 8,965 crores recorded for the year ended March 2018; Consolidated EBITDA was Rs. 2,903 crores, up by 3% compared to Rs. 2,808 crores; Profit After Tax rose to Rs. 2,203 crores from Rs. 1,960 crores in the same period last year.

Royal Enfield sold 8,22,724 motorcycles in the year, largely flat from 8,20,121 motorcycles sold last year. In 2018-19, we added 90 dealers in India and the Royal Enfield network strength was 915 dealerships as of March 2019. We now have 42 exclusive stores outside of India, spread across 19 countries and we just began sales in South Korea with our first exclusive store in Seoul.

In June 2018, we introduced the limited edition Pegasus at the Imperial War

Museum in Duxford, U.K. Inspired by the RE/WD motorcycle, lovingly known as the Flying Flea, which played a pivotal role in World War 2, only 1,000 motorcycles were available across the world. We sold all the 250 motorcycles meant for India in just 178 seconds via an online sale! We also successfully introduced Anti-lock Braking Systems (ABS) on all our motorcycles, well ahead of the regulatory deadline, starting with the Signals, inspired by our long association with the Indian armed forces.

2018-19 will be remembered as the stand out year for Royal Enfield's global ambitions, with the fantastic 650 Twins going on sale. Launching to stellar reviews and winnings dozens of awards including the Indian Motorcycle of the Year and other motorcycle of the year awards in India and 'Best Modern Classic Middle-Weight' in Thailand, the Interceptor 650 and Continental GT 650 have emerged as serious contenders for riders across the world, looking for simple yet charming, engaging and fun to ride motorcycles.

We have been making steady progress in International markets with the success of the Himalayan, and more so since the Twins went on sale around the world. The Twins have only had a few months of sales in 2018-19, and in our key priority markets such as Thailand and Brazil, we are now expanding our distribution. We have also formed our wholly-owned subsidiary in Thailand, where the customer response to our products has been fantastic.

To transform RE into an experiential brand, selling a motorcycle has to be seen only as a start of the relationship with our customer. Our ambition is to become #1 in customer satisfaction in 2019-20 (we ranked #2 last year for customer satisfaction by JD Power) and to maintain that position over time. To do so, we need to dramatically change

the entire ownership experience for our riders. We have various initiatives underway that will give our riders more support and confidence in our brand.

As I look ahead into the longer term, I see that we are in the perfect space in the motorcycle industry globally. I believe the trend for premiumisation of most product categories, including motorcycles, in India and developing markets will continue for the next few decades; and we are very well positioned for that. In addition to outstanding and distinctive premium motorcycles, our brand experience, distribution, and organisational approach are all upmarket - creating a unique and desirable positioning in people's minds. In developed markets, there is a trend towards down-sizing

Royal Enfield

24.9%

Market share in 125cc+ motorcycle segment in India

Eicher Motors

29.6%

Consolidated EBITDA Margin

22.5%

Consolidated Net Profit Margin

and simplification – and again, we are on the right end of that!

Our 2030 goal is to catalyse the global motorcycle market towards mid-size motorcycles, by making aspirational motorcycles and a world of pure motorcycling experiences that are still accessible. We will also create symbiotic products and a world of deeply engaging and frictionless experiences delivered by us, our partners and the ecosystem that we harness.

To achieve our ambitious goal, which will make Royal Enfield India's first premium global consumer brand, I strongly believe that we need a leader with a fresh perspective and approach. I am absolutely delighted that Vinod K. Dasari has joined us as the new Chief Executive Officer of Royal Enfield. I cannot think of a better person to lead Royal Enfield into its next phase of evolution to a global brand. Vinod will also join the EML board as Executive Director.

Vinod Dasari needs no introduction to most of you. He's amongst the top few CEOs in India. This is not just my opinion; he has won many accolades for his leadership including "CEO of the Year" from Business Today and Business Standard in the recent past.

I have observed him in his previous role, and he has really shown courage, innovation and drive, as well as reshaped many of the dynamics of what is usually a slow-moving industry.

While that proves his credentials as a CEO and a leader, it's much more than that. Vinod, first and foremost, is a people's person. His real strength, as I see it, is in guiding, supporting, enabling, and encouraging people and teams to perform their best. He moves around a

lot, and is good at getting the pulse of the organisation, customers, dealers, suppliers, and the ecosystem – and then acting on that.

I am convinced that Vinod's leadership combined with the fantastic team at Royal Enfield will create magic together for our next phase of growth.

VECV

At VECV, while we saw strong demand in the first half of the year, sales slowed considerably in the second half. A slowing economy, a tightening of credit from Non Banking Financial Companies (NBFCs) and new axle loading regulations led to a drop in demand. All-time high discounting across the industry hurt profitability. VECV has focused on profitable growth and as a result, and has been disciplined in discounting.

In the year ended March 2019, VECV's total revenue from operations was up by 15% to Rs. 11,600 crores, compared to Rs. 10,049 crores in the previous year; EBITDA was Rs. 972.59 crores, up by 9% compared to Rs. 905 crores; Profit After Tax rose to Rs. 475 crores from Rs. 472 crores in the same period last year.

VECV sold 72,969 trucks and buses in the year, an increase of 11% from 65,932 units in the previous year. We produced 39,827 Medium-Duty engines (84% of which were exported), an increase of 14% from 34,805 engines in the year ended in March 2018. Our exports rose 11% to 10,010 commercial vehicles from 9,001 units a year earlier, and we began manufacturing trucks for the Indonesia and South African markets under the UD brand, where we think there's a significant growth potential.

At VECV, we have clearly identified that our brand promise of "ensuring the best uptime in the industry" will be a key differentiator for us, and we need to ensure that we create a customer experience that is truly best in class. While we have made good progress with building a wide distribution network and strong aftermarket support, creating a superior customer experience by ensuring industry best uptime and retail excellence is critical for our long term success.

The coming year is critical for the industry with the run-up to the implementation of BS-VI emission norms from April 1, 2020. At VECV, we see this transition as a big opportunity. We have had a fantastic experience with this technology and we have produced tens of thousands of Euro 6 engines

VE Commercial Vehicles

11%

growth in Commercial Vehicle Volume

15%

growth in Consolidated Net Revenue from Operations

for some time now – for export to Volvo globally. I'm sure that we will be well prepared to seize the opportunity that this transition gives us.

This year, we will be aiming to sustainably grow our market share and achieve profitable growth especially by breaking through in the HD segment where uptime is of supreme importance. Our Pro 6000 series is gaining in reputation as the definitive benchmark in the value truck segment, and this segment could possibly become the mainstay post BS-VI. Based on the new axle norms in the 48-ton and 55-ton segments, we have expanded our product portfolio by adding new models. We will continue to enhance our LMD portfolio with an increased range of products such as our recently launched Pro 2000 platform. In our endeavour to drive modernisation of commercial transportation, we have also introduced electric buses and industry-first 7-speed transmission. We will continue to press on with our commitment to build products that deliver industry leading mileage and performance.

By April 2020, we plan to complete construction of our new plant in Bhopal with a capacity to produce an additional 40,000 units a year. When completed, our overall capacity will be 130,000 units a year.

I'm also delighted to share that Vinod Aggarwal, VECV's Chief Executive Officer, has joined the board of Eicher Motors Ltd effective from April 1st, 2019.

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 the short term looks challenging, we believe that the long term potential for both Royal Enfield

and VECV is extremely robust. We will continue to focus on building products – motorcycles and commercial vehicles – that will keep our customers delighted.

Royal Enfield's new technology centre in Chennai is nearly complete and part of the Product Development team has already moved in with the rest of the teams due to move in the course of the current financial year. We are also close to commencing production at phase 2 of the Vallam Vadagal plant with the construction of the building having been completed and the installation of equipment will commence soon.

We are committed to being a company that provides Pure Motorcycling experiences to riders and travellers, and we are looking for new ways to engage with people outside of just selling them a motorcycle. We are going to step up our efforts in rides, events, and community building – so that these act as catalysts for more people to enter the amazing world of motorcycle adventures and journeys, in India and around the world.

I would like to thank all our stakeholders for their resolute faith in us. We are well poised to capitalize on 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
Eicher Motors Limited

PURE MOTORCYCLING WITH ROYAL ENFIELD

I don't want to spend my life in front of a screen. I want to have a view of this world that is better than that of any penthouse. I don't want to spend my life reading about the experiences of others. I want to have my own. I want to follow the journey and not the destination. Every time I ride out, it makes me realise that there is no greater pleasure or feeling than the feeling of oneness with my motorcycle, with the road below, and the terrain through which I ride. I have found a way of life that fills me with real, authentic experiences. I call this pure motorcycling.

PURE

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

MOTORCYCLING

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



THE OLDEST MOTORCYCLE BRAND

1891

R.W. Smith and Albert Eadie take over the Townsend Cycle Company in Redditch, UK, renamed it to Enfield Manufacturing Company Limited (EMCL) and commenced supplying precision machine parts to the Royal Small Arms Factory in Enfield, Middlesex.

**1893**

EMCL 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 quadricycle, a four-wheeled bicycle using a proprietary 1 1/2 hp De Dion engine.

**1900**

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

1924

Continuous development results in a range of 8 models. This includes news launches of the Sports Model 351, the first Royal Enfield 350cc OHV 4-stroke motorcycle with foot-operated gear, powered by a JAP engine and a 225cc 2-stroke step through 'Ladies Model'.

**1926**

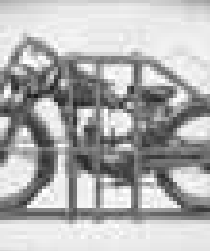
A major fire breaks out at the 18-acre Redditch factory. The Company's own fire brigade manages to fight flames that threatened to engulf the entire plant.

**1928**

Royal Enfield replaces outmoded flat tanks with saddle tanks and becomes one of the first manufacturers to change its front fork system from a Druid design to centre-sprung girder forks.

**1939**

Royal Enfield produces large quantities of motorcycles and bicycles during the World War II which includes the most iconic military model, the 125cc 2-stroke 'Airborne' motorcycle – Flying Flea. It could be loaded into a specially fabricated parachute cradle and dropped with paratroopers behind enemy lines.

**1948**

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

**1949**

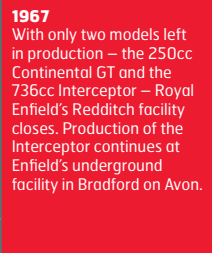
The new 350cc Bullet and 500cc Twin models are launched in the UK, both having the same frame, swinging arm suspension, telescopic front forks and gearbox. K. R. Sundaram Iyer launches Madras Motors to import British motorcycles into India. Besides Norton and Matchless machines, he sells Royal Enfields.

**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, it features a unit construction engine and alternator electrics with coil ignition.

**1964**

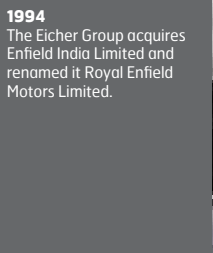
The iconic Continental GT café racer is launched to great acclaim when a team of photojournalists ride it from John 'o Groat's to Lands End in under 24 hours, by way of 7 laps at the Silverstone circuit. The GT features a racing petrol tank, clip-on handlebars, rear sets, a humped race seat, rev counter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

**1967**

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

**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.

**1994**

The Eicher Group acquires Enfield India Limited and renamed it Royal Enfield Motors Limited.

**1997**

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

**1999**

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

**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 over 200 metres.

**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.

**2009**

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

**2014**

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

**2015**


Royal Enfield acquires erstwhile collaborators Harris Performance of the UK, 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 with headquarters in Milwaukee, Wisconsin.



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, having a 2 1/4 hp engine made by the Swiss company, Motosacoche.		1914 Royal Enfield's first 2-stroke motorcycle goes into full production. As Britain gets deeply involved in World War I, production of all other Royal Enfield motorcycles ceases barring this machine and the Company's biggest motorcycle, the 770 cc 6 hp V-twin.	
1930 Model range expands to 11, from the 225cc 2-stroke Model A to the 976cc V-twin Model K. New 350 and 500cc side-valve and overhead valve machines with dry-sump lubrication are also produced.		1932 The legendary "Bullet" motorcycle is born and first displayed in November 1932 at the important Earls Court Motorcycle Show in London. Three versions: 250, 350 and 500cc are available, all with inclined 'sloper' engines, twin-ported cylinder heads, foot gear 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.		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. Thereafter, the 500cc Bullet is radically changed with the release of a new sporting version, the Model JF, featuring a 4-valve cylinder head.
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.		1956 The Tiruvottiyur factory operationalises with the manufacture of licensed Bullets. Early production is based on assembling machines that come in kit form from England. 163 Bullets are built during the year.		
	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, primarily aimed at export markets, where it is available in Classic, Deluxe and Superstar trim along with the 350.		1993 Enfield India produces the world's first mass-manufactured diesel motorcycle – the Enfield Diesel having highly fuel-efficient 325cc power unit installed in the standard Bullet rolling chassis.	
	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. Over 1000 Royal Enfield motorcycles of all ages descend on Redditch for the Royal Enfield Owners Club Redditch Revisited event.					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.
2011 The Company launches its first annual 'One Ride', where Royal Enfield riders globally 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.		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 Company's global ambitions in the future.		2013 Forty-eight years after developing the world's first 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.
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 Leicestershire, UK to design and develop new motorcycle platforms for global market.		2018 Royal Enfield unveiled its first modern 648cc air-cooled parallel twin cylinder engine, designed to offer right balance between power and torque to provide smooth riding experience without frequent gear shifts.		2019 Royal Enfield launches its first twin-cylinder motorcycles in 50 years with the all new Interceptor INT 650 and Continental GT 650 amidst global enthusiasm.

KEY HIGHLIGHTS FOR THE YEAR



Quarter 1

(April 2018 – June 2018)

- Planned a capex of Rs. 800 crores for 2018-19 towards construction of Phase-II manufacturing facility at Vallam Vadagal, construction of technology centre in Chennai and product development.
- Launched the Limited Edition 'Classic 500 Pegasus' motorcycles across the globe. Conceived as a tribute to the legendary World War II motorcycle RE/WD 125 Flying Flea, the Pegasus has attracted enthusiasts and connoisseurs across the globe. Only 1,000 such motorcycles were sold globally out of which, only 250 were sold in India via an online sale. All 250 motorcycles were sold in a record time of 178 seconds!

Quarter 2

(July 2018 – September 2018)

- Launch and the first Global Media ride of the Royal Enfield 650 Twins – the INT and the GT. The 650 Twins platform is Royal Enfield's first twin-cylinder motorcycle platform in 50 years. The motorcycles received excellent reviews across the world, from media and experts alike. Royal Enfield opened bookings and test rides across USA.
- Launched the Classic 350 Signals as a tribute to Royal Enfield's 65-year-old heritage with the Indian armed forces along with dedicated collection of apparel and motorcycle accessories. The motorcycles were introduced in two colours – Airborne Blue and Stormrider Sand colours. The Classic Signals 350 was the first Royal Enfield model in India with ABS.

- Flagged-off the 15th edition of Royal Enfield Himalayan Odyssey, where 60 riders (including 10 women) embarked on a 2200 km, 18 days journey, traversing through some of the toughest terrains and highest mountain passes in the world.
- Raced the custom-built Bonneville Racer at the Bonneville Salt Flats in Utah, USA at a record speed of 157.053 mph, demonstrating the capabilities of Royal Enfield's twin cylinder engine and strengthening Royal Enfield motorcycles' reputation as a perfect canvas for customisation.
- Organised the second edition of REUNION in Colombia at Quindio.



Quarter 3

(October 2018 – December 2018)

- First-ever public display of the first full-production versions of the highly anticipated twin-cylinder motorcycles – the Interceptor INT 650 and the Continental GT 650 – made to enthusiasts in Europe at EICMA 2018, Milan. This was followed by initiation of bookings and inquiries across dealerships in Europe and UK.
- Developed 'Concept Kx' prototype, a V-Twin motorcycle inspired by Royal Enfield's original Model KX of the 1930s, from scratch in under six months and showcased it at EICMA 2018.
- India media ride and price launch of the 650 Twins at Goa. Event attended by automotive and business publications across India. Display and bookings open nationally across 120 dealerships in 14 key cities.
- Witnessed record participation from Royal Enfield community at Rider Mania, Goa – the largest gathering of Royal Enfield enthusiasts. The customers thoroughly enjoyed the new spread out venue at the Vagator. Scores of customers took the test rides for the Interceptor 650 and the Continental GT 650 at the specially created experience zone.

Quarter 4

(January 2019 – March 2019)

- Launched the Bullet Trials Works Replica 2019 motorcycle as a celebration of Bullet's 87-year heritage, the world's oldest motorcycle brand in continuous production since 1932. It commemorates Royal Enfield's Bullet Trials motorcycle of 1949 and is a tribute to the legendary Royal Enfield factory riders' team and to Trials Wizard Johnny Brittain who rode it to win various Trials Championship

***The 650 Twins
launched in India, at
Goa, and across 120
dealerships in 14 key
metro and mini metro
cities of India***

FINANCIAL POSITION – STANDALONE

BALANCE SHEET				
	31.03.2019	31.03.2018	31.03.2017	31.03.2016
(Rs. Crores)				
Net Fixed Assets (Property plant & equipment, Intangibles, CWIP and Investment property)	2,320.55	1,830.49	1,243.82	887.54
Investment in subsidiaries & Joint ventures	67.93	49.43	300.42	243.81
Investment in mutual funds, bonds & fixed deposits	5,896.60	4,925.50	3,241.31	1,825.24
Other non-current assets	199.75	207.17	277.96	200.78
Current assets				
Inventories	605.34	379.23	322.45	300.36
Debtors	112.65	78.02	48.94	46.13
Cash and Bank Balances (excluding fixed deposits)	22.07	99.88	20.61	44.52
Other current assets	252.52	224.95	84.75	75.53
Total assets	9,477.41	7,794.67	5,540.26	3,623.91
Equity share capital	27.28	27.26	27.21	27.16
Other equity	7,099.17	5,344.97	3,895.38	2,309.25
Net worth	7,126.45	5,372.23	3,922.59	2,336.41
Non-current liabilities	372.58	227.81	135.71	78.57
Current liabilities	1,978.38	2,194.63	1,481.96	1,208.93
Total equity and liabilities	9,477.41	7,794.67	5,540.26	3,623.91

Net Fixed Assets

(Rs. Crores)

2018-19	2,320.55
2017-18	1,830.49
2016-17	1,243.82
2015-16	887.54

Net Worth

(Rs. Crores)

2018-19	7,126.45
2017-18	5,372.23
2016-17	3,922.59
2015-16	2,336.41

Investments in Mutual Funds, Bonds & Fixed Deposits

(Rs. Crores)

2018-19	5,896.60
2017-18	4,925.50
2016-17	3,241.31
2015-16	1,825.24

OPERATIONAL HIGHLIGHTS – STANDALONE

PROFIT AND LOSS ACCOUNT				
	(Rs. Crores)			
	2018-19	2017-18	2016-17	2015-16
	Apr'18 - Mar'19	Apr'17 - Mar'18	Apr'16 - Mar'17	Apr'15 - Mar'16
Sales Volume :				
Motorcycles (Nos.)	8,23,828	8,20,492	6,66,493	5,08,099
Net Revenue from operations	9,794.48	8,957.51	7,037.97	5,223.47
Manufacturing and other expenses	6,850.10	6,104.31	4,832.16	3,763.32
Earnings before interest, depreciation & tax (EBIDTA)	2,944.38	2,853.20	2,205.81	1,460.15
EBIDTA to Net Revenue (%)	30.1%	31.9%	31.3%	28.0%
Depreciation	298.93	222.34	153.34	118.20
Earnings before interest & tax (EBIT)	2,645.45	2,630.86	2,052.47	1,341.95
EBIT to Net Revenue (%)	27.0%	29.4%	29.2%	25.7%
Finance Cost	2.99	3.04	2.79	1.57
Other Income	508.04	332.43	227.31	212.59
Profit before exceptional item and tax	3,150.50	2,960.25	2,276.99	1,552.97
Exceptional item (Discontinued operation-EPPL)*	17.52	311.98	-	-
Profit before tax	3,132.98	2,648.27	2,276.99	1,552.97
Provision for taxation	1,078.54	935.36	716.97	463.94
Profit after taxation (PAT)	2,054.44	1,712.91	1,560.02	1,089.04
Other comprehensive income	-5.77	10.85	-0.08	-0.83
Total Comprehensive income	2,048.67	1,723.76	1,559.94	1,088.20
Total Comprehensive income excluding exceptional item to Net Revenue (%)	21.1%	22.7%	22.2%	20.8%
Dividend for 2015-16, paid in 2015-16	-	-	-	271.61
Dividend for 2016-17, paid in 2017-18	-	-	272.22	-
Dividend for 2017-18, paid in 2018-19	-	299.93	-	-
Dividend proposed for 2018-19	341.03	-	-	-
Basic Earnings per Share (Rs.)	753.37	629.07	573.75	401.20
Diluted Earnings per Share (Rs.)	752.54	627.88	572.17	399.73

* The Operations of Eicher Polaris Private limited (EPPL) was discontinued with effect from March 9, 2018

Net Revenue from Operations

(Rs. Crores)

2018-19	9,794.48
2017-18	8,957.51
2016-17	7,037.97
2015-16	5,223.47

EBITDA

(Rs. Crores)

2018-19	2,944.38
2017-18	2,853.20
2016-17	2,205.81
2015-16	1,460.15

Total Comprehensive Income*

(Rs. Crores)

2018-19	2,066.19
2017-18	2,035.74
2016-17	1,559.94
2015-16	1,088.20

Equity Dividend

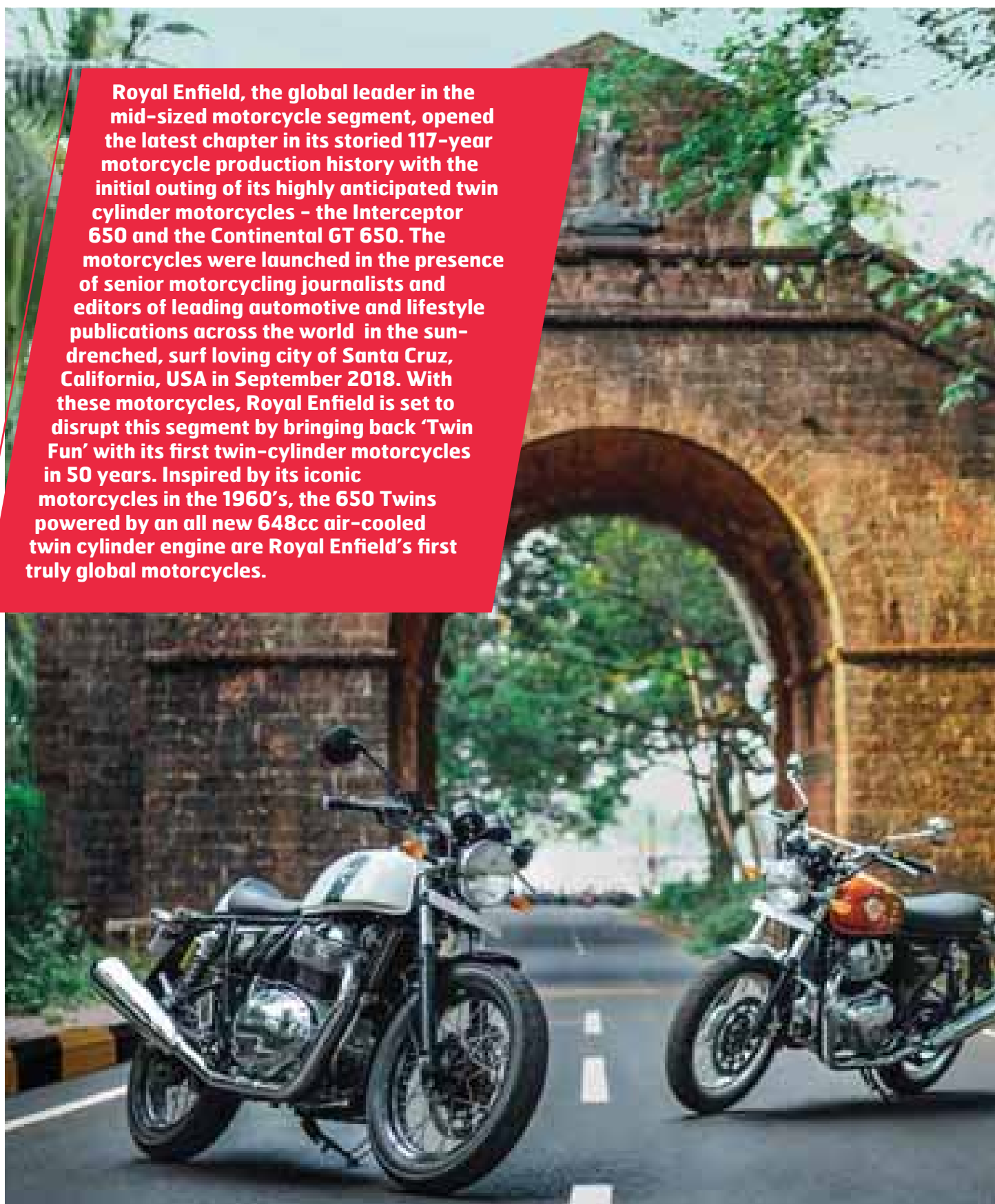
(%)

2018-19	1,250.0%
2017-18	1,100.0%
2016-17	1,000.0%
2015-16	1,000.0%

* Total comprehensive income excludes exceptional item for 2017-18 & 2018-19

THE TWINS ARE HERE!

Royal Enfield, the global leader in the mid-sized motorcycle segment, opened the latest chapter in its storied 117-year motorcycle production history with the initial outing of its highly anticipated twin cylinder motorcycles - the Interceptor 650 and the Continental GT 650. The motorcycles were launched in the presence of senior motorcycling journalists and editors of leading automotive and lifestyle publications across the world in the sun-drenched, surf loving city of Santa Cruz, California, USA in September 2018. With these motorcycles, Royal Enfield is set to disrupt this segment by bringing back 'Twin Fun' with its first twin-cylinder motorcycles in 50 years. Inspired by its iconic motorcycles in the 1960's, the 650 Twins powered by an all new 648cc air-cooled twin cylinder engine are Royal Enfield's first truly global motorcycles.





The Continental GT 650 and Interceptor INT 650 are Royal Enfield's first truly global line of products and will usher the next set of Royal Enfield owners across the globe.

THE 650 TWINS - BRINGING BACK FUN IN MID-SIZED MOTORCYCLING

The first twin cylinder motorcycles to be produced by Royal Enfield since 1970, these two new motorcycles recall a golden era for the marque that began in 1948 with the arrival of its first 500cc twin cylinder motorcycle that evolved into several famed high-performance models ultimately leading to the original Interceptor of 1960. The Continental GT was a much-loved café racer motorcycle in the UK and Europe and the first mass produced café racer at that time.

The 650 Twins are entirely new set of motorcycles developed ground up jointly by Royal Enfield's development teams in India and UK. They combine classic looks with modern engineering to inspire confidence in new riders and excite experienced motorcyclists. They are air-cooled to simplify maintenance, produce a gorgeous twin-cylinder exhaust note and retain true heritage design. Built for real world riding, the 650 Twins come with ample torque, making light work of city traffic, and with sufficient power to effortlessly cruise on the open road.

All about an easy yet fun riding experience

While the 650 Twin offer more than adequate 47 horsepower, their 'ride-ability' secret lies in seamless torque delivery from low in the rev range – 80% of the peak 52Nm torque delivered at 2500rpm. This ensures smooth and steady progress without constant gear changing. This when combined with an extremely agile chassis developed at Royal Enfield's UK Technology Centre in conjunction with legendary design and engineering firm Harris Performance, the secret of their all-round competence begins to reveal.

Evocative, simple and timeless design language

The 650 Twins are beautifully executed and thoughtfully detailed motorcycles. Their intricately-designed engines,

perfectly replicate the classic look, while touches such as forged handlebars, 'Monza' fuel caps and carefully finished ancillaries echo the quality to be found inside and out. These motorcycles resonate with Royal Enfield's brand ethos of tapping the growing popularity of classically-influenced, modern-day motorcycling and match the diverse persona of the riders across the world.

The 650 Twins reflect Royal Enfield's respect for longevity by being the definition of two-wheeled sustainability in a world where short-term trends, conspicuous consumption and disposable products are fast losing their appeal. They are intended to be machines that deliver the growing needs of today's motorcyclists who see the machines as extensions of themselves; which they can make their own and ride throughout the adventure of life.

The Continental GT 650, with its committed riding stance, optional single seat, sculpted fuel tank, rearset footrests and race-style clip-on handlebars appeals especially to sporting riders. Perfect for enjoying high-speed blasts on twisting backroads, its ergonomics also make it a comfortable stylish city bike, for tackling highway or weekend escapes to the wilds.

The Interceptor INT 650, harks back to the historic inspired model with its distinctive teardrop tank with traditional knee recesses, comfortable, quilted dual seat and wide, braced handlebars redolent of the 60's California street style scrambler. Providing comfortable and commanding riding position, it is both fun and practical on all types of terrain, from curving coastal roads to the urban jungle, for heading out of town two-up or for cruising down to the beach.





The Twins will play a strategic role in expanding the global middle-weight segment market.

Canvas for customisation

With individuality becoming a key for modern day riders, Royal Enfield focusses on providing diverse retro customisation to the 650 Twins. From special paint colours and pin stripes to retro-cool bar-end mirrors, optional fly screens and alternative finishes for wheels, lights and suspension components, Royal Enfield steps-up the style quotient to woo customers.

A means of self-expression with motorcycle with motorcycle apparel and accessories

The 650 Twins come with a range of Royal Enfield gear, apparel and genuine motorcycle accessories. The gear and apparel are inspired by the 60's, reflecting the cuts and silhouettes from the cultural contexts and the motorcycles' era. The range of gear includes Clymer and Spirit jackets, a curated range of t-shirts, helmets, boots, ankle-high sneakers, and covert Cordura jeans and Streetborn gloves, which aesthetically fuse classic styling with contemporary functionality.

The accessories are designed to provide comfort, styling and protection in addition to being a means of self-expression for the rider. The range comprises new functional and protective accessories such as engine guards, lifting handle, pannier mounts and an auxiliary electrical port, and styling accessories such as chrome and stainless-steel silencer slip ons, acrylic fly screen, single and twin seat cowl, and soft canvas panniers.



The Interceptor INT 650 is intended to appeal to the novice (or experienced) rider who wants to return to the simple and fun days of motorcycling without breaking the bank. It's got a combination of retro-cool authenticity and modern day approachability that just might be one of the game-changers the motorcycle industry needs right now.

- Cycle World, USA

GLOBAL LAUNCH IN THE GOLDEN STATE OF CALIFORNIA, USA

Royal Enfield's Interceptor 650 and the Continental GT 650 motorcycles are redolent of the heydays of motorcycling's golden era of the 1950's and 60's. It began in 1948 with the first Royal Enfield 500cc twin cylinder motorcycle which evolved into its famed high-performance models – the Meteor, Super Meteor and, ultimately, the original Interceptor of 1960. The motorcycle sold mainly in the USA and Canada and the 700cc Interceptor and its 750cc successor quickly became a part of California's sun-drenched culture. It served as two-wheeled expression of fun, excitement, freedom and optimism in the form of fast and stylish road bikes and as successful competition machines for scrambles, desert races and flat track.

Inspired by this deep historic link of twin-cylinders with the Golden State of California, Santa Cruz was the most ideal destination for the global launch and first global media ride of the much-awaited 650 Twins, as well as marking the revival of the twin-cylinder production. This was one of the biggest launch events by Royal Enfield and it saw the participation of more than 120 journalists from 13 countries across the globe. The journalists rode the Interceptor 650 and the Continental GT 650 extensively through five days around the Pacific Coast Highway and the Redwood forests and were left highly impressed.

650 TWINS LAUNCHED IN EUROPE, AUSTRALIA AND SOUTH EAST ASIA

Royal Enfield launched the 650 Twins across Europe at EICMA Motor Show in Milan, Italy in November 2018. The first full-production version of the all-new 650 Twins were displayed to the general public at the Royal Enfield marquee at EICMA show. The Continental GT 650 café racer and Interceptor INT 650 roadster were displayed in standard, custom, and chrome colourways. Royal Enfield also showcased its wide range of official Genuine Motorcycle Accessories, specifically designed for the 650 Twins, garnering a great response from the Europe-based automotive publications and enthusiasts.

Following the public display of the 650 Twins in EICMA, Royal Enfield initiated bookings and enquiries across dealerships in Europe and UK starting mid-November 2018. Being the first truly global line of motorcycles intended to usher Royal Enfield owners globally, the region was chosen as the first where customers could place orders. The evocative line-up of Continental GT 650 Twin and Interceptor INT 650 Twin were put on display across dealerships starting January 2019 giving enthusiasts a chance to experience them.



Royal Enfield's new 650cc Interceptor and Continental GT retros are looking good. Sweet handling and well made. And we're expecting them to be of stupendous value. Time to put an Indian-made bike in your garage? This bike that we are riding will surely be the world's biggest selling bike of 2019.

– Bike Magazine, UK

Taking forward its global ambitions, Royal Enfield launched the 650 twin motorcycles at the Melbourne Motor Show held in November 2018. These motorcycles offer a perfect blend of authentic appeal, contemporary fun ride experience and accessibility, for motorcyclists in Australia.







650 TWINS LAUNCHED IN INDIA

The much-awaited Interceptor 650 and the Continental GT 650's were launched in India at Goa in mid-November, 2018. Royal Enfield announced the beginning of test rides, retail availability and bookings along with the price. The motorcycles were received extremely well by the Indian automotive journalists and amongst the customers who test rode these motorcycles for the first time at Rider Mania. The price launch and media ride was attended by a huge majority of journalists from across all leading publications and media houses in India. The motorcycles also made their debut at Rider Mania 2018 - India's largest gathering of Royal Enfield riders from across the world. Participants at Rider Mania had an opportunity to pre-book test ride seats for these motorcycles at Goa and place their bookings.

The 650 Twins will not only appeal to a newer breed of motorcycling enthusiasts who were longing for a more powerful Royal Enfield motorcycle but also enable more than 3.5 million+ of its existing customers in India to own the next expression of pure, simple and fun motorcycling by moving up towards the top end of the middle-weight segment.



An extremely astute motorcycle that straddles the twin goals of being accessible to many and a motorcycle that brings Royal Enfield's refinement and quality levels at par with anything on the market today. Holy wow, that's a game changer!

Overdrive, India

TWINS STUN GLOBAL MOTORCYCLE ENTHUSIASTS



20-years testing and 23-years racing means I ride a lot of bikes. It's maybe once per year that a new model sticks out so quickly. Ultra smooth. Balanced. Torquey. Sounds sweet. Fun.

Bike Review, Australia



At its core, with great retro looks, nice engine, and a respectable chassis, the INT 650 should be getting some attention, and, with the aggressive pricing structure, Royal Enfield is about as serious as you can get about shifting the tide.

Ultimate Motorcycling, USA



The Interceptor 650 has exceeded my expectations by far. I like its stable handling that comes along with a nice combination of sportiness. The Engine is very flexible and at low revs it's quite smooth. I have ridden a lot of big twins in the past like Ducati and Triumph but overall I've found Interceptor to be smoother and superior.

Peter Radau, owner of Interceptor 650 Chrome in Australia

SPREADING FOOTPRINT IN SOUTH EAST ASIA

Globally, the motorcycle enthusiasts are increasingly looking to own machines that can provide them individuality, introduce them to the world of pure motorcycling and give them a chance to own a piece of history.

Royal Enfield is steadily expanding its presence in the international markets to cater to these enthusiasts with its evocative and accessible motorcycles that mix historical roots with modern technology.

In 2018-19, Royal Enfield continued with its efforts to enhance presence in the South East Asian markets. The Company added new stores in Malaysia and Thailand taking the number of our exclusive stores to 9 in South-East Asian region for the year. The countries in South East Asia are largely commuter segment driven but have strong motorcycling culture. Their regions have several amazing terrains, country roads, mountain passes, naturally preserved landscapes, and scenic highways making them an ideal location for rides on Royal Enfield's motorcycles.

To deepen its association with the motorcycling community in the South-East Asian region and to encourage and enable its customers in the lifelong pursuit of exploration, Royal Enfield organised the first ever Tour of Indonesia and the second edition of the Tour of Thailand. Both the rides received tremendous response from customers and the motorcycling community in their respective countries.





Interceptor 650 won the prestigious 'Best Modern Classic Middle-Weight' a prestigious category award at the Thailand Bike of the Year 2019 awards.



PAVING A NEW CHAPTER IN THAILAND

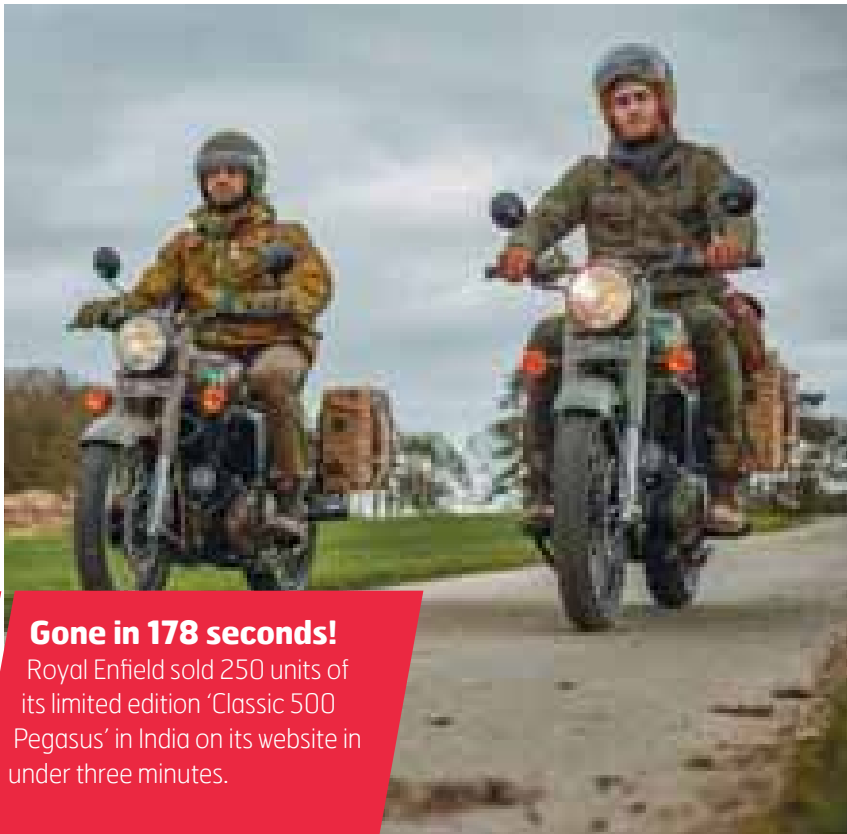
Royal Enfield motorcycles have received an overwhelming response in Thailand, ever since its entry three years back. Having a motorcycling culture, customers in the country find Royal Enfield's modern classics as the perfect machines that are brilliant for long rides on the highway and perfect for city traffic commuting, leading to its tremendous demand. Thailand's robust leisure riding culture and massive segment of commuters ready to upgrade to more premium motorcycles, offers significant growth opportunities.

Royal Enfield is channelising its efforts to become a part of the fabric of its rich motorcycling culture. It has established a wholly-owned subsidiary in Bangkok, its first in the Asia-Pacific region. This localisation strategy is driven by the intent to serve customers at a closer and more intimate level.

Thailand is Royal Enfield's third home after its origins in UK and success in India. It is because of this importance that Thailand was chosen as one of the first markets in Southeast Asia where the 650 Twins were unveiled in December, 2018 at in Bangkok with more than 120 automotive and business journalists in attendance. Post the commencement of retail availability in December 2018, Royal Enfield has received a significant number of bookings and in February 2019, Royal Enfield delivered 100 of the 650 Twin motorcycles to customers on a single day. The Interceptor 650 and the Continental 650 are ideal to fill the gap in the underserved mid-weight motorcycle segment in the country. Royal Enfield has aggressive plans to strengthen its standalone dealers and authorised service centre network across Bangkok and the Greater Bangkok area, Phuket, Pattaya and Chiang Mai.

RECREATING AUTHENTIC INSPIRATIONS FROM ROYAL ENFIELD'S MOTORCYCLE PEDIGREE

Royal Enfield's history is deeply steeped in motorcycling pedigree and it has some iconic motorcycles that have been revered by enthusiasts across generations. In 2018-19, Royal Enfield introduced three new variants, inspired by their earlier avatars.



Gone in 178 seconds!

Royal Enfield sold 250 units of its limited edition 'Classic 500 Pegasus' in India on its website in under three minutes.

THE CLASSIC 350 SIGNALS

An ode to the Enfields in army service and to the armed personnel riding them

Royal Enfield is the preferred motorcycle of the Indian Armed Forces, and has been associated with them since the early 1950's and continues to be their largest suppliers of given its reputation of making resilient, reliable and versatile motorcycles. As a tribute to this 65-year heritage, Royal Enfield introduced the Classic Signals 350 motorcycles that is inspired by the Enfields in service, and the men and women who ride them.

The motorcycle is launched in two colourways – Airborne Blue and Stormrider Sand, inspired by coveted units of Indian Armed Forces. It represents Royal Enfield's pride of partnering with the men and women guarding the country's skies and land.

THE CLASSIC 500 PEGASUS

Made like a gun, conceived as a tribute to the legendary World War II RE/WD 125 Flying Flea

The 'Classic 500 Pegasus' motorcycle is inspired by Royal Enfield's legacy of 'Made Like a Gun', a pedigree of making resilient enduring motorcycle since 1901. It is a tribute to the legendary lightweight World War II era RE/WD 125 Flying Flea motorcycle which was an invaluable asset to the elite soldiers of the Parachute Regiment, being deployed extensively as a frontline combat machine. The Flying Flea became the first motorcycle to be dropped behind enemy lines from

aircraft. On the ground, it was used for reconnaissance, communications and transporting soldiers into battle. These motorcycles have a legacy of witnessing action in some of the greatest battles including the D-Day and the Battle of Arnhem.

Inspired by this rich military heritage, the 'Classic 500 Pegasus' was produced in official association with the British Army's Parachute Regiment as a collector's edition motorcycle.

The motorcycle, equipped with dual channel anti-lock braking system (ABS), stands-out complimented by its blacked-out scheme on the engine, silencer, and wheels and a dark tan seat. It sports a distinctive stencilled number representing its production number on the tank, making it exclusive and one-of-its-kind. The motorcycle comes with an array of celebrated motorcycle legacy inspired Gear ranging from shirts, t-shirts, caps, lapel, pins, bags and helmet.



BULLET TRIALS WORKS REPLICA

Inspired by Royal Enfield's legacy at Trials Championship

Royal Enfield has a long and proud history of building resilient and enduring motorcycles, with its iconic and legendary Bullet having the reputation of being the most rugged and the oldest (87 years) motorcycle in continuous production, globally. In this long history, the Bullet Trials motorcycle ridden by Johnny Brittain is the most unforgettable for its prowess over challenging terrains and Trials pedigree of winning over 50 championships between 1948-1965. Introducing the first-ever swinging arm suspension with oil damped shock absorbers in 1949, this model was also a tribute to Royal Enfield's seminal design and engineering expertise; it changed the course of motorcycle design forever.

The history of Trials Championship can be traced back to the 1920's when motorcycle manufacturers used 'reliability trials' to demonstrate their

machines' tractability, manoeuvrability, and overall endurance, in the UK and across Europe.

Paying tribute to this rich history, to the legendary Royal Enfield factory riders' team and to the prolific Trials Wizard Johnny Brittain, Royal Enfield introduced the Bullet Trials 2019. This model, with its distinctive design and functional features, perfectly captures the look-and-feel of the early 1950's models and is redolent of the heyday of classic trials competitions. It packs modern features such as block tread pattern tyres for improved off road grip, reinforced handlebar with cross-brace, raised silencer for improved ground clearance and a dual channel ABS. It has trimmed mudguards, a single seat, luggage carrier and is made available with a set of five specific motorcycle accessories.

ROYAL ENFIELD INTRODUCES ANTI-LOCK BRAKING SYSTEM (ABS) IN ITS MOTORCYCLES

Riding to more safety

With Central Motor Vehicles Rules (CMVR) Regulation in India mandating all vehicles above 125cc to be fitted with ABS (anti-lock braking system), Royal Enfield focussed on adopting this technology to enhance rider safety. The ABS technology helps prevent wheel-locking under sudden application of brakes while maintaining traction with the road surface. It also decreases stopping distances in low friction conditions.

Undertaking a major transition in its product lines, Royal Enfield introduced ABS equipped motorcycles in 2018-19 ahead of schedule. It offers Dual Channel ABS (two separate braking circuits with independent sensors for each wheel, unlike single channel ABS) in its motorcycles for better braking efficiency.

GROWING THE ROYAL ENFIELD COMMUNITY

At Royal Enfield, the vision is to create a brand that surpasses the usual manufacture and retail mould and to become more experiential in conjoining the global riding community. And Royal Enfield does this with its marquee rides and events to deepen its engagement. We have conducted events across the globe to nurture and grow the riding community.



RIDER MANIA

The world's largest gathering of Royal Enfield enthusiasts

Rider Mania 2018 re-ignited its position as Royal Enfield's most definitive motorcycle festival amidst an amalgamation of experiences and youthful vigour, bringing together enthusiasts from across the world for an action-packed three days of music, mates and motorcycling. This year's festival notched up the fun factor with a plethora of events designed to test the riders' skills with the motorcycle or off it. Participants could take part in the events or cheer their mates or just kick back and soak in the Royal Enfield vibe.



MOTO HIMALAYA 2018

Royal Enfield organised the third edition of Moto Himalaya – the marquee ride for its international customers. The ride saw 24 participants from 9 countries across the globe from countries like the UK, Australia, Thailand, Indonesia and Colombia coming together to enjoy a ride of their lifetime. A bucket list item for any motorcyclist, a ride in the Himalayas was held in August 2018. The riders rode to Leh, making way to the beautiful Nubra Valley and also rode around the pristine Pangong and Tso Moriri lakes. The bond, banter and bravado between the riders was exemplary as they faced different riding terrains, challenges, temperatures, altitudes – all as one team. A truly international perspective to riding in the Himalayas.



TOUR OF INDONESIA 2019

The first edition of Royal Enfield Tour of Indonesia was held from March 18 to 22. Flagged off from Jakarta and concluding at Bali, the riders covered 1,400 kilometres riding through Java region (Jakarta, Bandung, Tasikmalaya, Yogyakarta, Malang, Probolinggo) and reached Bali. The riders' experiences riding their Royal Enfield motorcycles through a variety of terrains and landscapes, enjoying the experience all through.

ROYAL ENFIELD CUSTOM PROGRAMME



Royal Enfield motorcycles, with their simple and uncomplicated design, have always been a medium of self-expression for riders and customisers, inspiring motorcycle sculptors to explore new frontiers of customisation. Royal Enfield's technical team continues to dig Royal Enfield's iconic history and combine them with new technology to express their creativeness on these timeless machines.

THE BONNEVILLE RACER

Setting new benchmark with the pursuit of speed and excellence

The Bonneville Racer by Royal Enfield is one of its most innovative customisation initiatives. Designed in collaboration with S&S Cycle and Harris Performance, the custom motorcycle is fitted with Royal Enfield's all-new 650 Twin engine. While S&S Cycle contributed with engine design, and expertise in tuning motors and racing them at the Salt Flats, Harris

Performance brought in their chassis designing expertise and Royal Enfield's design team gave the brief.

The extraordinary custom hit a top speed of 157.053 mph at the Bonneville Salt Flats in Utah, USA, highlighting the twin-cylinder engine's game-changing capabilities. The extraordinary feat was achieved by the dynamic and

confident rider – Cayla Rivas. The Racer initially hit record speed of 132 mph without nitrous, but with the engine's capabilities urged the team to push for more. Undertaking progressive gear ratio changes, wheelbase adjustment and other nips and tucks, the final top speed reached 159 mph, with a record return average at 157.053 mph.

THE MOTORCYCLING WAY OF SELF EXPRESSION AT WHEELS AND WAVES 2018

The Royal Enfield marquee was abuzz at the seventh edition of Wheels and Waves as it hosted the unveiling three of its latest custom build motorcycles developed on its yet-to-be-launched twin-cylinder platform. Wheels and Waves is Europe's landmark annual surfing and motorcycling festival, held in Biarritz, France.

Royal Enfield staying true to the festival's spirit, illustrated its 'Pure Motorcycling' expression with its three custom renditions – The Lock Stock, Rohini, and Interceptor on its new 650 Twin motorcycles.

Lock Stock – Royal Enfield

Base: Continental GT 650 Twin

The Lock Stock celebrates the re-birth of the twins, in the form of a factory built, speed-machine. It is developed in collaboration with Harris Performance and S&S Cycles, who bring in their expertise to unravel the true capability of the 650 motor, using it as a base and spinning it into an 865cc engine with nitrous injection.

Rohini – By Young Guns Speed Shop

Base: Continental GT 650 Twin

Rohini by Young Guns Customs' was inspired by their interpretation of Royal Enfield and its brand image, and in a creative twist, an inspiration from India's space programme and its

Rohini satellites. The concept is a pure café racer – referencing the iconic Rickman's fairings. Its build has a hidden surprise. In the dark, a layer of reflective paint transforms the classic lines into a riot of Razzle Dazzle light, blurring the lines between being beautifully retro and wildly modern – the consummate Café Racer meets satellite.

The 'Interceptor' – By Old Empire Motorcycles

Base: Interceptor 650

This custom strips Interceptor 650 to its core and removes anything that's strictly not necessary, while hiding the essentials, exemplifying the old school customisation ethos. Its lowered stance and blacked motor hint at aggression hidden under the refined exterior.

Concept Kx prototype

Showcasing creativity, design and development capabilities with a perfect blend of innovative technologies and traditional craftsmanship

Royal Enfield, design and engineering teams in India and UK showcased the remarkable 'Concept Kx' prototype, a V-Twin motorcycle at the EICMA Motorcycle Show in Milan, Italy in November 2018.

Inspired by Royal Enfield's original 1938 Model KX – a mighty 1,140cc sidevalve machine that was advertised as 'the last word in luxury motorcycling'.

The Kx prototype developed reflects the popularity of 'retro-modern' motorcycles. The new prototype features original KX's girder fork design (re-imagined in a high-tech 'blade' set-up) and a classic, pre-war headlamp casquette (revived in a modern way). The prototype emulates the 'negative space' of pre-war motorcycles for a clean, uncluttered look. The frame and airbox configuration serves as a stressed member of the machine and the seat unit is of a cantilever design.

The Concept Kx 2018 was a successful prototype development, taking the pride of place at the very front of Royal Enfield's extensive stand at EICMA.



DRIVING MANUFACTURING EXCELLENCE TO MEET GLOBAL ASPIRATIONS



Manufacturing excellence is core to Royal Enfield producing world-class products. Every motorcycle that rolls out of the plant is an uncompromising blend of technology with traditional craftsmanship. Royal Enfield motorcycles are built to be resilient, accessible and to create timeless stories



Embarking on Phase-II of Vallam Vadagal plant

Within 12 months of commissioning of the Vallam Vadagal facility in August 2017, the Company commenced construction of Phase-II of the facility in 2018-19. With construction progressing well, the unit is expected to operationalise in H2 2019-20. Once fully commissioned, it will take Royal Enfield's manufacturing capacity to over 1 million motorcycles a year.

India technology centre

Royal Enfield's India technology centre at Chennai is progressing at a good pace. The Phase-I of the facility is up with all equipment in final commissioning stage. The facility has already commenced product development activities in collaboration with the UK technology centre. Royal Enfield technical teams from multiple facilities in and around Chennai have started shifting into this facility.

38–50

**MANAGEMENT
DISCUSSION
AND ANALYSIS**





MANAGEMENT DISCUSSION AND ANALYSIS



In the Management Discussion and Analysis, all the numbers pertaining to Eicher Motors Limited ("EML") refer to consolidated numbers.

BUSINESS REVIEW

Two-Wheeler Industry performance

Momentum of a strong growth in the two-wheeler industry in 2017-18 continued in the first quarter of 2018-19. The overall two-wheeler industry grew by 16% in the quarter ended June 30, 2018 as compared to the corresponding period in the previous year. By the end of first half of the financial year 2018-19, the industry began experiencing headwinds primarily on account of regulatory changes associated with insurance and safety norms which dampened consumer sentiment. These continued through the end of the financial year.

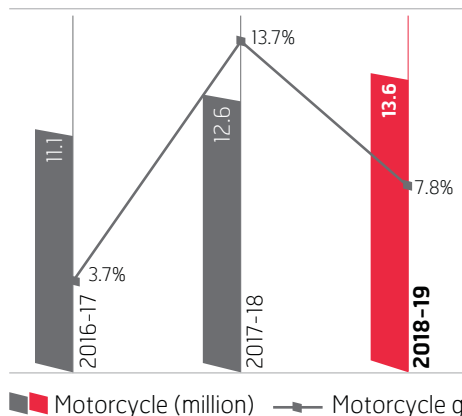
Despite this, the overall two-wheeler industry volume in India reached an all-time high of 21.2 million in 2018-19, a growth of 5% over 20.2 million in 2017-18. Driven by a growth in motorcycles with engine displacement of up to 150cc, the motorcycle segment volume grew by 8% from 12.6 million in 2017-18 to 13.6 million in 2018-19. In contrast, after over a decade of consistent growth, the scooter segment recorded a 0.3% decline year-on-year with total volume remaining at about 6.7 million in 2018-19.

Royal Enfield performance

India continued to remain Royal Enfield's primary market with 98% of the total volume being contributed by India and the remaining being exported to over 50 countries. Your Company's total volume including exports increased by 0.3% from 8,20,121 units in 2017-18 to 8,22,724 units in 2018-19.

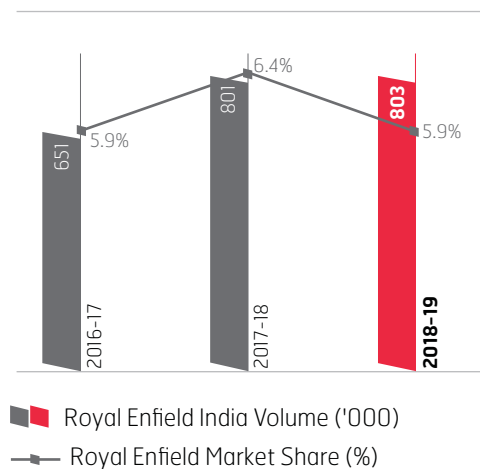
In India, your Company was not immune to the industry headwinds and weak consumer sentiments. These factors, coupled with regulation-driven price increases and floods in its largest market Kerala in August 2018, resulted in India volume growing by 0.2% from 8,01,230 in 2017-18 to 8,03,003 in 2018-19.

Chart 1 // Motorcycle Industry Volume and Growth



Source - SIAM

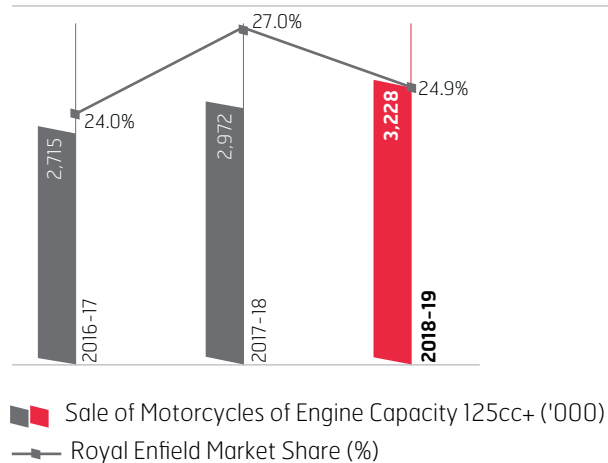
Chart 2 // Royal Enfield's Market Share in India in motorcycles



Source - SIAM

In 2018-19, the industry volume for motorcycles with engine displacement of above 125cc grew by 8%, driven by strong growth of 24% in the category above 125cc to 150cc, primarily on account of new launches and discounts. Royal Enfield's market share in the above 125cc motorcycle segment declined from 27.0% in 2017-18 to 24.9% in 2018-19. However, its market share in above 150cc motorcycle segment improved from 42.8% in 2017-18 to 43.2% in 2018-19.

Chart 3 // Royal Enfield's Market Share in 125cc+ Segment in motorcycles



Source - SIAM

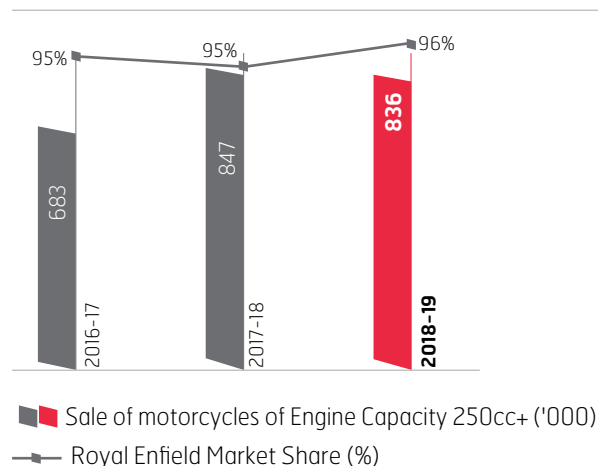
The industry volume for motorcycles with engine displacement of above 250cc declined by 1% on year-on-year basis. Royal Enfield continues to maintain its dominance in this segment with more than 95% market share. As a testament of Royal Enfield's commanding position in premium motorcycle market in India, the introduction of the 650 Twins motorcycles increased the industry volume of above 500cc segment by almost 70% from 6,700 in 2017-18 to 11,257 in 2018-19.

8,03,003

"India motorcycles' sales in 2018-19"

Premiumisation has been one of the key trends in motorcycle industry and your Company has been the driving force of this trend over the past decade. Royal Enfield continues to top the consideration set when customers are looking to upgrade their existing motorcycle. Over the years, your Company has been steadily investing in strengthening its product development and manufacturing capabilities to enhance customer experience. It has also been steadily expanding its distribution footprint to make Royal Enfield accessible beyond the Metros and Tier-1 cities in India as well as countries around the world. As customers increasingly take up pure motorcycling as a part of their lifestyle, Royal Enfield continues to take strides in maintaining its thought leadership in the segment and by offering motorcycles that are simple, evocative, engaging and great fun to ride.

Chart 4 // Royal Enfield's Market Share in 250cc+ Segment in motorcycles



Source - SIAM

Product enhancements and Portfolio expansion

During the year, Royal Enfield transitioned its entire product portfolio to Anti-Lock Braking System ("ABS"), mandatorily required from April 1, 2019 in all motorcycles in excess of 125cc. Your Company started this transition well ahead of time with a steady move of its portfolio first to disc brake and then to ABS with the launch of Royal Enfield Classic Signals 350 in August 2018.

2018-19 also saw Royal Enfield extend its product offerings with the launch of the new 650 Twin motorcycles - Interceptor 650 and Continental GT 650, which were unveiled at the EICMA Motor Show in November 2017. These motorcycles were conceptualised, designed and developed entirely in the Royal Enfield UK Technology Centre and offered with a dedicated set of 40 accessory options. **(Refer pages 42 and 43 for further details.)**

Numerous backstories have defined Royal Enfield over the past century. Drawing from a rich legacy of such inspiring stories, your Company launched several variants of its existing offerings which gave the customers an opportunity to associate with this legacy and a rich heritage. **(Refer pages 30 and 31 for further details.)**

Dealership Network Expansion

Royal Enfield continued to expand its distribution network to enhance accessibility across cities in India. Your Company added 90 stores during the year, increasing the total count to 915 stores with a presence in over 680 cities. To keep up with rising aspiration levels beyond the large urban cities, Royal Enfield is making inroads to the newer markets and expanding its footprints beyond these cities. During the year, your Company opened more than 70% of the new stores in small cities and towns.

Customers, even in the hinterlands, are increasingly becoming aware of the brands and aspiring for them. Your Company is working on multiple initiatives both from a network expansion and accessibility standpoint, to tap into this potential. These include introducing new smaller-sized store formats. While the store will be 3S (sales, spares and service) and compliant with your Company's brand retail identity, it is expected to be economically viable at a low sales volume.

Access to finance is increasingly becoming a key driver in customer's purchasing decision. In 2018-19, your Company tied up with newer financiers to increase accessibility and financing options. The financing of Royal Enfield motorcycle has only been increasing over the years and more than half of the motorcycle purchases last year were financed through banks and Non-Banking Financial Companies ("NBFC").

Customer experience is core to Royal Enfield and an in-store experience goes a long way in strengthening this core. Royal Enfield is leveraging on people, technology, communication and processes to standardise and enhance this experience. The bedrock of this initiative is to provide a best-in-class experience to the customers, which will enhance customer satisfaction, help strengthen loyalty, relationships and spread the positive word of mouth.

After-Sales Service

Royal Enfield's continuous effort to provide superior service experience to its customers has resulted into your Company being ranked Second in the **Customer Satisfaction Index 2018**, as per J.D. Power survey, one of the coveted surveys in automobile industry.

Continuing with the endeavour to enhance service reach and quality, your Company undertook several initiatives during the year. These range across a wide spectrum of activities such as availability of service network at doorsteps and flood affected regions and mountainous terrains to having a digital catalogue of parts across dealerships.

- With a focus on providing last-mile service reach, during the year, your Company launched a new programme "**Service on 2 wheels**". Under this programme, mobile service motorcycles are fabricated to be able to perform general service and minor repairs at the customer's doorstep.
- Displaying its commitment towards the riding community and society at large, your Company pitched in to help the affected residents with rehabilitation and relief measures after the floods in Kerala in August 2018. Royal Enfield also launched a mega campaign to help its customers to bring their vehicles back to riding condition, free of charge.
- A ride to Leh, the highest motorable location in the world, epitomises the ultimate challenge, both for man and machine. To support the riders during the Leh riding season, your Company provided round-the-clock service at a height of 11,000 feet, which benefited more than 1,500 riders.
- In a key digital initiative, during the year, your Company introduced an electronic parts catalogue across all product lines at all dealerships across India. A timely and accurate information has helped improve stocking efficiencies and parts availability thereby improving customer satisfaction.

Motorcycle Accessories

With an aim to proliferate the desire for personalisation and offer products which enable customers live the brand experience of "*Ride More and Ride Pure*" even in their daily commute, your Company set out to build the motorcycle accessories business in 2016-17. In this short but exciting journey, your Company has expanded its offerings to over 80 products across its motorcycle accessory portfolio.

To enhance customer experience and enable customers, Royal Enfield introduced not only new and exciting products for customers to choose from, but also enhanced design and testing activities for them to be able to virtually accessorise their motorcycles.

- For the first time at Royal Enfield, design and development of accessories for the 650cc Twin motorcycles commenced alongside that of the motorcycle itself. Forty dedicated accessories were co-developed along with the twin motorcycles which enabled better design compatibility.
- To drive engagement among customers, an industry leading motorcycle configurator was introduced during the year, which allows a viewer to configure a virtual motorcycle in any available colour and add accessories from a diverse range. This was introduced for the 650cc twins in the initial phase and is planned to be expanded across all Royal Enfield product offerings over the next 12-18 months.

- All the new launches including 650 Twins, Signals, Bullet Trials and Pegasus came with a suite of dedicated accessories, which, in addition to providing comfort, styling, functionality and protection, also lend as a means to self-expression for the rider.
- As part of Royal Enfield's initiatives towards digital marketing, accessories options were added to the www.royalenfield.com along with a flip-book catalogue and image-rich content on products, features and benefits.

On the supply side, your Company continued to strengthen sourcing by developing and enhancing the vendor base, with a deep focus on quality, cost and delivery.

Apparel

Inspired by a motorcycling way of life, Royal Enfield Apparel comprises riding gear, apparel and lifestyle accessories, which enable riders explore and express themselves, on and off the motorcycle.

During the year, Royal Enfield launched multiple range and collections - some celebrating the heritage stories of Royal Enfield and some inspired by the motorcycle launches and travel stories.

- In order to expand its accessibility, your Company has forayed into online retail landscape through its own online store and third-party online retail channels. During the year, your Company also expanded its offline footprint through the Shop-in-Shop model at "Central" - a department store chain across India. Your Company plans to further expand its distribution footprint by partnering with leading retail chains and through omni-channel networks.
- In an endeavour to make the range more personal to the consumers, Royal Enfield introduced a customisation offering called "Make Your Own". This personalisation feature offers customers to configure decals, shell base colour, finish, visor etc. in addition to adding text. This is currently available for helmets and will be extended to other categories this year.

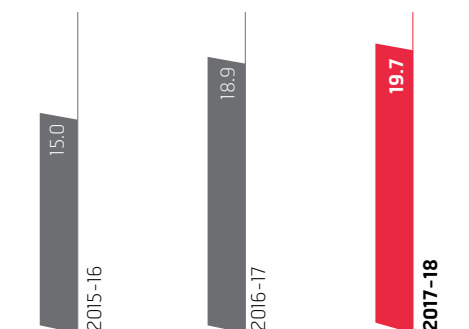
As more and more customers are taking up the riding culture, Royal Enfield Apparel is aiding them accentuate their lifestyle and self expression.

International Business

To establish Royal Enfield as a global brand and lead the middle-weight motorcycle segment in international markets, your Company is building capabilities and brand

equity across key geographies. Developing world-class products which are simple and fun to ride, expanding distribution network and implementing 'Brand Led Growth' initiatives are helping your Company make inroads to developed and developing world alike. International sales volume grew by 4% from 18,891 in 2017-18 to 19,721 in 2018-19.

Chart 5 // Royal Enfield Export Volume



■ Export Volume ('000)

Your Company is steadily moving from an export-based model to building a dedicated international business, with a market focus approach. With an aim to understand market-specific customer preferences and also foster a deeper customer engagement, a distributor and dealership led footprint is also being complemented by having marketing subsidiaries in key priority markets. During the year, Royal Enfield strengthened its distribution network outside India by increasing its exclusive store count to 42 and its Multi Brand Outlets to more than 600.

An expanding global footprint is required to be supplemented by the right product and also commitments to the region. Launch of the 650cc Twins in 2018-19 and response to the Himalayan over the past 12 months indicate that Royal Enfield now not only has robust product development capabilities which can uniformly cater to requirements across geographies, but also it is steadily positioning itself as a credible global player.

The 650 Twins - The Global Opportunity

Interest in the 650cc Twins had been high among motorcycle enthusiasts since its unveiling at the EICMA Motor Show in Milan in 2017. Over the following months, the Twins were launched across key markets in Europe, ASEAN, Latin America and Asia-Pacific. The Twins are also being promoted across markets through a combination of out-of-store test rides by way of participation in national and regional ride events as well as multiple-city tours, auto shows and custom programmes. The interest in and response to the Twins across markets outside of India has been very positive. As your Company commenced deliveries of the Twins, it has also been ramping up production to cater to this demand.

Himalayan - Gaining Traction

The BS-IV Himalayan is being widely accepted in not only evolved motorcycle markets of the US, UK, Europe but also large commuter dominated two-wheeler regions such as South East Asia and Latin America. It has gained acceptance as an easy, city bike built for all roads including no roads and all seasons. A very successful press ride, media coverage, positive reviews and participation in motorcycle shows and events generated an excitement among the customers about Himalayan. The motorcycle's success has translated into dealership enquiries from large potential business partners who are also the dealers of premium and well established brands.

South East Asia- A Promising Opportunity

Distinct classic styling, the ease of customisation, accessible brotherhood coupled with an attractive price point has made the Royal Enfield brand gain good acceptance in key markets in the South East Asia region. Since its foray into the region around three years back, royal has been steadily increasing its store presence, supplementing its community building, marketing and branding initiatives. During 2018-19, your Company expanded its store count in Thailand, one of the most prominent two-wheeler markets in the region and opened its first exclusive store in Malaysia.

For a deeper customer engagement and targeted brand promotion and marketing activities, Royal Enfield set up a wholly-owned subsidiary in Thailand in 2018-19. Furthering

its commitment to the region, your Company has plans to establish assembly operations in Thailand through a local assembler. Customers in the region at large will soon be able to ride their favourite Royal Enfield Motorcycles assembled within the region.

FINANCIAL REVIEW

Total revenue from operations increased by 9% from Rs. 8,965 crores in 2017-18 to Rs. 9,797 crores in 2018-19. India motorcycle sales grew by 8% to Rs. 9,418 crores in 2018-19 from Rs. 8,684 crores in 2017-18. Increase in realisation due to increase in prices for addition of safety features and better product mix supported the growth in revenue. Revenue from international business grew by 35% during the year to Rs. 379 crores in 2018-19 from Rs. 281 crores in 2017-18 on the back of strong response from developed markets including Europe, UK and US.

Royal Enfield is actively focussing on the Apparel and Genuine Motorcycle Accessories business segment. Your Company offers a wide variety of apparel and accessories, through both online and in-store spaces. Spare parts opportunity is also building up with the increase in customer base and your Company is also working extensively to promote the use of Genuine spares. Revenue from apparel and accessories, together with spares and services grew by 24% in the year to Rs. 1,039 crores in 2018-19 from Rs. 841 crores in 2017-18.

Chart 6 // Net Revenue - CAGR 18%

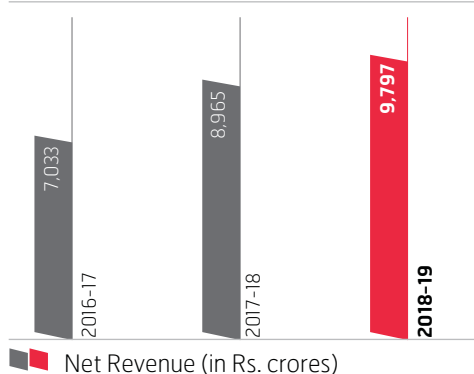
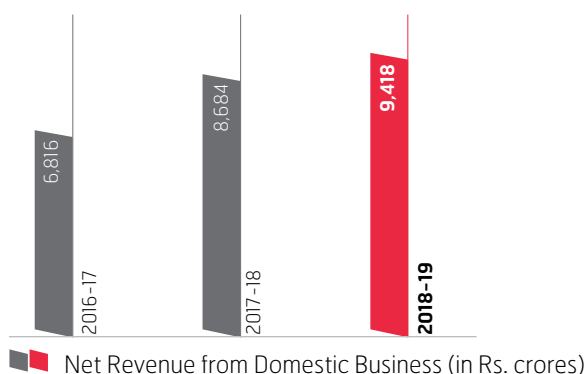


Chart 7 // Net Revenue from India Business - CAGR 18%



CAGR - Compounded Annual Growth Rate

Chart 8 // Net Revenue from International Business - CAGR 32%

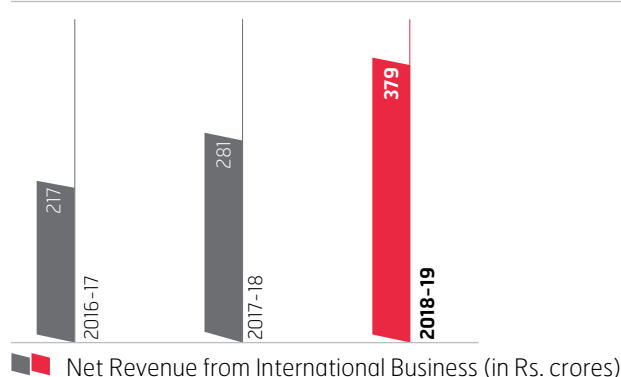
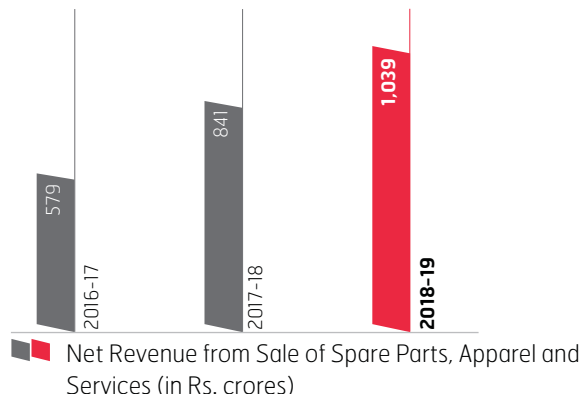
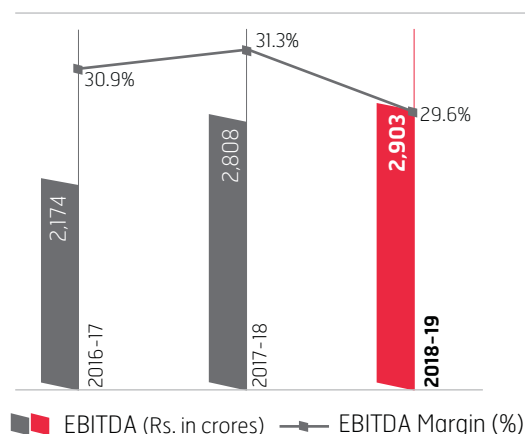


Chart 9 // Net Revenue from Sale of Spare Parts, Apparel and Services - CAGR 34%



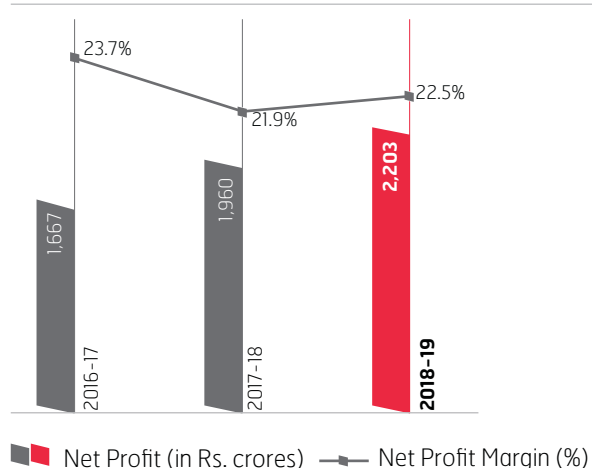
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of your Company increased by 3% from Rs. 2,808 crores in 2017-18 to Rs. 2,903 crores in 2018-19. During the year, your Company continued to invest in building capabilities through the addition of resources and expanding capacity, and also on promotional expenses on new launches. EBITDA margin declined from 31.3% in 2017-18 to 29.6% in 2018-19 mainly due to flat volumes and promotional spend on new launches.

Chart 10 // Earnings Before Interest, Depreciation and Tax (EBITDA) and Margin



Consolidated Net Profit After Tax ("PAT") increased by 12% during the year to Rs. 2,203 crores in 2018-19, from Rs. 1,960 crores in 2017-18. Net Profit included an amount of Rs. 18 crores for 2018-19 and Rs. 220 crores for 2017-18 of exceptional nature representing your Company's share of loss relating to winding down of operations of Eicher Polaris Private Limited ("EPPL"), an equal Joint Venture with Polaris Industries Inc. Net profit margin increased from 21.9% in 2017-18 to 22.5% in 2018-19.

Chart 11 // Net Profit After Tax and Margin



Your Company continued to generate a healthy cash flow with cash generated from operations being Rs. 1,573 crores in 2018-19. Your Company incurred a capital investment of about Rs. 800 crores during the year, primarily on construction work for Phase-2 manufacturing facility at Vallam Vadagal and Technology Centre in Chennai, and development of new products and platforms.

Key Financial Ratios

In accordance with SEBI (Listing and Disclosure Requirements 2018) (Amendment) Regulation, 2018, a company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year).

Your Company has decided to report following key financial ratios:

Particulars	UOM	Standalone		Consolidated	
		2018-19	2017-18	2018-19	2017-18
Inventory Turnover Ratio	Times	10.6	13.6	10.1	13.1
Current Ratio	Times	2.2	1.2	2.1	1.1
Operating Profit Margin	%	27.0	29.4	26.6	28.8
Net Profit Margin	%	21.0	19.1	22.5	21.9
Return on Net Worth	%	32.8	37.1	27.5	31.8
Debtors Turnover Ratio	Times	3.9	6.1	4.7	6.6

Ratios where there has been a significant change from 2017-18 to 2018-19:

Your Company's financial position remains strong with total cash and cash equivalents, and investments (other than in subsidiaries and Joint Ventures) of Rs. 5,932 crores. During the year, there was an increase in the investments in fixed deposits which resulted in an increase in current assets leading to current ratio increasing from 1.1 in 2017-18 to 2.1 in 2018-19.

Your Company sells to Government institutions, Canteen Stores Department for Indian armed forces and exports to over 50 countries, which contributes less than 4% to the total sales. A large part of these sales is on credit. Debtors Turnover ratio decreased from 6.6 in 2017-18 to 4.7 in 2018-19 due to increase in international sales which has resulted in increase in average debtors.

OPERATIONS REVIEW

Production and Construction update of Phase-2 Manufacturing Facility at Vallam Vadagal

Within a year of commencement of commercial operations at its third manufacturing facility at Vallam Vadagal in August 2017, Royal Enfield began construction of Phase-2 of the facility.

The construction is taking place on the same tract of over 50 acres in size and the Phase-2 is also benchmarked to the highest level of quality and productivity. The facility will house a modern paint shop providing best-in-class paint finish and minimum wastage from the overall process. The new vehicle assembly line is being set-up and will also facilitate smooth transition of the existing facilities to the upcoming emission regulations BS-VI.

Your Company's total installed capacity across plants as on March 2019 was 9,00,000 motorcycles. Phase-2 of Vallam Vadagal is expected to commence commercial production in the second half of 2019-20. During 2018-19, the total production from all the three plants was ~8,42,000 motorcycles.

Building Product Development Capabilities - R&D and Technology Focus

Royal Enfield's state-of-the-art Technology Centre at UK Technology Centre at Bruntingthorpe, Leicestershire in the United Kingdom completed two years of operation. The facility is right next to the 'Bruntingthorpe Proving Ground', one of the largest vehicle test track facilities in the UK. The 36,000 sq. feet facility is the hub for product research, strategy, design and development activities of Royal Enfield's motorcycle platforms. The facility houses a state-of-the-art industrial

design studio, development workshop and engineering office, and is now fully operational.

In Chennai, work is nearly complete on the India Technology Centre. The facility will have the engineering and design teams working under one roof and will house state-of-the-art engine, chassis and component test equipment and will be fully integrated with the Technology Centre in the UK. Part of the product development team has already moved to the new facility and the rest of the team is planned to move in by mid 2019-20.

The facilities at these two technology centres are world-class, and enable Royal Enfield to take full ownership of all aspects of motorcycle design and development, from concept through to production. The recent successful launch of the new Interceptor 650 and Continental GT 650 is testimony of your Company's outstanding product development capabilities. The unveiling of the Concept KX at the EICMA Motor Show in Milan in November 2018 was meant to showcase the prowess and creativity of engineers and designers at Royal Enfield. The Concept KX was developed ground up within six months by the teams in the UK and India working in tandem, demonstrating a quick turnaround capability of the teams as well as seamless working environment at Royal Enfield irrespective of geographical boundaries.



Supply Chain Management

The transition to ABS during the year was executed in a phased manner and accomplished seamlessly with a highly collaborative effort between your Company and its supply chain partners.

In-line with your Company's focus on developing new products and becoming future-ready, fully ground-up, 650cc Twins were developed, tested, validated and launched globally meeting the expectations and aspirations of international customers, riders, experts, enthusiasts alike. Early involvement of supply partners from the drawing board to the market launch and adoption of '*Shoki Ryudo Kanri*' methodology at supplier level, enabled successful scale-up of the initial product quality levels to meet the international standards.

Supply partners of your Company remain fully involved in continuous improvements in process quality, product performance, delivery through proximity supplies, cost optimisations and flexibility in manufacturing. The supply partners are also gearing up for the upcoming BS-VI transition and delivery of new products, in line with your Company's plans.

Product Quality

Royal Enfield's constant focus on enhancing quality standards by building capabilities has resulted into your Company delivering motorcycles of international standards. Your Company is committed to ensure the best-in-class quality across the value chain, starting from suppliers to internal processes and systems to sales and after-sales.

Introduction of the '*Shoki Ryudo Kanri*' process was a key step in the direction of gaining full control over the quality as it follows a strict methodology for quality controls in new product and improvements in the existing product portfolio. It commences with intense quality checks at the supplier level at the initial build itself to identify and eliminate design and manufacturing defects. With several levels of rigorous quality checks in the pre-production, in-production and pre-delivery stage during the manufacturing operations stage, it is an intense process with a focus on eliminating chances of defect through the entire manufacturing value chain.

Strike at the Oragadam Manufacturing Facility

Twice during the year 2018-19, a certain section of the workforce resorted to an illegal strike. Your Company is always deeply committed to the welfare of its workforce across all levels. Also, it engages with its workforce directly and through internal mechanisms and forums that help to resolve employees concerns and meet their expectations.

The first strike which lasted for 50 days between September 24, 2018 and November 12, 2018 caused a loss of production

of 28,000 motorcycles. In the second strike, which lasted for 10 days between February 13, 2019 and February 22, 2019 caused a loss of production of 3,200 motorcycles.

BRAND BUILDING, CUSTOMER EXPERIENCE AND ENGAGEMENT

During 2018-19, your Company engaged with its community across dimensions of product, heritage, digital interface, sharing of experiences and community events. These actions and events not only provided more opportunities of engagement between Royal Enfield and its customers but also helped to take this experiential journey to the next level.

The 650 Twins - Double the Fun

Continuing to deliver on the brand promise of 'Pure Motorcycling', Royal Enfield launched the much-awaited 650 Twins at Santa Cruz, California in September 2018 to a global media audience and in Goa in November 2018. The live webcast of the global launch was watched by over 1.2 million viewers from around the world, creating an instant exuberance. These much-awaited newest offerings along with the scale and impact of the launches provided a huge brand uplift to Royal Enfield.

Your Company's efforts are being recognised at global level as the Interceptor 650 won several awards, including the prestigious - the "Indian Motorcycle of the Year 2019" and the "Thailand Bike of the Year 2019". The marketing efforts were also recognised by the advertising fraternity in the Goa Fest 2019 as the Twins campaign received three awards for innovation using mobile and the creative production.

Brand-Led Growth initiatives

Your Company has always treasured and nurtured its special bond with the armed forces and last year as well, Royal Enfield paid tribute to the machines and the gallant servicemen in uniform who ride them. With the launch of the limited edition of Classic 500 'Pegasus' motorcycle in August 2018, Royal Enfield brought alive one of the brand's greatest war stories never told - a Classic 500 inspired by the legendary 'Flying Flea'. This offered an opportunity to the Royal Enfield loyalists to own a piece of your Company's history, which was taken in mere 178 seconds. Furthermore, Royal Enfield followed up on this success with the launch of the Classic Signals 350 motorcycles in unique colour and graphics schemes ensuing an increase in brand salience.

The launch of Bullet Trials Works Replica in March 2019 was inspired by more than 87 years of Bullet heritage and the legacy of Bullet at International Six Days Trials Championships. The Bullet Trials offers its rider a very different experience and capabilities on-and-off the road with its distinctive design and functional features such as tyres with block tread pattern for improved off-road grip, a reinforced handlebar with cross-brace, a raised silencer for improved ground clearance, trimmed mudguards and luggage carrier.

Re-casting the Web

As Royal Enfield continues to work towards building a global brand with motorcycle launches and expansion to new geographies, your Company also launched its new global website in 2018-19 as the face of the brand.

The new website is built to deliver a superior user experience in terms of navigation and discoverability through a design that makes interaction a lot more intuitive. With the evolution in online user behaviour and content consumption, the user experience and interface is of prime importance. The new website seamlessly delivers on all these critical aspects. This provides Royal Enfield community with a reason to come back to the www.royalenfield.com more for all motorcycling content. A logged-in experience gives a customised as well as personalised experience to every registered user basis his or her interests, recorded behaviour on the website and product owned. The online configurator allows a user to visualise the product with his or her preferred choice of accessories. This is truly a step forward in delivering a vastly superior and continuous customer experience.

Building and Fostering Communities

Royal Enfield remains one of the fastest growing social communities in the country today and 2018-19 was a year which witnessed significant growth in community engagement and in its base. Your Company has taken a number of measures to delight its community and deliver gratifying experiences. Royal Enfield continues to give vast exposure to user-generated content and encourage the community

to create more, with 70% of the content on social media and 30% of the content on the website being curated from the community.

New Ride Formats

With a view to foster community engagement and provide a lifetime experience, Royal Enfield introduced new ride formats which enabled riders experience the adventure in extreme terrains. In the **White Outs** ride, 11 highly skilled riders rode over 900 kms from Shimla in conditions of snow, black ice, dirt and tarmac. In the **After Dark** ride, riders experienced the adventure of riding under starlit open skies on sand dunes, flat land and tarmacs. This ride commenced from Jodhpur and saw participation from 12 riders.

Rider Mania - India's Most Definitive Motorcycling Festival

In the continuous journey towards building a meaningful and engaging brand going beyond the transactional, your Company organised its best ever 'Rider Mania' in November 2018 in terms of scale and attendance. Over 8,000 enthusiasts participated in the event and more than 5,00,000 people viewed the content live, witnessing an active community engagement and passion.

RISK MANAGEMENT FRAMEWORK

At Eicher Motors Limited, various categories of risks are evaluated under a comprehensive risk management framework, which is the foundation of your Company's Enterprise Risk Management architecture. In line with the



dynamic environment in which your Company operates, risks are reviewed and re-assessed periodically and mitigation strategies put in place.

Your Company operates in an environment which exposes it to various categories of risks from time to time. Key risks are summarised below:

Evolving industry landscape and customer preferences

India is a large two-wheeler market and its composition has evolved over the past few years. After a period of subdued growth, the less than 150cc segment witnessed strong growth both in 2017-18 and part of 2018-19. On the contrary, scooters and premium motorcycles, after a decade of growth exhibited slowdown in 2018-19.

Over the past few years, Royal Enfield has been the biggest beneficiary of the evolving customer preferences towards premiumisation. As customer preferences even on riding needs evolve, Royal Enfield continues to expand its product offerings to keep pace with customer preferences. Your Company has been investing heavily in R&D, expanding its product offerings and enhancing its current product portfolio by adding functionalities that add to safety and comfort. It also continues to take initiatives to improve accessibility to motorcycles and engage with potential customers. It also continues a deep and differentiated engagement with its riders through various rides, events and community building initiatives.

Regulatory

In the past three years, the automotive industry has implemented various emission and safety-related regulations. India is also now moving to align itself with global emission standards with the advent of BS-VI starting April 1, 2020.

Your Company is executing plans to be fully compliant with all regulatory changes that will be introduced over the next few years. Your Company has clearly laid out path to comply with BS-VI emission norms which come into effect from April 2020.

Financing

The NBFC sector in India witnessed an unprecedented crisis in the year 2018-19. This led to a credit squeeze in the system and difficulty in availability of affordable finance. Availability of finance is key in the automotive sector and in particular where the offering is aspirational in nature and in a rising price regime, driven by regulatory requirements.

Your Company is working towards increasing the availability of finance by partnering with various banks and NBFCs as its retail footprint is increasing. It is also working on partnering with local financiers as penetration increased beyond metros, Tier-1 and 2 cities.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has deployed a robust Enterprise Resource Planning ("ERP") system based on SAP platform enabling high degree of system-based checks and controls ensuring protection of its assets and interests. The governance risk and compliance framework further ensures that internal controls are effective and complied with. The internal auditor carries out internal audit of functions and processes in accordance with a schedule approved by the Audit Committee. The Audit Committee reviews the adequacy of resourcing, staffing and seniority of personnel in the internal audit team. The audit findings and management's resolution plans are reported on a quarterly basis to the Audit Committee by the internal auditor. The internal auditor of your Company also reports to the Audit Committee in respect of adequacy of internal control systems and weaknesses, if any. Furthermore, the statutory auditor reports on the adequacy and effectiveness of the internal financial controls in respect of financial reporting.

Your Company has a whistle blower policy / vigil mechanism providing avenues to all employees and vendors to report instances of fraud and wrongdoings while ensuring protection from victimisation and reprisals.

CREATING A UNIQUE ROYAL ENFIELD CULTURE - EMPOWERED, COLLABORATIVE AND PASSIONATE TO DELIVER BUSINESS RESULTS

At Royal Enfield, building a people-centric organisation that thrives on opportunities of growth and laying a strong focus on driving business results, are central to its functioning. Your Company is constantly upscaling its practices by offering programmes that empower its employees while giving them widespread exposure through learning and job rotations across the organisation.

Royal Enfield endeavours to foster an inclusive workplace and nurture relationships that further powers its commitment to transparency, collaboration and equal opportunity.

Royal Enfield is continuously working towards creating a diverse workforce that includes diversity of gender, and experience across industries and geographies. Your Company's programmes target upskilling of the workforce to meet the demands of the future and keep the organisation aligned with its strategic goals.

INFORMATION TECHNOLOGY

Royal Enfield has been at the forefront of adopting technology and digitising a lot of processes to support and transform business. Taking the Product Lifecycle Management ("PLM") journey forward from last year, an 'Electronic Parts Catalogue' integrated with PLM Platform was enabled to share parts and service information with Royal Enfield's national and international dealer community.

During the year, your Company migrated the ERP system from SAP ECC to SAP S4 HANA, the Digital core. This system with its inbuilt SAP mobility functionality enables on-the-go approvals, data entry, reporting and has also enabled the platform to integrate with trending technologies. Also, the improved speed of business transactions has helped the business community to get faster access to data for decision-making.

Another digitisation initiative carried out this year was the start of a pilot rollout of a device-agnostic mobile-friendly Customer Relationship Management ("CRM")/Dealer Management System ("DMS"), which improves the customer experience at the dealership both on the sales and service processes.

Your Company continues to invest in and extensively use digital technologies and data analytics to manage customer relationships, achieve operational excellence, business intelligence and drive decision-making.

ENVIRONMENT AND HEALTH AND SAFETY

Your Company is cognizant that its operations and products have an impact on the environment. Your Company therefore focusses on improving its own manufacturing processes on continuous basis to reduce material use and wastage per motorcycle, optimise use of natural resources with emphasis on recycling and reusing and to the extent possible, adopt renewable sources of energy. During 2018-19, a 1 MW rooftop solar facility was installed at the Oragadam facility. This helped reduce power cost at the facility by 3% during the year. On the product side, the effort is to improve fuel efficiency and recyclability of products at the end of life.

Your Company has an environment policy in place and it ensures that the leading environmental practices are implemented across operations for the benefit of the organisation as well as the employees.

Further, Company's plants are certified for compliance by the Government Pollution Control departments. Your 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. Company also emphasises on planting more and more trees inside the manufacturing plants towards carbon neutrality. All emissions and waste generated by your Company during the year were within the permissible

limits prescribed by Central Pollution Control Board ("CPCB") / State Pollution Control Board ("SPCB").

Your Company recognises its employees as an important asset and a source of sustained competitive advantage. Your Company offers its employees good working conditions, progressive HR policies, and a conducive and enabling work environment so that the employees can deliver their best helping your Company to improve overall productivity. Your Company provides adequate trainings, offers reward and recognition programmes and invests in career development programmes for its employees. A training department has been set up primarily for capability development of the employees.

Your Company has a policy of annual health checkup and also conducts health and fitness education programmes as an ongoing process. All the workstations are ergonomically-designed to avoid fatigue while working. Your Company's Oragadam plant is amongst the model plants as chosen by the Government of Tamil Nadu for other industries to emulate.

The Safety Committee of your Company addresses all safety related issues that emerge within the organisation. Safety training, including fire fighting training is part of the employee's induction process and all new employees have to mandatorily attend the same. Shop floor workers undergo periodic safety training organised as per the annual safety calendar to ensure accident-free and safe working environments.

All motorcycles manufactured by your Company comply with the statutory safety norms of the country. Your Company regularly uses various platforms to communicate the importance of "Safe Driving" to its customers. {Further details in BRR}

CAUTIONARY STATEMENT

Certain Statements in the Management Discussion and Analysis describing your 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. Your Company's operations may be affected by 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.

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**STATUTORY
REPORTS**



BUSINESS RESPONSIBILITY REPORT

Incorporated in 1982, Eicher Motors Limited (EML) is the flagship Company of Eicher Group. We operate in two distinct business verticals – Motorcycles and Commercial Vehicles. We produce the iconic Royal Enfield motorcycles and are global leaders in the mid-size (250cc-750cc) motorcycle segment. The motorcycles are manufactured in state-of-the-art facilities in Tamil Nadu and marketed with the support of an extensive network of dealers across India and across the world. Globally, EML has a presence in over 55 countries. We are committed to provide each and every customer with quality motorcycles and related accessories, as well as customer experience. In addition to motorcycles, we have a subsidiary VE Commercial Vehicles Limited, which is a joint venture with Sweden's AB Volvo, to manufacture trucks and buses.

EML has witnessed phenomenal growth in recent years. We recorded our highest ever total income from operations

in FY 2018-19. EML is listed on the BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE) and is part of the NSE's benchmark Nifty 50 Index.

While business excellence is a key objective, ensuring a positive impact on society and environment is a very important goal for EML. The company has embedded various initiatives on sustainability across operations. We undertake initiatives to reduce the impacts of our operations on the environment, health and safety, and ensure the development of local communities.

The disclosures contained in this Business Responsibility Report (BRR) illustrate the endeavour of EML in adopting responsible business practices and creating lasting value for our stakeholders.

SECTION A: GENERAL INFORMATION

- A-1 Corporate Identity Number (CIN) of the Company**
A-2 Name of the Company
A-3 Registered address
A-4 Website
A-5 E-mail id
A-6 Financial Year reported
A-7 Sector(s) that the Company is engaged in
A-8 List three key products/ services that the Company manufactures/ provides
A-9 Total number of locations where business activity is undertaken by the Company:

i. Number of International Locations

ii. Number of National Locations

A-10 Markets served by the Company

- : L34102DL1982PLC129877
 : Eicher Motors Limited
 : 3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017
 : www.eichermotors.com
 : investors@eichermotors.com
 : April 1, 2018 to March 31, 2019 (FY 2018-19)
 : Manufacture of motorcycles (Code 3091 of National Industrial Classification 2008, Government of India).
 : Motorcycles

EML has subsidiaries in North America, Brazil, Thailand and Canada and a technology centre in the United Kingdom. We have 42 exclusive stores across the UK, USA, Mexico, Colombia, Brazil, Argentina, France, Spain, Indonesia, Thailand, Philippines, Vietnam, Austria, Portugal, Australia, New Zealand and UAE.

- ♦ Registered office: New Delhi, India
- ♦ Corporate office: Gurugram, Haryana, India
- ♦ Manufacturing locations: Thiruvottiyur, Oragadam and Vallam Vadagal in Tamil Nadu, India.
- ♦ Technical centres at Chennai, India

National: As on March 31, 2019, there are 915 Royal Enfield stores in India.

International: EML has a market presence in 58 countries, including USA, Japan, UK, European and Latin American countries, Middle East and South Asia.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

B-1	Paid up Capital (INR)	:	27,28,25,700
B-2	Total Turnover (INR)	:	9,794.48 crore
B-3	Total profit after taxes (INR)	:	2054.44 crore
B-4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	EML spent INR 45.39 crores on CSR activities during FY 2018-19. This was 2% of the average net profits of the Company for last three financial years
B-5	List of activities in which expenditure in 4 above has been incurred:	:	<ul style="list-style-type: none"> ♦ Rural Development ♦ Livelihood Development ♦ Road Safety ♦ Disaster Relief etc.

SECTION C: OTHER DETAILS

C-1	Does the Company have any Subsidiary Company/ Companies?	:	<p>Yes, as at March 31st, 2019, the subsidiaries of the Company were:</p> <ul style="list-style-type: none"> ♦ VE Commercial Vehicles Ltd. ♦ Royal Enfield Brasil Comércio de Motocicletas Ltda ♦ Royal Enfield North America Limited ♦ Eicher Group Foundation ♦ Royal Enfield (Thailand) Ltd. <p>Step Down Subsidiaries</p> <ul style="list-style-type: none"> ♦ Royal Enfield Canada Ltd. ♦ VECV Lanka (Private) Limited ♦ VECV South Africa (PTY) Ltd.
C-2	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)	:	<p>Eicher Group Foundation (a not-for-profit company registered under Section 8 of the Companies Act 2013) has been incorporated by Eicher Motors Limited and its subsidiary VE Commercial Vehicles Limited, with the purpose of implementing the Group's CSR policy. Other entities that the company does business with do not participate in BR initiatives of the Company.</p>
C-3	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities?	:	<p>Suppliers and distributors are independent businesses that are within the circle of influence of EML, but function as independent entities.</p> <p>EML's suppliers and distributors are not involved in our BR initiatives.</p>

SECTION D: BR INFORMATION

D-1 Details of Director/Directors responsible for BR

Details of the Director/Directors responsible for implementation of the BR policy/policies and details of BR Head:

The Corporate Social Responsibility (CSR) committee is the BR head at EML. The composition of CSR committee is mentioned below:

S. No.	Name	Designation	DIN Number
1.	Mr. S. Sandilya	Chairman, Non-executive and Independent Director	DIN 00037542
2.	Mr. Siddhartha Lal	Managing Director	DIN 00037645
3.	Mr. Inder Mohan Singh	Non-executive and Independent Director	DIN 07114750

D-2 Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9 ¹
1.	Do you have a policy/policies for.... ²	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
3.	Does the policy conform to any national / international standards? If yes, specify? ³	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
6.	Indicate the link for the policy to be viewed online?	P1: http://www.eicher.in/codes-and-policies P2: Published in the intranet and to all contractors P3: Published in the intranet P4: http://www.eicher.in/uploads/1530165050_Eicher_Corporate_Social_Responsibility_Policy.pdf P5: Published in the intranet P6: Published in the intranet P7: http://www.eicher.in/codes-and-policies P8: http://www.eicher.in/codes-and-policies								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Note 1

¹ Although EML does not have a board approved policy on customer engagement, systems and processes have been established for addressing issues pertaining to customer satisfaction.

² The policies laid out by Eicher Motors Limited are mapped to each principle in following table.

³ All our policies are in line with the National requirements and also incorporates international leading practices as appropriate.

Principle	Applicable policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<ul style="list-style-type: none"> Code of Conduct for Directors and Senior Management Whistle Blower Policy Policy for Determining Materiality of Events and Information Policy for Determining Material Subsidiaries Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring, and Reporting trading by Insider Terms of Appointment of Independent Directors

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<ul style="list-style-type: none"> ♦ Environmental Policy ♦ Quality Policy
Principle 3: Businesses should promote the wellbeing of all employees	<ul style="list-style-type: none"> ♦ Safety Policy ♦ Employee Welfare Policy ♦ Prevention of Sexual Harassment
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	<ul style="list-style-type: none"> ♦ Corporate Social Responsibility Policy
Principle 5: Businesses should respect and promote human rights	<ul style="list-style-type: none"> ♦ Employee Welfare Policy ♦ Prevention of Sexual Harassment
Principle 6: Business should respect, protect, and make efforts to restore the environment	<ul style="list-style-type: none"> ♦ Environmental Policy
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	<ul style="list-style-type: none"> ♦ Code of Conduct
Principle 8: Businesses should support inclusive growth and equitable development	<ul style="list-style-type: none"> ♦ Corporate Social Responsibility Policy
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	<ul style="list-style-type: none"> ♦ EML has an extensive programme for engaging with its customer, handling customer grievance and improving customer experience.

D-2a If the answer to S.No. D-1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									Not applicable
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									Not applicable
3.	The company does not have financial or manpower resources available for the task									Not applicable
4.	It is planned to be done within next 6 months									Not applicable
5.	It is planned to be done within the next 1 year									Not applicable
6.	Any other reason (please specify)									P9: At EML, customer satisfaction is of the upmost priority. Detailed systems and processes have been implemented by the Company for handling customer grievance and improving customer experience.

D-3 Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	:	The Managing Director, Chief Executive Officer and the Senior Management of EML review the BR vision, strategy and performance of the company annually.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	:	<p>EML has been publishing annual BR Report since FY 2015-16. The reports can be viewed at:</p> <p>FY 2015-16: http://www.eicher.in/uploads/1530166609_BRR_FY_2015-16.pdf</p> <p>FY 2016-17: http://www.eicher.in/uploads/1530166609_BRR_FY_2016-17.pdf</p> <p>FY 2017-18: http://www.eicher.in/uploads/1532953236_BRR_FY_2017-18.pdf</p>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business Ethics, Transparency & Accountability

EML has well-defined policies and codes of acceptable conduct and behaviour for employees and management. These policies ensure adherence to ethical, professional and legal standards, and transparency and accountability mechanisms within EML and in all business matters. Some of the policies in this regard are:

Coverage of policies relating to ethics, bribery and corruption

- ♦ **Code of Conduct for Directors & Senior Management** – This policy has been put into place to safeguard confidential information, disclose potential conflicts of interest, and to ensure compliance with all applicable laws, regulations and Company's policies, including anti-bribery and corruption laws.
- ♦ **Whistle Blower Policy** – This policy offers a mechanism that allows Directors, employees, dealers and vendors to report any wrongdoing or malpractice in the Company, without any reprisals or victimisation.
- ♦ **Policy for Determining Materiality of Events and Information** – This policy determines whether an event or information is material or not as per the provisions of SEBI Regulations, 2015, while ensuring timely, accurate, uniform and transparent disclosure.
- ♦ **Policy for Determining Material Subsidiaries** – This policy guides EML in determining material subsidiaries of the company and making necessary compliance relating to the same.
- ♦ **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting trading by Insider** – The key objective of these policies is to ensure timely and adequate disclosure of unpublished price sensitive information and prohibition of insider trading.
- ♦ **Terms of appointment of Independent Directors** – It lays down the code of conduct, responsibilities and other terms of appointment for Independent Directors of EML.
- ♦ **A thorough internal and external mechanism is in place to respond to investor grievances in a timely and appropriate manner.**

Policies of Eicher Motors Limited can be accessed online at <http://www.eicher.in/codes-and-policies>

The Code of Conduct for Directors & Senior Management, Policy for Determining Materiality of Events and Information and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information extend to the Company's subsidiary and joint venture companies as well. Several subsidiaries and joint venture companies also have company specific whistle-blower practices in place.

In FY 2018-19, EML received 58 complaints from stakeholders. EML successfully resolved 56 complaints during the year which include 4 complaints pertaining to previous period. The resolution of complaints is reviewed by EML's Stakeholder's Relationship Committee which looks into the redressal of complaints received from shareholders and investors. The Committee is comprised of three non-executive independent directors as its members. The Managing Director and the Chief Financial Officer are invited to the committee meetings as required. The General Counsel and Company Secretary acts as the Secretary to the Stakeholder's relationship committee.

Stakeholder's complaints redressal

Principle 2: Product Responsibility

At Eicher Motors Limited, environmental and social concerns are an integral part of its product development policy. Aspects like raw material, energy, water and waste are taken into consideration during the product design and manufacturing process. At the product development stage, material recyclability of the motorcycles is also a critical factor from a product life-cycle perspective.

Social or environmental concerns and their importance in product design

At EML, motorcycles are primarily manufactured using recyclable materials. A majority of the materials used in manufacturing can be recycled at the end of its life (up to 85%), while the remaining materials consist of consumables. All motorcycles manufactured by the Company are complaint to End-of-Life Vehicles (ELV) regulations.

EML is dedicated towards reducing its energy footprint, with energy saving initiatives being regularly undertaken at manufacturing sites. In order to reduce direct energy consumption during process heating, we have moved from High Speed Diesel (HSD) to cleaner fuels like Liquefied Petroleum Gas (LPG). As a result, fuel efficiency has increased by 80%. At the same time, greenhouse gas emissions have reduced by 45%. Our energy intensity for FY 2018-19 is 0.66 GJ/motorcycle produced, is marginally higher by 0.07 GJ/motorcycle produced compared to last year. This can be attributed to the scaling-up of operations at our new manufacturing plant at Vallam Vadagal, Tamil Nadu.

Consumption of energy, water, raw material etc.

In addition, we have put processes in place to minimise the generation of hazardous waste and its proper management and disposal. Aluminium and steel scrap generated during the manufacturing processes are recovered and sold to industry for recycling. All plants operated by EML have a closed-loop water recycling design to ensure minimal discharge of water. Despite the marked increase in production of motorcycles, our water use intensity (kl/motorcycles produced) has only marginally increased.

EML focuses on indigenisation of components and local sourcing. A predominant section of our supplier base is located within a 100-kilometer radius of our manufacturing sites. We source 98.1% by value of our raw materials from within India, translating to procurement of roughly INR 4,959 crores from indigenous suppliers in FY 2018-19. This helps in optimising cost, increasing productivity, and reducing environmental footprint associated with logistics. It also creates employment opportunities for the local community.

Sustainable sourcing and Procurement from local and small producers

We also strive to integrate sustainability into our in-bound supply chain. Towards this end, we have taken initiatives to significantly eliminate the use of packaging materials through use of bins, pallets, and reusable trolleys. For export of motorcycles, especially the popular 650 twins, we use the Chennai port, which is close to our manufacturing sites for reducing transportation related emissions.

EML had established a New Supplier Assessment process in FY 2017-18, for assessing suppliers based on select social indicators amongst other standard criteria. In FY 2018-19, several suppliers were assessed for their social impacts.

All our existing and new models of Royal Enfield motorcycles are compliant with the vehicle ELV regulations. Health and safety of our customers is of utmost importance to us. Therefore, we ensure that all the motorcycles are free of hazardous substances like Lead, Cadmium, Mercury, and Chromium.

Almost 85% percent of paint and metal used in our motorcycles can be recycled at the end of their life.

EML also places emphasis on the recovery of waste generated during the manufacturing process and recycling. Some of the key materials recycled are mentioned below:

- ♦ Almost 55% of the hazardous waste generated at our sites is sent for co-processing to the cement industry, where it is used as a fuel in kilns. Used oil and spent solvents are sent to authorised recyclers.
- ♦ Aluminum and steel scrap is converted into briquettes and is also sold to recyclers. Scrap is also directly delivered to the melting sources for recycling, which eliminates multiple processing while improving resource efficiency.

Recycling products and waste

Principle 3: Employee Wellbeing

A committed and productive workforce is the backbone of EML. As on 31st March 2019, the total workforce with the Company was 14,568. Out of this, we have 4082 permanent staff and executives on our payroll. Rest of the workforces comprises of engineers, workmen, trainees, casual and contract workmen.

EML is an equal opportunity employer and does not discriminate among employees on the basis of gender, caste, creed, religion, or any other characteristic. We are also committed to increasing the representation of women across our workforce. Women account for 6% of full-time employees in our company. They also accounted for 11% of new hires in FY 2018-19. We also make an effort to include people with special needs as part of our workforce.

Recognising the right to collective bargaining of our employees, we have established internal and independent labour unions at our Thiruvottiyur plant. All the permanent employees at the plant are members of this union. The union follows all statutory requirements. We also undertake wage settlements with the employee union once in three years.

The Company has developed systems and processes to eliminate the presence of child labour, forced labour, involuntary labour, and sexual harassment in its operations. We also conduct various programmes to build awareness of employees on these issues. In line with the statutory requirements, EML doesn't employ anyone less than 18 years of age. During the financial year under review, Company received one complaints of sexual harassment which was investigated and appropriately dealt with as per the statutory provisions.

EML provides regular trainings to its employees for the upgradation of their skills and knowledge, and safety related issues. Training is provided by in-house experts and external agencies according to an annual calendar. In FY 2018-19, 77% of the permanent employees and 87% of women employees received training on the above-mentioned aspects. We also trained our contractual and temporary employees on safety and other relevant aspects.

Manpower resources including women employees

Employee association and its membership

Child labour, forced labour, sexual harassment

Safety, training and upskilling

Principle 4: Stakeholder Engagement

EML has identified internal and external stakeholders that are impacted by the company's operations and inversely, have the potential to impact the company as well. The major stakeholder groups are mentioned below:

- ♦ Employees and their families
- ♦ Consumers
- ♦ Suppliers and dealers
- ♦ Bankers
- ♦ Investors
- ♦ Government and regulatory bodies
- ♦ Local community
- ♦ Peers and industry ecosystem

EML has identified following two categories of stakeholders as disadvantaged, vulnerable and marginalised:

- ♦ Certain sections of local community around our areas of operation;
- ♦ Socio-economically disadvantaged sections of the society.

In line with our CSR policy, we have identified broad areas of intervention for the local communities. These include road safety, environmental sustainability, children's education, healthcare, local area development, and livelihood development. Key initiatives undertaken during FY2018-19 were:

- ♦ **Education:** EML is committed to improving the access to quality education in the country. Our major interventions in this area include development of school infrastructure, providing financial support to meet the operational expenses of schools, renovation of anganwadis, transit schools for drop-outs, computer education, and scholarships. These initiatives were implemented in Rajasthan and Tamil Nadu.
- ♦ **Livelihood Development:** In order to improve employment opportunities, we offer skill training programmes for school dropouts in and around Chennai and Gurugram. We also offer vocational trainings for less educated, economically backward youth and differently abled children.
- ♦ **Disaster Relief:** Several social development projects are being implemented by EML in Tamil Nadu and neighbouring states. Through our disaster relief efforts around Chennai and Kerala, we are providing access to healthcare, sanitation, and safe drinking water; as well as eradicating hunger, poverty and malnutrition.
- ♦ **Road Safety:** We also initiated a project in Leh district of Jammu and Kashmir, and Lahaul and Spiti district of Himachal Pradesh to create road safety awareness and provide emergency and trauma care. We are also developing a trauma care system on the Manali-Leh route.
- ♦ **Local Area Development:** Through our village upgradation program around our manufacturing units at Thiruvottiyur, Oragadam and Vallam Vadagal, we revived lakes/ ponds, established a multi-disciplinary training centre, provided healthcare facilities, and promoted women's empowerment through Self-Help Groups. We also established mobile learning labs in Andhra Pradesh through Self-Help Groups; and rural electrification in Ladakh region.

Internal and external stakeholders

Disadvantaged, vulnerable & marginalised stakeholders and Company's initiative toward them

EMPOWER: Rural Electrification in Ladakh

EML implemented the EMPOWER project in Ladakh region to facilitate holistic development of the community and empower the local population. With our support, solar micro-grids were setup in remote villages of the region. With the support of Global Himalayan Expedition, Khangral, Batambis (Upper, Middle, Lower), and Hanamur villages were identified for electrification.

- ♦ **Projects Undertaken:** Over 6,500 clothes were distributed during the clothes distribution drive at Kashmir, Uttarakhand, Jharkhand and Himachal Pradesh, helping more than 5,000 families with clean and warm clothes.

Principle 5: Human Rights

EML is committed to upholding the leading standards of integrity and accountability across our operations. In line with our commitment, we have laid down policies/ codes like Code of Conduct for Directors and Senior Management, Policy on Prevention of Sexual Harassment, Employee Welfare Policies, CSR Policy, etc. All our subsidiaries and joint venture companies are also covered under Company's Policies and/or have their own Policies of similar nature.

During the financial year under review, Company received one complaints of sexual harassment which was investigated and appropriately dealt with as per the statutory provisions.

Human rights policies and stakeholder complaints

Principle 6: Environment

EML's Environment Policy showcases our commitment to implement initiatives related to resource efficiency, cleaner production, and waste reduction and management; awareness generation; and training of employees on environmental issues. At present, the Company's environment policy does not cover Group/Joint Ventures/Suppliers/Contractors/NGOs. However, we encourage all our stakeholders to implement robust environmental practices across their operations.

Recognizing the risks posed by environmental issues such as climate change on their businesses and on the society, EML has been implementing initiatives to reduce the carbon footprint. We have undertaken efforts to lower our energy consumption in manufacturing units and shop floors. Through our energy saving measures, we have saved 2,119 MWh of energy which is equivalent to 2,074 Tonnes of CO₂e.

We also use recycled water in our production processes. Almost 90% of the water used in manufacturing is recycled. Water from the Sewage Treatment Plant (STP) is also used for gardening, air-handling units (AHU), boilers, cooling towers, and in toilets. Additionally, rain water harvesting systems set up at all the plants help in ground water recharge.

EML has a formal risk management framework in place to assess potential risks and take appropriate measures to mitigate them. The Risk Management Committee, overseen by MD, is responsible for the implementation of this framework. Regular meetings with various internal departments, as well as external associations and industry bodies are conducted to identify emerging risks. All processes are analysed with ASPECT-IMPACT analysis to ensure that the impact on environment is reduced on a continuous basis through operational control procedures (OCP).

Coverage of environmental policies and practices and strategies to address environmental issues

Initiatives on clean technology, energy efficiency etc

Environmental risk assessment and development mechanism

EML doesn't have any projects related to Clean Development Mechanism. However, several initiatives to improve energy efficiency have been implemented in our manufacturing units, leading to significant reduction in manufacturing costs as well greenhouse gas emissions from our operations.

EML has laid down procedures to ensure statutory compliance with the Central Pollution Control Board/ State Pollution Control Board on emissions, air and noise quality, and waste generation. We conduct regular ambient air and noise quality tests through laboratories accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and submit reports to the Tamil Nadu Pollution Control Board (TNPCB). We have also installed an online monitoring system for Volatile Organic Compounds (VOC). This is connected to the TNPCB Care Air Centre to monitor any fluctuations in the permissible limits. We also ensure proper segregation, recycling and disposal of hazardous and non-hazardous waste generated at the site.

During the FY 2018-19, all emissions and waste generated by EML were within the permissible limits given by CPCB and TNPCB and no show cause or legal notices were received.

Emission control and violations, if any

Principle 7: Advocacy and Public Policy

EML is a member of the Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Society of Indian Automobile Manufacturers (SIAM) and Society of Automotive Fitness and Environment (SIAM SAFE). Participation in such associations provides us a platform to engage with other automotive companies on relevant issues. We aim to contribute to the development of policies and regulations, implementation plans, etc. through regular engagement with the Government of India. We also interact regularly with the Bureau of Indian Standards (BIS) to suggest inputs for new regulations for vehicles, new standards and their feasibility, etc.

Industry associations and advocacy

Principle 8: Inclusive Growth and Equitable Development

EML has a clearly articulated CSR policy in line with the Companies Act, 2013 and the Rules made there under. Our broad areas of intervention and details on initiatives implemented in FY 2018-19 are described under Principle 4.

Specific programmes/initiatives/ projects in pursuit of the policy related to Principle 8

In FY 2018-19, EML spent INR 45.39 crores on CSR activities under the broad themes of rural development, livelihood development disaster relief and road safety. We collaborate with reputed NGO partners to ensure efficient implementation and quality outcomes. These programmes are regularly managed and monitored by an in-house CSR Committee facilitated by Eicher Group Foundation. The CSR committee assesses the progress and impacts of the programmes, provides valuable insights and suggests course correction and improvement in the existing programmes.

Contribution to community development projects and implementation

A participatory approach is adopted by EML for developing and implementing the community development initiatives, which address the unmet needs of the community. This helps in on-boarding community members from the very beginning of the programme, ensuring greater ownership and successful implementation. Our field teams continuously interact with community members during the implementation period.

Principle 9: Customer Engagement

EML is committed to provide world-class quality products and services to its customers both nationally and internationally. Our products comply with all requisite codes, specifications and industry regulations relevant to the automobile industry. They also comply with statutory safety norms of India as well as export markets. All the product literature, including safety information is disclosed to the customers through user manuals, media platforms, and company's website. The dealers also orient the customers on products' features and performance during pre-sales interactions and product delivery. In addition, the Company regularly uses various media and non-media platforms to communicate the importance of safe driving to its customers.

The Company has a formal and well-defined process in place for addressing customer grievances. Complaints filed by customer through social media or the central command centre are documented with the Dealer Management System (DMS). Dedicated teams analyse these complaints to provide timely resolutions. There is an escalation matrix built into the system to ensure any delays in resolution are notified to the senior management. During FY 2018-19, 94% of customer complaints were resolved.

Customer satisfaction is critical to the growth of our business. We and/or our dealers regularly undertake customer satisfaction surveys. In case of low satisfaction scores (1-2), we take corrective actions and resolve them within 15 days. JD, a third-party agency, had conducted surveys in 2017. As per the survey, EML is ranked No. 2.

There were no cases of litigation against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

Displaying product information on the product label

Pending customers complaints

Customer surveys

DIRECTORS' REPORT

To the Members of Eicher Motors Limited

The Directors have pleasure in presenting the Thirty Seventh Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2019.

FINANCIAL RESULTS

Your Company achieved an all-time high top line growth during the financial year 2018-19 with Net revenue from operations at Rs. 9,794.48 crores. The profit before depreciation and interest amounted to Rs. 2,944.38 crores, which is 30.1% of the total revenue. After accounting for other income of Rs. 508.04 crores, interest expense of Rs. 2.99 crores and depreciation of Rs. 298.93 crores, profit before exceptional item and tax amounted to Rs. 3,150.50 crores.

In March 2018, the Board of directors of Eicher Polaris Private Limited, a 50:50 joint venture with Polaris Industries Inc. US decided to wind down the operations of Eicher Polaris Private Limited. As a consequence, the Company recorded an impairment loss of Rs. 311.98 crores and Rs. 17.52 crores (exceptional items) during the previous year and current year respectively.

Profit after exceptional item and before tax is Rs. 3,132.98 crores. Profit after tax amounted to Rs. 2,054.44 crores after income tax provision of Rs. 1,078.54 crores. Total Comprehensive income for the year, net of tax amounted to Rs. 2,048.67 crores.

The financial results are summarized below:

Particulars	Rs. in Crores	
	For the financial year ended March 31, 2019	For the financial year ended March 31, 2018
Net Revenue from operations	9,794.48	8,957.51
Profit before depreciation and interest	2,944.38	2,853.20
Interest	2.99	3.04
Depreciation	298.93	222.34
Profit before other income and tax	2,642.46	2,627.82
Other income	508.04	332.43
Profit before exceptional items and tax	3,150.50	2,960.25
Exceptional Items	17.52	311.98
Profit before tax	3,132.98	2,648.27
Provision for tax (including Deferred tax)	1,078.54	935.36
Net profit after tax	2,054.44	1,712.91
Other comprehensive income	(5.77)	10.85
Total Comprehensive income for the year/period, net of tax	2,048.67	1,723.76
Balance in statement of profit and loss brought forward from previous year	4,871.26	3,476.61
Amount available for appropriation (Excluding Exchange differences in translation of foreign operations):	6,924.79	5,188.38
Dividend for FY 2017-18, paid in FY 2018-19	-	299.93
Dividend proposed for FY 2018-19, to be paid in 2019-20	341.03	-
Earnings per share		
- Basic (Rs.)	753.37	629.07
- Diluted (Rs.)	752.54	627.88

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, 2019 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, 2019 till the date of this report.

DIVIDEND

The Board of Directors in their meeting held on May 10, 2019, has recommended for approval of the shareholders payment of dividend of Rs. 125/- per Equity Share (@1250%) of face value of Rs. 10/- out of the profits for the financial year 2018-19 in accordance with the Dividend Distribution Policy of the Company.

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

- To all Beneficial Owners in respect of shares held in dematerialized 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 July 25, 2019;

- 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 properly lodged with the Company on or before the close of business hours on July 25, 2019.

AMOUNTS TRANSFERRED TO RESERVES

During the financial year 2018-19, no amount was transferred to General Reserve of the Company.

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

Your Company continues to grow significantly. It sold 8,23,828 motorcycles in the financial year 2018-19, 0.4% more when compared to 2017-18 sales of 8,20,492 motorcycles. Out of 8,23,828 motorcycles sold in 2018-19, 20,825 motorcycles were exported, a growth of 8.1% over previous year volume of 19,262 motorcycles in 2017-18.

Net Revenue from operations for 2018-19 year was Rs. 9,794.48 crores, 9.3% growth over previous year (Rs. 8,957.51 crores). Net Sales of spare parts, gears and services increased to Rs. 1,056.39 crores in 2018-19 from Rs. 841.79 crores in the previous year, registering a growth of 25.5%.

Maximizing operating leverage is a key focus in your Company. Your Company's profit before depreciation, interest, exceptional item and tax was Rs. 2,944.38 crores in 2018-19, a growth of 3.2% over Rs. 2,853.20 crores recorded in 2017-18

MARKET AND FUTURE PROSPECTS

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and 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 2018-19.

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

The paid up Equity Share Capital of the Company as on March 31, 2019, was Rs. 27,28,25,700/-. During the year under review, the Company has issued 27,021 Equity Shares of face value of Rs. 10/- each pursuant to its Employees Stock Option Plan, 2006.

A Statement giving complete details as at March 31, 2019, 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/1561783757_ESOP-details-forming-part-of-directors-report.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 S.R. Batliboi & Co., LLP, 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 Employee 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 consolidated 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

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 of SEBI LODR Regulations, 2015.

In accordance with the provisions of Section 152 and other applicable provisions of the Act & the Articles of Association of the Company, Mr. Siddhartha Lal, Managing Director, retires by rotation and being eligible offers himself for reappointment at the ensuing AGM. During the year under review, Mr. Prateek Jalan, Non-Executive Independent Director of the Company, resigned from the Board w.e.f. October 13, 2018. Mr. Inder Mohan Singh, Non-Executive Independent Director was appointed as an Additional Director on the Board of the Company w.e.f. November 12, 2018, Mr. Vinod Kumar Dasari, Whole-time Director & CEO-Royal Enfield and Mr. Vinod Kumar Aggarwal, Non-Executive Director, were also appointed as Additional Directors on the Board of the Company w.e.f. April 1, 2019, subject to requisite approval of the shareholders at the ensuing Annual General Meeting. There has been no other change in the Directors and Key Managerial Personnel of the Company during the financial 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):

- Breach of confidentiality in anyway
- Failure to meet obligatory procedures in the disclosure of conflict of interest
- Failure to fulfil the fiduciary duties of a Director for the Company
- 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, Key Managerial Personnel (KMPs) and CXOs of the Company is recommended by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities and performance assessment. 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 for various personal purposes or to aid business functions, from time to time, on a case to case basis, in accordance with the relevant Human Resource guidelines/policies in force or as may be approved by the Chief Financial Officer, the Chief Human Resource Officer of the Company, or any person authorized by them, including for relocation viz. school deposits/ expenses, travel/logistics expenses, housing advance, housing deposits/brokerage, any other expenses towards relocation; advance submission of tax deducted at source by the Company on behalf of employee; advance towards medical insurance premiums; loans granted to enable grantees exercise ESOPs and towards deposit of perquisite tax thereon; loans/advances covered under Employees Union recognized by Company as per Union Agreement; medical emergency advances etc.

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

Remuneration by way of commission to the Non-Executive Directors 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 industry patterns, qualifications and experience of the employee and his/her responsibility areas, employee performance assessment etc.

The said Policy is also available on the website of the Company at http://www.eicher.in/uploads/1561782697_remuneration-policy.pdf

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 LODR 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 Chairperson being evaluated).

MEETINGS OF BOARD OF DIRECTORS

Five (5) 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 forms part of the notes to the financial statements provided in this Annual Report.

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 LODR Regulations, 2015. Requisite approval of the Audit Committee and the Board (wherever required) was obtained by the Company for all Related Party Transactions.

There were no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel, 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 on its website www.eichermotors.com.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted pursuant to the requirements of the Companies Act, 2013 and SEBI LODR Regulations, 2015. At present, members of the Audit Committee are:

Sl. No.	Name of Members
1	Mr. S Sandilya (Chairman)
2	Mr. Siddhartha Lal
3	Ms. Manvi Sinha

During the year under review, Mr. Prateek Jalan, Non-Executive Independent Director, a member of the Audit Committee, resigned from the Board w.e.f. October 13, 2018. The Board at its Meeting held on November 12, 2018, appointed Ms. Manvi Sinha, Non-Executive Independent Director as Member of the Audit Committee.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors, employees, dealers and vendors of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy or to report genuine concerns or grievances including instances of leak or suspected leak of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Whistle Blower Policy is available on the website of the Company.

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

Highlights of performance of subsidiaries 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. It sold 1,731 motorcycles (excluding sales to Royal Enfield Canada Limited, 100% subsidiary of RENA) during the year 2018-19 and achieved revenue of Rs. 55.56 crores. As of March 2019, RENA had contracted with 85 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, spares and gear in Canada. During the year 2018-19, the company sold 105 motorcycles and achieved revenue of Rs. 3.21 crores. As of March 2019, RECA had contracted with 11 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. During the year 2018-19, the company sold 649 motorcycles and achieved revenue of Rs. 11.75 crores.

Royal Enfield (Thailand) Ltd

Royal Enfield (Thailand) Ltd. was incorporated on September 18, 2018 to engage in wholesale business of motorcycles, apparels, spares & accessories and assembly of CKD

motorcycles locally in Thailand through a local assembler. The company has received approval to initiate trading business in March 2019 and is in the process of getting various other manufacturing and trading related licenses. The company is yet to commence trading operations as at end of March 2019.

VE Commercial Vehicles 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 subsidiaries and joint venture Company in Form AOC-1 is attached as **Annexure-2**.

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

During the financial year under review, Royal Enfield (Thailand) Ltd. ("RETH") was incorporated on September 18, 2018 as wholly owned subsidiary of the Company. No other Company has become or ceased to be Company's subsidiary, joint venture or associate company during the financial year 2018-19.

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 control and its adequacy are included in the Management Discussion and 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, Environmental sustainability, Local Area Development in, including but not limited to, areas around Company's establishments & in Himalayas and Livelihood development including vocational training for underprivileged 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. Inder Mohan Singh

Annual Report on CSR activities is annexed as **Annexure-3**.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Indian Accounting Standard ("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 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 accounts of the subsidiaries are available on the website of the Company at www.eicher-motors.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 copies of the financial statements of the Company and its subsidiary Companies to the shareholders upon their request. The consolidated total Comprehensive income of the Company and its subsidiaries amounted to Rs. 2,196.53 Crores for the financial year 2018-19 as compared to Rs. 1,969.64 crores for the previous period 2017-18.

AUDITORS

(a) STATUTORY AUDITORS AND THEIR REPORT

M/s S.R. Batliboi & Co., LLP, Chartered Accountants (Firm Registration Number: FRN 301003E/E300005) were appointed as Statutory Auditors in the 35th (Thirty Fifth) Annual General Meeting (AGM) of the Company for a period of five years, from the conclusion of 35th AGM till the conclusion of the 40th AGM of the Company, subject to ratification of their appointment at every AGM by the shareholders, if required pursuant to the provisions of the Companies Act, 2013 ("Act"). Central Government vide Companies (Amendment) Act, 2017 has amended the provisions of Section 139 of the Act and ratification of appointment of Statutory Auditors in every AGM is no longer required.

The Statutory Auditors have confirmed their eligibility, under Section 141 of Companies Act, 2013 and the Rules made thereunder, to continue to act as Statutory Auditors of the Company.

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2019 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) SECRETARIAL AUDITORS AND THEIR REPORT

The Board of Directors has appointed M/s. RDA & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year ended March 31, 2019. As required under Section 204 of the Companies Act, 2013, the Secretarial Audit Report is annexed as **Annexure-4** to this Report. The Secretarial Auditors' Report is self-explanatory and does not contain any qualifications or adverse remarks which require any clarification or explanation.

(c) COST AUDITOR

In terms of Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, it is hereby confirmed that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

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 2018-19 pursuant to the provisions of the Companies Act, 2013. The Cost auditor shall submit his report to the Board of Directors within the time prescribed under Companies Act, 2013 and the rules made thereunder.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS RESPONSIBILITY REPORTS

As per SEBI LODR 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 Sections 134 & 92(3) of the Act, the details forming part of the extract of the Annual Return in

Form MGT-9 is annexed as **Annexure-5** to this Report and which is also available on the website of the Company www.eichermotors.com.

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, 2019, 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, 2019 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:

- 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 for FY 2018-19 over FY 2017-18
1	Mr. S Sandilya	Chairman & Non-Executive Independent Director	9.5	9.12
2	Mr. Siddhartha Lal	Managing Director	194.6	25.47
3	Mr. Inder Mohan Singh	Non-Executive Independent Director	0.8	N.A.*
4	Mr. Prateek Jalan	Non-Executive Independent Director	3.1	N.A.*
5	Ms. Manvi Sinha	Non-Executive Independent Director	2.2	21.21
6	Mr. Lalit Malik	Chief Financial Officer	-	127.78 #
7	Mr. Manhar Kapoor	General Counsel and Company Secretary	-	124.64 #

*Mr. Prateek Jalan, Non-Executive Independent Director of the Company resigned from the Board w.e.f October 13, 2018 and Mr. Inder Mohan Singh, Non-Executive Independent Director, was appointed by the Board w.e.f. November 12, 2018 as an additional Director. Hence, percentage increase in remuneration for both is not applicable.

#Percentage increase in remuneration for FY 2018-19 over FY 2017-18 is mainly due to perquisite on exercising shares under ESOP during the financial year. It shall be 2.13% and 3.16% for Mr. Lalit Malik and Mr. Manhar Kapoor, respectively, without considering perquisite on exercising shares under ESOP.

- 2) Percentage increase in the median remuneration of the employees in the financial year: (6%)
- 3) Number of permanent employees on the rolls of Company as at March 31, 2019: 4,082 employees.
- 4) The average increase in median remuneration of the employees other than managerial personnel was (6%) as compared to the increase in the managerial remuneration by 48%*.
- 5) It is hereby affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

*Increase by 48% for managerial personnel is due to perquisites on exercising shares under ESOP during the financial year. The increase will be 20% for managerial personnel without considering perquisites on exercising shares under ESOP.

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 as part of the Directors Report. However, in terms of provisions of Section 136 of the said 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 till the date of Annual General Meeting.

RISK MANAGEMENT

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

COMPLIANCE OF SECRETARIAL STANDARDS

During the financial year under review, the Company has complied with applicable Secretarial Standards specified by the Institute of Company Secretaries of India pursuant to Section 118 of the Companies Act, 2013.

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

Requisite information is provided under Corporate Governance Report which forms part of the Annual Report.

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 **Eicher Motors Limited**

Siddhartha Lal
Managing Director
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram, Haryana
Date: May 10, 2019

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 and vehicle assembly compressor power consumption reduced by 3,00,000 Kwh by following activities
 - a. Replacing bare hose by air blow gun
 - b. Arresting air leak
 - c. Optimising operating pressure to the required level
 - d. Replacing QRC (Quick release coupling) fitting with permanent one touch and push fitting
 - e. Installing motorized valve in airline to cut off idle air consumption in vehicle assembly conveyor
2. Liquid painting booth replaced with new filters and decreased supply fan Hz resulting in savings of 1,60,000 Kwh
3. Liquid painting Robot Line installed with VFD (Variable frequency drive) Cooling Zone resulting in savings of 1,38,600 Kwh
4. Paint shop power consumption reduced by reducing the air pressure for manual spray guns, air blowing & provided air blowing gun to reduce air consumption resulting in savings of 87,075 Kwh.
5. Reduced compressor air usage by providing line wise electric operated shutoff valve at Engine assembly and machine shop to reduce compressor energy during holidays/ power cut/planned stop resulting in savings of 22,080 Kwh
6. Installed VFD in Paint mixing room hydraulic power pack at paint shop resulting in savings of 34,650 Kwh
7. All HMC (Horizontal Machining Centre) air supply cut-off during idle time at Machine shop resulting in savings of 27,918 Kwh
8. Reduced Air washer's energy consumption at machine shop by installing 12 nos. of Actuators in Air washer ducts for closing damper to isolate idle bay resulting in savings of 7,800 Kwh
9. Reduced energy consumption at Paint shop by switching ON the emergency lights only during power failure resulting in saving of 10,250 Kwh
10. VFD installation at paint shop in CED UF (cathode electrical deposition Ultra filtration) feed pump resulting in saving of 10,250 Kwh
11. Used direct circulation line in place of separate spray pump for water rinsing at chromating resulting in saving of 910 Kwh
12. Provided timer to HVLS (High Velocity low speed) fans at vehicle assembly for auto ON/OFF during break time resulting in saving of 5616 Kwh
13. Connected Water Treatment Plant – Evaporator seal cooling to cooling tower pump and evaporator seal pump isolated resulting in saving of 5040 Kwh
14. Switched off stand by rectifier at Dunk CED & PTCED line resulting in saving of 4,480 Kwh
15. Remote button of rework area machine at paint shop fixed to switch ON/OFF during break time resulting in saving of 2,002 Kwh
16. Machine shop compressed air usage reduced by following activities resulting in saving of 1,04,000 Kwh
 - a. Provided pneumatic foot pedal valves to all UCE lines air gauge unit (146 gauges)
 - b. Provided electric air shutoff valves in AMS mcv 400 m/c's to reduce the air consumption during machine idle condition. (13,000 Units / Month)
17. Machine shop machine primary tank transfer pump replaced with energy efficient motor resulting in saving of 2,045 Kwh
18. Engine assembly Chiller water temperature optimization resulted in saving of 90,000 Kwh
19. Engine assembly compressed air usage reduced by providing electric air shut off valves in Gear drain conveyor, RH cover conveyor and Titan auto cell to reduce the air consumption during machine idle condition resulting in saving of 27,000 Kwh

20. Blower for STP Aeration switched off & optimized by ETP Blower based on dissolved O₂ (DO) Level resulting in saving of 52,800 Kwh

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

1. Vehicle assembly installed with 1MWp (Mega Watt Peak) rooftop solar power plant resulting the savings of 72,000 Kwh. This results in direct power saving of 1,25,000 units/month.
2. Heat pump provision for washing machines at Engine assembly as an alternate source of heating method to reduce energy consumption by 35,000 Kwh
3. Changed fluorescent Lamps at Vehicle assembly and Paint shop, used for illumination to LED type fittings resulting in savings of 13,073 Kwh

(iii) The capital investment on energy conservation equipment

Rs. 3.33 crores

(B) TECHNOLOGY ABSORPTION

1. Introduced TWIN cylinder motorcycle (Interceptor & Continental GT)
2. Developed Aluminium wheel rims
3. Developed forged aluminium handlebar risers & footrests
4. Developed press fit yoke stem to allow corrosion resistance improvement.
5. Valve guide pressing using liquid nitrogen for better fit
6. Implemented angle controlled tightening in cylinder head bolts & Crankcase for better control in pre load
7. Introduced aluminium coated head gasket to withstand high temperature
8. Introduced oil face groove in head exhaust area to have effective cooling
9. Introduced screw type Auto Chain Tensioner for proportionate movement to Chain elongation

10. Introduced elephant foot tappet screw - for more even contact on valve tip & minimal wear in valve guide
11. Introduced air oil cooled cylinder head for better cooling
12. Introduced anti seize paste in tappet nut and spark plug to avoid seize
13. Introduced spiny liner for better bonding with barrel to resist deformation
14. Introduced fracture type connecting rod - High quality and low cost
15. Split/Shell bearing used for Main bearing in Crank and Balancer shaft for Better serviceability and low maintenance
16. Spin on oil filter for ease of Service
17. Introduced horizontal split crankcase for ease of engine assembly and tool access
18. Introduced single piece integral crankshaft
19. Introduced pull type clutch
20. Introduced 3 pip magneto system to prevent spark during engine reversal in carburettor vehicle
21. Latest generation twin channel ABS system developed and introduced in India
22. Single channel ABS system developed with Rear Drum Brake

The expenditure incurred on Research and Development:

- a) Revenue: Rs. 44.66 crores
- b) Capital: Rs. 310.28 crores

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, total exports (FOB value) were Rs. 343.95 crores (Previous year Rs. 213.54 crores). Foreign Exchange amounting to Rs. 430.69 crores (Previous year Rs. 369.13 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

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

Sl. No.	Name of Subsidiary	VE Commercial Vehicles Ltd. (VECV)*	VECV Lanka (Private) Ltd	VECV South Africa (PTY) Ltd.	Royal Enfield Brasil Comércio de Motocicletas Ltda	Royal Enfield (Thailand) Limited	Royal Enfield North America Limited (RENA)	Royal Enfield Canada Limited	Rs. in Crores Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)
		Subsidiary of Company	Subsidiary of VECV	Subsidiary of VECV	Subsidiary of Company	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	April 09, 2013	January 22, 2016	August 18, 2014	September 18, 2018	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	LKR 1 LKR = Rs. 0.41	ZAR 1 ZAR = Rs. 5.09	BRL 1 BRL = Rs. 17.66	THB 1 THB = Rs. 2.17	USD 1 USD = Rs. 69.17	USD 1 USD = Rs. 69.17	INR
4.	Share Capital	10.00	5.43	8.50	8.32	18.21	36.26	0.09	0.05
5.	Other Equity	3,572.49	(1.70)	(7.43)	(36.13)	(2.14)	(97.03)	0.20	39.54
6.	Total Assets	7,783.60	18.76	24.86	12.71	18.01	49.15	0.70	39.76
7.	Total Liabilities	4,201.11	15.03	23.79	40.51	1.94	109.91	0.41	0.17
8.	Investments	14.07	-	-	-	-	0.09	-	-
9.	Turnover (Gross)	11,586.50	43.54	27.18	11.75	-	55.56	3.21	-
10.	Contribution received	-	-	-	-	-	-	-	52.61
11.	Profit before Taxation	680.68	(3.62)	(3.72)	(19.24)	(2.16)	(21.12)	0.09	19.84
12.	Provision for Taxation	200.05	(0.56)	(0.86)	-	-	-	0.02	-
13.	Profit after Taxation	480.63	(3.06)	(2.86)	(19.24)	(2.16)	(21.12)	0.07	19.84
14.	Proposed Dividend	125.00	-	-	-	-	-	-	-
15.	% of Shareholding ***	54.40%	54.40%	54.40%	99.99%	99.99%	100.00%	100.00%	50.00%

* VECV is a subsidiary company as per the 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'

** 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% in VECV. VECV holds 100% in V E C V Lanka (Private) Limited and VECV South Africa (PTY) Ltd.

PART B-JOINT VENTURE

Sl. No.	Name of Joint Venture	Eicher Polaris Private Limited (EPPL)
1.	Latest audited Balance sheet	March 31, 2019
2.	Date on which joint venture was associated/acquired	October 10, 2012
3.	Shares of Joint Venture held by the company on the year end	
	No. as on March 31, 2019	32,45,00,000 Shares
	Amount of Investment in Joint Venture - Rs. Crores	324.50
	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 joint venture is not consolidated	Not Applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet - Rs. Crores	14.51
7.	Profit/Loss for the year	
	i. Considered in Consolidation - Rs. Crores	Refer Note below
	ii. Not Considered in Consolidation - Rs. Crores	Refer Note below

Note:

- During the current year the Company has considered an impairment loss of Rs. 17.52 crores (previous year ended March 31, 2018 : Rs. 311.98 crores). The cumulative impairment till March 31, 2019 is Rs. 329.50 crores, including an amount of Rs. 5.00 crores towards the Company share of cost to wind down the operations.
- EPPL incurred a loss of Rs. 16.03 crores during the current year of which the Company's share of loss is Rs. 8.02 crores

ANNEXURE-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

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
5. Local area development in, including but not limited to, areas around Company's establishments and in the Himalayas
6. Livelihood development including vocational training for underprivileged

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 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/1527072722_CSR-policy-09-05-2018.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. Inder Mohan Singh
3	Average net profit of the company for last three financial years	Rs. 2,269.32 Cr
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 45.39 Cr
5	Details of CSR spent during the financial year.	
	(1) Total amount to be spent for the financial year	Rs. 45.39 Cr
	(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
DIN: 00037645

S. Sandilya
Chairman, CSR Committee
DIN: 00037542

Place: Gurugram, Haryana
Date: May 10, 2019

ANNEXURE-A**REPORTING PERIOD: APRIL 1, 2018 TO MARCH 31, 2019**

(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 health care, eradicating hunger, poverty and malnutrition, sanitation and making available safe drinking water	Local area Chennai and surrounding area, Tamil Nadu	491.0	-	485.9	Through implementing agency-Eicher Group Foundation
2	Disaster Relief	Promoting health care, eradicating hunger, poverty and malnutrition, sanitation and making available safe drinking water	Other Kerala	394.4	394.4	394.4	Direct/Through implementing agency-Eicher Group Foundation
3	Disaster Relief	Promoting health care, eradicating hunger, poverty and malnutrition, sanitation and making available safe drinking water	Local area Chennai and surrounding area, Tamil Nadu	26.7	26.7	26.7	Direct/Through implementing agency-Eicher Group Foundation
4	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.	540.0	299.3	539.5	Through implementing agency-Eicher Group Foundation
5	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	570.8	808.1	Through implementing agency-Eicher Group Foundation
6	Eradication of blindness and deafness	Promoting healthcare	Other various states	3,780.9	369.5	890.6	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
7	Vocational training	Promoting education, employment enhancing vocational skills	Other Various States	225.0	-	210.3	Through implementing agency-Eicher Group Foundation
8	Infrastructure development and operational expenses for School	Promoting education	Other Alwar and surrounding area, Rajasthan.	2,351.0	362.7	1,755.9	Through implementing agency-Eicher Group Foundation
9	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 g) Community development programme.	Rural development	Local area Tiruvottriyur, Oragadam, Vallam (TamilNadu)	491.0	28.1	479.7	Through implementing agency-Eicher Group Foundation
10	Upgradation of Government School	Promoting education	Local area Chennai	169.0	83.4	162.4	Through implementing agency-Eicher Group Foundation
11	Electrification of Villages in Himalayas	Rural development	Other Himalayas	375.0	180.7	313.0	Through implementing agency-Eicher Group Foundation
12	Donation of clothes	Rural development	Other kashmir, Jharkhand, Himachal Pradesh and other states	571.0	50.0	498.0	Direct
13	Greening of highways	Environmental sustainability	Local area Chennai and surrounding area, Tamil Nadu	202.0	128.0	128.0	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
14	Development of marginalized people in rural area by providing Mobile Learning Labs	Rural Development	Other Andhra Pradesh	8.4	8.4	8.4	Direct/ Through implementing agency-Eicher Group Foundation
15	Holistic maternal and child well-being	Promoting healthcare	Local area Chennai and surrounding area	250.0	81.1	81.1	Through implementing agency-Eicher Group Foundation
16	Road Safety awareness Programme	Promoting education and Road Safety	Local area Chennai and Surrounding Area	7.2	6.1	6.1	Direct
17	Donation of medical equipment	Promoting healthcare	Other Shimla	4.5	4.5	4.5	Through implementing agency-Eicher Group Foundation
18	Donation of helmets	Promoting healthcare and Road Safety	Across India	83.0	64.2	64.2	Direct / Through implementing agency-Eicher Group Foundation
19	Eicher Group Foundation		On above projects/ programmes		1,769.7		
Direct expenditure on projects or programmes (A)					4,427.7		
Overheads relating to 1 to 18 above (B)					111.3		
Grand Total (A)+(B)					4,539.0		

ANNEXURE-4

SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2019

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

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

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

Based on our verification of Eicher Motor Limited'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 authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

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

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 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 Standard 1 and 2 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;

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), rules made there under and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015:

1. The Company has suo-moto initiated steps with revenue authorities regarding determination of duties payable, if any;
2. Two statutory forms were delayed and filed with additional fees during the financial year under review.

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 changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings 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 allotted shares under Employee Stock Option Plan to its employees and officers of the Company and necessary compliances of the Act were made.

We further report that, during the audit period, the Company has obtained the approval of members and Stock Exchange for reclassification of certain promoter and promoter group individuals and necessary compliances of SEBI Regulations were made.

For **RDA & Associates**
Company Secretaries

CS Ranjeet Pandey
Partner

Place: New Delhi
Date: May 10, 2019

FCS- 5922, CP No.- 6087

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

ANNEXURE-I

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

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

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

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

For **RDA & Associates**
Company Secretaries

CS Ranjeet Pandey
Partner

Place: New Delhi
Date: May 10, 2019

FCS- 5922, CP No.- 6087

ANNEXURE-5

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(As on the financial year ended on March 31, 2019)

[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 rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110017
vi)	Whether listed company (Yes / No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. Noble Heights, 1 st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Phone: +91 11 4141 0592 Fax: +91 11 4141 0591 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	89%

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: 3 rd floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110017	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: 3 rd 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: 226N. Water ST, Milwaukee, WI 53202, USA	R062747	Subsidiary	100%	2(87)
6.	Royal Enfield Brasil Comércio de Motocicletas Ltda Address: Rua Natividade #129, Vila Nova Conceição Postal Code: 04513-020 City of São Paulo State of São Paulo - Brasil	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: 3 rd 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)
9.	Royal Enfield (Thailand) Limited Address : No. 999/9, The Offices at Centralworld Building, Level 29, Suite 2987/4, Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok Metropolis, Thailand	0105561160485	Subsidiary	99.99%	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 April 1, 2018)				No. of Shares held at the end of the year (as on March 31, 2019)				% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	6,20,998	-	6,20,998	2.28	3,15,241	-	3,15,241	1.16	(1.12)	
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/FI	-	-	-	-	-	-	-	-	-	
f) Any Other (Trust)	1,25,16,355	-	1,25,16,355	45.92	1,25,16,355	-	1,25,16,355	45.88	(0.04)	
Sub-total (A)(1)	1,31,52,496	-	1,31,52,496	48.26	1,28,46,739	-	1,28,46,739	47.09	(1.17)	
(2) Foreign										
a) NRIs Individuals	6,09,688	-	6,09,688	2.24	6,09,688	-	6,09,688	2.23	(0.01)	
b) Other Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks/ FI	-	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	-	
Sub-total (A)(2)	6,09,688	-	6,09,688	2.24	6,09,688	-	6,09,688	2.23	(0.01)	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,37,62,184	-	1,37,62,184	50.49	1,34,56,427	-	1,34,56,427	49.32	(1.17)	
B. Public Shareholding										
1. Institutions										
a) Mutual Fund/UTI	15,36,966	400	15,37,366	5.64	11,23,995	-	11,23,995	4.12	(1.52)	
b) Banks/FI	64,071	121	64,192	0.24	34,315	95	34,410	0.13	(0.11)	
c) Central Govt.	7,494	-	7,494	0.03	29,971	-	29,971	0.11	0.08	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2018)				No. of Shares held at the end of the year (as on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	84,40,163	-	84,40,163	30.97	88,65,502	-	88,65,502	32.49	1.52
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Alternate Investment Fund	6,266	-	6,266	0.02	80,869	-	80,869	0.30	0.28
Sub-total (B)(1)	1,00,54,960	521	1,00,55,481	36.90	1,01,34,652	95	1,01,34,747	37.15	0.25
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5,66,426	2,995	5,69,421	2.09	4,20,444	1,395	4,21,839	1.55	(0.54)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lac	17,61,597	3,51,717	2,113,314	7.76	18,52,108	2,86,490*	21,38,598	7.84	0.08
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lac	2,53,551	-	2,53,551	0.93	5,48,340	-	5,48,340	2.01	1.08
c) Others (specify)									
(1) Trust	54,060	3,209	57,269	0.21	34,562	3,209	37,771	0.14	(0.07)
(2) Foreign Nationals	1,318	-	1,318	0.00	-	-	-	-	(0.00)
(3) Non Resident Indians	1,24,962	52,927	1,77,889	0.65	1,45,098	47,658	1,92,756	0.71	0.06
(4) Overseas Corporate Bodies	-	840	840	0.00	-	140	140	0.00	0.00
(5) Clearing Members	31,149	-	31,149	0.11	1,08,878	-	1,08,878	0.40	0.29
(6) HUF	50,027	-	50,027	0.18	50,716	-	50,716	0.19	0.01
(7) IEPF	1,71,518	-	1,71,518	0.63	1,88,067	-	1,88,067	0.69	0.06
(8) Foreign Portfolio Investors (Category III)	13	-	13	0.00	17	-	17	0.00	0.00
(9) NBFCs registered with RBI	-	-	-	-	243	-	243	0.00	0.00
(10) Others	11,575	-	11,575	0.04	4,934	-	4,934	0.02	(0.02)
Sub-total (B)(2)	30,26,196	4,11,688	34,37,884	12.61	33,53,407	3,38,892	36,92,299	13.53	0.92
Total Public Shareholding (B) = (B)(1) + (B)(2)	1,30,81,156	4,12,209	1,34,93,365	49.51	1,34,88,059	3,38,987	1,38,27,046	50.68	1.17
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,68,43,340	4,12,209	2,72,55,549	100.00	2,69,44,486	3,38,987	2,72,83,473*	100.00	-

*The total shareholding reported in physical mode under the public category has been ascertained after adding 903 equity shares held by one individual, pursuant to order of the Honourable Supreme Court. An application in respect of these shares is being filed with the Hon'ble Court. The number of shares issued by the Company and those held by individuals may be altered depending on the outcome of the Court proceedings.

(ii) Shareholding of Promoter & Promoter Group :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2018)			Shareholding at the end of the year (as on March 31, 2019)			% 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	1.15	-	(0.01)
3	Mr. Siddhartha Lal	2,94,694	1.08	-	2,94,694	1.08	-	0.00
4	The Simran Siddhartha Tara Benefit Trust, Trustee- Vikram Lal	1,20,30,648	44.14	-	1,20,30,648	44.10	-	(0.04)
5	The Brinda Lal Trust, Trustee- Vikram Lal	4,85,707	1.78	-	4,85,707	1.78	-	0.00
6	Karvansarai Investments Private Limited	15,143	0.06	-	15,143	0.06	-	0.00
7	Mr. Arjun Joshi^	1,01,919	0.37	-	-	-	-	(0.37)
8	Ms. Nihar Joshi^	1,01,919	0.37	-	-	-	-	(0.37)
9	Ms. Shonar Joshi^	1,01,919	0.37	-	-	-	-	(0.37)
Total		1,37,62,184	50.49	-	1,34,56,427	49.32	-	(1.17)^*

*Decrease in 0.05% shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan, 2006, during the FY 2018-19.

^Decrease by another 1.12% shareholding of Promoter & Promoter Group is on account of re-classification of Mr. Arjun Joshi, Ms. Nihar Joshi and Ms. Shonar Joshi as public shareholders, during the financial year under review, with requisite approvals.

(iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Ms. Simran Lal					
1	At the beginning of the year	3,15,241	1.16	3,15,241	1.16
	Date wise Increase/Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2019			3,15,241	1.16
Ms. Tara Lal					
2	At the beginning of the year	3,14,994	1.16	3,14,994	1.16
	Date wise Increase/Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2019			3,14,994	1.15
Mr. Siddhartha Lal					
3	At the beginning of the year	2,94,694	1.08	2,94,694	1.08
	Date wise Increase/Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2019			2,94,694	1.08
The Simran Siddhartha Tara Benefit Trust					
4	At the beginning of the year	1,20,30,648	44.14	1,20,30,648	44.14
	Date wise Increase/ Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2019			1,20,30,648	44.10

Sl. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
The Brinda Lal Trust					
5	At the beginning of the year	4,85,707	1.78	4,85,707	1.78
	Date wise Increase/ Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2019			4,85,707	1.78
Karvansarai Investments Private Limited					
6	At the beginning of the year	15,143	0.06	15,143	0.06
	Date wise Increase/ Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2019			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, 2018)		Shareholding at the end of the year (as on March 31, 2019)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Europacific Growth Fund®	6,46,049	2.37	4,79,508	1.76
2.	Government of Singapore®	1,85,855	0.68	3,62,452	1.33
3.	Capital World Growth and Income Fund^^	-	-	3,50,000	1.28
4.	Matthews India Fund®	2,66,539	0.98	2,66,539	0.98
5.	Motilal Oswal Most Focused Multicap 35 Fund®	1,84,577	0.68	2,56,580	0.94
6.	WF Asian Smaller Companies Fund Limited^^	1,14,678	0.42	2,37,809	0.87
7.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund®	2,28,107	0.84	2,10,927	0.77
8.	Vanguard Total International Stock Index Fund®	1,79,668	0.66	2,06,197	0.76
9.	Cartica Capital Ltd®	2,74,272	1.01	1,94,757	0.71
10.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs®	1,71,518	0.63	1,88,067	0.69
11.	New World Fund INC*	2,88,400	1.06	78,400	0.29
12.	Steadview Capital Mauritius Limited*	2,28,973	0.84	1,35,575	0.50

Note: More than 98.50% of the Shares of the Company are held in dematerialised form, and are widely traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

@ Amongst common top ten Shareholders as on April 1, 2018 and March 31, 2019.

* Amongst top ten Shareholders only as on April 1, 2018.

^^ Amongst top ten Shareholders only as on March 31, 2019.

(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, 2018)		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				
	At the beginning of the year	2,94,694	1.08	2,94,694	1.08
	Date wise Increase/ Decrease in Share holding		No Change		
	At the end of the year i.e., March 31, 2019			2,94,694	1.08
2.	Mr. S. Sandilya, Chairman and Non-Executive Independent Director				
	At the beginning of the year	11,766	0.04	11,766	0.04

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on April 1, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Date wise Increase/ Decrease in Share holding	No Change			
	At the end of the year i.e., March 31, 2019			11,766	0.04
3.	Mr. Lalit Malik, Chief Financial Officer				
	At the beginning of the year	2,891	0.01	2,891	0.01
	Date wise Increase/ Decrease in Share holding				
	Sale on stock exchange on October 11, 2018	(2,715)	(0.01)	176	0.00
	Allotment of shares under ESOP, 2006 on November 12, 2018	4,000	0.01	4,176	0.01
	At the end of the year i.e., March 31, 2019			4,176	0.01
4.	Mr. Manhar Kapoor, General Counsel & Company Secretary				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/ Decrease in Share holding				
	Allotment of shares under ESOP, 2006 on May 9, 2018	700	0.00	700	0.00
	Sale on stock exchange on May 24, 2018	(240)	(0.00)	460	0.00
	Sale on stock exchange on August 16, 2018	(280)	(0.00)	180	0.00
	Sale on stock exchange on February 22, 2019	(180)	(0.00)	0	0.00
	At the end of the year i.e., March 31, 2019			0	0.00

V. INDEBTEDNESS

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

					(Amount in Rs.)
	Secured Loans Excluding Deposits	Unsecured Loans	Trade Payables- Acceptances	Deposit	Total Indebtedness
Indebtedness at the beginning of the Financial Year (as on April 1, 2018)					
(i) Principal Amount	-	-	85,98,12,411	-	85,98,12,411
(ii) Interest due but not paid	-	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	-	85,98,12,411	-	85,98,12,411
Change in indebtedness during the Financial Year					
♦ Addition	-	11,23,32,560	5,15,75,23,555	-	5,26,98,56,115
♦ Reduction	-	-	5,36,58,17,757	-	5,36,58,17,757
Net Change	-	11,23,32,560	(20,82,94,202)	-	(9,59,61,642)
Indebtedness at the end of the Financial Year (as on March 31, 2019)					
(i) Principal Amount	-	11,13,75,843	65,15,18,209	-	76,28,94,052
(ii) Interest due but not paid	-	9,56,717	-	-	9,56,717
(iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	11,23,32,560	65,15,18,209	-	76,38,50,769

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

			(Amount in Rs.)
Sl. No.	Particulars of Remuneration paid during the year	Name of MD/WTD/ Manager	Total Amount
		Mr. Siddhartha Lal- Managing Director	
1.	Gross salary*		
	a) Salary	3,78,73,933	3,78,73,933
	b) Value of perquisites	3,62,70,616	3,62,70,616
	c) Profits in lieu of salary	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others	4,80,00,000	4,80,00,000
5.	Others, please specify	-	-
	Total (A)	12,21,44,549	12,21,44,549
	Ceiling as per the Act		1,54,01,99,025

*Mr. Siddhartha Lal-Managing Director 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	Mr. Inder Mohan Singh [*]	
	• Fee for attending Board/ Committee meetings	4,20,000	-	-	2,20,000	3,30,000	1,20,000	10,90,000
	• Commission	53,24,000	2,10,539	9,98,008	22,68,200	9,98,008	-	97,98,755
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	57,44,000	2,10,539	9,98,008	24,88,200	13,28,008	1,20,000	1,08,88,755
2.	Other Non-Executive Directors							
	• Fee for attending Board/Committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	57,44,000	2,10,539	9,98,008	24,88,200	13,28,008	1,20,000	1,08,88,755
	Total Managerial Remuneration (A+B)							13,30,33,304
	Overall Ceiling as per the Act (11% of the net profits of the Company, computed as per Section 198 of the Companies Act, 2013)							3,38,84,37,855

[#]Mr. Priya Brat, Mr. M. J. Subbaiah and Mr. Prateek Jalan, Non- Executive Independent Directors resigned from the Board w.e.f June 16, 2017, March 31, 2018 and October 13, 2018 respectively.

^{*}Mr. Inder Mohan Singh was appointed by the Board as an additional Director (Independent) w.e.f. November 12, 2018, subject to requisite approval of the shareholders.

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		
		Company Secretary	CFO	Total
1.	Gross salary			
a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	90,44,562	1,89,76,669	2,80,21,231
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	54,799	20,15,818	20,70,617
c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	1,07,14,568	2,58,24,300	3,65,38,868
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	-	-
Total		1,98,13,929	4,68,16,787	6,66,30,716

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019 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's rights and interest, 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(s)/Company's Policies 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 contained 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. As on March 31, 2019, the Board strength consists of four directors comprising three Non-Executive Independent Directors of which one is a woman director and one Executive Director. Five Board meetings were held during the financial year ended March 31, 2019, on April 2, 2018, May 9, 2018, August 9, 2018, November 12, 2018 and February 11, 2019. Details about attendance in the Board meetings and other details of the directors are given below:

Sl. No.	Name of the Director	Category	No. of Board Meetings attended	Whether attended the 36th AGM held on August 10, 2018	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	5	Yes	4	1	3
2.	Mr. Siddhartha Lal DIN: 00037645	Promoter –Managing Director	5	Yes	1	-	-
3.	Ms. Manvi Sinha DIN: 07038675	Non-Executive Independent Director	5	Yes	-	-	-
4.	Mr. Inder Mohan Singh [^] DIN: 07114750	Non-Executive Independent Director	2	N.A.	-	-	-

Notes:

[^] Mr. Inder Mohan Singh has been appointed by the Board as Non-Executive Independent Director w.e.f. November 12, 2018, for a period of 5 consecutive years, subject to requisite approval of the shareholders at the forthcoming AGM.

[#] For the purpose of this disclosure 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, chairmanship(s)/ membership(s) of the Audit Committee and the Stakeholders' Relationship Committee alone are considered.

During the year under review, Mr. Prateek Jalan, Non-Executive Independent Director of the company resigned from the Board w.e.f. October 13, 2018, due to personal reasons. He attended three meetings of Board of Directors held on April 2, 2018, May 9, 2018 and August 9, 2018. He also attended 36th AGM of the Company held on August 10, 2018.

The Board at its meeting held on April 1, 2019, appointed Mr. Vinod Kumar Dasari as Additional Director (Whole-time) and Mr. Vinod Kumar Aggarwal as Additional Director (Non-Executive) of the Company, for a period of five consecutive years w.e.f. April 1, 2019 subject to requisite approval of the shareholders at the forthcoming AGM.

None of the director 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. Mr. Sandilya is also a Non-Executive Independent Director in Mastek Limited (Chairman), Rane Brake Lining Limited and GMR Infrastructure Limited, all being listed companies.

No independent director serves as a Whole-time Director/Managing Director in any other listed company. Further, None of the Directors of the Company, holds Directorship/Independent Directorship in more than seven listed companies, as provided under Regulation 17A of SEBI (LODR) Regulations, 2015.

Your Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors with one Independent 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. In the opinion of the Board, the Independent Directors of the company meet all the criteria and conditions specified by SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and are Independent of the Management. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI or Ministry of Corporate Affairs or any other such authority. The Company has also obtained a certificate of the Practising Company Secretary in this regard.

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. Mr. Sandilya is not related to Mr. Siddhartha Lal as per the definition of the term "relative" defined under the Companies Act, 2013.

2.2. Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in

office in accordance with the provisions of the law and terms and conditions of appointment. The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website www.eichermotors.com.

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 under Regulation 17(7) read 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 quarterly Board Meetings.

2.4. Separate Meeting of Independent Directors

As stipulated by the Code of 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 9, 2018, 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's 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, 2019, Mr. S. Sandilya, Chairman and Non-Executive Independent Director of the Company holds 11,766 equity shares in the Company and Mr. Vinod Kumar Aggarwal, appointed as an Additional Director (Non-Executive) with effect from April 1, 2019, holds 6,700 equity shares in the Company. Other Non-Executive Directors viz. Mr. Inder Mohan Singh and Ms. Manvi Sinha do not hold any shares in the Company. The Company has not issued any convertible instruments.

2.6. Familiarization Programme for Independent Directors

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

2.7. Skills/expertise/competencies of the Board

The Board recognises certain skills/expertise/competencies that are required by it to function effectively in the context of business of the Company and which inter alia consist of experience & knowledge of the automobile industry, technical skills & specialist knowledge in various areas. Board members have significant experience and expertise in the areas of corporate governance, strategy, finance, engineering, automobile industry, media and public relations, law and general management. The Company gains immensely from the strategic vision and insights provided by Directors.

The Board is of the opinion that all Directors possess personal attributes in addition to sound professional knowledge and experience and contribute to the collective skills expertise/competencies that are required in the Company's industry and business environment.

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, 2019, Audit Committee consists of two 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 statement is correct, sufficient and credible;
- (ii) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services;

- (iii) Reviewing with the management the quarterly, half yearly and annual financial statements and auditors' report thereon before submission to the Board for approval;
- (iv) Reviewing the Company's financial and risk management policies;
- (v) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- (vi) Approval or any subsequent modification of transactions of the Company with related parties;
- (vii) Scrutiny of inter-corporate loans and investments;
- (viii) 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) Reviewing the utilization of loans and/ or advances to/investment in the subsidiary company exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- (xvii) 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, if any.

3.2 Meetings and Attendance

Five Meetings of the Audit Committee of Directors were held during the Financial Year ended March 31, 2019 on April 2, 2018, May 9, 2018, August 9, 2018, November 12, 2018 and February 11, 2019. The name of Members, Chairperson of the Committee and their attendance details are as under:

Sl. No.	Name	Chairman/ Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1.	Mr. S. Sandilya	Chairman	5	5
2.	Mr. Siddhartha Lal	Member	5	5
3.	Ms. Manvi Sinha*	Member	2	2

* The Board at its Meeting held on November 12, 2018, appointed Ms. Manvi Sinha, Non-Executive Independent Director as Member of the Audit Committee

During the year under review, Mr. Prateek Jalan, Non-Executive Independent Director and a member of the Audit Committee resigned from the Board w.e.f. October 13, 2018. He attended three meetings of the Audit Committee held on April 2, 2018, May 9, 2018, and August 9, 2018.

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, as on March 31, 2019, consists of two Non-Executive Independent Directors. The Committee looks into the redressal of Shareholders' complaints relating to transfer/transmission of shares, Non-receipt of Annual Report, Non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc., review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the

various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices, if any, by the shareholders of the Company.

4.1 Meetings and Attendance

Four Meetings of the Stakeholders' Relationship Committee of Directors were held during the Financial Year ended March 31, 2019 on May 9, 2018, August 9, 2018, November 12, 2018 and February 11, 2019. The name of the Member and Chairperson of the Committee and attendance details are as under:

Sl. No.	Name	Chairperson/ Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1.	Ms. Manvi Sinha	Chairperson	4	4
2.	Mr. S. Sandilya	Member	4	4

The Board at its meeting held on April 1, 2019, has appointed Mr. Inder Mohan Singh, Non-Executive Independent Director, as member of the Stakeholders' Relationship Committee of the Company, thereby increasing the total number of members to 3 (three).

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.	Complaints received	58
2.	Complaints resolved	56*
3.	Pending complaints	6

* Out of total number of complaints resolved during the financial year under review, 4 complaints were pertaining to previous financial year.

5. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee comprising three Directors, all being Non-Executive Independent Directors as at March 31, 2019. 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, removal and all remuneration, in whatever form, payable to senior management;
- (ii) Laying down the evaluation criteria for performance evaluation of Individual Directors, Board as whole and its Committees;
- (iii) Review the implementation and compliance of the performance evaluation process in the Company;
- (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 of administration and superintendence of Employee Stock Option Plan – 2006 (ESOP), inter alia as contained under SEBI (Share Based Employee Benefits) Regulations, 2014 including any amendments thereof;
- (viii) 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

Five Meetings of the Nomination & Remuneration Committee of Directors of the Company were held during the Financial Year ended March 31, 2019 on April 2, 2018, May 9, 2018, August 9, 2018, November 12, 2018 and February 11, 2019. The names of the Members, Chairperson of the Committee and attendance details are as under:

Sl. No.	Name	Chairperson/ Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1.	Ms. Manvi Sinha	Chairperson [^]	5	5
2.	Mr. S. Sandilya	Member	5	5
3.	Mr. Inder Mohan Singh*	Member	2	2

[^]appointed as Chairperson w.e.f. November 12, 2018.

*The Board at its meeting held on November 12, 2018, appointed Mr. Inder Mohan Singh, Non- Executive Independent Director, as a member of the Nomination and Remuneration Committee.

During the year under review, Mr. Prateek Jalan, Non-Executive Independent Director and Chairman of the Nomination & Remuneration Committee resigned from the Board w.e.f. October 13, 2018. He attended three meetings of the Nomination & Remuneration Committee held on April 2, 2018, May 9, 2018 and August 9, 2018.

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. Nomination and Remuneration Committee of the Company has specified the manner for effective evaluation of performance of Board, its committees and Individual Directors. Evaluation of Individual Directors including Independent Directors is carried out by the entire Board, amongst others, in accordance with the provisions of Code for Independent Directors as outlined under Schedule IV, Section 134 & Section 178 of the Companies Act, 2013. 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 9, 2018.

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 as at March 31, 2019. 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 in the areas or subjects specified in Schedule VII to the Companies Act, 2013.
- (ii) Recommending the amount of expenditure to be incurred on the activities referred to in Company's CSR policy.
- (iii) Monitoring the CSR Policy of the Company from time to time.

6.2 Meetings and Attendance

Three meetings of the Corporate Social Responsibility Committee of the Company were held during the Financial Year ended March 31, 2019, on May 9, 2018, November 12, 2018 and February 11, 2019. The names of the Members, Chairperson of the Committee and their attendance details are as under:

Sl. No.	Name of the Member	Chairman/Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1.	Mr. S. Sandilya	Chairman	3	3
2.	Mr. Siddhartha Lal	Member	3	3
3.	Mr. Inder Mohan Singh*	Member	2	2

*The Board at its meeting held on November 12, 2018, appointed Mr. Inder Mohan Singh, Non-Executive Independent Director, as a member of the Corporate Social Responsibility Committee.

During the year under review, Mr. Prateek Jalan, Non-Executive Independent Director and a member of the Corporate Social Responsibility Committee resigned from the Board w.e.f. October 13, 2018. He attended Corporate Social Responsibility Committee meeting held on May 9, 2018.

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, 2019, the Risk Management Committee consists of two Directors and the Chief Financial Officer, as follows:

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

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, 2019 is as under:

						(Rs. in Crores)
Name of the Director	Salary	Commission	Perquisites	Service Contract		
				Tenure	Notice period	
Mr. Siddhartha Lal, Managing Director	3.79	5.28	3.63	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	

Major Terms of Reference:

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

8. SHARES COMMITTEE

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

During the financial year ended March 31, 2019, 17 meetings of the Committee were held to approve transfer of 5,832 shares, name deletion for 1,126 shares, issue of duplicate share certificates for 25,867 shares (including share certificates issued on split of 300 shares), transmission of 18,526 shares and dematerialisation of 75,304 shares. This also includes duplicate share certificates issued for 15,793 equity shares which were subsequently transferred and dematerialized for the purpose of transfer to the Investor Education and Protection Fund Authority (IEPF Authority) pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 (Act) and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules).

Further, the Committee approved transfer of 541 equity shares of the Company lying in Company's Suspense Account and 615 equity shares held in demat accounts of the shareholders to the IEPF Authority in terms of Section 124 and 125 of the aforesaid Act and Rules.

Total remuneration paid as Salary, Allowances, Perquisites and Commission is within the limits approved by the shareholders pursuant to the provisions of Section 197 read with Section 198 of the Companies Act, 2013 and the rules made thereunder.

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

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, 2019.

9.2 Remuneration to Non-Executive and Independent Directors

The remuneration comprising sitting fees and commission to Non-Executive and Independent Directors for the financial year ended March 31, 2019 is as under:

Name of the Director	(Amount in Rs. lacs)	
	Sitting fee	Commission
Mr. S. Sandilya – Chairman and Non-Executive Independent Director	4.20	57.50
Mr. Prateek Jalan-Non-Executive Independent Director [^]	2.20	17.95
Ms. Manvi Sinha - Non-Executive Independent Director	3.30	10.98
Mr. Inder Mohan Singh - Non-Executive Independent Director*	1.20	4.21
Total	10.90	90.64

[^] Mr. Prateek Jalan, Non- executive Independent Director of the Company resigned from the Board w.e.f. October 13, 2018.

* Board at its meeting held on November 12, 2018, appointed Mr. Inder Mohan Singh as an Additional Director (Non-Executive Independent).

Criteria of making payment to Non-Executive Directors: Remuneration paid to Non-Executive and Independent Directors represents sitting fees @ ₹40,000/- for attending each meeting of the Board of Directors and @ ₹20,000/- for attending each meeting of the Audit Committee. Sitting fees @ ₹10,000/- is paid for attending each meeting of Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Amount of sitting fees as above is approved by the Board of Directors of the Company.

Shareholders at their 33rd Annual General Meeting held on March 20, 2015, 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 in every

financial year, calculated in accordance with the provisions of the Companies Act, 2013, for a period of five years w.e.f. the financial year ended December 31, 2014, in such proportion and in such manner as may be determined by the Board of Directors.

The aforesaid annual commission approved by the Board and 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. Independent Directors are not entitled to any stock options.

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:

- Financial statements, in particular, the investments made by the subsidiary companies are periodically reviewed by the Audit Committee of the Company.
- Minutes of Board meetings of subsidiary companies are periodically placed before the Company's Board.
- All significant transactions and arrangements entered into by the subsidiary companies are reviewed periodically by the Board of the Company.

Mr. Prateek Jalan, a Non-Executive Independent Director of the Company was also occupying the position of Director on the Board of VE Commercial Vehicles Ltd, an unlisted material subsidiary company (VECV)*, until his resignation on October 13, 2018 from both Company and VECV. Board of VECV has at its meeting held on May 9, 2019 has appointed Mr. Inder Mohan Singh, Independent Director of the Company, as also Independent Director in VECV.

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/1554285869_policy-for-determining-material-subsiidiaries.pdf

*As per Indian Accounting Standards, VECV 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. 45 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, wherever required. 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, 2019.

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/1554285759_policy-on-materiality-of-and-dealing-with-related-party-transactions-3-4-19.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. 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 Code on Prevention of Insider Trading

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 (Code). All Designated Persons of the Company and their immediate relatives 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 reports.
3. 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, employees, vendors and dealers of the Company, to report genuine concerns or grievances including instances

of leak or suspected leak of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is available on Company's website at 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 of Directors of the Company has adopted 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, amongst 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) Utilization 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

11.10 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 ("Act") 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, in accordance with the aforesaid Act, to redress complaints received on sexual harassment. One complaint of sexual harassment was pending at the beginning of the financial year which was investigated and disposed of in the month of April 2018. Further, during the financial year under review, the Company received one complaint of sexual harassment. The said complaints were investigated and disposed of in accordance with the Act and the Company's Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace.

The Company also conducts various programs in the organization on a continuous basis in order to build awareness in this area. During the year under review, a survey was also done for getting inputs from women to understand their issues, challenges and inviting suggestions.

11.11 The Company and its subsidiaries have paid a total fees of Rs. 2.89 Crore excluding GST on a consolidated basis during the financial year 2018-19 to M/s. S.R. Batliboi & Co., LLP, Statutory Auditors

of the Company and to its network firms, for all kind services rendered by them to the Company and to its subsidiaries.

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. In addition, the Company sends standalone and consolidated quarterly and annual results to all shareholders whose email ids are registered with the Company.
- (ii) The Standalone and Consolidated quarterly and annual results along with limited review reports/ Audit Reports of the Auditors thereon, are promptly filed with the Stock Exchanges in terms of Regulation 30 and 33 of SEBI (LODR) Regulations, 2015.
- (iii) Public 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 of quarterly results calls are promptly posted on the website of the Company.
- (iv) The Company also disseminate 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:

- Business of the Company
- Terms and conditions of appointment of Independent Directors
- Composition of various committees of the Board
- Whistle Blower Policy
- Dividend Distribution Policy
- Annual Reports of the Company
- Policy on materiality of and dealing with related party transactions
- Policy for determining material subsidiaries
- Details of familiarization programmes for Independent Directors
- Shareholding Patterns
- Company Profile
- Press Releases
- Code of Conduct for the Directors and Senior Management
- Contact information – for resolving any investor's queries
- Other information as required under Regulation 46 of SEBI (LODR) Regulations, 2015

13. GENERAL SHAREHOLDER INFORMATION

- 13.1 Day, date, time and venue of the Annual General Meeting** : Thursday, August 1, 2019 at 10:00 A.M.
at Sri Sathya Sai International Centre, Pragati Vihar,
Lodhi Road, New Delhi – 110003

13.2 Financial Year

The financial year under review is of 12 (twelve) months from April 1, 2018 to March 31, 2019

13.3 General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
April 1, 2017 – March 31, 2018	10.08.2018 (AGM)	Friday	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	No
April 1, 2016 – March 31, 2017	08.08.2017 (AGM)	Tuesday	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	No
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

Notes:

- No Special Resolutions were passed in the last 3 (three) Annual General Meetings.
- 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 – 2018-2019

Adoption of Quarterly/ Annual Results for the quarter/year ended	Date of Board Meetings	Date of publication	Name of Newspapers
June 30, 2018 (Quarterly Results)	09/08/2018	10/08/2018	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
September 30, 2018 (Quarterly Results)	12/11/2018	13/11/2018	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
December 31, 2018 (Quarterly Results)	11/02/2019	12/02/2019	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
March 31, 2019 (Quarterly & Annual Results)	10/05/2019	11/05/2019 (Proposed)	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition (Proposed)

Tentative Financial Calendar – for the financial year ending March 31, 2020

Quarterly results for the quarters ending June 30, 2019, September 30, 2019, December 31, 2019 and quarterly/annual results for the quarter/year ending March 31, 2020 will be approved in the Board Meetings which will be tentatively held in the months of July 2019, November 2019, February 2020 and May 2020 respectively (subject to the finalisation of dates by the Board of Directors). Annual General Meeting for the Financial Year 2019-20 will be tentatively held in between July-August 2020. 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 submitted with the Stock Exchanges. Additionally, the same will be posted on Company's website at www.eichermotors.com.

13.5 Book Closure : July 26, 2019 to August 1, 2019 (both days inclusive)

13.6 Dividend payment date: Dividend, if declared by the members, will be paid on or before August 30, 2019

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, www.bseindia.com

National Stock Exchange of India Ltd.

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

The annual listing fees has been paid to both the stock exchanges for the financial year 2019-20.

13.8 Name of Depositories for dematerialisation of equity shares and stock code/symbol

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 Code/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 / Address for correspondence:

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

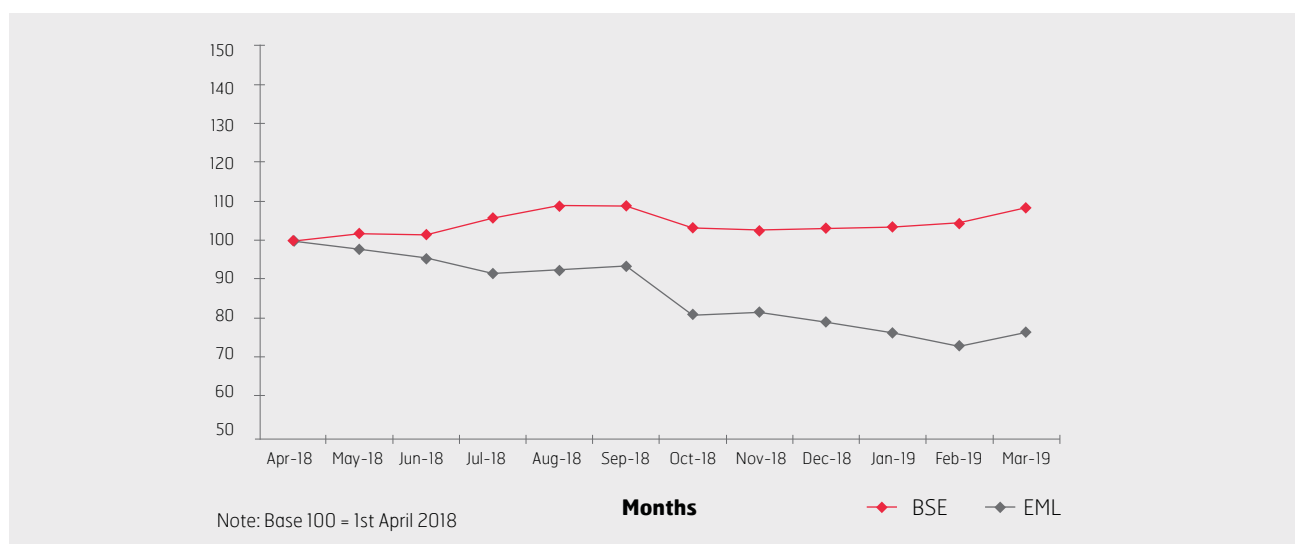
Link Intime India Pvt. Ltd.
Registrar and Share Transfer Agent
Noble Heights, 1st Floor, Plot No. NH-2, C-1
Block LSC, Block,
Near Savitri Market,
Janakpuri, New Delhi-110058
Phone No: +91 11 4141 0592
Fax No: +91 11 4141 0591
E-mail: delhi@linkintime.co.in

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

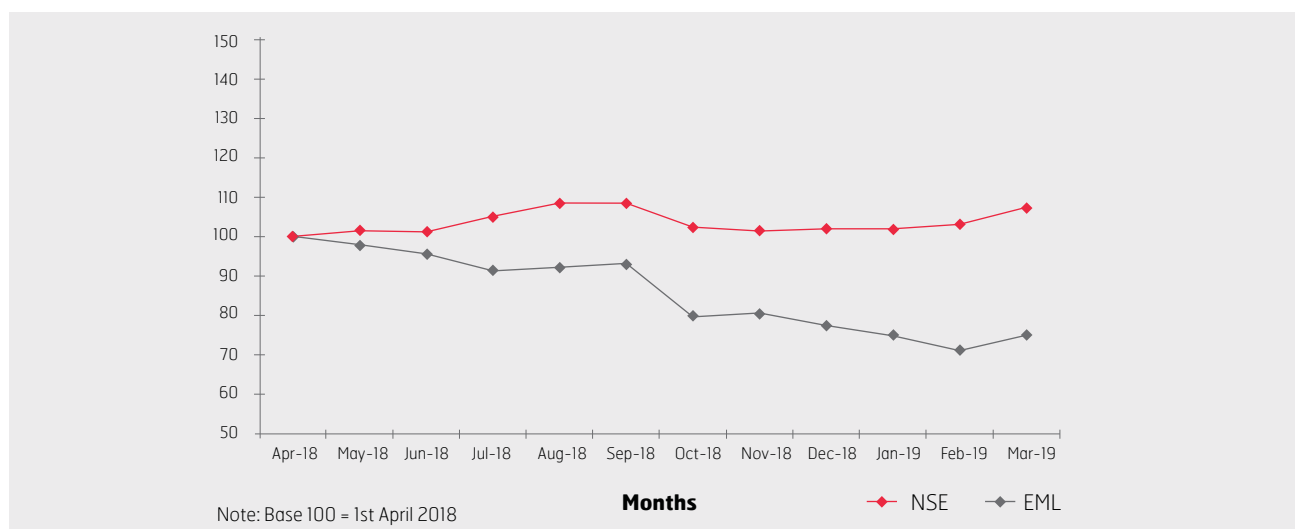
13.10 Market Price Data at BSE and NSE:

April 2018 to March 2019	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)
April 2018	32209.50	27800.00	77065	32236.70	27800.00	786562
May 2018	31424.65	29111.10	27071	31499.00	29100.05	795227
June 2018	30582.50	27736.50	77085	30650.00	27751.60	790678
July 2018	29067.90	26802.00	60503	29124.95	26761.10	1168677
August 2018	29440.00	26670.05	63964	29470.00	26601.00	1061376
September 2018	29799.95	23490.00	125271	29800.00	23523.70	1216209
October 2018	25010.05	20301.10	200799	24999.00	20001.15	2972333
November 2018	25300.00	21200.00	101981	25350.00	21196.75	2002567
December 2018	24349.55	21810.85	63911	24220.00	21800.00	1290278
January 2019	23320.00	18780.00	137299	23293.00	18800.00	3573725
February 2019	22000.00	19107.15	130078	21965.00	19076.05	2518589
March 2019	23341.15	19340.20	160706	23355.00	19320.00	2966363

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

During the financial year ended March 31, 2019, shares of the Company have been transferred through Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company and the Shares Committee of the Company approved 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.

Details of total number of requests processed for share transfer, transmission, duplicate share certificates, name deletion, dematerialization during the financial year under review are provided under Clause 8 of this Report.

During the year under review, in terms of amended provisions of Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with National Stock Exchange of India Limited circular NSE/CML/2018/26 dated July 9, 2018 and BSE circular LIST/COMP/15/2018-19 dated July 5, 2018 and subsequent circulars issued in this regard, the Company took special efforts through its Registrar and Share Transfer Agent by sending letters including reminder letters to the shareholders holding shares in physical mode, advising them to dematerialise their shares on or before the prescribed due date specified by SEBI by opening a Demat account with any of the Depository Participants and also sensitizing them that transfer of shares shall not be allowed in physical form on and after the prescribed due date. In this regard the Company also published newspaper advertisement dated October 18, 2018, in Business Standard, English (All Editions) and Business Standard, Hindi (Delhi Edition). The said information has also been filed with the stock exchanges and also made available on the website of the Company www.eichermotors.com.

Accordingly, the Company has not been accepting requests for transfer of shares held in physical form

w.e.f. April 1, 2019 in terms of aforesaid provisions. Any shareholder who is desirous of transferring shares, which are held in physical form, after April 1, 2019, can do so only after the shares are dematerialised. Shareholders of the Company may please note that the above amended provisions are not applicable in case of requests for transmission (i.e. transfer of title of shares by way of inheritance/succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders).

In terms of provisions of SEBI circular SEBI/HO/ MIRSD/DOPI/CIR/P/2018/73 dated April 20, 2018, the Company has completed dispatch of letters including reminder letters to the shareholders holding shares in physical mode whose PAN/ Bank account details were not registered with the Company, requesting them to register the same. Members holding shares in physical form are requested to register and/or update their PAN/ Bank account details with the Company's Registrar & Share Transfer Agent and those holding shares in electronic form shall register/update such details with their Depository Participants (DPs).

13.12 Dematerialization 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, 2019, 2,69,44,486 shares constituting 98.76% 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, 2019

Category	No. of shareholders	% holders	No. of shares of face value of Rs. 10/- each	% Shareholding
1-500	123346	99.15	2066741	7.58
501-1,000	332	0.27	238792	0.88
1,001-2,000	212	0.17	308675	1.13
2,001-3,000	100	0.08	245040	0.90
3,001-4,000	69	0.06	237460	0.87
4,001-5,000	38	0.03	171929	0.63
5,001-10,000	111	0.09	789613	2.89
10,001-50,000	143	0.11	3135651	11.49
50,001-1,00,000	25	0.02	1828386	6.70
1,00,001 and above	31	0.02	18261186	66.93
Total	124407	100	27283473	100

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 to Investor Education and Protection Fund Authority

The Company shall be transferring the unclaimed/unpaid dividends as mentioned hereunder to the Investor Education and Protection Fund Authority, established by the Central Government, in terms of the provisions of Section 124 & 125 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 Authority is as under:

For the Financial Year	Due date for transfer to the Central Government
2012 (January to December)	April 25, 2020
2013 (January to December)	April 25, 2021
2014 (January to December)	April 25, 2022
2015-16 (January to March)*	April 18, 2023
2016-17 (April to March)	September 12, 2024
2017-18 (April to March)	September 14, 2025

*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 & Share Transfer Agent for obtaining duplicate Dividend Warrants/Revalidation of Dividend Warrants.

13.15 Transfer of Shares to the Investor Education and Protection Fund Authority

In compliance with the provisions of Section 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), as on date the Company has transferred 1,88,467 (0.69%) equity shares of Rs. 10 each of the Company, on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, belonging to 2,522 shareholders, to the Investor Education and Protection Fund Authority (IEPF Authority).

The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

Any person whose share(s)/ unpaid dividend has been transferred to the IEPF Authority may claim the share(s)/ dividend from it pursuant to the said Act and the Rules by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in. Simultaneously, claimant shall be required to submit a copy of Form IEPF-5 submitted with IEPF Authority duly signed and accompanied by all requisite documents to the Company's Registered office address in an envelope marked as "Claim for refund from IEPF Authority" for verification. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. Shareholders are requested to go through the provisions of said Act and the Rules and also the information provided on the website www.iepf.gov.in. Shareholders may also write to the Company or Company's RTA for any further information/clarification in this regard.

13.16 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 dematerialization thereof.

The details with respect to the unclaimed shares of the Company for the financial year ended March 31, 2019 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	116	4,711
(ii)	Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	9	422
(iii)	Number of shareholders to whom shares were transferred from the Suspense Account during the year	9	422
(iv)	Number of shareholders whose shares were transferred to Investor Education and Protection Fund Authority in compliance with the provisions of Section 124 & 125 of the Companies Act, 2013 and the rules framed thereunder	12	541
(v)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	95	3748

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

13.17 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, available on the website of the Company www.eichermotors.com, 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.

13.18 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.

13.19 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 respective 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 Share 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 Share Transfer Agent. The Form for intimating Bank and/or NECS mandate is available on the website of the Company www.eichermotors.com.

13.20 Registered Office

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

13.21 Corporate Office

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

13.22 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)
- (iii) G 121 & 122, Sipcot Industrial Park,
Vallam Vadagal, Kanchipuram- 602105
(Tamil Nadu)

This Corporate Governance Report of the Company for the financial year ended March 31, 2019 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
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram, Haryana
Date: May 10, 2019

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 for Board of Directors and Senior Management for the financial year ended March 31, 2019.

For **Eicher Motors Limited**

Siddhartha Lal

Managing Director

& Chief Executive Officer

DIN: 00037645

Place: Gurugram, Haryana

Date: May 10, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

As per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

THE MEMBERS OF EICHER MOTORS LIMITED

1. The Corporate Governance Report prepared by Eicher Motors Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management, along with the Board of Directors, is also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Verified that the requirement for the composition of the Board of Directors w.r.t executive and non-executive directors, has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2019 and verified that at least one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following committee / meetings held from April 1, 2018 to March 31, 2019:
 - (a) Board of Directors meeting;
 - (b) Audit committee;
 - (c) Annual General meeting;
 - (d) Nomination and remuneration committee; and
 - (e) Stakeholders Relationship Committee;
 - v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
 - vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 3 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Place of Signature: Gurugram

Date: May 10, 2019

Membership Number: 095169

UDIN: 19095169AAAAAW1054

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, 2019 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, 2019 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, 2019;
 - (ii) there have not been any significant changes in accounting policies during the year ended March 31, 2019; and
 - (iii) there has not been any instance during the financial year ended March 31, 2019 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, Haryana

Date: May 10, 2019

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**FINANCIAL
STATEMENTS**



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

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, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our

report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters

How our audit addressed the key audit matter

Intangibles assets capitalized or under development (Refer to the accounting estimates and judgements in Note 3 and Note 8 to the financial statements.)

The Company has various internally generated intangible projects under development. Initial recognition of the expenditure under these projects are based on assessing each project in relation to specific recognition criteria that needs to be met for capitalization. In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments.

- ♦ Our audit procedures included reading Company's research and development expenditure accounting policies to assess compliance with Ind AS 38 "Intangible Assets".
- ♦ We performed test of control over management process of identifying and capitalizing the development expenditure with specific focus on the accounting principles of capitalization of expenditure on internally generated intangible assets as per IND AS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably.

Key audit matters	How our audit addressed the key audit matter
<p>Due to the materiality of the assets under development recognized and the level of management judgement involved, initial recognition and measurement of internally generated intangible assets has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> ♦ We performed test of details of development expenditure capitalized by challenging the key assumptions including the authorization of the stage of the project in the development phase and the accuracy of costs included and assessing the useful economic life attributed to the asset. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. ♦ We tested the disclosure relating to research and development expenditure in the standalone Ind AS financial statements
Revenue Recognition (Refer to the accounting policies in Note 3 to the financial statements)	
<p>Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter.</p>	<ul style="list-style-type: none"> ♦ Our audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". ♦ We performed test of controls of management's process of recognizing the revenue from sales of goods and placed specific attention on the timing of the revenue recognition as per the sales terms with the customers. ♦ We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the sale orders, including the shipping terms. ♦ We also performed sales cut off procedures by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management 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 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ♦ Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 10, 2019

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

Re: Eicher Motors Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Property, Plant and Equipment were physically verified by the management during the year in accordance with its plan of verification in a phased manner and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company except the following:

Particulars	Carrying value as at March 31, 2019 (Rs. Crore)	Remarks
Freehold land located at Alwar, Rajasthan and Jhajjar, Haryana	0.74	Pending registration in the name of the Company

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them during the year and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/to a company in which the Director is interested in to which the provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further, in our opinion and according to the information and explanations given to us, the provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of certain products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Forum where it is pending	Period to which it relates	Amount involved (Rs. crores)	Amount unpaid (Rs. crores)
Central Excise Act, 1944	Excise Duty	Up to Commissioner (Appeals)'s level	1995-96, 1996-97, 2013-14, 2016-17, 2017-18	1.08	1.07
	Excise Duty	CESTAT	1983-84 to 2000-01, 2012-13 to 2015-2016	1.44	1.17
	Excise Duty	Punjab and Haryana High Court	1995-96 to 1998-99	0.18	-
The Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals)	1986-87 to 1987-88, 1994-95 to 2002-03, 2004-05 to 2010-2011, 2013-14, 2014-15, 2015-16	7.25	3.34
	Sales Tax	Sales Tax Appellate Tribunal	1988-89, 1991-92 to 1995-96, 1997-98 to 1999-00, 2002-03 to 2004-05, 2006-07	0.89	0.70
	Sales Tax	Allahabad High Court, Madhya Pradesh High Court	1984-85, 1985-86, 2000-01, 2004-05	0.83	0.39
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Commissioner of Sales Tax (Appeals)	2010-11, 2013-14	0.76	0.48
Bihar Finance Act, 1981	Sales Tax	Commissioner of Sales Tax (Appeals)	2000-01	0.32	0.30
	Sales Tax	Patna High Court	2001-02	0.46	0.44
The Bihar Tax on Entry of Goods into Local Areas for Consumption, Use or Sale therein Act, 1993	Entry Tax	Commissioner of Sales Tax (Appeals)	2013-14	0.10	-
Uttar Pradesh Sales Tax Act, 1948, Uttar Pradesh VAT Act, 2008	Sales Tax / Value added Tax	Commissioner of Sales Tax (Appeals)	2013-14	0.02	-
	Sales Tax / Value added Tax	Appellate Tribunal	1991-92, 1993-94 to 1995-96, 1999-00, 2001-02	0.22	0.19
	Sales Tax / Value added Tax	Allahabad High Court	2000-01	0.43	0.29

Name of Statute	Nature of Dues	Forum where it is pending	Period to which it relates	Amount involved (Rs. crores)	Amount unpaid (Rs. crores)
Rajasthan Sales Tax Act, 1994, Rajasthan Value Added Tax Act, 2003	Sales Tax / Value added Tax	Commissioner of Sales Tax (Appeals)	1996-97, 2000-01, 2002-03, 2014-15	0.28	0.22
	Sales Tax / Value added Tax	Sales Tax Appellate Tribunal	1990-2000	0.05	0.05
	Sales Tax / Value added Tax	Rajasthan High Court	1993-94	0.03	0.01
	Sales Tax / Value added Tax	Supreme Court of India	1986-87 to 1988-89, 1990-91, 1991-92, 2001-02 to 2003-04	1.96	1.41
Delhi Sales Tax Act, 1975	Sales Tax	Sales Tax Appellate Tribunal	1991-92, 1992-93, 2000-01, 2002-03	0.35	0.31
The Madhya Pradesh General Sales Tax Act, 1958, The Madhya Pradesh VAT Act, 2002	Sales Tax / Value added Tax	Commissioner of Sales Tax (Appeals)	2000-01, 2008-09	0.02	0.02
	Sales Tax / Value added Tax	Appellate Tribunal	2002-03, 2004-05	0.26	0.16
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	Commissioner of Sales Tax (Appeals)	2012-13	0.04	0.03
The Odisha Sales Tax Act, 1947	Value Added Tax	Commissioner of Sales Tax (Appeals)	2000-01	0.01	0.00
Goods and Service Tax Act 2017	GST	Commissioner of GST (Appeals)	2018-19	0.06	0.02
Finance Act, 1994	Service Tax	CESTAT	2006-07 to 2011-12	0.39	0.36
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2013-14 and 2014-15	6.32	6.32
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2012-13	0.19	0.19

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or a bank. The Company did not have any outstanding loans or borrowing dues in respect of the government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to

the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has

not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 10, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EICHER MOTORS LIMITED

Report on the Internal Financial Controls 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, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 the 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 with reference to these standalone financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements 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 With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and

such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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 **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 10, 2019

BALANCE SHEET

AS AT MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,688.32	1,454.76
(b) Capital work-in-progress	5	272.14	141.89
(c) Investment property	6	3.51	3.86
(d) Intangible assets	7	178.98	38.66
(e) Intangible assets under development	8	177.60	191.32
(f) Investments in subsidiaries & joint ventures	9	67.93	49.43
(g) Financial assets			
(i) Investments	10	2,509.79	3,183.16
(ii) Other financial assets	12	28.27	24.88
(h) Non-current tax assets	25	18.44	18.44
(i) Other non-current assets	17	153.04	163.85
Total non-current assets		5,098.02	5,270.25
Current assets			
(a) Inventories	13	605.34	379.23
(b) Financial assets			
(i) Investments	10	468.81	633.40
(ii) Trade receivables	14	112.65	78.02
(iii) Cash and cash equivalents	15	701.76	89.28
(iv) Bank balances other than (iii) above	16	2,238.31	1,119.54
(v) Loans	11	1.29	0.28
(vi) Other financial assets	12	73.26	33.71
(c) Other current assets	17	177.97	190.96
Total current assets		4,379.39	2,524.42
Total assets		9,477.41	7,794.67
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	27.28	27.26
(b) Other equity	19	7,099.17	5,344.97
Total equity		7,126.45	5,372.23
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	20	9.96	8.88
(b) Provisions	23	23.00	29.12
(c) Deferred tax liabilities (net)	24	276.49	142.97
(d) Other non-current liabilities	26	63.13	46.84
Total non-current liabilities		372.58	227.81
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	76.38	85.98
(ii) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		19.28	27.15
Total outstanding dues of creditors other than micro and small enterprises		1,211.82	1,143.32
(iii) Other financial liabilities	20	158.00	166.70
(b) Provisions	23	57.65	47.21
(c) Current tax liabilities	25	141.47	108.01
(d) Other current liabilities	26	313.78	616.26
Total current liabilities		1,978.38	2,194.63
Total liabilities		2,350.96	2,422.44
Total equity and liabilities		9,477.41	7,794.67

See accompanying notes forming part of the financial statements

As per our report of even date

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

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

per Sanjay Vij

Partner

Membership No : 095169

Manhar Kapoor

Company Secretary

Lalit Malik

Chief Financial Officer

Vinod K. Dasari

Whole-time Director &
CEO of Royal Enfield
DIN: 00345657

Siddhartha Lal

Managing Director
DIN: 00037645

Inder Mohan Singh

Director
DIN: 07114750

Manvi Sinha

Director
DIN: 07038675

Vinod Aggarwal

Director
DIN: 00038906

S. Sandilya

Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Sale of products		9,715.16	9,167.73
Other operating income		79.32	44.08
Revenue from operations	27	9,794.48	9,211.81
Other income	28	508.04	332.43
Total Income		10,302.52	9,544.24
EXPENSES			
Cost of materials consumed	29	5,055.89	4,515.60
Purchases of traded goods	30	205.33	154.97
Change in inventories of finished goods, work-in-progress and traded goods	31	(198.46)	(31.47)
Excise duty on sale	27	-	254.30
Employee benefits expense	32	679.53	547.86
Finance costs	33	2.99	3.04
Depreciation and amortisation expense	34	298.93	222.34
Other expenses	35	1,107.81	917.35
Total Expenses		7,152.02	6,583.99
Profit before exceptional items and tax		3,150.50	2,960.25
Exceptional item	36	17.52	311.98
Profit before tax		3,132.98	2,648.27
Tax expense			
Current tax	37	941.92	877.34
Deferred tax	37	136.62	58.02
Total tax expense		1,078.54	935.36
Net profit after tax		2,054.44	1,712.91
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		(7.47)	18.32
Income tax effect	37	2.61	(6.33)
		(4.86)	11.99
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		(1.40)	(1.74)
Income tax effect	37	0.49	0.60
		(0.91)	(1.14)
Total Comprehensive income for the year		2,048.67	1,723.76
Earnings per equity share of Rs. 10 each (in Rs.)			
(a) Basic	43	753.37	629.07
(b) Diluted	43	752.54	627.88

See accompanying notes forming part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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

per Sanjay Vij
Partner
Membership No : 095169

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Vinod K. Dasari
Whole-time Director &
CEO of Royal Enfield
DIN: 00345657

Siddhartha Lal
Managing Director
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Inder Mohan Singh
Director
DIN: 07114750

Manvi Sinha
Director
DIN: 07038675

Vinod Aggarwal
Director
DIN: 00038906

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A EQUITY SHARE CAPITAL

	Number of Shares	Amount
Balance as at March 31, 2017	2,72,10,249	27.21
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (refer note 48)	45,300	0.05
Balance as at March 31, 2018	2,72,55,549	27.26
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (refer note 48)	27,021	0.02
Balance as at March 31, 2019	2,72,82,570	27.28

B OTHER EQUITY

Particulars	Reserves and surplus						Items of OCI	Total equity Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share based payments reserve	Retained earnings	Foreign currency translation reserve	
Balance as at March 31, 2017	0.25	1.41	32.09	339.89	45.13	3,476.61	-	3,895.38
Profit for the year	-	-	-	-	-	1,712.91	-	1,712.91
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1.14)	11.99	10.85
Total comprehensive income for the year	-	-	-	-	-	1,711.77	11.99	1,723.76
Share-based payments (refer note 48)	-	-	-	-	18.11	-	-	18.11
Payment of dividend	-	-	-	-	-	(272.22)	-	(272.22)
Payment of dividend tax	-	-	-	-	-	(44.90)	-	(44.90)
Proceeds from issue of equity shares under employee share option plan	-	-	19.44	-	-	-	-	19.44
ESOP expense transferred to subsidiary company	-	-	-	-	5.40	-	-	5.40
Transfer to securities premium on issue of shares	-	-	8.84	-	(8.84)	-	-	-
Balance as at March 31, 2018	0.25	1.41	60.37	339.89	59.80	4,871.26	11.99	5,344.97
Profit for the year	-	-	-	-	-	2,054.44	-	2,054.44
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.91)	(4.86)	(5.77)
Total comprehensive income for the year	-	-	-	-	-	2,053.53	(4.86)	2,048.67
Share-based payments (refer note 48)	-	-	-	-	16.40	-	-	16.40
Payment of dividend	-	-	-	-	-	(299.93)	-	(299.93)
Payment of dividend tax	-	-	-	-	-	(48.23)	-	(48.23)
Proceeds from issue of equity shares under employee share option plan	-	-	36.11	-	-	-	-	36.11
ESOP expense transferred to subsidiary company	-	-	-	-	1.18	-	-	1.18
Transfer to securities premium on issue of shares	-	-	18.63	-	(18.63)	-	-	-
Balance as at March 31, 2019	0.25	1.41	115.11	339.89	58.75	6,576.63	7.13	7,099.17

See accompanying notes forming part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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

per Sanjay Vij
Partner
Membership No : 095169

Manhar Kapoor
Company Secretary

Lalit Malik
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Manvi Sinha
Director
DIN: 07038675

Vinod Aggarwal
Director
DIN: 00038906

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	3,132.98	2,648.27
Adjustments for:		
Depreciation and amortisation expenses	298.93	222.34
Gain on disposal of property, plant and equipment	(0.17)	(0.17)
Impairment loss in the value of investments (refer note 36)	17.52	311.98
Property, plant and equipment discarded	3.00	-
Rent income	(0.26)	(2.92)
Loss on sale of property, plant and equipment	1.12	1.00
Dividend from joint venture company	(65.28)	(51.68)
Net gain on financial instruments at fair value through profit or loss	(288.68)	(235.02)
Interest income recognised in profit or loss	(130.32)	(39.32)
Expenses recognised in respect of equity-settled share-based payments	14.21	18.11
Re-measurement gains/(losses) on defined benefit plans	(1.40)	(1.74)
Exchange difference on conversion	(7.47)	18.32
Finance costs recognized in profit or loss	2.99	3.04
Operating profit before changes in working capital	2,977.17	2,892.21
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	(4.45)	(6.00)
Other assets	0.04	0.63
Adjustments for (increase) / decrease in current assets:		
Inventories	(226.11)	(56.78)
Trade receivables	(34.63)	(29.08)
Loans	(1.01)	0.06
Other financial assets	3.10	5.29
Other assets	12.99	(115.25)
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	1.08	1.72
Provisions	(7.72)	1.30
Other liabilities	16.29	23.64
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	60.63	405.98
Other financial liabilities	13.84	7.33
Provisions	10.44	4.70
Other liabilities	(302.48)	186.73
Cash generated from operating activities	2,519.18	3,322.48
Direct taxes paid	(908.46)	(807.09)
Net cash flow from/(used in) operating activities (A)	1,610.72	2,515.39
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment	(786.81)	(745.06)
Proceeds from disposal of property, plant and equipment	0.08	1.60
Investment in subsidiary company	(18.50)	(15.91)
Investment in a joint venture company	(30.00)	(16.50)
Investment in equity shares of a company recognised at FVTPL	(5.04)	(0.09)
Proceeds from sale of investments	9,050.65	6,123.96
Purchases of investments	(7,924.00)	(6,464.10)
Investments in fixed deposit	(3,696.00)	(1,243.94)
Maturity proceeds from fixed deposit	2,578.94	135.00

CASH FLOW STATEMENT (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend from joint venture company	65.28	51.68
Rent received	0.26	2.92
Interest received	89.92	11.98
Net cash flow from/(used in) investing activities (B)	(675.22)	(2,158.46)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Short term borrowings availed	322.06	459.69
Re-payment of short term borrowings	(342.89)	(441.15)
Interest paid	(1.39)	(1.35)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	36.13	19.49
Dividend paid	(299.93)	(272.22)
Tax on dividend paid	(48.23)	(44.90)
Net cash flow from/(used in) financing activities (C)	(334.25)	(280.44)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	601.25	76.49
Cash and cash equivalents at the beginning of the year	89.28	12.79
Cash and cash equivalents at the end of the year	690.53	89.28

Particulars	As at March 31, 2019	As at March 31, 2018
Components of cash and cash equivalents		
Cash on hand	0.03	0.04
Cheques/drafts on hand	-	0.06
Balances with banks:		
In current accounts	9.73	89.18
In deposit accounts with original maturity of less than three months	692.00	-
Cash and cash equivalents as per balance sheet (refer note 15)	701.76	89.28
Bank overdrafts (refer note 21)	11.23	-
Cash and cash equivalents as per statement of cash flows	690.53	89.28

See accompanying notes forming part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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

per Sanjay Vij
Partner
Membership No : 095169

Manhar Kapoor
Company Secretary

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Whole-time Director &
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Vinod Aggarwal
Director
DIN: 00038906

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

1. CORPORATE INFORMATION

Eicher Motors Limited ("the Company") is a public company domiciled and incorporated in India under the provisions of the Companies Act, 1956. The Company is engaged in the manufacturing and selling of motorcycles, 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 equity shares listed on the BSE Limited and National Stock Exchange of India Limited. The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 10, 2019.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

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 of goods and services. The financial statements are presented in Indian Rupees and all values are rounded to the nearest crore, except otherwise indicated.

2.3 Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization 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 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet on current / non-current classification. An asset is treated as current when it is:

- ♦ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ♦ Held primarily for the purpose of trading
- ♦ Expected to be realised within twelve months after the reporting period, or
- ♦ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ♦ It is expected to be settled in normal operating cycle
- ♦ It is held primarily for the purpose of trading
- ♦ It is due to be settled within twelve months after the reporting period, or
- ♦ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.2 Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance, Free Service

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Coupons, etc.). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of traded goods provide customers with a right of return for which, the consideration is estimated based on goods expected to be returned. The rights of return give rise to variable consideration. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability.

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section 3.15 Provisions.

The Company provides a one or two-year warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the goods and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

Agency services

In contracts where the Company acts as an agent, the revenue is recorded at the net amount that the Company retains for its agency services.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.16 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

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.

3.3 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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.

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

As a lessor

The Company has leased out certain assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

3.4 Foreign currencies

The financial statements are presented in Indian Rupees, which is also the functional currency of the Company. 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.

Transactions in foreign currencies are initially recorded by the foreign operation at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operation, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for

practical reasons, the Company uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are initially recognised in the financial statements of the Company in the other comprehensive income. These exchange differences are reclassified from equity (Foreign currency translation reserve) to profit or loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

3.5 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.

3.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Company receives grant of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e., by equal annual instalments.

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In the case of Export Promotion Capital Goods ('EPCG') grant, the Company recognise the grant in the statement of profit and loss on a systematic basis over the useful life of the assets.

3.7 Retirement and other employee benefits

Provident fund

- (i) The Company operates a scheme of provident fund for eligible employees, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the "Eicher Executive Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The cost of providing benefits under above mentioned defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- (ii) The employees, who are not covered under the scheme stated in 3.7 (i) above, are covered in a defined contribution scheme wherein their portion of provident fund is contributed to the government administered provident fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

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-measurements, 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-measurements 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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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 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.

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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.

3.8 Share-based payment arrangements

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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. 48.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.9 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 and laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ♦ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ♦ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ♦ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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- ♦ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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.

3.10 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. 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 property, plant and equipment generally in accordance with that provided in the Schedule II to the Act as provided below and except in respect of moulds and dies which are depreciated over their estimated useful life of 1 to 7 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.

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

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the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The useful lives for various property, plant and equipment are given below:

Particulars	Useful life (in years)
Buildings	30-60
Plant and equipment	5-15
Furniture and fixtures	10
Office equipment	5
Vehicles	5

As part of transition from the previous GAAP, the Company had elected to continue with the carrying value for all of its property, plant and equipment and intangible assets recognised in the previous GAAP as deemed cost at the transition date.

3.11 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 useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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 and intangible assets not yet available for use are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

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 in the statement of profit and 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 5 to 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 3 years or less depending on the estimated useful life of asset. The useful lives for intangible assets are given below:

Particulars	Useful life (in years)
Product designs, prototypes, etc.	5 to 10
Computer software	3

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3.12 Impairment of non-financial assets

At the end of each reporting period, the Company assesses, whether there is any indication that an asset may be impaired. 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.

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.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating unit (CGU).

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.

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.

3.13 Investment property

Investment property is a property held to earn rentals and capital appreciation. 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. The Company depreciates building component of investment property over 30 years from the date of capitalisation.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

3.14 Inventories

Inventories comprising Raw materials, work-in-progress, stores and spares, loose tools, traded goods and finished goods are stated at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to its present location. Cost of inventories is determined on a moving average.

Finished goods and work-in-progress include appropriate proportion of manufacturing overheads at normal capacity and where applicable, duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.15 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 will be required to settle the obligation,

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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.

3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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.

3.17 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss or fair value through other comprehensive income, 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 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 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 at FVTPL. Interest income is

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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 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 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 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.

Investments in subsidiaries and joint ventures are 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 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 increased 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.

3.18 Financial liabilities and equity instruments

Classification as financial liability 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 at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are

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recognized in the other comprehensive income. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

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 cost 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.

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.

3.19 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

3.21 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.

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 Changes in accounting policies and disclosures

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The Company has applied modified retrospective approach in adopting the new standard. Under the modified retrospective approach, there are no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 does not have any significant impact on recognition and measurement of revenue and related items in the standalone financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This appendix does not have any significant impact on the financial statements.

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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Cost							
At March 31, 2017	85.95	229.40	794.79	13.92	67.77	27.64	1,219.47
Additions	-	254.40	510.34	6.72	41.72	18.70	831.88
Disposals / Adjustments	-	-	3.30	0.07	0.04	1.86	5.27
At March 31, 2018	85.95	483.80	1,301.83	20.57	109.45	44.48	2,046.08
Additions	-	161.00	293.08	7.43	30.33	18.60	510.44
Disposals / Adjustments	-	1.49	48.22	0.57	0.62	2.81	53.71
At March 31, 2019	85.95	643.31	1,546.69	27.43	139.16	60.27	2,502.81
Accumulated depreciation							
At March 31, 2017	-	27.75	309.70	5.83	31.71	12.05	387.04
Charge for the year	-	16.87	163.34	3.20	17.32	6.40	207.13
Disposals / Adjustments	-	-	1.34	0.03	0.04	1.44	2.85
At March 31, 2018	-	44.62	471.70	9.00	48.99	17.01	591.32
Charge for the year	-	25.33	210.92	3.44	23.71	9.45	272.85
Disposals / Adjustments	-	0.38	46.98	0.25	0.37	1.70	49.68
At March 31, 2019	-	69.57	635.64	12.19	72.33	24.76	814.49
Carrying amount							
At March 31, 2018	85.95	439.18	830.13	11.57	60.46	27.47	1,454.76
At March 31, 2019	85.95	573.74	911.05	15.24	66.83	35.51	1,688.32

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

5. CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress*	272.14	141.89
	272.14	141.89

* Capital work in progress as at March 31, 2019 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed.

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6. INVESTMENT PROPERTY

Particulars	Building	Total
Cost		
At March 31, 2017	10.12	10.12
Additions	-	-
Disposals	-	-
At March 31, 2018	10.12	10.12
Additions	-	-
Disposals	-	-
At March 31, 2019	10.12	10.12
Accumulated depreciation		
At March 31, 2017	5.91	5.91
Charge for the year	0.35	0.35
Disposals	-	-
At March 31, 2018	6.26	6.26
Charge for the year	0.35	0.35
Disposals	-	-
At March 31, 2019	6.61	6.61
Carrying amount		
At March 31, 2018	3.86	3.86
At March 31, 2019	3.51	3.51

Fair value of the Investment property

The fair value of the Company's investment properties as at March 31, 2018 and March 31, 2019 have been arrived at on the basis of valuation carried out on the respective dates by Mr. Purshotam Khandelwal, independent valuer not related to the Company. Mr. 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 March 31, 2018 and March 31, 2019 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.

Detail of the investment properties and information about the fair value hierarchy as at March 31, 2019 and March 31, 2018 are as follows :-

Particulars	Level 2	
	Fair value as at March 31, 2019	Fair value as at March 31, 2018
Building located at Jaipur, India	4.33	4.41

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Information regarding income and expenditure of Investment property

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income derived from investment properties	0.26	2.92
Direct operating expenses	-	-
Profit arising from investment properties before depreciation and indirect expenses	0.26	2.92
Less: Depreciation	0.35	0.35
Profit / (loss) arising from investment properties before indirect expenses	(0.09)	2.57

7. INTANGIBLE ASSETS

Particulars	Product designs, prototypes etc.	Computer softwares	Total
Cost			
At March 31, 2017	25.20	37.11	62.31
Additions	5.63	14.48	20.11
Disposals / Adjustments	-	0.02	0.02
At March 31, 2018	30.83	51.57	82.40
Additions	145.07	20.98	166.05
Disposals / Adjustments	0.06	0.11	0.17
At March 31, 2019	175.84	72.44	248.28
Accumulated depreciation			
At March 31, 2017	9.20	19.70	28.90
Charge for the year	3.80	11.06	14.86
Disposals / Adjustments	-	0.02	0.02
At March 31, 2018	13.00	30.74	43.74
Charge for the year	10.88	14.85	25.73
Disposals / Adjustments	0.01	0.16	0.17
At March 31, 2019	23.87	45.43	69.30
Carrying amount			
At March 31, 2018	17.83	20.83	38.66
At March 31, 2019	151.97	27.01	178.98

8. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2019	As at March 31, 2018
Intangible assets under development*	177.60	191.32
	177.60	191.32

* Intangible assets under development mainly consists of cost of new products under development.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

9. INVESTMENTS IN SUBSIDIARIES & JOINT VENTURES

Particulars	As at March 31, 2019	As at March 31, 2018
	Non-Current	Non-Current
Unquoted Investments		
(a) Investment in equity instruments of subsidiary companies (at cost)		
47,13,569 (March 31, 2018 : 47,13,569) shares of Brazilian Real 1 each fully paid up of Royal Enfield Brasil Comércio de Motocicletas Ltda	9.82	9.82
1,00,000 (March 31, 2018 : 1,00,000) shares of Royal Enfield North America Limited (no face value)	34.17	34.17
1,67,50,000 (March 31, 2018 : Nil) shares of Thai Bhat 5 each fully paid up of Royal Enfield (Thailand) Limited	18.50	-
Sub-total (A)	62.49	43.99
(b) Investment in equity instruments of joint venture companies (at cost)		
54,40,000 (March 31, 2018 : 54,40,000) Equity shares of Rs. 10 each fully paid up of VE Commercial Vehicles Limited	5.44	5.44
32,45,00,000 (March 31, 2018 : 29,45,00,000) Equity shares of Rs.10 each fully paid up of Eicher Polaris Private Limited	324.50	294.50
Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013)*	-	-
Sub-total	329.94	299.94
Less: Impairment in value of investments in Eicher Polaris Private Limited (refer note 36)	(324.50)	(294.50)
Sub-total (B)	5.44	5.44
Total (A+B)	67.93	49.43

*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 financial year 2015-16.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

FINANCIAL ASSETS :

10. INVESTMENTS

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
Unquoted Investments				
(a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL) 4,750 (March 31, 2018 : 4,750) Equity shares of Suryadev Alloys and Power Private Limited	0.09	-	0.09	-
Sub-total (A)	0.09	-	0.09	-
Quoted Investments				
(b) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	2,465.76	468.81	3,139.13	633.40
Sub-total (B)	2,465.76	468.81	3,139.13	633.40
(c) Investment in bonds carried at amortised cost	43.94	-	43.94	-
Sub-total (C)	43.94	-	43.94	-
Total (A+B+C)	2,509.79	468.81	3,183.16	633.40
Aggregate carrying value of quoted investments	2,509.70	468.81	3,183.07	633.40
Aggregate market value of quoted investments	2,511.63	468.81	3,185.80	633.40
Aggregate carrying value of unquoted investments	0.09	-	0.09	-
Category-wise investments - as per Ind AS 109 Classifications				
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in equity instruments	0.09	-	0.09	-
Quoted				
Investment in mutual funds	2,465.76	468.81	3,139.13	633.40
Financial assets carried at amortized cost				
Quoted				
Investment in bonds	43.94	-	43.94	-

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

11. LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good		
Loans to employees	1.29	0.28
Total	1.29	0.28

12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unsecured, considered good		
Security deposits	26.89	22.44
Others	1.38	2.44
Total	28.27	24.88
Current		
Unsecured, considered good		
Insurance claim receivable	0.73	1.02
Interest accrued on fixed deposits and bonds	70.08	29.68
Others	2.45	3.01
Total	73.26	33.71

13. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	166.09	143.44
[Includes goods in transit of Rs. 45.23 crores (March 31, 2018 : Rs. 28.74 crores)]		
Work in progress	21.68	18.01
Finished goods	359.71	188.68
Traded goods	40.39	16.63
Stores and spares	13.72	10.22
Loose tools	3.75	2.25
Total	605.34	379.23

Write-downs of inventories to net realisable value resulted in net loss of Rs. 5.83 crores (March 31, 2018 : Rs. 3.84 crores). These were recognised as an expense during the year in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 3.14.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

14. TRADE RECEIVABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	85.59	65.59
Receivables from related parties (refer note 45)	27.06	12.43
Total	112.65	78.02
Current		
Considered good – secured	0.45	0.07
Considered good – unsecured	112.20	77.95
Receivables which have significant increase in credit risk	-	-
Receivables – credit impaired	0.74	0.25
	113.39	78.27
Less: Provision for doubtful receivables	(0.74)	(0.25)
Total	112.65	78.02

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

All domestic sales are on advance payment basis, except for sale to distributors and certain institutional sales which carries credit period of maximum to 60 days.

Export sales carries credit period of 0 to 240 days, depending on the contractual terms with respective customers.

For terms and condition for related party sales refer note 45

15. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.03	0.04
Cheques/drafts on hand	-	0.06
Balances with banks:		
In current accounts	9.73	89.18
In deposit accounts with original maturity of less than three months	692.00	-
Total	701.76	89.28

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.03	0.04
Cheques/drafts on hand	-	0.06
Balances with banks:		
In current accounts	9.73	89.18
In deposit accounts with original maturity of less than three months	692.00	-
Total	701.76	89.28
Bank overdrafts (refer note 21)	11.23	-
Total	690.53	89.28

Changes in liabilities arising from financing activities

Particulars	April 1, 2018	Net cash flows	Others	March 31, 2019
Short-term borrowings	85.98	(20.83)	-	65.15
Interest accrued but not due	-	(1.39)	1.39	-
Dividend payable including tax on dividend	-	(348.16)	348.16	-
Total liabilities from financing activities	85.98	(370.38)	349.55	65.15

16. OTHER BANK BALANCES

Particulars	As at March 31, 2019	As at March 31, 2018
In unpaid dividend accounts	12.31	10.60
On deposit accounts		
- Original maturity between three and twelve months	1,221.00	538.94
- Original maturity greater than twelve months	1,005.00	570.00
Total	2,238.31	1,119.54

17. OTHER ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unsecured, considered good		
Capital advances	50.41	66.22
Share application money pending allotment	5.04	-
Balance with government authorities	7.98	7.49
Prepayment land leases	87.24	88.25
Other prepayments	2.37	1.89
Total	153.04	163.85

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good		
Advance to suppliers	54.71	45.41
Advance to employees	5.66	4.81
Prepaid expenses	17.98	11.06
Balance with government authorities:		
Considered good	88.91	119.28
Considered doubtful	1.11	1.11
	90.02	120.39
Less: Provision for doubtful advances	(1.11)	(1.11)
	88.91	119.28
Gratuity fund (net)	-	0.47
Prepayment land leases	0.95	0.89
Government grant receivable	8.95	8.36
Other prepayments	0.81	0.68
Total	177.97	190.96

18. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Equity share capital		
3,00,00,000 (March 31, 2018 : 3,00,00,000) Equity shares of Rs. 10 each	30.00	30.00
Total	30.00	30.00
Issued, subscribed and fully paid up		
2,72,82,570 (March 31, 2018 : 2,72,55,549) Equity shares of Rs. 10 each	27.28	27.26
Total	27.28	27.26

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, 2019		For the year ended March 31, 2018	
	Nos.	Rs. in Crores	Nos.	Rs. in Crores
At the beginning of the year	2,72,55,549	27.26	2,72,10,249	27.21
Issued during the year - ESOP (refer note 48)	27,021	0.02	45,300	0.05
Outstanding at the end of the year	2,72,82,570	27.28	2,72,55,549	27.26

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust	1,20,30,648	44.10%	1,20,30,648	44.14%

- (iii) 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 48.

(b) Preference share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Preference share capital		
1,01,000 (March 31, 2018 : 1,01,000) Redeemable preference shares of Rs. 100 each	1.01	1.01
Total	1.01	1.01

The Company has not issued any preference shares.

19. OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
Capital reserves	0.25	0.25
Capital redemption reserve	1.41	1.41
Securities premium reserve	115.11	60.37
General reserves	339.89	339.89
Share based payments reserve	58.75	59.80
Foreign currency translation reserve	7.13	11.99
Retained earnings	6,576.63	4,871.26
Total	7,099.17	5,344.97

Particulars	As at March 31, 2019	As at March 31, 2018
A Capital reserve		
Opening balance	0.25	0.25
Add / Less: Movement during the year	-	-
Closing balance	0.25	0.25

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
B Capital redemption reserve		
Opening balance	1.41	1.41
Add / Less: Movement during the year	-	-
Closing balance	1.41	1.41

The Capital redemption reserve was created at the time of buy back of shares. The Company can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C Securities premium reserve		
Opening balance	60.37	32.09
Add : Proceeds from issue of equity shares	36.11	19.44
Add : Transferred from share options outstanding account	18.63	8.84
Closing balance	115.11	60.37

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
D General reserves		
Opening balance	339.89	339.89
Add: Amount transferred from retained earnings	-	-
Closing balance	339.89	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, 2019	For the year ended March 31, 2018
E Share-based payments reserve		
Opening balance	59.80	45.13
Add : ESOP expense during the year	16.40	18.11
Add : ESOP expense transferred to subsidiary company	1.18	5.40
Less : Transferred to securities premium on issue of shares	18.63	8.84
Closing balance	58.75	59.80

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share-based payments to employees is set out in note 48.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
F Foreign currency translation reserve		
Opening balance	11.99	-
Add : Exchange differences in translation of foreign operations	(4.86)	11.99
Closing balance	7.13	11.99

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
G Retained earnings		
Opening balance	4,871.26	3,476.61
Add: Profit for the year	2,054.44	1,712.91
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	(0.91)	(1.14)
Less: Dividend (amount per share Rs. 110 (March 31, 2018 : Rs. 100))	299.93	272.22
Less: Tax on dividend	48.23	44.90
Total appropriations	348.16	317.12
Balance at end of year	6,576.63	4,871.26

FINANCIAL LIABILITIES :

20. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Security deposits received	9.96	8.88
Total	9.96	8.88
Current		
Employee dues	73.00	59.16
Capital creditors	57.38	69.15
Unpaid dividend *	12.31	10.60
Provision for constructive obligation towards the discontinued operations of a joint venture (refer note 36)	5.00	17.48
Others	10.31	10.31
Total	158.00	166.70

* Does not include any amounts outstanding which are required to be credited to Investor Education and Protection Fund.

21. BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
- From bank		
Overdraft facility	11.23	-
Short-term Loan	65.15	85.98
Total	76.38	85.98

Unsecured loan carries interest @ 8.45% per annum as at March 31, 2019.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

22. TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 41)	19.28	27.15
Sub-total (A)	19.28	27.15
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	107.76	110.12
Other trade payables	1026.66	964.84
Trade payables to related parties (refer note 45)	77.40	68.36
Sub-total (B)	1,211.82	1,143.32
Total (A+B)	1,231.10	1,170.47

For terms and conditions pertaining to related party dues, refer note 45

23. PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Employee benefits - refer note (i) below		
Other employee benefits	4.23	3.88
Warranties - refer note (ii) below	18.77	25.24
Total	23.00	29.12
Current		
Employee benefits - refer note (i) below		
Compensated absences	10.72	8.06
Other employee benefits	0.08	0.04
Sub-total (A)	10.80	8.10
Warranties - refer note (ii) below	46.85	39.11
Sub-total (B)	46.85	39.11
Total (A+B)	57.65	47.21

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.

(ii) Movement in warranties provision

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	64.35	55.21
Additions during the year	43.33	47.30
Amount utilised during the year	43.66	39.85
Unwinding of discount	1.60	1.69
Closing balance	65.62	64.35

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. 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.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

24. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	250.38	150.48
Investments measured at FVTPL	46.25	11.88
Others	0.68	0.97
Sub-total (A)	297.31	163.33
Less: Deferred tax assets on		
Accrued expenses deductible on payment	1.55	2.80
Deferred revenue	10.73	10.08
Provision for compensated absences and other employee benefits	3.75	2.79
Provision for doubtful debts and advances	0.65	0.47
Others	4.14	4.22
Sub-total (B)	20.82	20.36
Total (A-B)	276.49	142.97

Movement of deferred tax liabilities/assets

For the year ended March 31, 2019

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	150.48	99.90	-	250.38
Investments measured at FVTPL	11.88	34.37	-	46.25
Others	0.97	(0.29)	-	0.68
Sub-total (A)	163.33	133.98	-	297.31
Less: Deferred tax assets on				
Accrued expenses deductible on payment	2.80	(1.25)	-	1.55
Deferred revenue	10.08	0.65	-	10.73
Provision for compensated absences and other employee benefits	2.79	0.96	-	3.75
Exchange differences in translating the financial statements of foreign operations	-	(2.61)	2.61	-
Remeasurement of defined benefit obligation	-	(0.49)	0.49	-
Provision for doubtful debts and advances	0.47	0.18	-	0.65
Others	4.22	(0.08)	-	4.14
Sub-total (B)	20.36	(2.64)	3.10	20.82
Total (A-B)	142.97	136.62	(3.10)	276.49

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

For the year ended March 31, 2018

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	81.67	68.81	-	150.48
Investments measured at FVTPL	8.01	3.87	-	11.88
Others	1.09	(0.12)	-	0.97
Sub-total (A)	90.77	72.56	-	163.33
Less: Deferred tax assets on				
Accrued expenses deductible on payment	3.26	(0.46)	-	2.80
Deferred revenue	-	10.08	-	10.08
Provision for compensated absences and other employee benefits	3.60	(0.81)	-	2.79
Exchange differences in translating the financial statements of foreign operations	-	6.33	(6.33)	-
Remeasurement of defined benefit obligation	-	(0.60)	0.60	-
Provision for doubtful debts and advances	0.47	-	-	0.47
Others	4.22	-	-	4.22
Sub-total (B)	11.55	14.54	(5.73)	20.36
Total (A-B)	79.22	58.02	5.73	142.97

25. CURRENT TAX LIABILITY / (ASSETS)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax liabilities		
Provision for current tax (net)	141.47	108.01
Total	141.47	108.01
Tax assets		
Advance income tax (net)	18.44	18.44
Total	18.44	18.44

26. OTHER LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Deferred revenue arising from Government grant - refer note (i) below	62.66	46.84
Others	0.47	-
Total	63.13	46.84

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Contract liability	77.59	280.24
Advance from customers	93.24	140.37
Deferred revenue arising from Government grant - refer note (i) below	11.58	10.13
Deferred revenue	30.70	29.13
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	89.38	145.42
Others	11.29	10.97
Total	313.78	616.26

(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 and Department for Her Majesty's Revenue & Customs.
- Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant.

These grants will be recognized in statement of profit and loss on a systematic basis over the useful life of the related fixed assets.

27. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations		
Sale of products		
Manufactured goods (including excise duty)*	9,294.10	8,846.02
Traded goods	421.06	321.71
Sub-total (A)	9,715.16	9,167.73
Other operating revenue		
Government grant (Export incentives)**	21.03	17.58
Scrap sale	24.99	22.15
Income from other operating revenues	33.30	4.35
Sub-total (B)	79.32	44.08
Total (A+B)	9,794.48	9,211.81

* Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Excise Duty, Value Added Tax (VAT) etc, have been subsumed into GST. In accordance with Ind AS - 18 / Ind AS - 115 and Schedule III of the Companies Act, 2013, unlike Excise Duty, levies like GST are not considered to be a part of Revenue from operations. Accordingly, the figures for the first three months of the previous year, i.e, April 2017 to June 2017, includes Excise Duty on sales. Excise Duty on sales amounting to Rs. 254.30 crores has been disclosed separately in the statement of profit and loss.

** Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

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Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Details of products sold		
Manufactured goods		
Two wheelers	8,692.07	8,314.17
Spare parts and other components	602.03	531.85
Total	9,294.10	8,846.02
Traded goods		
Accessories and other allied products	421.06	321.71
Total	421.06	321.71

28. OTHER INCOME

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on financial assets carried at amortized cost		
Bank deposits and bonds	128.94	37.61
Others	1.38	1.71
	130.32	39.32
Dividend income		
Dividend from joint venture company	65.28	51.68
	65.28	51.68
Net gain on financial instruments at fair value through profit or loss	288.68	235.02
Other non-operating income		
Rent income (refer note 6)	0.26	2.92
Other income	22.80	1.75
Profit on sale of property, plant and equipment	0.17	0.17
Exchange gain (net)	0.53	1.57
	23.76	6.41
Total	508.04	332.43

29. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	143.44	122.03
Add: Purchases	5,126.90	4,597.63
	5,270.34	4,719.66
Less: Inventory at the end of the year	166.09	143.44
Less: Material cost of vehicles capitalised	2.10	1.71
	5,102.15	4,574.51
Less: Sale of raw materials to suppliers on cost-to-cost basis	46.26	58.91
Total	5,055.89	4,515.60

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30. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Accessories and other allied products	205.33	154.97
Total	205.33	154.97

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year		
Finished goods	359.71	188.68
Work-in-progress	21.68	18.01
Traded goods	40.39	16.63
A	421.78	223.32
Inventories at the beginning of the year/period		
Finished goods	188.68	156.63
Work-in-progress	18.01	14.90
Traded goods	16.63	20.32
B	223.32	191.85
Net change (B-A)	(198.46)	(31.47)

32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	585.67	454.50
Contribution to provident and other funds (refer note 42)	29.45	22.11
Share-based payments (refer note 48)	14.21	18.11
Staff welfare expenses	50.20	53.14
Total	679.53	547.86

33. FINANCE COSTS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
On other borrowings	1.39	1.35
Unwinding of discount on provisions	1.60	1.69
Total	2.99	3.04

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34. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment (refer note 4)	272.85	207.13
Depreciation of investment property (refer note 6)	0.35	0.35
Amortization of intangible assets (refer note 7)	25.73	14.86
Total	298.93	222.34

35. OTHER EXPENSES

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of Stores and machinery spares (including loose tools and packing material)	169.52	149.10
Decrease of excise duty on finished goods	-	(8.34)
Loss on sale of property, plant and equipment and intangible assets	1.12	1.00
Property, plant and equipment discarded	3.00	-
Power and fuel	66.89	52.37
Insurance	11.58	10.51
Repairs and maintenance		
Buildings	3.48	3.30
Plant and equipment	44.94	37.53
Others	45.02	28.41
Rates and taxes	5.38	5.76
Advertisement	26.11	11.84
Freight and handling charges	143.09	134.01
Incentives	7.31	16.46
Warranty	43.33	47.30
Other selling and distribution expenses	194.22	173.68
Rent	45.74	36.50
Legal and professional charges*	53.90	27.48
Travelling expenses	90.17	70.35
Development expenses	13.42	10.40
Corporate social responsibility expenditure (refer note 51)	45.39	30.85
Provision for doubtful debts and advances	0.49	-
Miscellaneous expenses	93.71	78.84
Total	1,107.81	917.35

* Including payment to auditors as below (excluding GST & Service tax) :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditors:		
a) For Audit	0.25	0.25
b) For Limited reviews of unaudited financial results	0.15	0.15
c) For other services	0.04	0.07
d) For reimbursement of expenses	0.03	0.03
Total	0.47	0.50
In other capacity:		
a) For other services	0.11	0.06
Total	0.11	0.06

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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36. EXCEPTIONAL ITEMS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment loss in the value of investments		
- Eicher Polaris Private Limited	17.52	311.98
Total	17.52	311.98

Pursuant to the decision of the Board of Directors of the joint venture company, Eicher Polaris Private Limited at their meeting held on March 09, 2018 to wind down the operations with immediate effect, the Company had recorded an impairment loss of Rs. 294.50 crores on the investment and Rs. 17.48 crores towards its share of cost to wind down the operations, totalling to Rs. 311.98 crores in the previous year.

During the current year, it has further recorded an impairment loss of Rs. 12.52 crores and Rs. 5.00 crores towards share of cost to wind down operations, totalling to Rs. 17.52 crores.

Cumulatively, the company has recorded total impairment loss of Rs. 329.50 crores till date. (refer note 9, 20).

37. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	941.92	877.34
Sub-total (A)	941.92	877.34
Deferred tax		
Relating to origination and reversal of temporary differences	136.62	58.02
Sub-total (B)	136.62	58.02
Total income tax expense recognized in the current year	Total (A+B)	935.36

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	3,132.98	2,648.27
Income tax expense calculated at 34.944% (2017-18 : 34.608%)	1,094.79	916.51
Effect on long-term capital gain from investment in mutual funds	1.04	(58.27)
Effect of additional deduction of research and product development cost	(17.25)	(6.54)
Effect of ESOP expenses not deductible in determining taxable profits	4.96	6.27
Effect of income exempt from taxation	(23.85)	(18.92)
Effect of non creation of deferred tax asset on exceptional item	6.12	107.97
Others	12.73	(11.66)
	1,078.54	935.36
Income tax expense recognised in statement of profit and loss	1078.54	935.36
Income tax rate :		
Basic rate	30.000%	30.000%
Surcharge - 12% (applied on basic rate)	3.600%	3.600%
Cess - 4% (March 31, 2018 : 3%) (applied on basic plus surcharge)	1.344%	1.008%
	34.944%	34.608%

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Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax charge/(benefit)		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	(2.61)	6.33
Remeasurement of defined benefit obligation	(0.49)	(0.60)
Total income tax recognized in other comprehensive income	(3.10)	5.73
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that may be reclassified to profit or loss	(2.61)	6.33
Items that will not be reclassified to profit or loss	(0.49)	(0.60)
Total	(3.10)	5.73

38. CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 290.85 crores (March 31, 2018 : Rs. 273.00 crores).

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

39. RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 44.66 crores (March 31, 2018 : Rs. 31.38 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 310.28 crores (March 31, 2018 : Rs. 206.18 crores).

40. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2019	As at March 31, 2018
a) In respect of the following:		
- Excise duty matters	2.52	1.72
- Sales tax matters	6.50	6.38
- Service tax matters	0.39	0.39
- Customs duty matters	3.48	3.48
b) Claims against the Company not acknowledged as debts	8.68	5.23
c) Guarantees given:	184.20	101.66
to bank/others for credit facility granted to 100% subsidiary Company		
- Dues outstanding	110.37	64.86

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.

There are numerous interpretation issues relating to the Supreme Court judgement on Provident Fund dated February 28, 2019. Given the uncertainty of the impact of such matter, the Company will create a provision after receiving further clarity

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41. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	18.95	26.95
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.01	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	26.22	9.89
(iv) The amount of interest due and payable for the year	0.12	0.07
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.33	0.20
(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	-	-

42. 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, 2019	For the year ended March 31, 2018
Detail of amount recognized as expense for defined contribution plans is given below:		
a) Provident fund*	20.06	15.56
b) Superannuation fund	0.49	0.49
c) Employee State Insurance Corporation	4.67	4.77
d) Other funds	10.45	7.57
Total	35.67	28.39

* includes Rs. 1.36 crores (March 31, 2018 : Rs. 0.10 crore) capitalized during the year and Rs. 4.86 crores (March 31, 2018 : Rs. 6.18 crores) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 4.71 crores (March 31, 2018 : Rs. 3.55 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution has been made to government administered provident fund.

B. Defined Benefit Plans:

The Defined benefit plan of the Company includes entitlement of gratuity and provident fund scheme.

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, 2019 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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Provident fund:

The provident fund is governed by the Provident Fund Act, 1952. Under the defined benefit plan, the Company contributes to the "Eicher Executive Provident Fund Trust", for certain designation. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Company does not have additional obligation as at March 31, 2019.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Provident fund	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.80%	7.91%
Expected statutory interest rate on the ledger balance	8.65%	8.55%
Expected shortfall in interest earnings on the fund	0.05%	0.05%
Retirement age	58 years	58 years
Rate of withdrawal	3.00%	3.00%
In service mortality	IALM (2006-08)	IALM (2006-08)

Gratuity:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.80%	7.90%
Future salary increase	7.50%	7.50%
Retirement age	58 years	58 years
Rate of withdrawal	2.00%	2.00%
In service mortality	IALM (2006-08)	IALM (2006-08)

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Amounts recognized in statement of profit and loss in respect of these defined benefit plans are as follows:-

Particulars	Gratuity	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Service cost:		
Current service cost	3.46	2.66
Net Interest expense	(0.04)	(0.02)
Components of defined benefit costs recognised in profit or loss	3.42	2.64
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	1.40	1.74
Components of defined benefit costs recognized in other comprehensive income	1.40	1.74
Total	4.82	4.38

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Present Value of funded defined benefit obligation	21.65	17.13
Fair value of plan assets	21.65	17.60
Net liability arising from defined benefit obligation	-	(0.47)

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	Gratuity	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening defined obligation	17.13	13.32
Current service cost	3.46	2.66
Interest cost	1.35	1.00
Actuarial (gains)/ losses	1.13	1.54
Benefits paid	(1.42)	(1.39)
Closing defined benefit obligation	21.65	17.13

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening fair value of plan assets*	17.60	13.67
Interest income	1.39	1.02
Actuarial gains/ (losses)	(0.27)	(0.20)
Contribution	4.35	4.50
Benefit paid	(1.42)	(1.39)
Closing fair value of plan assets*	21.65	17.60

*Funds managed by EML Employees Company Gratuity Scheme (Trust).

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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, 2019	As at March 31, 2018
Government securities	6.15	5.67
Debt instruments categorized by issuers' credit rating:		
AAA	10.60	8.84
AA+	2.53	1.78
AA	1.31	0.91
Cash, deposits, etc.	1.06	0.40
Total	21.65	17.60

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. 1.12 crores for the year ended March 31, 2019.

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. 1.20 crores (increase by Rs. 1.32 crores) [as at March 31, 2018: Decrease by Rs. 0.87 crore (increase by Rs. 0.95 crore)].
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 1.32 crores (decrease by Rs. 1.21 crores) [as at March 31, 2018: Increase by Rs. 0.95 crore (decrease by Rs. 0.87 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 recognized in the balance sheet.

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, 2019	As at March 31, 2018
Average duration of the defined benefit obligation (in years)	20.03	19.67

The estimated contribution during next year is Rs. 4.05 crores (March 31, 2018 : Rs. 3.18 crores) to the defined benefit plan.

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43. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic earnings per share (in Rs.)	753.37	629.07
Diluted earnings per share (in Rs.)	752.54	627.88
Basic earnings per share		
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, per statement of profit and loss (Rs. in crores)	2,054.44	1,712.91
Weighted average number of equity shares for the purposes of basic earnings per share	2,72,69,904	2,72,29,364
Diluted earnings per share		
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, per statement of profit and loss (Rs. in crores)	2,054.44	1,712.91
Weighted average number of equity shares for the purposes of basic earnings per share	2,72,69,904	2,72,29,364
Shares deemed to be issued for no consideration in respect of:		
- employee options	30,193	51,448
Weighted average number of equity shares for the purposes of diluted earnings per share	2,73,00,097	2,72,80,812

44. 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".

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.

Particulars	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2019	9,418.06	376.42	9,794.48
For the year ended March 31, 2018	8,938.43	273.38	9,211.81
Revenue from operations - External			
For the year ended March 31, 2019	9,418.06	312.46	9,730.52
For the year ended March 31, 2018	8,938.43	249.66	9,188.09
Non-current segment assets			
As at March 31, 2019	2,175.25	384.71	2,559.96
As at March 31, 2018	1,752.73	309.48	2,062.21

- 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, investments in subsidiaries & joint ventures 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.

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45. 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
Royal Enfield (Thailand) Ltd.#	(RET)	Subsidiary company
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
VECV Lanka (Private) Limited	(VECV Lanka)	Subsidiary company of VECVL
VECV South Africa (PTY) Ltd.	(VECV Africa)	Subsidiary company of VECVL
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 Goodearth India Private Limited*	(EGIPL)	Entity under the control of the key management personnel
Nicobar Design Private Limited	(NDPL)	Entity under the control of the key management personnel
Eicher Executive Provident Fund	(EEPF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETESSF)	Post employment benefit plan
Eicher Motors Limited Employees Gratuity Trust	(EMLEGT)	Post employment benefit plan
The Simran Siddhartha Tara Benefit Trust	(SSTBT)	Shareholders holding more than 5% equity shares in the Company

#Incorporated on September 18, 2018

*Incorporated on January 01, 2018

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. Vinod K. Dasari	Whole-time Director & Chief Executive Officer of Royal Enfield (Appointed w.e.f. April 01, 2019)
Mr. S. Sandilya	Chairman
Mr. Priya Brat	Independent director (Resigned w.e.f. June 16, 2017)
Mr. M.J. Subbaiah	Independent director (Resigned w.e.f. March 31, 2018)
Mr. Prateek Jalan	Independent director (Resigned w.e.f. October 13, 2018)
Ms. Manvi Sinha	Independent director
Mr. Inder Mohan Singh	Independent director (Appointed w.e.f. November 12, 2018)
Mr. Vinod Aggarwal	Non-executive director (Appointed w.e.f. April 01, 2019)
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:

Particulars	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
Mr. Siddhartha Lal	Managerial remuneration		
	Short-term benefits	12.69	10.12
	Post-employment benefits	0.06	0.14
	Other long-term benefits	0.06	0.05
		12.81	10.31
Mr. S. Sandilya	Sitting fees	0.04	0.03
	Commission	0.59	0.53
Mr. Priya Brat	Sitting fees	-	0.01
	Commission	0.02	-
Mr. M.J. Subbaiah	Sitting fees	-	0.02
	Commission	-	0.10
Mr. Prateek Jalan	Sitting fees	0.02	0.03
	Commission	0.25	0.23
Ms. Manvi Sinha	Sitting fees	0.03	0.02
	Commission	0.11	0.10
Mr. Inder Mohan Singh	Sitting fees	0.01	-
	Commission	0.25	-
Mr. Lalit Malik	Remuneration		
	Short-term benefits	4.68	2.06
	Post-employment benefits	0.04	0.04
	Other long-term benefits	0.03	-
		4.75	2.10
Mr. Manhar Kapoor	Remuneration		
	Short-term benefits	1.98	0.88
	Post-employment benefits	0.02	0.01
	Other long-term benefits	0.02	0.01
		2.02	0.90

d. Transactions with the related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
VE Commercial Vehicles Limited	Purchase of raw materials and components / services	172.28	160.14
	Expenses reimbursed	0.49	0.35
	Corporate service charges paid	2.53	2.43
	Dividend income	65.28	51.68
Eicher Polaris Private Limited	Investment in equity share capital (including advance given in previous year)	30.00	27.60
	Expenses recovered	-	0.05
	Rent income	0.26	2.92
Eicher Goodearth Private Limited	Corporate service charges paid	1.16	0.88
	Rent	4.69	3.42
	Brand fees	-	16.02
Eicher Goodearth India Private Limited	Brand fees	24.42	6.31
Royal Enfield North America Ltd	Investment in shares capital of subsidiary company	-	15.90

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Name of related party	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
	Guarantee given / forex revaluation	60.13	-
	Sale of products	56.89	12.84
	Expenses recovered	1.18	5.58
	Expenses reimbursed	21.29	0.66
Royal Enfield Brasil Comercio de Motocicletas Ltda	Guarantee given / forex revaluation	22.40	26.02
	Sale of products	6.99	10.88
	Expenses recovered	0.41	-
Royal Enfield (Thailand) Ltd	Investment in shares capital of subsidiary company	18.50	-
	Sale of products	0.08	-
Nicobar Design Private Limited	Rent income	0.99	-
Eicher Group Foundation	Corporate social responsibility expenditure	42.69	25.08
Eicher Executive Provident Fund	Contribution to provident fund	4.71	3.55
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	0.33	0.31
Eicher Motors Limited Employees Gratuity Trust	Contribution to gratuity fund	4.35	4.50
	Benefits paid	(1.42)	(1.39)

Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2019	As at March 31, 2018
VE Commercial Vehicles Limited	Trade payables	51.10	45.63
Eicher Goodearth Private Limited	Trade payables	-	16.29
	Security deposits receivable	1.09	1.09
Eicher Goodearth India Private Limited	Trade payables	24.42	6.31
Royal Enfield North America Ltd	Trade receivables	23.28	8.22
	Other financial assets	3.77	5.40
	Trade payables	1.88	0.14
	Guarantee given	135.78	75.65
Royal Enfield Brasil Comercio de Motocicletas Ltda	Trade receivables	3.70	4.21
	Guarantee given	48.42	26.02
Royal Enfield (Thailand) Ltd	Trade receivables	0.08	-
Mr. Siddhartha Lal	Commission payable	5.28	4.80
Non-executive and independent directors	Commission payable	1.19	0.96

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018 : Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company provides a credit period of 30 days to 240 days with respect to receivables from RET, RENA and RE Brasil, respectively.

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46. FINANCIAL INSTRUMENTS

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options. The Company uses the operational cash flows and equity to meet its capital requirements.

The Company 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 summarizes the capital of the Company:

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings (refer note 21)	76.38	85.98
Less: Cash and cash equivalents (refer note 15)	(701.76)	(89.28)
Net debt*	-	-
Share capital	27.28	27.26
Other equity	7,099.17	5,344.97
Total Equity	7,126.45	5,372.23
Gearing ratio	-	-

* Cash and cash equivalents for the current and previous year is greater than borrowings, hence net debt is considered as Nil.

46.1 Categories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	0.09	0.09
Investments in mutual funds	2,465.76	3,139.13
Current		
Investments in mutual funds	468.81	633.40
Financial assets at amortised cost		
Non-current		
Investments in bonds	43.94	43.94
Other financial assets	28.27	24.88
Current		
Trade receivables	112.65	78.02
Cash and bank balances	2,940.07	1,208.82
Loans	1.29	0.28
Other financial assets	73.26	33.71
Financial liabilities at amortized cost		
Non-current		
Other financial liabilities	9.96	8.88
Current		
Borrowings	76.38	85.98
Trade payables	1,231.10	1,170.47
Other financial liabilities	158.00	166.70

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46.2 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 of categorizing 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.

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:-

Particulars	Fair value as at March 31, 2019		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	0.09
Investments in mutual funds	2,465.76	-	-
Current			
Investments in mutual funds	468.81	-	-

Particulars	Fair value as at March 31, 2018		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	0.09
Investments in mutual funds	3,139.13	-	-
Current			
Investments in mutual funds	633.40	-	-

* Investment in equity (level-3) has been valued using weighted average of value arrived using Discounted Cash Flow Method and Net Assets Method.

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 recognized in the standalone financial statements approximate their fair values.

Particulars	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value (Level 1)	Carrying amount	Fair value (Level 1)
Financial assets at amortized cost				
Non-current				
Investments in bonds	43.94	45.87	43.94	46.67

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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 realized 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 end.
- There were no transfers between Level 1 and Level 2 during the year.

47. 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 realizable 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	Rs. in Crores			
	As at March 31, 2019		As at March 31, 2018	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.56	0.27	0.35	0.23
EURO	0.61	0.18	0.35	0.03
GBP	0.18	0.14	0.09	0.08
JPY	-	17.27	-	12.16
Others	-	1.95	-	0.17

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Foreign currency sensitivity

The company uses the sensitivity rate of 5% 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. In the opinion of the management, the sensitivity of increase or decrease of Rs. against the relevant foreign currencies is not material to the financial statements.

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 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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at beginning of the year	0.25	0.25
Add: Provided during the year	0.49	-
Balance at end of the year	0.74	0.25

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, 2019 would increase/decrease by Rs. 29.35 crores (for the year ended March 31, 2018: increase/decrease by Rs. 37.73 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, 2019			Total
	Less than 1 year	1 to 5 years	>5 years	
Non-current Other financial liabilities	-	-	9.96	9.96
Current				
(i) Borrowings	76.38	-	-	76.38
(ii) Trade payables	1,231.10	-	-	1,231.10
(iii) Other financial liabilities	158.00	-	-	158.00

Particulars	As at March 31, 2018			Total
	Less than 1 year	1 to 5 years	>5 years	
Non-current Other financial liabilities	-	-	8.88	8.88
Current				
(i) Borrowings	85.98	-	-	85.98
(ii) Trade payables	1,170.47	-	-	1,170.47
(iii) Other financial liabilities	166.70	-	-	166.70

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

48. SHARE-BASED PAYMENTS

Employee share option plan of the Company

Pursuant to the approval accorded by shareholders at their Annual General Meeting held on 5th July 2006, the Nomination and Remuneration Committee of the Company formulated 'Eicher Employee Stock Option Plan 2006' (ESOP Scheme 2006).

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.

Vesting of the options shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant, provided, the vesting period shall not be less than 1 year from the date of grant.

Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under Company's Employee Stock Option Plan, 2006.

The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant, provided that the Exercise Price shall not be less than the closing market price of the shares of the Company on NSE/BSE on the day preceding the date of grant of Options.

The options granted can be exercised at any time until completion of seven years from the date of vesting. Any options remaining unexercised at the end of the exercise period shall lapse. At the time of exercise the participant may pay the exercise price in the form of payment as approved by the Nomination and Remuneration Committee.

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.

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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 :

Options 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
(xxii)	1,350	9-Aug-17	3-5 Years	8-Aug-27	32,121.00	14,973.54
(xxiii)	1,500	14-Nov-17	3-5 Years	13-Nov-27	30,585.00	14,520.88
(xxiv)	2,100	7-Feb-18	3-5 Years	6-Feb-28	27,579.00	12,729.74
(xxv)	4,500	2-Apr-18	3-5 Years	1-Apr-28	28,373.00	12,934.77
(xxvi)	1,250	9-May-18	3-5 Years	8-May-28	30,427.00	14,091.95
(xxvii)	2,400	9-Aug-18	3-5 Years	8-Aug-28	27,594.00	12,887.07
(xxviii)	2,800	12-Nov-18	3-5 Years	11-Nov-28	22,496.00	10,469.40
(xxix)	1,250	11-Feb-19	3-5 Years	10-Feb-29	20,848.00	9,615.40

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. 12,138.03 (March 31, 2018 : Rs. 13,884.46). Options were priced using Black Scholes options 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 was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

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Inputs into the Black Scholes options pricing model

Particulars	Option series			
	(xxii)	(xxiii)	(xxiv)	(xxv)
Grant date share price	32,121.00	30,585.00	27,579.00	28,373.00
Exercise price	32,121.00	30,585.00	27,579.00	28,373.00
Expected volatility	29.99%-31.89%	30.06%-31.37%	30.23%-30.97%	30.06%-30.45%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.83%	0.83%	0.83%	0.83%
Risk-free interest rate	6.79%-6.88%	7.21%-7.29%	7.78%-7.96%	7.69%-7.75%

Particulars				
	(xxvi)	(xxvii)	(xxviii)	(xxix)
Grant date share price	30,427.00	27,593.15	22,495.25	20,847.40
Exercise price	30,427.00	27,594.00	22,496.00	20,848.00
Expected volatility	30.10%-30.24%	30.01%-29.70%	30.68%-30.04%	31.16%-30.56%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.83%	0.78%	0.78%	0.78%
Risk-free interest rate	8.01%-8.11%	8.12%-8.19%	7.93%-7.98%	7.58%-7.70%

Movements in share options during the year

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	1,14,224	16,056.89	1,56,674	12,236.35
Granted during the year	12,200	26,310.39	4,950	29,728.74
Forfeited during the year	(4,500)	22,700.67	(2,100)	16,894.00
Exercised during the year	(27,021)	13,371.16	(45,300)	4,298.37
Balance at end of the year	94,903	17,824.66	1,14,224	16,056.89
Exercisable at the end of the year	12,471	13,813.83	4,694	8,039.57

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Share-based payments*	14.21	18.11

* Excludes Rs. 2.19 crores of share-based payment capitalised in intangible assets under development.

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Share options exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise price
			Rs.
For the year ended March 31, 2019			
(vii) Granted on December 16, 2013	666	02-Apr-18	4,915
(viii) Granted on August 11, 2014	500	09-May-18	8,478
(xiii) Granted on May 08, 2015	9,085	09-May-18	14,807
(xii) Granted on March 20, 2015	500	09-May-18	16,112
(viii) Granted on August 11, 2014	500	09-Aug-18	8,478
(xiii) Granted on May 08, 2015	600	09-Aug-18	14,807
(xiv) Granted on July 21, 2015	300	09-Aug-18	21,248
(viii) Granted on August 11, 2014	2,450	12-Nov-18	8,478
(xiii) Granted on May 08, 2015	4,300	12-Nov-18	14,807
(xv) Granted on February 05, 2016	300	12-Nov-18	17,678
(vii) Granted on December 16, 2013	1,000	11-Feb-19	4,915
(viii) Granted on August 11, 2014	450	11-Feb-19	8,478
(ix) Granted on November 12, 2014	370	11-Feb-19	12,994
(xi) Granted on January 12, 2015	6,000	11-Feb-19	14,739
Total	27,021		
Weighted average exercise price	13,371.16		
For the year ended March 31, 2018			
(vi) Granted on February 11, 2012	1,800	05-May-17	1,770
(iii) Granted on April 29, 2010	10,000	05-May-17	695
(ii) Granted on October 22, 2007	500	07-Aug-17	462
(iii) Granted on April 29, 2010	10,000	14-Nov-17	695
(viii) Granted on August 11, 2014	3,830	14-Nov-17	8,478
(ix) Granted on November 12, 2014	329	14-Nov-17	12,994
(iii) Granted on April 29, 2010	9,000	07-Feb-18	695
(vii) Granted on December 16, 2013	1,000	07-Feb-18	4,915
(x) Granted on January 12, 2015	2,000	07-Feb-18	14,739
(xi) Granted on January 12, 2015	6,370	07-Feb-18	14,739
(ix) Granted on November 12, 2014	471	07-Feb-18	12,994
Total	45,300		
Weighted average exercise price	4,298.37		

Share options outstanding at end of the year

Options series		Options outstanding		Remaining contractual life		Exercise price Rs.
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
(ii)	22-Oct-07	-	-	-	-	462
(iii)	29-Apr-10	-	-	-	-	695
(iv)	8-Nov-10	-	-	-	-	1,411
(v)	6-May-11	-	-	-	-	1,162
(vi)	11-Feb-12	-	-	-	-	1,770
(vii)	16-Dec-13	668	2,334	4.71	5.71	4,915
(viii)	11-Aug-14	8,270	12,170	5.37	6.37	8,478
(ix)	12-Nov-14	1,230	1,600	5.62	6.62	12,994
(x)	12-Jan-15	-	-	5.79	6.79	14,739
(xi)	12-Jan-15	7,930	13,930	5.79	6.79	14,739

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Options series	Options outstanding		Remaining contractual life		Exercise price Rs.
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
(xii) 20-Mar-15	1,000	1,500	5.98	6.98	16,112
(xiii) 8-May-15	34,465	48,450	6.11	7.11	14,807
(xiv) 21-Jul-15	6,290	6,590	6.31	7.31	21,248
(xv) 6-Nov-15	7,500	7,800	6.61	7.61	17,678
(xvi) 5-Feb-16	2,100	2,100	6.85	7.85	16,894
(xvii) 27-Apr-16	1,200	2,400	7.08	8.08	20,148
(xviii) 28-Jul-16	2,100	2,100	7.33	8.33	20,340
(xix) 28-Oct-16	3,000	3,000	7.58	8.58	24,492
(xx) 1-Feb-17	-	1,800	7.84	8.84	23,028
(xxi) 27-Mar-17	2,000	3,500	7.99	8.99	24,350
(xxii) 9-Aug-17	1,350	1,350	8.36	9.36	32,121
(xxiii) 14-Nov-17	1,500	1,500	8.63	9.63	30,585
(xxiv) 7-Feb-18	2,100	2,100	8.86	9.86	27,579
(xxv) 2-Apr-18	4,500	-	9.01	-	28,373
(xxvi) 9-May-18	1,250	-	9.11	-	30,427
(xxvii) 9-Aug-18	2,400	-	9.36	-	27,594
(xxviii) 12-Nov-18	2,800	-	9.62	-	22,496
(xxix) 11-Feb-19	1,250	-	9.87	-	20,848
	94,903	1,14,224			

49. 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 recognized as expense aggregate to Rs. 45.74 crores (March 31, 2018 : Rs. 36.50 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, 2019	As at March 31, 2018
Not later than one year	9.89	4.68
Later than one year and not later than five years	14.85	4.12

(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 recognized as income aggregate to Rs. 0.26 crores (March 31, 2018 : Rs. 2.92 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, 2019	As at March 31, 2018
Not later than one year	-	0.26
Later than one year and not later than five years	-	-
Later than five years	-	-

Note : Lease agreement with Eicher Polaris Private Limited has been terminated with effect from April 30, 2018.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

50. 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 assets and intangible assets under development

The Company has various internally generated intangible assets either capitalised or under development. Initial recognition of the expenditure under these assets are based on assessing each asset in relation to the specific recognition criteria to be met for capitalisation, for e.g. technological and economic feasibility and the ability of the asset to generate economic benefits in the future. In addition, the management also assesses any indications of impairment of the carrying value of the assets. This requires the management's judgement and assumptions, which are affected by future market or economic developments. The management has analysed the recognition criteria and future market conditions and is confident that these assets do not require any adjustments to their carrying value at the year end.

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 recognized 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 period. As at March 31, 2019 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. For subsidiary and joint ventures, where the operations has been discontinued, the company provides for impairment loss wherever considered necessary.

Share-based payments

"Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 48.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

51. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Gross amount required to be spent	45.39	30.85
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	44.28	29.80
(c) Administrative expenses	1.11	1.05

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

53. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 01, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on the Financial Statements.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- ♦ Whether an entity considers uncertain tax treatments separately
- ♦ The assumptions an entity makes about the examination of tax treatments by taxation authorities
- ♦ How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- ♦ How an entity considers changes in facts and circumstances

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. However, the Company does not foresee a material impact on account of the same.

54. EVENTS AFTER THE REPORTING PERIOD

The Board of directors at their meeting held on May 10, 2019, considered and recommended a final dividend aggregating Rs. 341.03 crores @ Rs. 125 per share (nominal value Rs. 10 per share) for the financial year 2018-19 (final dividend paid for March 31, 2018 : Rs. 299.93 crores @ Rs. 110 per share).

As per our report of even date

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Sanjay Vij

Partner

Membership No : 095169

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

Manhar Kapoor

Company Secretary

Lalit Malik

Chief Financial Officer

Vinod K. Dasari

Whole-time Director &
CEO of Royal Enfield
DIN: 00345657

Siddhartha Lal

Managing Director
DIN: 00037645

Inder Mohan Singh

Director
DIN: 07114750

Manvi Sinha

Director
DIN: 07038675

Vinod Aggarwal

Director
DIN: 00038906

S. Sandilya

Chairman
DIN: 00037542

Place: Gurugram

Date: May 10, 2019

Place: Gurugram

Date: May 10, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Eicher Motors Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the

Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Intangibles assets capitalized or under development (Refer to the accounting estimates and judgements in Note 3 and Note 8 to the consolidated financial statements)	
<p>The Group has various internally generated intangible projects under development or capitalized. Initial recognition of the expenditure under these projects are based on assessing each project in relation to specific recognition criteria that needs to be met for capitalization. In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments.</p> <p>Due to the materiality of the assets capitalized or under development and the level of management judgement involved, initial recognition and measurement and valuation of internally generated intangible assets has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> Our audit procedures included reading the Group's research and development expenditure accounting policies to assess compliance with Ind AS 38 "Intangible Assets". We performed test of control over management process of identifying and capitalizing the development expenditure and impairment testing with specific focus on the accounting principles of capitalization of expenditure on internally generated intangible assets as per IND AS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably. We performed test of details of development expenditure capitalized by challenging the key assumptions including the authorization of the stage of the project in the development phase and the accuracy of costs included and assessing the useful economic life attributed to the asset. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. We tested the disclosure relating to research and development expenditure in the consolidated Ind AS financial statements
Revenue Recognition (Refer to the accounting policies in Note 3 to the consolidated financial statements)	
<p>Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Group uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end and therefore revenue recognition has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> Our audit procedures included reading the Group's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". We performed test of controls of management's process of recognizing the revenue from sales of goods and placed specific attention on the timing of the revenue recognition as per the sales terms with the customers. We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to ensure that the related revenues and trade receivables are recorded appropriately taking into consideration the terms and conditions of the sale orders, including the shipping terms. We also performed sales cut off procedures by agreeing deliveries occurring around the year end to supporting documentation including dealers' confirmations, where necessary, to establish that sales and corresponding trade receivables are properly recorded in the correct period.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 consolidated 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and

performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of the subsidiary namely, Royal Enfield Brasil Comercio De Motocicletas Ltda, whose Ind AS financial statements include total assets of Rs 12.70 crores as at March 31, 2019, and total revenues of Rs 14.93 crores and total loss after tax (including other comprehensive income) of Rs 19.24 crores for the year ended on that date. This Ind AS financial statement and other financial information has been audited by other auditors, which financial statements, other financial information and auditor's report has been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 10.74 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of the jointly controlled entity Eicher Polaris Private Limited and the subsidiaries of the jointly controlled entity VE Commercial Vehicles Limited, namely, V E C V Lanka (Private) Limited and VECV South Africa (PTY) Limited, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS

financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, the jointly controlled entity and the subsidiaries of the jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, the jointly controlled entity and the subsidiaries of the jointly controlled entity, is based solely on the report(s) of such other auditors.

The subsidiary and the subsidiaries of the jointly controlled entity are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary and subsidiaries of the jointly controlled entity located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and subsidiaries of the jointly controlled entity located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary, jointly controlled entity and subsidiaries of the jointly controlled entity, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of 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 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, jointly controlled entities and subsidiaries of the jointly controlled entity, none of the directors of the Group's companies, jointly controlled entities or subsidiaries of its jointly controlled entity, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, jointly controlled entities and subsidiaries of the jointly controlled entity incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries, its jointly controlled entities and the subsidiaries of the jointly controlled entity, incorporated in India for the year ended March 31, 2019;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, jointly controlled entity and the subsidiaries of the jointly controlled entity, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its jointly controlled entities and the subsidiaries of its jointly controlled entity, in its consolidated Ind AS financial statements – Refer Note 39 to the consolidated Ind AS financial statements;
- ii. The Group, its jointly controlled entities and the subsidiaries of its jointly controlled entity, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its jointly controlled entities incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 10, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EICHER MOTORS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Eicher Motors Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Eicher Motors Limited (hereinafter referred to as the "Holding Company") and its jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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, the Holding Company and its jointly controlled entities, which are companies incorporated in India, have, maintained in all material respects, adequate internal

financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to the jointly controlled entity VE Commercial Vehicles Limited, which is a company incorporated in India, is based on the corresponding report of the auditor of such jointly controlled entity incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 10, 2019

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,692.07	1,459.17
(b) Capital work-in-progress	5	272.14	141.89
(c) Investment property	6	3.51	3.86
(d) Intangible assets	7	179.00	38.66
(e) Intangible assets under development	8	177.60	191.32
(f) Investments in joint ventures	9	1,943.92	1,764.27
(g) Financial assets			
(i) Investments	10	2,509.79	3,183.17
(ii) Other financial assets	12	27.05	22.55
(h) Non-current tax assets	25	18.44	18.44
(i) Other non-current assets	17	153.04	163.86
Total non-current assets		6,976.56	6,987.19
Current assets			
(a) Inventories	13	633.38	394.64
(b) Financial assets			
(i) Investments	10	468.81	633.40
(ii) Trade receivables	14	90.34	68.00
(iii) Cash and cash equivalents	15	726.98	92.46
(iv) Bank balances other than (iii) above	16	2,238.31	1,119.54
(v) Loans	11	1.29	0.70
(vi) Other financial assets	12	70.88	30.75
(c) Other current assets	17	180.28	195.55
Total current assets		4,410.27	2,535.04
Total assets		11,386.83	9,522.23
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	27.28	27.26
(b) Other equity	19	8,891.44	7,002.81
Total equity		8,918.72	7,030.07
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	20	9.99	8.88
(b) Provisions	23	23.00	29.12
(c) Deferred tax liabilities (net)	24	273.89	142.08
(d) Other non-current liabilities	26	63.13	46.84
Total non-current liabilities		370.01	226.92
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	186.76	150.84
(ii) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		19.28	27.15
Total outstanding dues of creditors other than micro and small enterprises		1,214.77	1,144.71
(iii) Other financial liabilities	20	163.17	170.01
(b) Provisions	23	57.65	47.21
(c) Current tax liabilities	25	141.48	108.02
(d) Other current liabilities	26	314.99	617.30
Total current liabilities		2,098.10	2,265.24
Total liabilities		2,468.11	2,492.16
Total equity and liabilities		11,386.83	9,522.23

See accompanying notes forming part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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

per Sanjay Vij
Partner
Membership No : 095169

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Vinod K. Dasari
Whole-time Director &
CEO of Royal Enfield
DIN: 00345657

Siddhartha Lal
Managing Director
DIN: 00037645

Inder Mohan Singh
Director
DIN: 07114750

Manvi Sinha
Director
DIN: 07038675

Vinod Aggarwal
Director
DIN: 00038906

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Sale of products		9,717.44	9,175.16
Other operating income		79.62	44.10
Revenue from operations	27	9,797.06	9,219.26
Other income	28	443.39	280.10
Total Income		10,240.45	9,499.36
EXPENSES			
Cost of materials consumed	29	5,055.89	4,515.60
Purchases of traded goods	30	211.65	161.76
Change in inventories of finished goods, work-in-progress and traded goods	31	(210.16)	(33.87)
Excise duty on sale	27	-	254.30
Employee benefits expense	32	702.44	573.68
Finance costs	33	7.33	5.34
Depreciation and amortisation expense	34	300.28	223.30
Other expenses	35	1,134.13	940.16
Total Expenses		7,201.56	6,640.27
Profit before share of profit of Joint venture and tax from continuing operation		3,038.89	2,859.09
Share of profit of joint venture (VE Commercial Vehicles Limited)		258.40	256.56
Profit before tax and after share of profit of Joint venture from continuing operation		3,297.29	3,115.65
Tax expense			
Current tax	36	941.94	877.35
Deferred tax	36	135.10	58.58
Total tax expense		1,077.04	935.93
Net Profit after taxes and share of profit of Joint venture from continuing operation		2,220.25	2,179.72
Discontinued operation :			
Share of loss of joint venture (Eicher Polaris Private Limited) (refer note 9 (ii))		(17.52)	(220.05)
Net Profit after tax		2,202.73	1,959.67
Other comprehensive income/(expense) (including share of other comprehensive income/(expense) of Joint ventures)			
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		(8.02)	18.41
Income tax effect	36	2.80	(6.37)
Share of other comprehensive income in joint ventures (net of tax)		0.50	(0.14)
		(4.72)	11.90
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		(1.40)	(1.74)
Income tax effect	36	0.49	0.60
Share of other comprehensive income in joint ventures (net of tax)		(0.57)	(0.79)
		(1.48)	(1.93)
Total Comprehensive income for the year		2,196.53	1,969.64
Profit for the year attributable to:			
- Equity holders of the parent		2,202.73	1,959.67
- Non-controlling interests		-	-
Other comprehensive income for the year attributable to:			
- Equity holders of the parent		(6.20)	9.97
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:		2,196.53	1,969.64
- Equity holders of the parent		-	-
- Non-controlling interests		-	-
Earnings per equity share of Rs. 10 each (in Rs.)			
For Continuing Operations			
(a) Basic	42	814.18	800.50
(b) Diluted	42	813.28	798.99
For Discontinued Operations			
(a) Basic	42	(6.42)	(80.81)
(b) Diluted	42	(6.42)	(80.66)
For Continuing and Discontinued Operations			
(a) Basic	42	807.76	719.69
(b) Diluted	42	806.86	718.33

See accompanying notes forming part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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

per **Sanjay Vij**
Partner
Membership No : 095169

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Vinod K. Dasari
Whole-time Director &
CEO of Royal Enfield
DIN: 00345657

Siddhartha Lal
Managing Director
DIN: 00037645

Inder Mohan Singh
Director
DIN: 07114750

Manvi Sinha
Director
DIN: 07038675

Vinod Aggarwal
Director
DIN: 00038906

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A EQUITY SHARE CAPITAL

	Number of Shares	Amount
Balance as at March 31, 2017	2,72,10,249	27.21
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (refer note 47)	45,300	0.05
Balance as at March 31, 2018	2,72,55,549	27.26
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (refer note 47)	27,021	0.02
Balance as at March 31, 2019	2,72,82,570	27.28

B OTHER EQUITY

Particulars	Reserves and surplus						Items of OCI	Total equity Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share based payments reserve	Retained earnings	Foreign currency translation reserve	
Balance as at March 31, 2017	0.25	1.41	32.09	339.89	45.13	4,898.35	0.74	5,317.86
Profit for the year	-	-	-	-	-	1,959.67	-	1,959.67
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1.93)	11.90	9.97
Total comprehensive income for the year	-	-	-	-	-	1,957.74	11.90	1,969.64
Share-based payments (refer note 47)	-	-	-	-	23.51	-	-	23.51
Payment of dividend	-	-	-	-	-	(272.22)	-	(272.22)
Payment of dividend tax	-	-	-	-	-	(55.42)	-	(55.42)
Proceeds from issue of equity shares under employee share option plan	-	-	19.44	-	-	-	-	19.44
Transfer to securities premium on issue of shares	-	-	8.84	-	(8.84)	-	-	-
Balance as at March 31, 2018	0.25	1.41	60.37	339.89	59.80	6,528.45	12.64	7,002.81
Profit for the year	-	-	-	-	-	2,202.73	-	2,202.73
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1.48)	(4.72)	(6.20)
Total comprehensive income for the year	-	-	-	-	-	2,201.25	(4.72)	2,196.53
Share-based payments (refer note 47)	-	-	-	-	17.58	-	-	17.58
Payment of dividend	-	-	-	-	-	(299.93)	-	(299.93)
Payment of dividend tax	-	-	-	-	-	(61.66)	-	(61.66)
Proceeds from issue of equity shares under employee share option plan	-	-	36.11	-	-	-	-	36.11
Transfer to securities premium on issue of shares	-	-	18.63	-	(18.63)	-	-	-
Balance as at March 31, 2019	0.25	1.41	115.11	339.89	58.75	8,368.11	7.92	8,891.44

See accompanying notes forming part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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

per Sanjay Vij
Partner
Membership No : 095169

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

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Director
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Manvi Sinha
Director
DIN: 07038675

Vinod Aggarwal
Director
DIN: 00038906

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax and after share of profit of Joint venture from continuing operation	3,297.29	3,115.65
Profit/(loss) before tax from discontinued operations	(17.52)	(220.05)
Profit before tax	3,279.77	2,895.60
Adjustments for:		
Share of profit of joint venture	(258.40)	(256.56)
Share of loss of joint venture from discontinued operation (refer note 9 (ii))	17.52	220.05
Depreciation and amortisation expenses	300.28	223.30
Gain on disposal of property, plant and equipment	(0.20)	(0.29)
Property, plant and equipment discarded	3.00	0.04
Rent income	(0.26)	(2.92)
Loss on sale of property, plant and equipment	1.13	1.00
Net gain on financial instruments at fair value through profit or loss	(288.68)	(235.02)
Interest income recognised in profit or loss	(130.36)	(39.36)
Expenses recognised in respect of equity-settled share-based payments	15.39	23.51
Re-measurement gains/(losses) on defined benefit plans	(1.40)	(1.74)
Exchange difference on conversion	(8.02)	18.41
Finance costs recognized in profit or loss	7.33	5.34
Operating profit before changes in working capital	2,937.09	2,851.36
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	(4.50)	(6.09)
Other assets	0.05	0.62
Adjustments for (increase) / decrease in current assets:		
Inventories	(238.74)	(58.74)
Trade receivables	(22.34)	(17.96)
Loans	(0.59)	(0.36)
Other financial assets	0.27	5.42
Other assets	15.27	(118.39)
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	1.11	1.72
Provisions	(7.72)	1.30
Other liabilities	16.29	23.64
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	62.18	406.56
Other financial liabilities	14.93	8.21
Provisions	10.44	4.70
Other liabilities	(302.31)	187.38
Cash generated from operating activities	2,481.43	3,289.37
Direct taxes paid	(908.48)	(807.12)
Net cash flow from/(used in) operating activities (A)	1,572.96	2,482.25
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment	(789.00)	(748.50)
Proceeds from disposal of property, plant and equipment	1.58	2.54
Investment in a joint venture company	(30.00)	(16.50)
Investment in equity shares of a company	(5.04)	(0.09)
Proceeds from sale of investments	9,050.65	6,123.96
Purchases of investments	(7,924.00)	(6,464.11)

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Investments in fixed deposit	(3,696.00)	(1,243.94)
Maturity proceeds from fixed deposit	2,578.94	135.00
Dividend from joint venture company	65.28	51.68
Rent received	0.26	2.92
Interest received	89.96	12.02
Net cash flow from/(used in) investing activities (B)	(657.37)	(2,145.02)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Short term borrowings availed	368.92	495.38
Re-payment of short term borrowings	(344.23)	(456.39)
Interest paid	(4.96)	(3.37)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	36.13	19.49
Dividend paid	(299.93)	(272.22)
Tax on dividend paid	(48.23)	(44.90)
Net cash flow from/(used in) financing activities (C)	(292.30)	(262.01)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	623.29	75.22
Cash and cash equivalents at the beginning of the year	92.46	17.24
Cash and cash equivalents at the end of the year	715.75	92.46

Particulars	As at March 31, 2019	As at March 31, 2018
Components of cash and cash equivalents		
Cash on hand	0.04	0.06
Cheques/drafts on hand	-	0.06
Balances with banks:		
In current accounts	34.94	92.34
In deposit accounts with original maturity of less than three months	692.00	-
Cash and cash equivalents as per balance sheet (refer note 15)	726.98	92.46
Bank overdrafts (refer note 21)	11.23	-
Cash and cash equivalents as per statement of cash flows	715.75	92.46

See accompanying notes forming part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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

per Sanjay Vij
Partner
Membership No : 095169

Manhar Kapoor
Company Secretary

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Chief Financial Officer

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Whole-time Director &
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Vinod Aggarwal
Director
DIN: 00038906

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

1. CORPORATE 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") are engaged in the manufacturing and selling of motor cycles, 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. The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 10, 2019.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

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. The consolidated financial statements are presented in Indian Rupees and all values are rounded to the nearest crore, except otherwise indicated.

2.3 Operating Cycle

Based on the nature of products/ activities of the Group and the normal time between acquisition of assets and their realization 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 financial statements of the Holding Company and entities jointly 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 Group reassesses 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 Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- ♦ The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- ♦ Potential voting rights held by the Group, other vote holders or other parties; rights arising from other contractual arrangements; and
- ♦ Any additional facts and circumstances that indicate that the Group 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 Group obtains control over the subsidiary and ceases when the Group 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 Group gains control until the date when the Group ceases to control the subsidiary.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended March 31, 2019. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares,

for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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 Company	Country of Incorporation	Voting power held as at March 31, 2019	Voting power held as at March 31, 2018
Royal Enfield North America Limited (RENA)	U.S.A.	100%	100%
Royal Enfield Brasil Comercio De Motocicletas LTDA	Brazil	99.99%	99.99%
Royal Enfield Canada Limited (100% subsidiary Company of RENA) (Incorporated on April 19, 2016)	Canada	100%	100%
Royal Enfield (Thailand) Limited (RET) (Incorporated on September 18, 2018)	Thailand	99.99%	-

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 considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, 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 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 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

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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 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 Company	Country of Incorporation	Voting power held as at March 31, 2019	Voting power held as at March 31, 2018
VE Commercial Vehicles Limited	India	54.4%	54.4%
Eicher Polaris Private Limited	India	50.0%	50.0%

3.3 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- ♦ Held primarily for the purpose of trading
- ♦ Expected to be realised within twelve months after the reporting period, or
- ♦ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ♦ It is expected to be settled in normal operating cycle
- ♦ It is held primarily for the purpose of trading
- ♦ It is due to be settled within twelve months after the reporting period, or
- ♦ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.4 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance, Free Service Coupons, etc.). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange

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for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of traded goods provide customers with a right of return for which, the consideration is estimated based on goods expected to be returned. The rights of return give rise to variable consideration. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability.

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section 3.17 Provisions.

The Group provides a one or two-year warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the goods and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

Agency services

In contracts where the Group acts as an agent, the revenue is recorded at the net amount that the Group retains for its agency services.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.18 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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.

3.5 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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.

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease in a manner which is representative of the time pattern in which

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benefit derived from the use of the leased asset is diminished.

As a lessor

The Group has leased out certain assets and such leases where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

3.6 Foreign currencies

The financial statements are presented in Indian Rupees, which is also the functional currency of the Group. In preparing the financial statements of the Group, transactions in currencies other than 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.

Transactions in foreign currencies are initially recorded by the foreign operations at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operations, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for practical reasons, the Group uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in foreign operations are initially recognised in the financial statements of the Group in the other comprehensive income. These

exchange differences are reclassified from equity (Foreign currency translation reserve) to profit or loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

3.7 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 that 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.

3.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grant of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e., by equal annual instalments.

In the case of Export Promotion Capital Goods ('EPCG') grant, the Group recognise the grant in the statement of profit and loss on a systematic basis over the useful life of the assets.

3.9 Retirement and other employee benefits

Provident fund

- (i) The Group operates a scheme of provident fund for eligible employees, which is a defined benefit plan. Both the employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a part of the contributions to the "Eicher Executive

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Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The cost of providing benefits under above mentioned defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- (ii) The employees, who are not covered under the scheme stated in 3.9 (i) above, are covered in a defined contribution scheme wherein their portion of provident fund is contributed to the government administered provident fund. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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.

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.

3.10 Share-based payment arrangements

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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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.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.11 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 and laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ♦ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ♦ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ♦ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ♦ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss

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(either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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.

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.

3.12 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. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. 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 Group'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 as provided below and except in respect of moulds and dies which are depreciated over their estimated useful life of 1 to 7 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.

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. The useful lives for various property, plant and equipment are given below:

Particulars	Useful life (in years)
Buildings	30-60
Plant and equipment	5-15
Furniture and fixtures	10
Office equipment	5
Vehicles	5

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As part of transition from the previous GAAP, the Group had elected to continue with the carrying value for all of its property, plant and equipment and intangible assets recognised in the previous GAAP as deemed cost at the transition date.

3.13 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 useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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 not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level

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 in the statement of 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 the statement of 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 5 to 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 3 years or less depending on the estimated useful life of asset. The useful lives for intangible assets are given below:

Particulars	Useful life (in years)
Product designs, prototypes, etc.	5 to 10
Computer software	3

3.14 Impairment of non-financial assets

At the end of each reporting period, the Group assesses, whether there is any indication that an asset may be impaired. 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.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates

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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.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating unit (CGU).

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.

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.

3.15 Investment property

Investment property is a property held to earn rentals and capital appreciation. 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. The Group depreciates building component of investment property over 30 years from the date of capitalisation.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

3.16 Inventories

Inventories comprising Raw materials, work-in-progress, stores and spares, loose tools, traded goods and finished goods are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving average.

Finished goods and work-in-progress include appropriate proportion of manufacturing overheads at normal capacity and where applicable, duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.17 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).

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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.

3.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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.

3.19 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss or fair value through other comprehensive income, 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 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 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 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 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

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amortised cost criteria or the FVTOCI criteria but are designated 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 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 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.

3.20 Financial liabilities and equity instruments

Classification as financial liability 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 cost 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.

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.

3.21 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

3.23 Earnings per share

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

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

3.24 Changes in accounting policies and disclosures

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The Group has applied modified retrospective approach in adopting the new standard. Under the modified retrospective approach, there are no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 does not have any significant impact on recognition and measurement of revenue and related items in the consolidated financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This appendix does not have any significant impact on the consolidated financial statements.

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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Cost							
At March 31, 2017	85.95	229.51	795.35	14.07	68.13	29.66	1,222.67
Additions	-	254.84	510.85	7.03	41.88	20.79	835.39
Disposals / Adjustments	-	-	3.30	0.09	0.07	2.80	6.26
At March 31, 2018	85.95	484.35	1,302.90	21.01	109.94	47.65	2,051.80
Additions	-	161.00	293.19	7.47	30.38	20.56	512.60
Disposals / Adjustments	-	1.49	48.22	0.57	0.62	4.64	55.54
At March 31, 2019	85.95	643.86	1,547.87	27.91	139.70	63.57	2,508.86
Accumulated depreciation							
At March 31, 2017	-	27.76	309.83	5.86	31.79	12.30	387.54
Charge for the year	-	16.93	163.56	3.25	17.45	6.89	208.08
Disposals / Adjustments	-	-	1.34	0.04	0.04	1.57	2.99
At March 31, 2018	-	44.69	472.05	9.07	49.20	17.62	592.63
Charge for the year	-	25.33	211.47	3.51	23.82	10.06	274.19
Disposals / Adjustments	-	0.38	47.05	0.24	0.37	1.99	50.03
At March 31, 2019	-	69.64	636.47	12.34	72.65	25.69	816.79
Carrying amount							
At March 31, 2018	85.95	439.66	830.85	11.94	60.74	30.03	1,459.17
At March 31, 2019	85.95	574.22	911.40	15.57	67.05	37.88	1,692.07

* Title deeds for land and other properties at Alwar and Jhajjar are pending for mutation in favour of the Group.

5. CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress*	272.14	141.89
	272.14	141.89

* Capital work in progress as at March 31, 2019 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed.

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6. INVESTMENT PROPERTY

Particulars	Building	Total
Cost		
At March 31, 2017	10.12	10.12
Additions	-	-
Disposals	-	-
At March 31, 2018	10.12	10.12
Additions	-	-
Disposals	-	-
At March 31, 2019	10.12	10.12
Accumulated depreciation		
At March 31, 2017	5.91	5.91
Charge for the year	0.35	0.35
Disposals	-	-
At March 31, 2018	6.26	6.26
Charge for the year	0.35	0.35
Disposals	-	-
At March 31, 2019	6.61	6.61
Carrying amount		
At March 31, 2018	3.86	3.86
At March 31, 2019	3.51	3.51

Fair value of the Investment property

The fair value of the Group's investment properties as at March 31, 2018 and March 31, 2019 have been arrived at on the basis of valuation carried out on the respective dates by Mr. Purshotam Khandelwal, independent valuer not related to the Group. Mr. 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 March 31, 2018 and March 31, 2019 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.

Detail of the investment properties and information about the fair value hierarchy as at March 31, 2019 and March 31, 2018 are as follows :-

Particulars	Level 2	
	Fair value as at March 31, 2019	Fair value as at March 31, 2018
Building located at Jaipur, India	4.33	4.41

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Information regarding income and expenditure of Investment property

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income derived from investment properties	0.26	2.92
Direct operating expenses	-	-
Profit arising from investment properties before depreciation and indirect expenses	0.26	2.92
Less: Depreciation	0.35	0.35
Profit / (loss) arising from investment properties before indirect expenses	(0.09)	2.57

7. INTANGIBLE ASSETS

Particulars	Product designs, prototypes etc.	Computer softwares	Total
Cost			
At March 31, 2017	25.20	37.15	62.35
Additions	5.63	14.48	20.11
Disposals / Adjustments	-	0.05	0.05
At March 31, 2018	30.83	51.58	82.41
Additions	145.07	21.01	166.08
Disposals / Adjustments	0.06	0.11	0.17
At March 31, 2019	175.84	72.48	248.32
Accumulated amortisation			
At March 31, 2017	9.20	19.71	28.91
Charge for the year	3.80	11.07	14.87
Disposals / Adjustments	-	0.03	0.03
At March 31, 2018	13.00	30.75	43.75
Charge for the year	10.88	14.86	25.74
Disposals / Adjustments	0.01	0.16	0.17
At March 31, 2019	23.87	45.45	69.32
Carrying amount			
At March 31, 2018	17.83	20.83	38.66
At March 31, 2019	151.97	27.03	179.00

8. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2019	As at March 31, 2018
Intangible assets under development*	177.60	191.32
	177.60	191.32

* Intangible assets under development mainly consists of cost of new products under development.

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9. INVESTMENTS IN JOINT VENTURES

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted Investments		
VE Commercial Vehicles Limited :		
54,40,000 (March 31, 2018 : 54,40,000) Equity shares of Rs.10 each fully paid up		
Cost of investment	5.44	5.44
Group's share of net assets	1,938.48	1,758.83
Sub-total (A)	1,943.92	1,764.27
Eicher Polaris Private Limited :		
32,45,00,000 (March 31, 2018 : 29,45,00,000) Equity shares of Rs.10 each fully paid up		
Cost of investment	324.50	294.50
Group's share of net assets	(324.50)	(294.50)
Sub-total (B)	-	-
Total (A+B)	1,943.92	1,764.27

- In addition to the above investment, the Group has made an investment of Rs. 2,50,000 in a joint venture entity, Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013) which has been charged to the Statement of Profit and Loss in the financial year 2015-16.
- Pursuant to the decision of the Board of Directors of the joint venture company, Eicher Polaris Private Limited at their meeting held on March 9, 2018 to wind down the operations with immediate effect, the underlying consolidated financial statements include an amount of Rs. 220.05 crores of exceptional nature representing the Group's share of loss for the year ended March 31, 2018. This included an amount of Rs. 17.48 crores recorded by the Group towards its share of cost to wind down the operations (refer note 20).

During the current year, the Group has recorded Rs.17.52 crores of exceptional nature representing the Group's share of loss for the year ended March 31, 2019. This includes an amount of Rs. 5.00 crores towards its share of cost to wind down the operations (refer note 20).

iii) Information relating to interest in joint ventures

a) 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, 2019	As at March 31, 2018
VE Commercial Vehicles Limited	Manufacturing and sales of Commercial Vehicles	India	54.40%	54.40%
Eicher Polaris Private Limited	Manufacturing and sales of personal utility vehicles	India	50.00%	50.00%

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

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b) Summarised financial information in respect of the Group's material joint ventures.

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.

VE Commercial Vehicles Limited	As at March 31, 2019	As at March 31, 2018
Non-current assets	3,093.55	2,704.87
Current assets	4,696.58	4,313.33
Non-current liabilities	218.12	211.17
Current liabilities	3,998.63	3,563.85

VE Commercial Vehicles Limited	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	11,599.94	10,223.34
Profit for the year	475.00	471.62
Other comprehensive income for the year	(0.13)	(1.74)
Total comprehensive income for the year	474.87	469.88
Dividends received from the joint venture during the year	65.28	51.68

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

VE Commercial Vehicles Limited	As at March 31, 2019	As at March 31, 2018
Net assets of the joint venture	3,573.38	3,243.18
Proportion of the Group's ownership interest in the joint venture	1,943.92	1,764.27
Carrying amount of the Group's interest in the joint venture	1,943.92	1,764.27

Eicher Polaris Private Limited	As at March 31, 2019	As at March 31, 2018
Non-current assets	0.21	28.53
Current assets	43.35	18.37
Non-current liabilities	-	-
Current liabilities	14.54	61.86

Eicher Polaris Private Limited	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	(1.30)	27.56
Profit/(loss) for the year	(16.03)	(420.10)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(16.03)	(420.10)

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Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

Eicher Polaris Private Limited	As at March 31, 2019	As at March 31, 2018
Net assets of the joint venture	29.02	(14.96)
Proportion of the Group's ownership interest in the joint venture	14.51	(7.48)
Less:- Amount of interest in the joint venture not considered for consolidation *	(14.51)	-
Add : Provision for constructive obligation disclosed as Other Financial Liabilities *	-	7.48
Carrying amount of the Group's interest in the joint venture (refer note 20)	-	-

* As at the year end, the joint venture is in the process of winding up and the net assets will be fully utilised towards such winding up. Accordingly, net assets of the joint venture has not been consolidated.

FINANCIAL ASSETS :

10. INVESTMENTS

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
Unquoted Investments				
(a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL)				
4,750 (March 31, 2018 : 4,750) Equity shares of Suryadev Alloys and Power Private Limited	0.09	-	0.09	-
Sub-total (A)	0.09	-	0.09	-
Quoted Investments				
(b) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	2,465.76	468.81	3,139.14	633.40
Sub-total (B)	2,465.76	468.81	3,139.14	633.40
(c) Investment in bonds carried at amortised cost	43.94	-	43.94	-
Sub-total (C)	43.94	-	43.94	-
Total (A+B+C)	2,509.79	468.81	3,183.17	633.40
Aggregate carrying value of quoted investments	2,509.70	468.81	3,183.08	633.40
Aggregate market value of quoted investments	2,511.63	468.81	3,185.81	633.40
Aggregate carrying value of unquoted investments	0.09	-	0.09	-

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Particulars	As at March 31, 2019		As at March 31, 2018	
	Non-Current	Current	Non-Current	Current
Category-wise investments - as per Ind AS 109 Classifications				
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in equity instruments	0.09	-	0.09	-
Quoted				
Investment in mutual funds	2,465.76	468.81	3,139.14	633.40
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	43.94	-	43.94	-

11. LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good		
Loans to employees	1.29	0.70
Total	1.29	0.70

12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unsecured, considered good		
Security deposits	27.05	22.55
Total	27.05	22.55
Current		
Unsecured, considered good		
Security deposits	0.02	-
Insurance claim receivable	0.73	1.02
Interest accrued on fixed deposits and bonds	70.08	29.68
Others	0.05	0.05
Total	70.88	30.75

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13. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	166.09	140.99
[Includes goods in transit of Rs. 45.23 crores (March 31, 2018 : Rs. 28.74 crores)]		
Work in progress	21.68	18.01
Finished goods	383.49	203.60
Traded goods	44.65	18.05
Stores and spares	13.72	11.74
Loose tools	3.75	2.25
Total	633.38	394.64

Write-downs of inventories to net realisable value resulted in net loss of Rs. 6.17 crores (March 31, 2018 : Rs. 4.81 crores). These were recognised as an expense during the year in the Statement of Profit and Loss.

- The mode of valuation of inventories has been stated in note 3.16.

14. TRADE RECEIVABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Considered good - secured	0.45	0.06
Considered good - unsecured	89.89	67.94
Receivables - credit impaired	0.74	0.25
	91.08	68.25
Less: Provision for doubtful receivables	(0.74)	(0.25)
Total	90.34	68.00

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

All domestic sales are on advance payment basis, except for sale to distributors and certain institutional sales which carries credit period maximum to 60 days.

Export sales carries credit period of 0 to 90 days, depending on the contractual terms with respective customers.

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15. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.04	0.06
Cheques/drafts on hand	-	0.06
Balances with banks:		
In current accounts	34.94	92.34
In deposit accounts with original maturity of less than three months	692.00	-
Total	726.98	92.46

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.04	0.06
Cheques/drafts on hand	-	0.06
Balances with banks:		
In current accounts	34.94	92.34
In deposit accounts with original maturity of less than three months	692.00	-
Total	726.98	92.46
Bank overdrafts (refer note 21)	11.23	-
Total	715.75	92.46

Changes in liabilities arising from financing activities

Particulars	April 1, 2018	Net cash flows	Others	March 31, 2019
Short term borrowings	150.84	24.69	-	175.53
Interest accrued but not due	0.60	(4.96)	5.73	1.37
Dividend payable including tax on dividend	-	(348.16)	348.16	-
Total liabilities from financing activities	151.44	(328.43)	353.89	176.90

16. OTHER BANK BALANCES

Particulars	As at March 31, 2019	As at March 31, 2018
In unpaid dividend accounts	12.31	10.60
On deposit accounts		
- Original maturity between three and twelve months	1,221.00	538.94
- Original maturity greater than twelve months	1,005.00	570.00
Total	2,238.31	1,119.54

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17. OTHER ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unsecured, considered good		
Capital advances	50.41	66.22
Share application money pending allotment	5.04	-
Balance with government authorities	7.98	7.49
Prepayment land leases	87.24	88.25
Other prepayments	2.37	1.90
Total	153.04	163.86
Current		
Unsecured, considered good		
Advance to suppliers	54.96	45.91
Advance to employees	5.70	4.81
Prepaid expenses	19.00	11.74
Balance with government authorities		
Considered good	89.91	122.69
Considered doubtful	1.11	1.11
	91.02	123.80
Less: Provision for doubtful balance	(1.11)	(1.11)
	89.91	122.69
Gratuity fund (net)	-	0.47
Prepayment land leases	0.95	0.89
Government grant receivable	8.95	8.36
Other prepayments	0.81	0.68
Total	180.28	195.55

18. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Equity share capital		
3,00,00,000 (March 31, 2018 : 3,00,00,000) Equity shares of Rs. 10 each	30.00	30.00
Total	30.00	30.00
Issued, subscribed and fully paid up		
2,72,82,570 (March 31, 2018 : 2,72,55,549) Equity shares of Rs. 10 each	27.28	27.26
Total	27.28	27.26

The Group 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.

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(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, 2019		For the year ended March 31, 2018	
	Nos.	Rs. in Crores	Nos.	Rs. in Crores
At the beginning of the year	2,72,55,549	27.26	2,72,10,249	27.21
Issued during the year - ESOP (refer note 47)	27,021	0.02	45,300	0.05
Outstanding at the end of the year	2,72,82,570	27.28	2,72,55,549	27.26

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust	1,20,30,648	44.10%	1,20,30,648	44.14%

(iii) Share options granted under the Group'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 47.

(b) Preference share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Preference share capital		
1,01,000 (March 31, 2018 : 1,01,000) Redeemable preference shares of Rs. 100 each	1.01	1.01
Total	1.01	1.01

The Group has not issued any preference share capital.

19. OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
Capital reserves	0.25	0.25
Capital redemption reserve	1.41	1.41
Securities premium reserve	115.11	60.37
General reserves	339.89	339.89
Share based payments reserve	58.75	59.80
Foreign currency translation reserve	7.92	12.64
Retained earnings	8,368.11	6,528.45
Total	8,891.44	7,002.81

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Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A Capital reserve		
Opening balance	0.25	0.25
Add / Less: Movement during the year	-	-
Closing balance	0.25	0.25

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
B Capital redemption reserve		
Opening balance	1.41	1.41
Add / Less: Movement during the year	-	-
Closing balance	1.41	1.41

The Capital redemption reserve was created at the time of buy back of shares. The Group can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C Securities premium reserve		
Opening balance	60.37	32.09
Add : Proceeds from issue of equity shares	36.11	19.44
Add : Transferred from share options outstanding account	18.63	8.84
Closing balance	115.11	60.37

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
D General reserves		
Opening balance	339.89	339.89
Add: Amount transferred from retained earnings	-	-
Closing balance	339.89	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.

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Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
E Share-based payments reserve		
Opening balance	59.80	45.13
Add : ESOP expense during the year	17.58	23.51
Less : Transferred to securities premium on issue of shares	18.63	8.84
Closing balance	58.75	59.80

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share-based payments to employees is set out in note 47.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
F Foreign currency translation reserve		
Opening balance	12.64	0.74
Add :- exchange differences in translating the financial statements of foreign operations	(4.72)	11.90
Closing balance	7.92	12.64

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
G Retained earnings		
Opening balance	6,528.45	4,898.35
Add: Profit for the year	2,202.73	1,959.67
Add: Other Comprehensive income:	(1.48)	(1.93)
from Remeasurement of defined benefit obligation net of income tax		
Less: Dividend (amount per share Rs. 110 (March 31, 2018 : Rs. 100))	299.93	272.22
Less: Tax on dividend	61.66	55.42
Total appropriations	361.59	327.64
Balance at end of year	8,368.11	6,528.45

FINANCIAL LIABILITIES :

20. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Security deposits received	9.99	8.88
Total	9.99	8.88
Current		
Employee dues	76.80	61.87
Capital creditors	57.38	69.15
Unpaid dividend *	12.31	10.60
Interest accrued but not due	1.37	0.60
Provision for constructive obligation towards the discontinued operations of a joint venture (refer note 9 (ii))	5.00	17.48
Others	10.31	10.31
Total	163.17	170.01

* Does not include any amounts outstanding which are required to be credited to Investor Education and Protection Fund.

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21. BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Short-term Loan [#]	110.38	64.86
Unsecured		
- From bank		
Overdraft facility*	11.23	-
Short-term Loan	65.15	85.98
Total	186.76	150.84

[#]Secured short term loans of subsidiary company viz., Royal Enfield North America Ltd as at March 31, 2019 of Rs. 76.79 crores (March 31, 2018 : Rs. 42.28 crores), carrying interest @ LIBOR + 2.25% p.a. till September 2017 and LIBOR + 1.70% p.a. from October 2017, and Royal Enfield Brasil Comercio de Motocicletas Ltda as at March 31, 2019 of Rs. 33.59 crores (March 31, 2018 : Rs. 22.58 crores), carrying interest @ 4.21% p.a (March 31, 2018 : 3.39% p.a). These loans are against Corporate Guarantee given by the Holding Company, Eicher Motors Limited.

*Unsecured loan carries interest @ 8.45% per annum as at March 31, 2019.

22. TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 40)	19.28	27.15
Sub-total (A)	19.28	27.15
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	107.76	110.12
Other trade payables	1031.48	966.36
Trade payables to related parties (refer note 44)	75.53	68.23
Sub-total (B)	1,214.77	1,144.71
Total (A+B)	1,234.05	1,171.86

For terms and conditions pertaining to related party dues, refer note 44

23. PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Employee benefits - refer note (i) below		
Other employee benefits	4.23	3.88
Warranties - refer note (ii) below	18.77	25.24
Total	23.00	29.12

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Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Employee benefits - refer note (i) below		
Compensated absences	10.72	8.06
Other employee benefits	0.08	0.04
Sub-total (A)	10.80	8.10
Warranties - refer note (ii) below	46.85	39.11
Sub-total (B)	46.85	39.11
Total (A+B)	57.65	47.21

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.

(ii) Movement in warranties provision

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	64.35	55.21
Additions during the year	43.33	47.30
Amount utilised during the year	43.66	39.85
Unwinding of discount	1.60	1.69
Closing balance	65.62	64.35

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 Group's obligations for warranties. 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.

24. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	250.38	150.48
Investments measured at FVTPL	46.25	11.88
Others	0.68	0.97
Sub-total (A)	297.31	163.33
Less: Deferred tax assets on		
Accrued expenses deductible on payment	1.55	2.80
Deferred revenue	10.73	10.08
Provision for compensated absences and other employee benefits	3.75	2.79
Provision for doubtful debts and advances	0.65	0.47
Others	6.74	5.11
Sub-total (B)	23.42	21.25
Total (A-B)	273.89	142.08

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Movement of deferred tax liabilities/assets

For the year ended March 31, 2019

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	150.48	99.90	-	250.38
Investments measured at FVTPL	11.88	34.37	-	46.25
Others	0.97	(0.29)	-	0.68
Sub-total (A)	163.33	133.98	-	297.31
Less: Deferred tax assets on				
Accrued expenses deductible on payment	2.80	(1.25)	-	1.55
Deferred revenue	10.08	0.65	-	10.73
Provision for compensated absences and other employee benefits	2.79	0.96	-	3.75
Exchange differences in translating the financial statements of foreign operations	-	(2.80)	2.80	-
Remeasurement of defined benefit obligation	-	(0.49)	0.49	-
Provision for doubtful debts and advances	0.47	0.18	-	0.65
Others	5.11	1.63	-	6.74
Sub-total (B)	21.25	(1.12)	3.29	23.42
Total (A-B)	142.08	135.10	(3.29)	273.89

For the year ended March 31, 2018

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	81.67	68.81	-	150.48
Investments measured at FVTPL	8.01	3.87	-	11.88
Others	1.28	(0.31)	-	0.97
Sub-total (A)	90.96	72.37	-	163.33
Less: Deferred tax assets on				
Accrued expenses deductible on payment	3.26	(0.46)	-	2.80
Deferred revenue	-	10.08	-	10.08
Provision for compensated absences and other employee benefits	3.60	(0.81)	-	2.79
Exchange differences in translating the financial statements of foreign operations	-	6.37	(6.37)	-
Remeasurement of defined benefit obligation	-	(0.60)	0.60	-
Provision for doubtful debts and advances	0.47	-	-	0.47
Others	5.86	(0.79)	0.04	5.11
Sub-total (B)	13.19	13.79	(5.73)	21.25
Total (A-B)	77.77	58.58	5.73	142.08

At March 31, 2019, there was no recognised deferred tax liability (March 31, 2018 : Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's joint venture. The Group has determined that undistributed profits of its joint ventures will not be distributed in the foreseeable future. The Group's joint ventures will not distribute its profits until it obtains the consent from all venture partners.

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25. CURRENT TAX LIABILITY / (ASSETS)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax liabilities		
Provision for current tax (net)	141.48	108.02
Total	141.48	108.02
Tax assets		
Advance income tax (net)	18.44	18.44
Total	18.44	18.44

26. OTHER LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Deferred revenue arising from Government grant - refer note (i) below	62.66	46.84
Others	0.47	-
Total	63.13	46.84
Current		
Contract liability	77.79	280.34
Advance from customers	93.24	140.71
Deferred revenue arising from Government grant - refer note (i) below	11.58	10.13
Deferred revenue	30.70	29.13
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	90.39	146.02
Others	11.29	10.97
Total	314.99	617.30

(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 and Department for Her Majesty's Revenue & Customs.
- Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant.

These grants will be recognized in statement of profit and loss on a systematic basis over the useful life of the related fixed assets.

27. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations		
Sale of products		
Manufactured goods (including excise duty)*	9,295.67	8,852.76
Traded goods	421.77	322.40
Sub-total (A)	9,717.44	9,175.16

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Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Other operating revenue		
Government grant (Export incentives)**	21.03	17.58
Scrap sale	24.99	22.17
Income from other operating revenues	33.60	4.35
Sub-total (B)	79.62	44.10
Total (A+B)	9,797.06	9,219.26

* Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Excise Duty, Value Added Tax (VAT) etc., have been subsumed into GST. In accordance with Ind AS - 18 / Ind AS - 115 and Schedule III of the Companies Act, 2013, unlike Excise Duty, levies like GST are not considered to be a part of Revenue from operations. Accordingly, the figures for the first three months of the previous year, i.e., April 2017 to June 2017, includes Excise Duty on sales. Excise Duty on sales amounting to Rs. 254.30 crores has been disclosed separately in the statement of profit and loss.

** Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Details of products sold		
Manufactured goods		
Two wheelers	8,693.19	8,322.08
Spare parts and other components	602.48	530.68
Total	9,295.67	8,852.76
Traded goods		
Two wheelers	-	0.26
Accessories and other allied products	421.77	322.14
Total	421.77	322.40

28. OTHER INCOME

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on financial assets carried at amortized cost		
Bank deposits and bonds	128.98	37.64
Others	1.38	1.72
	130.36	39.36
Net gain on financial instruments at fair value through profit or loss	288.68	235.02
Other non-operating income		
Rent income (refer note 6)	0.26	2.92
Other income	23.89	2.14
Profit on sale of property, plant and equipment	0.20	0.29
Exchange gain (net)	-	0.37
	24.35	5.72
Total	443.39	280.10

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29. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	140.99	121.54
Add: Purchases	5,129.35	4,595.67
	5,270.34	4,717.21
Less: Inventory at the end of the year	166.09	140.99
Less: Material cost of vehicles capitalised	2.10	1.71
	5,102.15	4,574.51
Less: Sale of raw materials to suppliers on cost to cost basis	46.26	58.91
Total	5,055.89	4,515.60

30. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Two wheelers	-	6.57
Accessories and other allied products	211.65	155.19
Total	211.65	161.76

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year		
Finished goods	383.49	203.60
Work-in-progress	21.68	18.01
Traded goods	44.65	18.05
A	449.82	239.66
Inventories at the beginning of the year/period		
Finished goods	203.60	168.27
Work-in-progress	18.01	14.90
Traded goods	18.05	22.62
B	239.66	205.79
Net change (B-A)	(210.16)	(33.87)

32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	604.06	472.95
Contribution to provident and other funds (refer note 41)	32.03	23.39
Share-based payments (refer note 47)	15.39	23.51
Staff welfare expenses	50.96	53.83
Total	702.44	573.68

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33. FINANCE COSTS

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
On bills discounting	0.48	0.20
On other borrowings	5.25	3.45
	5.73	3.65
Unwinding of discount on provisions	1.60	1.69
Total	7.33	5.34

34. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment (refer note 4)	274.19	208.08
Depreciation of investment property (refer note 6)	0.35	0.35
Amortization of intangible assets (refer note 7)	25.74	14.87
Total	300.28	223.30

35. OTHER EXPENSES

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of Stores and machinery spares (including loose tools and packing material)	169.63	149.36
Decrease of excise duty on finished goods	-	(8.34)
Loss on sale of property, plant and equipment and intangible assets	1.13	1.00
Property, plant and equipment discarded	3.00	0.04
Power and fuel	66.96	52.41
Insurance	13.24	11.77
Repairs and maintenance		
Buildings	3.48	3.31
Plant and equipment	44.94	37.53
Others	45.44	28.90
Rates and taxes	6.07	6.31
Advertisement	30.36	16.40
Freight and handling charges	143.61	134.37
Incentives	7.31	16.50
Warranty	43.33	47.30
Other selling and distribution expenses	196.01	177.92
Rent	48.69	39.60
Legal and professional charges*	58.46	30.75
Travelling expenses	93.57	73.64
Development expenses	13.59	10.54
Corporate social responsibility expenditure (refer note 49)	45.39	30.85
Provision for doubtful debts and advances	0.49	-
Exchange loss (net)	3.81	-
Miscellaneous expenses	95.62	80.00
Total	1,134.13	940.16

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* Including payment to auditors as below (excluding GST & Service tax) :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditors:		
a) For Audit	0.25	0.25
b) For Limited reviews of unaudited financial results	0.15	0.15
c) For other services	0.04	0.07
d) For reimbursement of expenses	0.03	0.03
Total	0.47	0.50
In other capacity:		
a) For other services	0.11	0.06
Total	0.11	0.06

36. INCOME TAX RECOGNIZED IN STATEMENT OF PROFIT AND LOSS

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018	
Current tax				
In respect of the current year		941.94	877.35	
Sub-total (A)		941.94	877.35	
Deferred tax				
Relating to origination and reversal of temporary differences		135.10	58.58	
Sub-total (B)		135.10	58.58	
Total income tax expense recognized in the current year		Total (A+B)	1,077.04	935.93

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax and after share of profit of Joint venture from continuing operation	3,297.29	3,115.65
Income tax expense calculated at 34.944% (2017-18 : 34.608%)	1,152.20	1,078.27
Effect on long-term capital gain from investment in mutual funds	1.04	(58.27)
Effect of additional deduction of research and product development cost	(17.25)	(6.54)
Effect of ESOP expenses not deductible in determining taxable profits	4.96	6.27
Effect of income exempt from taxation	(1.04)	(1.03)
Deferred tax asset not created on carried forward business loss of subsidiary companies	14.85	17.06
Impact of share of profit of joint venture included in profit before tax	(90.30)	(88.79)
Others	12.57	(11.04)
	1,077.04	935.93
Income tax expense recognised in statement of profit and loss	1,077.04	935.93
Income tax rate :		
Basic rate	30.000%	30.000%
Surcharge - 12% (applied on basic rate)	3.600%	3.600%
Cess - 4% (March 31, 2018 : 3%) (applied on basic plus surcharge)	1.344%	1.008%
	34.944%	34.608%

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Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax charge/(benefit)		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	(2.80)	6.37
Remeasurement of defined benefit obligation	(0.49)	(0.60)
Total income tax recognized in other comprehensive income	(3.29)	5.77
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that may be reclassified to profit or loss	(2.80)	6.37
Items that will not be reclassified to profit or loss	(0.49)	(0.60)
Total	(3.29)	5.77

37. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 290.85 crores (March 31, 2018 : Rs. 273.00 crores).

The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The 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 through the appropriate heads of account aggregate Rs. 44.66 crores (March 31, 2018 : Rs. 31.38 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 310.28 crores (March 31, 2018 : Rs. 206.18 crores).

39. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2019	As at March 31, 2018
a) In respect of the following:		
- Excise duty matters	2.52	1.72
- Sales tax matters	6.50	6.38
- Service tax matters	0.39	0.39
- Customs duty matters	3.48	3.48
b) Claims against the Group not acknowledged as debts	8.68	5.23
c) Contingent liabilities arising from its interests in joint ventures	101.24	131.06

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.

There are numerous interpretation issues relating to the Supreme Court judgement on Provident Fund dated February 28, 2019. Given the uncertainty of the impact of such matter, the Company will create a provision after receiving further clarity.

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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, 2019	For the year ended March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	18.95	26.95
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.01	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	26.22	9.89
(iv) The amount of interest due and payable for the year	0.12	0.07
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.33	0.20
(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, 2019	For the year ended March 31, 2018
Detail of amount recognized as expense for defined contribution plans is given below:		
a) Provident fund*	20.06	15.56
b) Superannuation fund	0.49	0.49
c) Employee State Insurance Corporation	4.67	4.77
d) Other funds	13.03	8.85
Total	38.25	29.67

* includes Rs. 1.36 crores (March 31, 2018 : Rs. 0.10 crore) capitalized during the year and Rs. 4.86 crores (March 31, 2018 : Rs. 6.18 crores) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 4.71 crores (March 31, 2018 : Rs. 3.55 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution has been made to government administered provident fund.

B. Defined Benefit Plans:

The Defined benefit plan of the Group includes entitlement of gratuity and provident fund scheme.

This plan typically expose the Group 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, 2019 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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Provident fund:

The provident fund is governed by the Provident Fund Act, 1952. Under the defined benefit plan, the Group contributes to the "Eicher Executive Provident Fund Trust". The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Group does not have additional obligation as at March 31, 2019.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions:	Provident fund	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.80%	7.91%
Expected statutory interest rate on the ledger balance	8.65%	8.55%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Retirement age	58 years	58 years
Rate of withdrawal	3.00%	3.00%
In service mortality	IALM (2006-08)	IALM (2006-08)

Gratuity:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.

The principal assumptions used for the purposes of the actuarial valuations were as follows :-

Principal assumptions:	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.80%	7.90%
Future salary increase	7.50%	7.50%
Retirement age	58 years	58 years
Rate of withdrawal	2.00%	2.00%
In service mortality	IALM (2006-08)	IALM (2006-08)

Amounts recognized in statement of profit and loss in respect of these defined benefit plans are as follows:-

Particulars	Gratuity	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Service cost:		
Current service cost	3.46	2.66
Net Interest expense	(0.04)	(0.02)
Components of defined benefit costs recognized in profit or loss	3.42	2.64
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	1.40	1.74
Components of defined benefit costs recognized in other comprehensive income	1.40	1.74
Total	4.82	4.38

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The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Present Value of funded defined benefit obligation	21.65	17.13
Fair value of plan assets	21.65	17.60
Net liability arising from defined benefit obligation	-	(0.47)

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	Gratuity	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening defined obligation	17.13	13.32
Current service cost	3.46	2.66
Interest cost	1.35	1.00
Actuarial (gains)/ losses	1.13	1.54
Benefits paid	(1.42)	(1.39)
Closing defined benefit obligation	21.65	17.13

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening fair value of plan assets [®]	17.60	13.67
Interest income	1.39	1.02
Actuarial gains/ (losses)	(0.27)	(0.20)
Contribution	4.35	4.50
Benefit paid	(1.42)	(1.39)
Closing fair value of plan assets [®]	21.65	17.60

[®]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, 2019	As at March 31, 2018
Government securities	6.15	5.67
Debt instruments categorized by issuers' credit rating:		
AAA	10.60	8.84
AA+	2.53	1.78
AA	1.31	0.91
Cash, deposits, etc.	1.06	0.40
Total	21.65	17.60

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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. 1.12 crores for the year ended March 31, 2019.

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. 1.20 crores (increase by Rs. 1.32 crores) [as at March 31, 2018: Decrease by Rs. 0.87 crore (increase by Rs. 0.95 crore)].
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 1.32 crores (decrease by Rs. 1.21 crores) [as at March 31, 2018: Increase by Rs. 0.95 crore (decrease by Rs. 0.87 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 recognized in the balance sheet.

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, 2019	As at March 31, 2018
Average duration of the defined benefit obligation (in years)	20.03	19.67

The estimated contribution during next year is Rs. 4.05 crores (March 31, 2018 : Rs. 3.18 cores) to the defined benefit plan.

42. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
For Continuing Operations		
(a) Basic (in Rs.)	814.18	800.50
(b) Diluted (in Rs.)	813.28	798.99
For Discontinued Operations		
(a) Basic (in Rs.)	(6.42)	(80.81)
(b) Diluted (in Rs.)	(6.42)	(80.66)
For Continuing and Discontinued Operations		
(a) Basic (in Rs.)	807.76	719.69
(b) Diluted (in Rs.)	806.86	718.33
Basic earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
Net Profit after taxes and share of profit of Joint venture from continuing operation	2,220.25	2,179.72
Share of loss of Joint ventures from discontinued operation	(17.52)	(220.05)
Net Profit for the year	2,202.73	1,959.67
Weighted average number of equity shares for the purposes of basic earnings per share	2,72,69,904	2,72,29,364

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Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.		
Net Profit after taxes and share of profit of Joint venture from continuing operation	2,220.25	2,179.72
Share of loss of Joint ventures from discontinued operation	(17.52)	(220.05)
Net Profit for the year	2,202.73	1,959.67
Weighted average number of equity shares for the purposes of basic earnings per share	2,72,69,904	2,72,29,364
Shares deemed to be issued for no consideration in respect of :		
- employee options	30,193	51,448
Weighted average number of equity shares for the purposes of diluted earnings per share	2,73,00,097	2,72,80,812

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".

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.

Particulars	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2019	9,418.07	378.99	9,797.06
For the year ended March 31, 2018	8,938.49	280.77	9,219.26
Non-current segment assets			
As at March 31, 2019	4,113.59	326.13	4,439.72
As at March 31, 2018	3,511.48	269.99	3,781.47

- 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 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.

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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
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
VECV Lanka (Private) Limited	(VECV Lanka)	Subsidiary company of VECVL
VECV South Africa (PTY) Ltd.	(VECV Africa)	Subsidiary company of VECVL
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 Goodearth India Private Limited*	(EGIPL)	Entity under the control of the key management personnel
Nicobar Design Private Limited	(NDPL)	Entity under the control of the key management personnel
Eicher Executive Provident Fund	(EEPF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETESSF)	Post employment benefit plan
Eicher Motors Limited Employees Gratuity Trust	(EMLEGT)	Post employment benefit plan
The Simran Siddhartha Tara Benefit Trust	(SSTBT)	Shareholders holding more than 5% equity shares in the Company

*Incorporated on January 01, 2018

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. Vinod K. Dasari	Whole-time Director & Chief Executive Officer of Royal Enfield (Appointed w.e.f. April 01, 2019)
Mr. S. Sandilya	Chairman
Mr. Priya Brat	Independent director (Resigned w.e.f. June 16, 2017)
Mr. M.J. Subbaiah	Independent director (Resigned w.e.f. March 31, 2018)
Mr. Prateek Jalan	Independent director (Resigned w.e.f. October 13, 2018)
Ms. Manvi Sinha	Independent director
Mr. Inder Mohan Singh	Independent director (Appointed w.e.f. November 12, 2018)
Mr. Vinod Aggarwal	Non-executive director (Appointed w.e.f. April 01, 2019)
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:

Particulars	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
Mr. Siddhartha Lal	Managerial remuneration		
	Short-term benefits	12.69	10.12
	Post-employment benefits	0.06	0.14
	Other long-term benefits	0.06	0.05
		12.81	10.31
Mr. S. Sandilya	Sitting fees	0.04	0.03
	Commission	0.59	0.53
Mr. Priya Brat	Sitting fees	-	0.01
	Commission	0.02	-
Mr. M.J. Subbaiah	Sitting fees	-	0.02
	Commission	-	0.10
Mr. Prateek Jalan	Sitting fees	0.02	0.03
	Commission	0.25	0.23
Ms. Manvi Sinha	Sitting fees	0.03	0.02
	Commission	0.11	0.10
Mr. Inder Mohan Singh	Sitting fees	0.01	-
	Commission	0.25	-
Mr. Lalit Malik	Remuneration		
	Short-term benefits	4.68	2.06
	Post-employment benefits	0.04	0.04
	Other long-term benefits	0.03	-
		4.75	2.10
Mr. Manhar Kapoor	Remuneration		
	Short-term benefits	1.98	0.88
	Post-employment benefits	0.02	0.01
	Other long-term benefits	0.02	0.01
		2.02	0.90

d. Transactions with the related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
VE Commercial Vehicles Limited	Purchase of raw materials and components / services	172.28	160.14
	Expenses reimbursed	0.49	0.35
	Corporate service charges paid	2.53	2.43
Eicher Polaris Private Limited	Investment in equity share capital (including advance given in previous year)	30.00	27.60
	Expenses recovered	-	0.05
	Rent income	0.26	2.92
Eicher Goodearth Private Limited	Corporate service charges paid	1.16	0.88
	Rent	4.69	3.42
	Brand fees	-	16.02
Eicher Goodearth India Private Limited	Brand fees	24.42	6.31
Nicobar Design Private Limited	Rent income	0.99	-
Eicher Group Foundation	Corporate social responsibility expenditure	42.69	25.08
Eicher Executive Provident Fund	Contribution to provident fund	4.71	3.55
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	0.33	0.31
Eicher Motors Limited Employees Gratuity Trust	Contribution	4.35	4.50
	Benefits paid	(1.42)	(1.39)

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Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2019	As at March 31, 2018
VE Commercial Vehicles Limited	Trade payables	51.10	45.63
Eicher Goodearth Private Limited	Trade payables	-	16.29
	Security deposits receivable	1.09	1.09
Eicher Goodearth India Private Limited	Trade payables	24.42	6.31
Mr. Siddhartha Lal	Commission payable	5.28	4.80
Non-executive and independent directors	Commission payable	1.19	0.96

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018 : Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

45. FINANCIAL INSTRUMENTS

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization 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 Group reviews the capital structure of the Group on regular basis. As part of this review, the management of the Group considers risks associated with the movement in the working capital.

The following table summarizes the capital of the Group:

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings (refer note no. 21)	186.76	150.84
Less: Cash and cash equivalents (refer note no. 15)	(726.98)	(92.46)
Net debt*	-	58.38
Share capital	27.28	27.26
Other equity	8,891.44	7,002.81
Total Equity	8,918.72	7,030.07
Gearing ratio	-	0.83%

* Cash and cash equivalents for the current year is greater than borrowings, hence net debt is considered as Nil.

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45.1 Categories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	0.09	0.09
Investments in mutual funds	2,465.76	3,139.14
Current		
Investments in mutual funds	468.81	633.40
Financial assets at amortized cost		
Non-current		
Investments in bonds	43.94	43.94
Other financial assets	27.05	22.55
Current		
Trade receivables	90.34	68.00
Cash and bank balances	2,965.29	1,212.00
Loans	1.29	0.70
Other financial assets	70.88	30.75
Financial liabilities at amortized cost		
Non-current		
Other financial liabilities	9.99	8.88
Current		
Borrowings	186.76	150.84
Trade payables	1,234.05	1,171.86
Other financial liabilities	163.17	170.01

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 is the basis of categorizing 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.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:-

There are certain Group'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:-

Particulars	Fair value as at March 31, 2019		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	0.09
Investments in mutual funds	2,465.76	-	-
Current			
Investments in mutual funds	468.81	-	-

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Particulars	Fair value as at March 31, 2018		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	0.09
Investments in mutual funds	3,139.14	-	-
Current			
Investments in mutual funds	633.40	-	-

* Investment in equity (level-3) has been valued using weighted average of value arrived using Discounted Cash Flow Method and Net Assets Method.

Fair value of the Group'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 recognized in the financial statements approximate their fair values.

Particulars	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value (Level 1)	Carrying amount	Fair value (Level 1)
Financial assets at amortized cost				
Non-current				
Investments in bonds	43.94	45.87	43.94	46.67

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 Group could have realized 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 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 Group. 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 realizable 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:

Foreign currency exposure	Rs. in Crores			
	As at March 31, 2019		As at March 31, 2018	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.30	1.92	0.12	1.28
EURO	0.61	0.18	0.35	0.03
GBP	0.18	0.14	0.09	0.08
JPY	-	17.27	-	12.16
Others	8.72	2.98	0.32	0.25

Foreign currency sensitivity

The Group uses the sensitivity rate of 5% 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. In the opinion of the management, the sensitivity of increase or decrease of Rs. against the relevant foreign currencies is not material to the financial statements.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

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 Group 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 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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at beginning of the year	0.25	0.25
Add: Provided during the year	0.49	-
Balance at end of the year	0.74	0.25

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, 2019 would increase/decrease by Rs. 29.35 crores (for the year ended March 31, 2018: increase/decrease by Rs. 37.73 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, 2019			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current Other financial liabilities	-	-	9.99	9.99
Current				
(i) Borrowings	186.76	-	-	186.76
(ii) Trade payables	1,234.05	-	-	1,234.05
(iii) Other financial liabilities	163.17	-	-	163.17

Particulars	As at March 31, 2018			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current Other financial liabilities	-	-	8.88	8.88
Current				
(i) Borrowings	150.84	-	-	150.84
(ii) Trade payables	1,171.86	-	-	1,171.86
(iii) Other financial liabilities	170.01	-	-	170.01

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

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47. SHARE-BASED PAYMENTS

Employee share option plan of the Group

Pursuant to the approval accorded by shareholders at their Annual General Meeting held on July 5, 2006, the Nomination and Remuneration Committee of the Company formulated 'Eicher Employee Stock Option Plan 2006' (ESOP Scheme 2006).

'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.

Vesting of the options shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant, provided, the vesting period shall not be less than 1 year from the date of grant.

Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment and such other conditions as provided under Employee Stock Option Plan, 2006.

The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant, provided that the Exercise Price shall not be less than the closing market price of the shares of the Company on NSE/BSE on the day preceding the date of grant of Options.

The options granted can be exercised at any time until completion of seven years from the date of vesting. Any options remaining unexercised at the end of the exercise period shall lapse. At the time of exercise the participant may pay the exercise price in the form of payment as approved by the Nomination and Remuneration Committee.

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

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
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Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(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
(xxii)	1,350	9-Aug-17	3-5 Years	8-Aug-27	32,121.00	14,973.54
(xxiii)	1,500	14-Nov-17	3-5 Years	13-Nov-27	30,585.00	14,520.88
(xxiv)	2,100	7-Feb-18	3-5 Years	6-Feb-28	27,579.00	12,729.74
(xxv)	4,500	2-Apr-18	3-5 Years	1-Apr-28	28,373.00	12,934.77
(xxvi)	1,250	9-May-18	3-5 Years	8-May-28	30,427.00	14,091.95
(xxvii)	2,400	9-Aug-18	3-5 Years	8-Aug-28	27,594.00	12,887.07
(xxviii)	2,800	12-Nov-18	3-5 Years	11-Nov-28	22,496.00	10,469.40
(xxix)	1,250	11-Feb-19	3-5 Years	10-Feb-29	20,848.00	9,615.40

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. 12,138.03 (March 31, 2018 : Rs. 13,884.46). Options were priced using Black Scholes options 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 was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model

Particulars	(xxii)	(xxiii)	(xxiv)	(xxv)
Grant date share price	32,121.00	30,585.00	27,579.00	28,373.00
Exercise price	32,121.00	30,585.00	27,579.00	28,373.00
Expected volatility	29.99%-31.89%	30.06%-31.37%	30.23%-30.97%	30.06%-30.45%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.83%	0.83%	0.83%	0.83%
Risk-free interest rate	6.79%-6.88%	7.21%-7.29%	7.78%-7.96%	7.69%-7.75%

Particulars	(xxvi)	(xxvii)	(xxviii)	(xxix)
Grant date share price	30,427.00	27,593.15	22,495.25	20,847.40
Exercise price	30,427.00	27,594.00	22,496.00	20,848.00
Expected volatility	30.10%-30.24%	30.01%-29.70%	30.68%-30.04%	31.16%-30.56%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.83%	0.78%	0.78%	0.78%
Risk-free interest rate	8.01%-8.11%	8.12%-8.19%	7.93%-7.98%	7.58%-7.70%

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
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Movements in share options during the year

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	1,14,224	16,056.89	1,56,674	12,236.35
Granted during the year	12,200	26,310.39	4,950	29,728.74
Forfeited during the year	(4,500)	22,700.67	(2,100)	16,894.00
Exercised during the year	(27,021)	13,371.16	(45,300)	4,298.37
Balance at end of the year	94,903	17,824.66	1,14,224	16,056.89
Exercisable at the end of the year	12,471	13,813.83	4,694	8,039.57

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Share-based payments*	15.39	23.51

* Excludes Rs. 2.19 crores of share-based payment capitalised in intangible assets under development.

Share options exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise price Rs.
For the year ended March 31, 2019			
(vii) Granted on December 16, 2013	666	02-Apr-18	4,915
(viii) Granted on August 11, 2014	500	09-May-18	8,478
(xiii) Granted on May 08, 2015	9,085	09-May-18	14,807
(xii) Granted on March 20, 2015	500	09-May-18	16,112
(viii) Granted on August 11, 2014	500	09-Aug-18	8,478
(xiii) Granted on May 08, 2015	600	09-Aug-18	14,807
(xiv) Granted on July 21, 2015	300	09-Aug-18	21,248
(viii) Granted on August 11, 2014	2,450	12-Nov-18	8,478
(xiii) Granted on May 08, 2015	4,300	12-Nov-18	14,807
(xv) Granted on February 05, 2016	300	12-Nov-18	17,678
(vii) Granted on December 16, 2013	1,000	11-Feb-19	4,915
(viii) Granted on August 11, 2014	450	11-Feb-19	8,478
(ix) Granted on November 12, 2014	370	11-Feb-19	12,994
(xi) Granted on January 12, 2015	6,000	11-Feb-19	14,739
Total	27,021		
Weighted average exercise price	13,371.16		

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
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Option series	Number exercised	Exercise date	Exercise price Rs.
For the year ended March 31, 2018			
(vi) Granted on February 11, 2012	1,800	05-May-17	1,770
(iii) Granted on April 29, 2010	10,000	05-May-17	695
(ii) Granted on October 22, 2007	500	07-Aug-17	462
(iii) Granted on April 29, 2010	10,000	14-Nov-17	695
(viii) Granted on August 11, 2014	3,830	14-Nov-17	8,478
(ix) Granted on November 12, 2014	329	14-Nov-17	12,994
(iii) Granted on April 29, 2010	9,000	07-Feb-18	695
(vii) Granted on December 16, 2013	1,000	07-Feb-18	4,915
(x) Granted on January 12, 2015	2,000	07-Feb-18	14,739
(xi) Granted on January 12, 2015	6,370	07-Feb-18	14,739
(ix) Granted on November 12, 2014	471	07-Feb-18	12,994
Total	45,300		
Weighted average exercise price	4,298.37		

Share options outstanding at end of the year

Options series	Options outstanding		Remaining contractual life		Exercise price Rs.
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
(ii) 22-Oct-07	-	-	-	-	462
(iii) 29-Apr-10	-	-	-	-	695
(iv) 8-Nov-10	-	-	-	-	1,411
(v) 6-May-11	-	-	-	-	1,162
(vi) 11-Feb-12	-	-	-	-	1,770
(vii) 16-Dec-13	668	2,334	4.71	5.71	4,915
(viii) 11-Aug-14	8,270	12,170	5.37	6.37	8,478
(ix) 12-Nov-14	1,230	1,600	5.62	6.62	12,994
(x) 12-Jan-15	-	-	5.79	6.79	14,739
(xi) 12-Jan-15	7,930	13,930	5.79	6.79	14,739
(xii) 20-Mar-15	1,000	1,500	5.98	6.98	16,112
(xiii) 8-May-15	34,465	48,450	6.11	7.11	14,807
(xiv) 21-Jul-15	6,290	6,590	6.31	7.31	21,248
(xv) 6-Nov-15	7,500	7,800	6.61	7.61	17,678
(xvi) 5-Feb-16	2,100	2,100	6.85	7.85	16,894
(xvii) 27-Apr-16	1,200	2,400	7.08	8.08	20,148
(xviii) 28-Jul-16	2,100	2,100	7.33	8.33	20,340
(xix) 28-Oct-16	3,000	3,000	7.58	8.58	24,492
(xx) 1-Feb-17	-	1,800	7.84	8.84	23,028
(xxi) 27-Mar-17	2,000	3,500	7.99	8.99	24,350
(xxii) 9-Aug-17	1,350	1,350	8.36	9.36	32,121
(xxiii) 14-Nov-17	1,500	1,500	8.63	9.63	30,585
(xxiv) 7-Feb-18	2,100	2,100	8.86	9.86	27,579
(xxv) 2-Apr-18	4,500	-	9.01	-	28,373
(xxvi) 9-May-18	1,250	-	9.11	-	30,427
(xxvii) 9-Aug-18	2,400	-	9.36	-	27,594
(xxviii) 12-Nov-18	2,800	-	9.62	-	22,496
(xxix) 11-Feb-19	1,250	-	9.87	-	20,848
	94,903	1,14,224			

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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 recognize as expense aggregate to Rs. 48.69 crores (March 31, 2018 : Rs. 39.60 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, 2019	As at March 31, 2018
Not later than one year	11.71	4.68
Later than one year and not later than five years	17.21	4.12

(B) Assets given on lease:

The group has given assets under operating lease agreement to its joint venture company "Eicher Polaris Private Limited". The total lease rental recognize as income aggregate to Rs. 0.26 crores (March 31, 2018 : Rs. 2.92 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, 2019	As at March 31, 2018
Not later than one year	-	0.26
Later than one year and not later than five years	-	-
Later than five years	-	-

Note : Lease agreement with Eicher Polaris Private Limited has been terminated with effect from April 30, 2018.

49. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Gross amount required to be spent	45.39	30.85
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	44.28	29.80
(c) Administrative expenses	1.11	1.05

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50. 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, 2019		Share of profit or loss For the year ended March 31, 2019	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	79.10%	7,054.62	91.00%	2,004.29
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-0.68%	(60.57)	-0.96%	(21.04)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	-0.31%	(27.80)	-0.87%	(19.24)
3. Royal Enfield (Thailand) Limited	0.18%	16.07	-0.10%	(2.16)
Joint Ventures(investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	21.71%	1,936.40	11.73%	258.40
2. Eicher Polaris private Limited	-	-	-0.80%	(17.52)

Name of the entity	Share of other comprehensive income For the year ended March 31, 2019		Share of total comprehensive income For the year ended March 31, 2019	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	93.15%	(5.77)	90.99%	1,998.52
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	22.25%	(1.38)	-1.02%	(22.42)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	-19.42%	1.20	-0.82%	(18.04)
3. Royal Enfield (Thailand) Limited	2.88%	(0.18)	-0.11%	(2.34)
Joint Ventures(investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	1.14%	(0.07)	11.76%	258.33
2. Eicher Polaris private Limited	-	-	-0.80%	(17.52)

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Name of the entity	Share of net assets As at March 31, 2018		Share of profit or loss For the year ended March 31, 2018	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	75.70%	5,321.50	100.66%	1,972.46
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-0.53%	(37.37)	-1.77%	(34.69)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	-0.15%	(10.45)	-0.75%	(14.61)
Joint Ventures(investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	24.98%	1,756.39	13.09%	256.56
2. Eicher Polaris Private Limited	-	-	-11.23%	(220.05)

Name of the entity	Share of other comprehensive income For the year ended March 31, 2018		Share of total comprehensive income For the year ended March 31, 2018	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	108.91%	10.86	100.69%	1,983.32
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-0.09%	(0.01)	-1.76%	(34.70)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	0.67%	0.07	-0.74%	(14.54)
Joint Ventures(investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	-9.49%	(0.95)	12.98%	255.61
2. Eicher Polaris Private Limited	-	-	-11.17%	(220.05)

51. Previous year's figures have been recast/regrouped, wherever necessary to conform with the current period's presentation.

52. 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). EML holds 54.4% in VECVL, however, 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 is considered as joint venture instead of a subsidiary company for EML.

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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 do not have control over specific rights and obligations rather they have joint control over the net assets.

Recoverability of intangible assets and intangible assets under development

The Group has various internally generated intangible assets either capitalised or under development. Initial recognition of the expenditure under these assets are based on assessing each asset in relation to the specific recognition criteria to be met for capitalisation, for e.g. technological and economic feasibility and the ability of the asset to generate economic benefits in the future. In addition, the management also assesses any indications of impairment of the carrying value of the assets. This requires the management's judgement and assumptions, which are affected by future market or economic developments. The management has analysed the recognition criteria and future market conditions and is confident that these assets do not require any adjustments to their carrying value at the year end.

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 recognized 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 period. As at March 31, 2019 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.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 47.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

53. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e.,

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leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from April 01, 2019. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Consolidated Financial Statements.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- ♦ Whether an entity considers uncertain tax treatments separately
- ♦ The assumptions an entity makes about the examination of tax treatments by taxation authorities
- ♦ How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- ♦ How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after April 01, 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. However, the Group does not foresee a material impact on account of the same.

54. EVENTS AFTER THE REPORTING PERIOD

The Board of directors at their meeting held on May 10, 2019, considered and recommended a final dividend aggregating Rs. 341.03 crores @ Rs. 125 per share (nominal value Rs. 10 per share) for the financial year 2018-19 (final dividend paid for March 31, 2018 : Rs. 299.93 crores @ Rs. 110 per share).

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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

per Sanjay Vij
Partner
Membership No : 095169

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Vinod K. Dasari
Whole-time Director &
CEO of Royal Enfield
DIN: 00345657

Siddhartha Lal
Managing Director
DIN: 00037645

Inder Mohan Singh
Director
DIN: 07114750

Manvi Sinha
Director
DIN: 07038675

Vinod Aggarwal
Director
DIN: 00038906

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram
Date: May 10, 2019

Place: Gurugram
Date: May 10, 2019

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OVERVIEW OF PERFORMANCE

**VE COMMERCIAL
VEHICLES LIMITED**

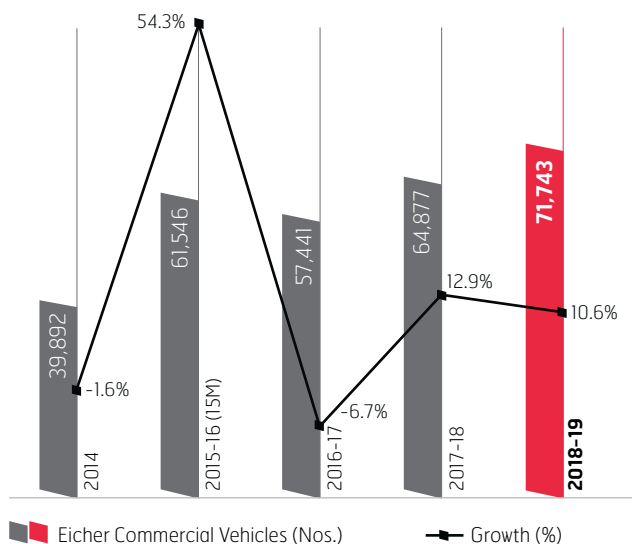
A SUBSIDIARY OF THE COMPANY



PERFORMANCE HIGHLIGHTS

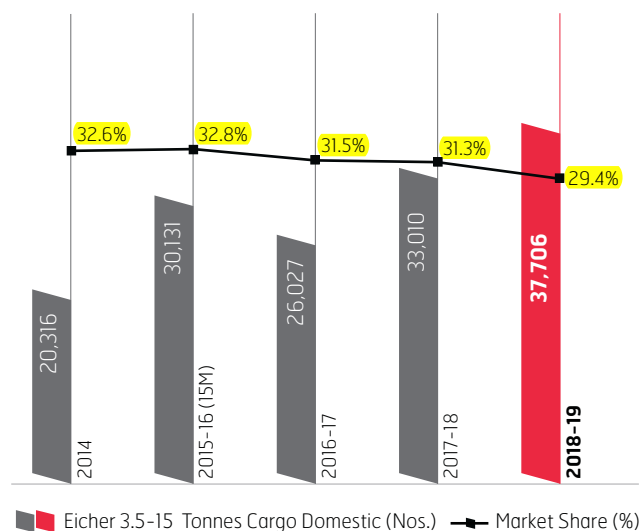
OF VE COMMERCIAL VEHICLES LIMITED

Chart 1 // Eicher Commercial Vehicles and Growth



Note: Volvo Trucks (Domestic) volume shown separately in Chart 6

Chart 2 // Eicher 3.5-15 Tonne Cargo Domestic and Market Share



*In 2015-16, the industry volume for 3.5-ST segment has been considered for the period when VECV commenced sales in this segment.

Chart 3 // Eicher 16 Tonne and above Cargo Domestic and Market Share

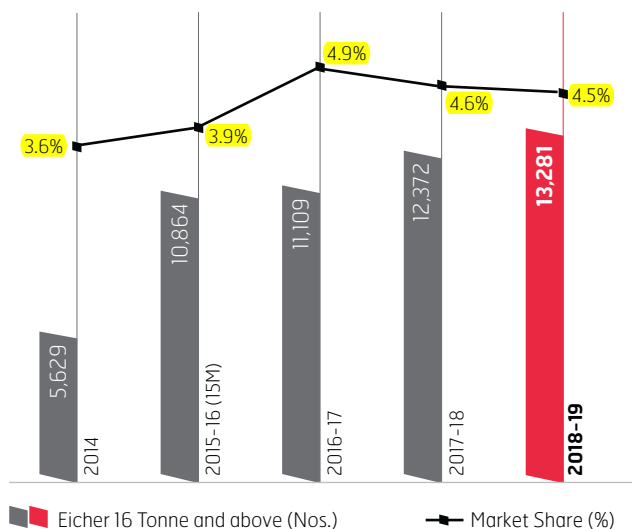


Chart 4 // Eicher Exports: Cargo/Buses and Growth

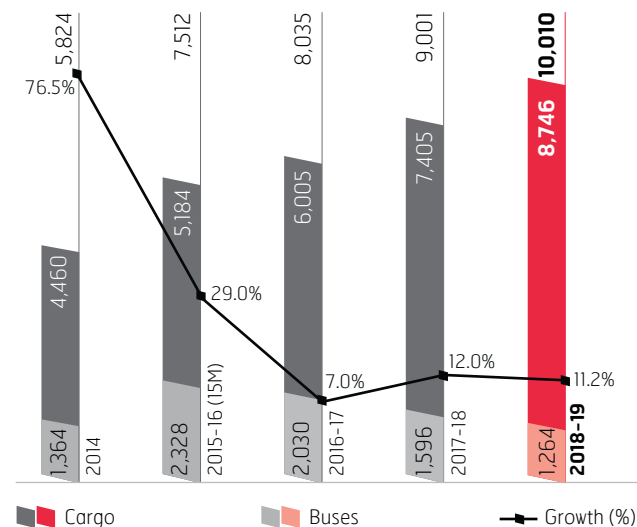


Chart 5 // Eicher Buses Domestic and Market Share

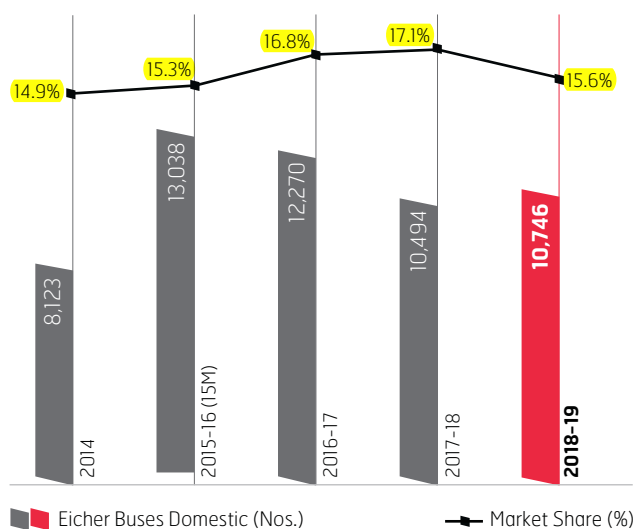


Chart 6 // Volvo Trucks Domestic and Growth

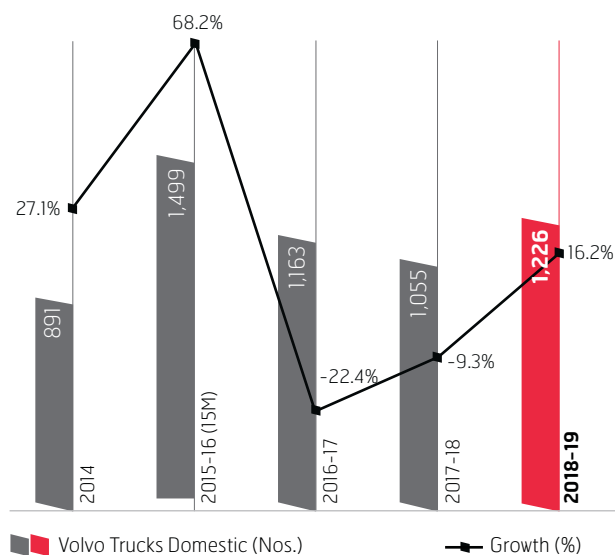


Chart 7 // Net Revenue from operations and Total Comprehensive Income (Consolidated)

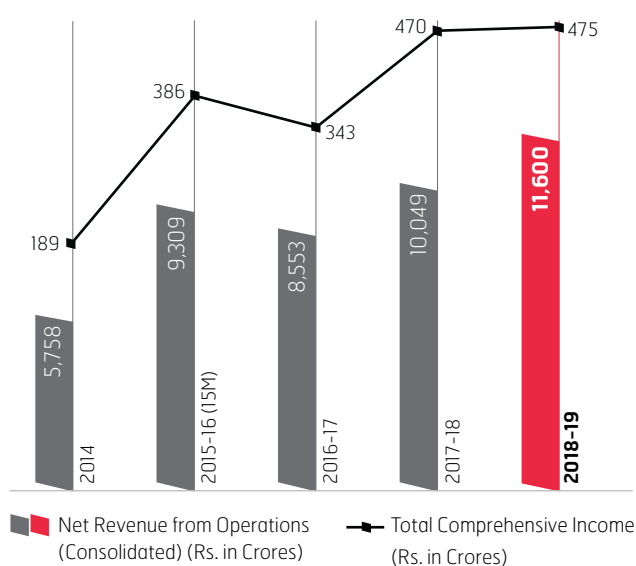
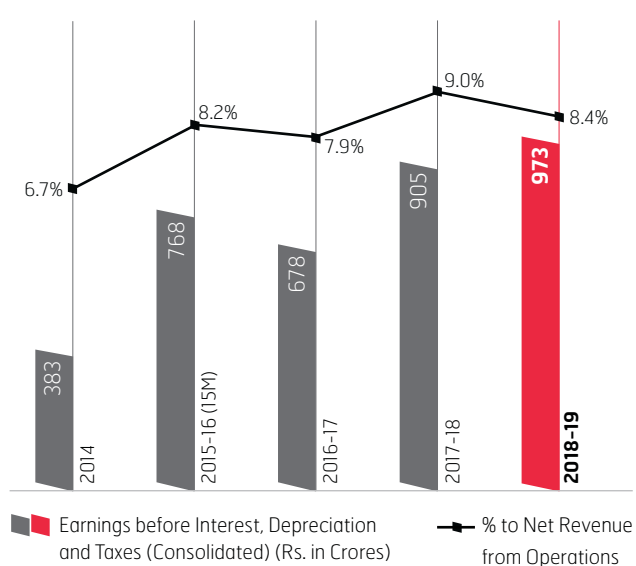


Chart 8 // Earnings before Interest, Depreciation and Taxes and percentage to Net Revenue from Operations (Consolidated)



BUSINESS HIGHLIGHTS AND FUTURE PROSPECTS



BRIEF DESCRIPTION OF THE STATE OF COMPANY'S AFFAIRS

The financial year 2018-19 started on a promising note but also threw some challenges due to sudden new axle load norms and NBFC crises which adversely impacted sales in 2nd half of the year. With an all-time high volume of 72,969 trucks and buses, the company did well by growing at 10.7% as compared to 65,932 of last year.

In the domestic market, the company sold 62,959 vehicles, a growth of 10.6% over previous year. The company has achieved highest ever volumes in multiple categories in the year with sales of 14,507 Heavy Duty Trucks, 37,706 LMD trucks, 9,846 LMD Buses and 10,010 vehicles in Exports. The company also did well in HD Buses sales of 900 units in domestic market.

During the year under review, the Company won several prestigious awards. Some of these are as follows:

- At EPC World Awards 2019, VECV got "Outstanding Company in Commercial Vehicles" award
- At the Apollo CV awards 2019, VECV bagged 4 prestigious awards viz., "CV Man of the year given to Vinod Aggarwal, MD & CEO, VECV, "HCV Tractor of the year for Eicher Pro 8049 (6 x 4), "LCV Cargo Carrier of the year for Eicher Pro 1059XP (16-feet)" and "HCV Tipper of the year for Volvo FM380 (8 x 4)"
- VECV won "Best Risk Management Framework and System Automotive and Auto Ancillary" award by ICICI Lombard and CNBC TV-18
- VECV also bagged Making of Developed India Awards (Brand Excellence) by ET Now for "Brand Excellence in Automobile Sector" and "Best use of Social Media in Marketing – Eicher Nayi Soch"
- VECV also won the "CII National HR Excellence Award 2018".

VECV bagged multiple awards at "Global Awards for Retail Excellence in Auto Marketing" by ET Now as follows:

- a. Best MCV Tipper of the year – Eicher Pro 6025T
- b. Best ICV Cargo Carrier of the year – Eicher Pro 3014 - Super truck
- c. Best MCV Cargo of the year – Eicher Pro 3016 - AMT
- d. Best Tractor Cargo of the year – Eicher Pro6055
- e. Best Social Media Campaign – HaHa Highways
- f. Best Marketing Campaign of the year – Eicher Nayi Soch

VECV won "Most Preferred Brand by Construction & Real Estate – Heavy Vehicles (trucks)" by Times Network

VECV bagged 4 awards at "Talent Management and Leadership Awards" by ET Now for

- a. Best Talent Management Strategy
- b. National Best Employer Brand 2018
- c. Talent Management Award at Dream Companies to work for
- d. 101 HR Super Achievers (India)

VECV got "Brand Excellence Award in Commercial Vehicles" and "Best use of Social Media in Marketing" at Brand Excellence Awards by ABP

BUSINESSES, MARKET AND FUTURE PROSPECTS

Eicher Trucks and Buses (ETB)

Eicher Trucks and Buses (ETB) has achieved highest ever sales of 71,743 units in the financial year 2018-19 as compared to 64,877 units in the financial year 2017-18, with a growth of 10.6%. In domestic CV market, ETB has recorded sales of 61,733 units in FY 18-19 as compared to 55,876 units, representing growth of 10.5%. On the exports front, ETB has recorded highest ever sales of 10,010 units as compared to 9,001 units, with a growth of 11.2%.

LMD trucks (3.5 – 15T) market share declined from 31.3% to 29.4% in FY 18-19, HD trucks market share saw a marginal drop from 4.6% to 4.5%. In Bus segment, LMD buses improved its market share from 19.8% to 20.7% and with increased focus

in HD bus retail market, the volume reached from 50 to 75 buses per month consistently.

ETB plant is continuing its journey to become a world class CV manufacturer in India. Continuous efforts are being made to adopt Volvo Production System (VPS) across the plant. There is continuous focus on quality improvement through technology adoption and automation. To meet market demand, plant capacity has been increased to 90,000 per annum. New facilities for Body shop - Pro 2000, Pro 8000 and BSVI are installed and commissioned successfully and BSVI project reached to industrialization phase at Pithampur plant.

Bhopal Plant

To enhance overall ETB capacity from 90,000 to 1,30,000, Bhopal project kicked off in October 2018. Project work is going on in full swing. All efforts are being made to meet stringent deadline of phase 1. Land development for industrial shed and building foundation work is on track. Excavation and footing completed for engine assembly and utility building. Overall progress is on track.

Volvo Trucks India (VTI)

Total industry volume in financial year 2018-19 registered a strong growth of 26.5% in the high end premium HD Truck segment as compared to financial year 2017-18. The industry volume grew from 1,199 units last financial year 17-18 to 1,517 units in financial year 2018-19. VTI sold 1,226 trucks in financial year 2018-19, which is a growth of 16.2% as compared to 1,055 units sold in financial year 2017-18. VTI continues to maintain a strong leadership position in the market with 80.8% market share. Under the newly constituted construction and infra segment VTI clocked 117 units sale for financial year 2018-19 and crossed 250 trucks sale since inception.

Market continues to support VTI's growth ambitions as coal continues to be chief source of electricity with ~80% share in generation.

Volumes in financial year 2019-20 are expected to reach higher levels of growth with CIL taking up a target of ~700 MT of coal production and a greater number of captive coal blocks becoming active, though, uncertainties regarding retail finance and new government formation prevail in the first quarter. The new construction tipper [FM380] will enable VTI to make further inroads into segments like irrigation and road construction.

Eicher Engineering Components (EEC)

The year under review witnessed exports business doubled in last 3 years. During the year under review, EEC received awards from Key Global OEM customers for excellence in Quality, Delivery, New Product Development and Capacity Ramp up. Customer relationship management was also one of the key drivers to receive these awards.

The company is anticipating continued growth in business with the key OEM customers through increased share of business, acquisition of new customers and new businesses, introduction

of new parts and assemblies, focus on productivity improvement, cost and working capital management and meeting the increased requirements of domestic and global OEM customers.

VE Powertrain (VEPT)

VEPT has sold 39,827 engines in the financial year 2018-19 against 34,805 engines in the financial year 2017-18, thus registering a growth of 14.4%. 1,36,000+ engines have been delivered to customers since inception. **VEPT aims to be best partner and preferred supplier of Medium Duty engines and powertrain assemblies to Volvo Group.**

The financial year 2019-20 is likely to witness further growth in sales of engines. Main growth driver will be increase in supplies of CBU engines for Eicher brand vehicles and UD brand vehicles in Thailand (Eu3 applications). With migration to BSVI emission, relentless cost reduction programs and high focus on increased flexibility and agility of the supply chain, VEPT aims to cater all customer requirements most efficiently.

Bus Body and Application Manufacturing Plant (Bus Body Plant)

Bus Body plant volume has grown by 30.2 % to 7,298 buses during the financial year 2018-19 as against 5,605 buses during the financial year 2017-18 which is the highest ever volume rolled out. This includes 826 buses supplied through a new initiative of mass customization which has been well accepted in the market. The relentless strategy to focus on in-house process cost reduction over last 2 years has started yielding results.

With the Middle East market opening, the new LHD 2015 bus and the Pro LHD Bus in the pipe line, Bus Body Plant will be in a stronger position to deliver higher exports volume in the coming years. To enhance Bus quality, a new improvement program called 'Uptime Initiative' has been started for improvements in parts, process, irritant and quality impression in the field. Development of electric buses has been started and batch production is expected to start in the first quarter of financial year 2019-20.

International Business

The company recorded the highest ever exports of 10,010 Eicher Branded vehicles during the financial year 2018-19 as against 9,001 vehicles in financial year 2017-18 representing a growth of 11.2%. This has largely been driven by continued strong performance in South Asia and foray into ASEAN region. This was also supplemented by spare part sales growth of 31% over last year supported by retail network expansion which now stands at over 500 touch points across target markets.

The new generation trucks of Pro 3000 and Pro 6000 series have been introduced in several new markets with extremely good customer feedback and increasing the addressable space in the industry hitherto dominated by Japanese trucks.

The year also saw successful execution of 1st ever EXIM tender of 350 units of HD trucks to Bangladesh for Bangladesh Road Transport Corporation (BRTC).

CONSOLIDATED BALANCE SHEET

VE COMMERCIAL VEHICLES LIMITED AS AT MARCH 31, 2019

Particulars	(Rs. in Crores)	
	As at March 31, 2019	As at March 31, 2018
ASSETS		
Non-current assets		
(a) Property, plant and equipment	1,674.72	1,606.99
(b) Capital work-in-progress	288.97	96.45
(c) Intangible assets	493.71	520.83
(d) Intangible assets under development	366.64	238.72
(e) Financial assets		
(i) Investments	0.14	0.05
(ii) Trade receivables	-	1.97
(iii) Loans	2.01	2.17
(iv) Other financial assets	33.64	34.43
(f) Other assets	233.72	203.26
Total non-current assets	3,093.55	2,704.87
Current assets		
(a) Inventories	1,285.77	948.99
(b) Financial assets		
(i) Trade receivables	1,264.48	1,392.47
(ii) Cash and cash equivalents	726.90	345.22
(iii) Bank balances other than (ii) above	994.98	1,265.51
(iv) Loans	3.67	1.52
(v) Other financial assets	237.12	190.56
(c) Other assets	183.66	169.06
Total current assets	4,696.58	4,313.33
Total assets	7,790.13	7,018.20
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	10.00	10.00
(b) Other equity	3,563.38	3,233.18
Total equity	3,573.38	3,243.18
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	7.06	6.42
(b) Provisions	124.29	160.81
(c) Deferred tax liabilities (net)	83.25	42.52
(d) Other liabilities	3.92	1.42
Total non-current liabilities	218.52	211.17
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	295.89	258.74
(ii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	102.06	79.55
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,904.19	2,594.33
(iii) Other financial liabilities	301.76	265.08
(b) Provisions	94.75	91.01
(c) Income tax liabilities (net)	26.51	19.07
(d) Other liabilities	273.07	256.07
Total current liabilities	3,998.23	3,563.85
Total liabilities	4,216.75	3,775.02
Total equity and liabilities	7,790.13	7,018.20

Note: Consolidated financial statement represents financial statements of VE Commercial Vehicles Limited and its Subsidiaries, viz, VECV Lanka (Private) Limited and VECV South Africa (PTY) Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Crores)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME		
Revenue from operations	11,599.94	10,223.34
Other income	97.37	82.66
Total Income	11,697.31	10,306.00
EXPENSES		
Cost of raw materials consumed	7,721.72	6,328.27
Purchases of stock-in-trade	1,467.21	1,324.16
Change in inventories of finished goods, work-in-progress and stock-in-trade	(387.05)	(127.40)
Excise duty on sale of goods	-	173.98
Employee benefits expenses	776.67	688.52
Finance costs	22.29	16.25
Depreciation and amortisation expenses	374.04	322.52
Other expenses	1,048.80	930.32
Total expenses	11,023.68	9,656.62
Profit before tax	673.63	649.38
Tax expense		
Current tax	160.41	151.88
Tax adjustment relating to earlier years	(2.57)	(7.28)
Deferred tax charge/(benefit)	40.79	33.16
Total tax expense	198.63	177.76
Profit for the year	475.00	471.62
Other comprehensive income		
Items that will not be reclassified to profit or loss:-		
Re-measurement losses on defined benefit plans	(1.61)	(2.26)
Income tax benefit	0.56	0.78
Net other comprehensive income not to be reclassified to profit or loss	(1.05)	(1.48)
Items that may be reclassified to profit or loss:-		
Exchange differences in translating the financial statements of foreign operations	1.42	(0.39)
Income tax effect	(0.50)	0.13
	0.92	(0.26)
Net other comprehensive income not to be reclassified to profit or loss	(0.13)	(1.74)
Total Comprehensive income for the year, net of tax	474.87	469.88
Earnings per share (of Rs. 10 each) in Rs.		
Basic/diluted	475.00	471.62

CONSOLIDATED CASH FLOW STATEMENT

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Crores)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	475.00	471.62
Adjustments for:		
Current tax	160.41	151.88
Tax adjustment relating to earlier years	(2.17)	(7.28)
Deferred tax charge	40.39	33.16
Depreciation and amortisation expenses	374.04	322.52
Property, plant and equipment and intangible assets discarded	2.63	6.64
Loss on sale of property, plant and equipment	1.52	2.60
Exchange differences in translating the financial statements of foreign operations	1.42	(0.39)
Re-measurement losses on defined benefit plans	(1.61)	(2.26)
Interest income	(81.89)	(69.19)
Finance costs	22.29	16.25
Operating profit before changes in working capital	992.03	925.55
Changes in working capital:		
Adjustments for (increase) / decrease assets:		
Non-current		
Trade receivables	1.97	6.93
Loans	0.16	(0.26)
Other financial assets	(2.18)	(0.85)
Other assets	10.80	(19.22)
Current		
Inventories	(336.78)	(286.22)
Trade receivables	127.99	(362.86)
Loans	(2.15)	4.17
Other financial assets	(51.32)	(50.78)
Other assets	(14.60)	112.86
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	0.64	(0.03)
Provisions	(36.52)	36.19
Other liabilities	2.50	(36.12)
Current		
Trade payables	332.37	757.57
Provisions	3.74	5.16
Other financial liabilities	(35.74)	52.22
Other liabilities	17.00	63.23
Cash generated from operating activities	1,009.91	1,207.54
Income taxes paid	(150.40)	(136.04)
Net cash flow from operating activities (A)	859.51	1,071.50

CONSOLIDATED CASH FLOW STATEMENT

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Crores)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(716.33)	(504.02)
Sale of fixed assets	8.25	6.77
Investment in fixed deposits	273.50	(517.85)
Investment in equity shares of non-subsidiary companies	(0.09)	-
Interest received	86.65	53.89
Net cash flow from investing activities (B)	(348.02)	(961.21)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in short-term borrowings (net)	37.15	54.74
Interest paid	(22.29)	(16.25)
Dividend paid	(120.00)	(95.00)
Tax on dividend	(24.67)	(19.34)
Net cash flow from financing activities (C)	(129.81)	(75.85)
Net Increase in cash and cash equivalents (A)+(B)+(C)	381.68	34.44
Cash and cash equivalents at the beginning of the year	345.22	310.78
Cash and cash equivalents at the end of the year	726.90	345.22

(Rs. in Crores)		
Particulars	As at March 31, 2019	As at March 31, 2018
Components of cash and cash equivalents		
Cash on hand	0.22	0.11
Cheques/drafts on hand	37.94	34.67
Balances with banks:		
In current accounts	130.72	45.44
In deposit accounts	558.02	265.00
Total cash and cash equivalents (refer note no. 15)	726.90	345.22

NOTICE OF 37TH (THIRTY SEVENTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 37th (Thirty Seventh) Annual General Meeting of the members of Eicher Motors Limited is scheduled to be held on Thursday, August 1, 2019 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003 at 10:00 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 125/- per equity share for the financial year ended March 31, 2019.
3. To appoint Mr. Siddhartha Lal, who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS:

4. **To consider and ratify remuneration of Cost Auditor payable for the financial year 2018-19:**

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 remuneration payable to Mr. V Kalyanaraman, Cost Accountant (Membership No. 778), appointed by the Board of Directors as Cost Auditor of the Company to conduct audit of the relevant cost records of the Company for the financial year 2018-19, amounting to Rs. 2,50,000 (Rupees two lacs fifty thousand only), plus tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby ratified and confirmed.”

5. **To appoint Mr. Vinod Kumar Dasari as Whole-time Director of the Company and determine his remuneration:**

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 Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any

statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Vinod Kumar Dasari (DIN: 00345657), who was appointed as an Additional Director (Whole-time) by the Board in terms of Section 161 of the Act with effect from April 1, 2019 and who holds office up to the conclusion of this Annual General Meeting and being eligible and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director on the Board of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to any other approval that may be required, approval of the members be and is hereby accorded for appointment of Mr. Vinod Kumar Dasari (DIN: 00345657) as Whole-time Director of the Company, not liable to retire by rotation, for a period of 5 (five) years with effect from April 1, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the remuneration to be paid to Mr. Vinod Kumar Dasari (DIN: 00345657) in the capacity of Whole-time Director of the Company during his current term of appointment of 5 years (until March 31, 2024) on the recommendations of Nomination & Remuneration Committee of the Company, provided the total remuneration payable to Mr. Vinod Kumar Dasari for any financial year shall not exceed three percent (3%) of the net profits of the Company calculated in the manner provided under Section 197 read with Section 198 and subject to other provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof).

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. To appoint Mr. Inder Mohan Singh as an Independent Director 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 Sections 149 and 152 read with other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Inder Mohan Singh (DIN: 07114750), who was appointed as an Additional Director (Independent) by the Board in terms of Section 161 of the Act with effect from November 12, 2018 and who holds office up to the conclusion of this Annual General Meeting and being eligible and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company, to hold office for a period of 5 (five) consecutive years with effect from November 12, 2018.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

7. To appoint Mr. Vinod Kumar Aggarwal as Non-executive Director 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 Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Vinod Kumar Aggarwal (DIN: 00038906), who was appointed as an Additional Director (Non-Executive, Non-Independent) by the Board in terms of Section 161 of the Act with effect from April 1, 2019 and who holds office up to the conclusion of this Annual General Meeting and being eligible and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Non-Executive Director on the Board of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from April 1, 2019.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

8. To consider and approve payment of remuneration by way of commission to Directors, other than Managing Director(s) and Whole Time Director(s) of the Company:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the Company be and is hereby accorded for payment of remuneration by way of commission not exceeding in aggregate one percent of the annual net profits of the Company for each financial year, computed in the manner laid down in the said Section 198 or any other applicable provisions of the Companies Act, 2013, to the Non-Executive Directors, (other than the Managing Director(s) and Whole-time Director(s) of the Company), or some or any of them in such proportion and in such manner as may be determined by the Board of Directors.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fees payable to the Non-Executive Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

9. To consider and approve payment of remuneration to Mr. S. Sandilya, Chairman (Non-Executive & Independent Director) for the financial year 2018-19, which may exceed fifty per cent of the total remuneration payable to all the Non-Executive Directors of the Company:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 17(6) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment(s) thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013, approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. S. Sandilya (DIN: 00037542), Chairman (Non-Executive and Independent Director), for the financial year 2018-19, exceeding fifty per cent of the total remuneration that may be payable to all Non-Executive Directors of the Company for the financial year 2018-19.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

10. To approve and adopt Eicher Motors Limited's Restricted Stock Unit Plan 2019

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with circulars, notifications issued thereunder (hereinafter referred as “SEBI SBEB Regulations”), and in accordance with the Memorandum of Association and the Articles of Association of the Company, subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed pursuant to such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the introduction of ‘Eicher Motors Limited - Restricted Stock Unit Plan 2019’ (“RSU 2019” or “Plan”) authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, pursuant to Regulation 5 of SEBI SBEB Regulations) to formulate a RSU 2019 and to create, issue and grant, not exceeding 1% of the paid-up equity shares of the Company, from time to time, restricted stock units (“RSUs”) in the nature of employee stock options thereunder, in one or more tranches, from time to time, to the eligible employees including Directors of the Company whether whole-time or not, which upon exercise shall result in one new equity share to be issued by the Company not exceeding in aggregate 1% of the paid-up equity shares of the

Company, from time to time, of face value of Rs. 10 each fully paid-up, subject to such terms and conditions as may be determined in accordance with the provisions of the applicable laws including SEBI SBEB Regulations and the provisions of the RSU 2019 as applicable from time to time.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company and that the Board/ Nomination and Remuneration Committee be and is hereby authorised to take requisite steps for listing of the equity shares allotted under RSU 2019 on the Stock Exchange(s) where the equity shares of the Company are listed.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger, demerger, sale of division/ undertaking, or other reorganisation, the ceiling as regards number of RSUs that can be issued, number of RSUs and their exercise price in relation with each grantee, face value and number of equity shares to be issued and allotted upon exercise of RSUs shall be adjusted to facilitate making a fair and reasonable adjustment as determined by the Board/ Nomination and Remuneration Committee as per provisions of SEBI SBEB Regulations.

RESOLVED FURTHER THAT in case the face value of equity shares of the Company is either sub-divided or consolidated, then the ceiling as aforesaid of RSUs and equity shares respectively to be issued and allotted, and to the extent allowed, exercise price payable by the grantees under the RSU 2019 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10 (Rupees ten only) per equity share bears to the revised face value of the equity shares of the Company after such consolidation or sub-division, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board/ Nomination and Remuneration Committee be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the RSU 2019 subject to the compliance with the provisions of the applicable laws and with prior approval of the members of the Company to the extent required under SEBI SBEB Regulation and to do all such acts, deeds, matters and things as may at its discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the RSU 2019 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the the Board/ Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, and other advisors, consultants or representatives, being incidental to the effective implementation and administration of RSU 2019, as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the Securities and Exchange Board of India/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

11. To approve extension of benefits of Eicher Motors Limited's Restricted Stock Unit Plan 2019 to the employees of subsidiary company(ies)

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as **Special Resolution:**

"RESOLVED THAT, pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and Regulation 6(3) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with circulars, notifications issued thereunder (hereinafter referred as "SEBI SBEB Regulations"), and in accordance with the Memorandum of Association and the Articles of Association of the Company and subject to approval of the 'Eicher Motors Limited - Restricted Stock Unit Plan 2019' ("RSU 2019" or "Plan"), approval of the Company be and is hereby accorded for authorising the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, pursuant to Regulation 5 of SEBI SBEB Regulations)

to create, issue and grant such number of restricted stock units ("RSUs") in the nature of employee stock options under the Plan, in one or more tranches, from time to time, to the eligible employees including Directors whether whole-time or not of the subsidiary company(ies) of the Company, whether in or outside India, within the overall and individual limits of the Plan as amended from time to time, where one RSU upon exercise shall entitle the grantee to one equity share of face value of Rs. 10 each fully paid-up to be issued by the Company, subject to such terms and conditions as may be determined in accordance with the provisions of the applicable laws including SEBI SBEB Regulations and the provisions of the RSU 2019 as prevail from time to time.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company."

RESOLVED FURTHER THAT the Board/ Nomination and Remuneration Committee shall have the same rights, duties, authority and powers as to administration, accounting, disclosure and other compliances in the connection with RSUs granted to any eligible employee/ director of its subsidiary company(ies) as contemplated in the resolutions seeking approval of the RSU 2019."

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary

Place: Gurugram, Haryana

Membership No. FCS 5564

Date: May 10, 2019

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: 0124-4415600

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 Businesses to be transacted at the meeting, is annexed herewith.
2. Appointment of Director:
Brief resume of the Director proposed to be re-appointed (item No. 3 of the Notice) is given hereunder:

Name	Mr. Siddhartha Lal
DIN No.:	00037645
Age	45 Years
Qualification	Mr. Siddhartha Lal is Graduate in Economics from St. Stephens College, Delhi University, holds Post-Graduate Diploma in Mechanical Engineering from Cranfield University, UK and a Masters of Science in Automotive Engineering from the University of Leeds, UK.
Experience (including expertise in specific functional area)/Brief Resume	Mr. Siddhartha Lal possess vast experience in Automobile industry. Please refer Company's website: www.eichermotors.com for detailed profile.
Date of first appointment on the Board	May 1, 2006
Directorships held in other companies (as per Section 165 of the Companies Act 2013, excluding private and Section 8 companies)	VE Commercial Vehicles Limited
Memberships/ Chairmanships of committees of other public companies [in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]	None
Number of Equity Shares held in the Company	Mr. Siddhartha Lal holds 2,94,694 (1.08%) equity shares in the Company. He is part of Promoter & Promoter Group of the Company which in aggregate holds 1,34,56,427 equity shares in the Company constituting 49.32% of Company's total equity share capital.
Relationship between Directors and other KMPs inter-se	None
Number of meetings of the Board attended during the last financial year	Mr. Siddhartha Lal attended 5 (Five) out of 5 (Five) Board Meetings held during the financial year 2018-19.
Remuneration last drawn	For remuneration details, please refer to Annexure 5 to the Board's Report and Corporate Governance Report
Remuneration proposed to be paid	As per existing terms and conditions
Terms and conditions of Appointment/Re-appointment	Mr. Siddhartha Lal was appointed as Managing Director of the Company for a period of 5 (five) years w.e.f. May 1, 2016 on the terms and conditions including remuneration, as approved by the shareholders at their Annual General Meetings held on June 18, 2016 and August 8, 2017.

In terms of Section 152 of the Companies Act, 2013, Mr. Siddhartha Lal, Managing Director, retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommend his re-appointment. Mr. Siddhartha Lal is interested in the business item no. 3 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under business item no. 3 of the Notice.

3. 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.

4. 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.

5. Corporates/ other entities intending to send their respective authorized representative are requested to issue appropriate resolutions/authority, as applicable, authorizing such representative to attend and vote at the Annual General Meeting.

6. 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 July 26, 2019 to August 1, 2019 (both days inclusive).

7. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed July 25, 2019 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.

8. 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 dematerialized 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 July 25, 2019;

- 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 properly lodged with the Company on or before the close of business hours on July 25, 2019.

9. 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.

10. a) 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 Authority (IEPF Authority), constituted by the Central Government. The Company had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to financial year 2011 (January – December) to the IEPF Authority within the stipulated time period.

Members who have not encashed their dividend warrants for the financial year 2012 (January – December) and onwards are advised to write to the Registrar immediately for claiming dividends declared by the Company.

- b) As at March 31, 2019, the Company has transferred 1,88,467 (0.69%) equity shares of Rs. 10 each of the Company on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, belonging to 2,522 shareholders, to the Investor Education and Protection Fund Authority within the specified time pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("the Rules"). The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

Any person whose share(s)/ unpaid dividend has been transferred to the IEPF Authority may claim the share(s)/ dividend from the IEPF Authority pursuant to the said Act and the Rules by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in. Simultaneously, claimant shall be required to submit a copy of Form IEPF-5 submitted with IEPF Authority duly signed and accompanied by all requisite documents to the Company at its registered office address at 3rd floor, Select Citywalk, A-3 District Centre, Saket, New Delhi- 110017, in an envelope marked as "Claim for refund from IEPF Authority" for verification. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. Shareholders are requested to go through the provisions of said Act and the Rules and also the information provided on the website www.iepf.gov.in. Shareholders may also write to the Company or Company's Registrar for any further information/clarification in this regard.

11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address 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 Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058. 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.
12. The Securities and Exchange Board of India (SEBI) vide its Circular dated April 20, 2018 has mandated the submission of Permanent Account Number (PAN) and Bank account details 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 and Bank account details to the Registrar & Share Transfer Agent of the Company along with folio details.
13. Annual Report for the financial year 2018-19 along with the Notice of the 37th 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 2018-19 along with Notice of the 37th 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 20 below.
14. Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for the financial year 2018-19 is available on the Company's website www.eichermotors.com, 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.
15. 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.
16. Guidelines for attending the ensuing Annual General Meeting of the Company:
 - a. Entry to the AGM Auditorium will be strictly against entry coupon which will be issued at the attendance counters at the venue and against the exchange of duly filled in, signed and valid attendance slip. The shareholder/ proxy will be required to show a valid original photo identity proof such as PAN Card, Passport, Driving License etc. at the attendance counter.
 - b. Any briefcase/bags/eatables or such other articles as may be ordered by the authorities are not allowed inside the AGM Auditorium.
17. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the Company between 11:00 AM and 5:00 PM on all working day (Monday-Friday) up to the date of AGM.
18. 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, Team 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.
19. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which directors are interested under Section 189, copies of draft letter of appointment of Non-Executive Directors and any other document referred in the notice of the Annual General Meeting 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 available for inspection at the meeting.

20. 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 37th 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 July 29, 2019 (9:00 am) and ends on July 31, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 25, 2019, 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 a 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:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:
 - (a) For Members who hold shares in demat account with NSDL.
8 Character DP ID followed by 8 Digit Client ID
For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
 - (b) For Members who hold shares in demat account with CDSL.
16 Digit Beneficiary ID
For example if your Beneficiary ID is 12***** then your user ID is 12*****.
 - (c) For Members holding shares in Physical Form.
EVEN Number followed by Folio Number registered with the company.
For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password'. The system will ask you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you by NSDL on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a ".pdf file". Open the ".pdf file". The password to open the ".pdf file" is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The ".pdf file" contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address by the Company.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Eicher Motors Limited.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vijaygupta.vkgn@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
4. The voting rights of members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of July 25, 2019.
5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 25, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in and investors@eichermotors.com.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

However, if a member is already registered with NSDL eservices i.e. IDEAS, he can log-in at <https://eservices.nsdl.com/> with his existing IDEAS login. If the member forgets his password, he can reset his password by using above instructions for remote e-voting.

6. 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.

21. Webcast of the General Meeting:

The Shareholders are informed that the Company will be providing a facility to view the live streaming of the AGM proceedings on the NSDL website. You may access the same at <https://www.evoting.nsdl.com> by using your remote e-voting credentials. The link will be available in shareholder login where the EVEN of Company will be displayed.

The Webcast facility will be available from the time of commencement of AGM till the time of conclusion of AGM on August 1, 2019.

22. 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.
23. 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.
24. Mr. Vijay Gupta, Chartered Accountant, or in his absence, Ms. Navita Gupta, Chartered Accountant, shall act as the Scrutinizer(s) to scrutinize the ballot voting and remote e-voting process in a fair and transparent manner.
25. 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.

26. 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 favor or against, if any, and submit the report to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. Results 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 Scrutinizers' report would be displayed at the registered office of the Company, at the corporate office at 96, Sector 32, Gurugram 122001, Haryana and shall be intimated to the Stock Exchanges where securities of the Company are listed, Depositories and Registrar & Share Transfer Agent and will be displayed on the Company's website www.eichermotors.com and NSDL website www.evoting.nsdl.com.
28. Any query relating to voting including e-voting may be addressed to Mr. D.S Mehta-Team Manager, at 96, Sector 32, Gurugram-122001, Haryana (Contact No. +91 (124) 7102968, E-mail: investors@eichermotors.com).

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary

Place: Gurugram, Haryana

Membership No. FCS 5564

Date: May 10, 2019

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: 0124-4415600

Website: www.eichermotors.com

E-mail: investors@eichermotors.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

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 its meeting held on August 9, 2018 approved appointment of Mr. V Kalyanaraman, Cost Accountant, to conduct audit of relevant cost records of the Company for the financial year 2018-19. Board of Directors at its meeting held on May 10, 2019, decided to recommend to the shareholders for ratification, payment of remuneration of Rs. 2,50,000/- (Rupees two lacs fifty thousand only) plus applicable taxes and reimbursement of out of pocket expenses to Mr. V Kalyanaraman for audit of cost records of the Company for the financial year 2018-19. The Board recommends and therefore seeks shareholders' approval through an Ordinary Resolution as set out under business item no. 4 in 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.

Item No. 5:

The Board of Directors of the Company ("the Board") at its meeting held on April 1, 2019, has appointed Mr. Vinod Kumar Dasari (DIN: 00345657) as an Additional Director with effect from April 1, 2019 in terms of provisions of Section 149, 152 and 161 of the Companies Act, 2013 and the rules made thereunder. The Board at the aforesaid meeting also appointed Mr. Dasari, subject to the approval of the shareholders, as Whole-time Director of the Company for a period of 5 (five) years with effect from April 1, 2019 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board as set out under business item no. 5 in the notice of this meeting.

Brief profile of Mr. Vinod Kumar Dasari:

Mr. Vinod K Dasari is amongst the top few CEOs in India with a proven track record of managing complex businesses globally. Before joining Royal Enfield, he held the position of Managing Director & CEO, Ashok Leyland since 2011. He joined Ashok Leyland in 2005 as the Chief Operating Officer. Mr. Vinod Dasari has held senior positions in Cummins India Limited, where he served as the President and went on to become its Joint Managing Director. He joined Timken Company, a world leader in bearings and steel, after starting his career with General Electric in 1986. He served as the Managing Director of Timken India and thereafter as the President of its Global Railroad business in USA. In his career, Mr. Dasari has received several accolades for his leadership including the "CEO of the Year" by Business Today and more recently Business Standard. He has also been honoured as the "CV Man of the Year" by CV Magazine and "Autocar Professional of the Year".

He has also served as the President of the Society of Indian Automobile Manufacturers (SIAM) from 2015 to 2017 and as President of Automotive Research Association of India (ARAI), from 2013 to 2015. He holds a Masters degree in Engineering Management from the McCormick School of Engineering and a Master in Business Administration (MBA) from the Kellogg School of Management. He earned a Bachelor's degree in Engineering from University of Louisville in 1988 and a dual degree from Northwestern University.

Other information about Mr. Vinod Kumar Dasari:

- (i) Date of Birth: 28-06-1966, Age: 52 Years
- (ii) No. of meetings of the Board attended during the last financial year: Not Applicable
- (iii) Date of first appointment on the Board: April 1, 2019
- (iv) Remuneration last drawn by Mr. Dasari: Not Applicable
- (v) Remuneration proposed to be paid: The overall remuneration payable every year to Mr. Vinod Kumar Dasari by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in the aggregate three percent (3%) of the net profits of the Company as computed in the manner laid down in Section 198 of the Companies Act, 2013 ("the Act") or any statutory modification(s) or re-enactment(s) thereof.
- (vi) Mr. Dasari's appointment as Whole-time Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing or payment of salary in lieu of notice for 3 months or such a period which falls short of 3 months.
- (vii) Mr. Vinod K. Dasari holds Non-Executive Directorships in Pidilite Industries Limited, Vishay Engineering and Holdings Private Limited, Waycool Foods and Products Private Limited and Lynks Logistics Limited. He is not holding any committee position in any of the aforesaid Companies in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (viii) The appointment and remuneration of Mr. Vinod K. Dasari is in compliance with the provisions of Sections 196, 197, the Rules made thereunder read with Schedule V of the Act and other relevant and applicable provisions, if any, of the Act and the Articles of Association of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and also eligible to act as Whole-time Director of the Company pursuant to applicable provisions of the Act. The Company has received his consent to act as a Director and also as Whole-time Director of the Company.

The Notice read with Explanatory Statement should be considered as written Memorandum setting out the terms of

appointment and remuneration of Mr. Vinod Kumar Dasari as Whole-time Director as required under Section 190 of the Companies Act, 2013. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

Mr. Vinod Kumar Dasari does not hold any shares in the Company. Mr. Dasari for himself and through his relatives, to the extent of their shareholding in the Company, if any, may be deemed to be concerned or interested, financially or otherwise, in the Resolution as set out under business item no. 5 of the notice. Besides the remuneration proposed herein, Mr. Dasari, does not have any other pecuniary relationship with the Company. He is not related to any Director or Key Managerial Personnel of the Company. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolution.

It is therefore proposed to seek shareholders' approval for the appointment of and remuneration payable to Mr. Vinod Kumar Dasari as Whole-time Director of the Company for a period of 5 (five) years w.e.f. April 1, 2019. The Board recommends the Resolution as set out under business item no. 5 in the notice of this meeting for approval of the Members by means of Ordinary Resolution.

Item No. 6:

Pursuant to the provisions of Sections 149, 152 and 161(1) of the Companies Act, 2013 ("the Act") read with Schedule IV thereto and the Articles of Association of the Company, the Board of Directors of the Company at its meeting held on November 12, 2018, appointed Mr. Inder Mohan Singh as an Additional Director (Independent) of the Company with effect from November 12, 2018. The Nomination and Remuneration Committee has recommended the appointment of Mr. Inder Mohan Singh as an Additional Director and also as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. November 12, 2018.

In terms of the provisions of Section 161(1) of the Act, Mr. Inder Mohan Singh shall hold office up to the date of this Annual General Meeting. Mr. Inder Mohan Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from Mr. Inder Mohan Singh stating that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Mr. Singh holds Independent Directorship in VE Commercial Vehicles Limited. He does not hold any committee position in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Inder Mohan Singh fulfills the conditions for his appointment as an Independent Director as specified in the Act, the rules made thereunder and the SEBI Listing Regulations and is independent of the management of the Company. The Company has, in terms of Section 160(1) of

the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

Mr. Inder Mohan Singh is a fellow member of the Institute of Company Secretaries of India, a law graduate from Delhi University and a postgraduate in Finance. Mr. Singh is a Partner with Shardul Amarchand Mangaldas & Co., a leading law firm and specialises in various practice areas including General Corporate, Mergers & Acquisitions, Private Equity, Corporate Governance and Education. Mr. Singh has vast experience in the automobile industry especially in matters related to joint ventures, distribution networks, business transfers and technology licensing issues. He has worked across industries including cement, media and entertainment, telecom, real estate and the education sector.

Other information about Mr. Inder Mohan Singh:

- (i) Date of Birth: 21-09-1964, Age: 54 Years
- (ii) No. of meetings of the Board attended during the last financial year: Mr. Singh attended 2 (two) meetings out of 2 (two) meetings of the Board held during Financial Year 2018-19 after his being appointed as Director.
- (iii) Date of first appointment on the Board: November 12, 2018
- (iv) Remuneration last drawn by Mr. Inder Mohan Singh: Please refer Annexure 5 to Directors' Report and Corporate Governance Report.
- (v) Remuneration proposed to be paid: Remuneration by way of commission as may be decided by the Board of Directors from time to time, which together with commission paid to other Non-Executive Directors shall not exceed 1% (one percent) of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013 in addition to sitting fees for attending Board/Committee meetings.

Copy of the draft letter of appointment of Mr. Inder Mohan Singh as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company on all working days, during business hours, up to the date of the AGM.

Mr. Inder Mohan Singh does not hold any shares in the Company. Mr. Singh for himself and through his relatives, to the extent of their shareholding in the Company, if any, may be deemed to be concerned or interested, financially or otherwise, in the Resolution as set out under business item no. 6 of the notice. Mr. Singh, does not have any other pecuniary relationship with the Company. He is also not related to any Director or Key Managerial Personnel of the Company. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolution.

In the opinion of the Board, it will be in the best interest of the Company to appoint Mr. Inder Mohan Singh as an Independent Director of the Company, keeping in view the expertise knowledge that he possess. The Board accordingly recommends the Resolution as set out under business item no. 6 in the notice of this meeting for approval by the members as an Ordinary Resolution.

Item No. 7:

Pursuant to the provisions of Sections 149, 152 and 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, the Board of Directors of the Company at its meeting held on April 1, 2019, appointed Mr. Vinod Kumar Aggarwal as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from April 1, 2019. The Nomination and Remuneration Committee has recommended the appointment of Mr. Vinod Kumar Aggarwal as an Additional Director and also as Non-Executive Director of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years w.e.f. April 1, 2019.

In terms of the provisions of Section 161(1) of the Act, Mr. Vinod Kumar Aggarwal shall hold office up to the date of this Annual General Meeting. Mr. Vinod Kumar Aggarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Mr. Aggarwal holds directorship in VE Commercial Vehicles Limited and Eicher Group Foundation. He is not holding any committee position in any of the aforesaid Companies in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Vinod Kumar Aggarwal fulfills the conditions for his appointment as a Director, as specified in the Act and the SEBI Regulations. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

Mr. Vinod Aggarwal is the Managing Director & CEO of VE Commercial Vehicles Ltd (VECV), Eicher Motors' joint venture with Sweden's AB Volvo. An industry veteran with over 40 years of rich experience in general management, finance and operations, Mr. Aggarwal has been leading VE Commercial Vehicles Limited since 2010, two years after it was formed. In his long and successful career with Eicher Group, spanning over 35 years, he has held several management positions including the Chief Financial Officer of the Eicher Group from 2005- 2009. He has won several awards for his contribution to the commercial vehicle industry including the "CV Man of the Year" twice in 2019 and 2014. He was also recognised as the "Best CEO- Medium and Heavy Duty truck makers" in 2016 by World Auto Forum and the "Hall of Fame 2015" by Manufacturing Today. He is presently the Treasurer of the Society of Indian Automobile Manufacturers (SIAM). He is a qualified Chartered Accountant and Cost Accountant.

Other information about Mr. Vinod K. Aggarwal:

- (i) Date of Birth: 09-07-1959, Age: 59 Years
- (ii) No. of meetings of the Board attended during the last financial year: Not Applicable

- (iii) Date of first appointment on the Board: April 1, 2019
- (iv) Remuneration last drawn by Mr. Aggarwal: Not Applicable
- (v) Remuneration proposed to be paid: None

Copy of the draft letter of appointment of Mr. Vinod Kumar Aggarwal as Non-Executive Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company on all working days, during business hours, up to the date of the AGM.

Mr. Vinod Kumar Aggarwal holds 6,700 (0.02%) equity shares in the Company. Mr. Aggarwal for himself and through his relatives, to the extent of their shareholding in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution as set out under business item no. 7 of the notice. Mr. Aggarwal, does not have any other pecuniary relationship with the Company. He is not related to any Director or Key Managerial Personnel of the Company. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolution.

In the opinion of the Board, it will be in the best interest of the Company to appoint Mr. Vinod Kumar Aggarwal as Non-Executive Director of the Company, keeping in view the expertise and vast knowledge that he possess. Appointment of Mr. Aggarwal as Non-Executive Director of the Company does not fall within the purview of related party transaction under Section 188 of the Act and SEBI (LODR) Regulations, 2015. The Board accordingly recommends Resolution as set out under business item no. 7 in the notice of this meeting for approval by the members as an Ordinary Resolution.

Item No. 8:

The members of the Company at 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, (other than Managing or Whole-time Director(s)), as may be decided by the Board of Directors from time to time, not exceeding 1% (one percent) of the net profits of the Company for each financial year, 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.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulates that all fees/compensation (excluding sitting fees), paid to the Non-Executive Directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting. Further, Section 197 of the Companies Act, 2013 provides that the remuneration payable to Directors who are neither Managing Directors nor Whole-Time Directors shall not exceed 1% of the net profits of the company.

The commission will be paid to all or some of the Non-Executive Directors in such manner and proportion as may be determined by the Board of Directors. The commission shall

be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, it is considered necessary to obtain approval of the Members for payment of remuneration to Directors who are neither Managing Directors nor Whole-Time Directors, not exceeding 1% (one percent) of the annual net profits of the Company for each financial year. The Board accordingly recommends Resolution as set out under business item no. 8 in the notice of this meeting for approval of the members as Special Resolution.

All the Independent Directors other than the Managing Director(s) and Whole-time Director(s) of the Company, and their relatives to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested in the resolution to the extent of remuneration that such director may receive. Save and except the above, none of the Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolution.

Item No. 9:

Pursuant to amended provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), every listed entity is required to obtain approval of Members of the Company by way of Special Resolution for payment of remuneration to a single Non-Executive Director exceeding fifty percent of the total remuneration payable to all Non-Executive Directors of the Company.

The payment of remuneration to Non-Executive Directors, (other than Managing or Whole-time Director(s)), was approved by the Members in the 33rd Annual General Meeting for a period of five years with effect from financial year ended December 31, 2014, as decided by the Board of Directors from time to time, not exceeding 1% of the net profits of the Company for each financial year, calculated in accordance with the provisions of the Companies Act, 2013.

Mr. S. Sandilya has vast experience in the automobile industry. With his in-depth knowledge in areas of finance, technology, general management and corporate governance he provides strategic guidance to the Company and steers the Board functioning in the Company's best interests.

The remuneration payable to Mr. S. Sandilya for the financial year 2018-19 may exceed fifty percent of the total remuneration payable to all Non-Executive Directors of the Company and thus it is necessary to take approval of shareholders by way of Special Resolution. Taking into account the experience and contribution made by Mr. S. Sandilya, the Board recommends the Resolution as set out

under business item no. 9 in the notice of this meeting for the approval of the members as Special Resolution. The details of remuneration of Mr. S. Sandilya for the financial year 2018-19, is given in the Corporate Governance Report forming part of the Annual Report.

Mr. S. Sandilya holds 11,766 (0.04%) equity shares in the Company. Mr. S. Sandilya, Chairman (Non-Executive & Independent Director) and his relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested in the resolution to the extent of remuneration that he may receive. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 10 & 11:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. It is thought expedient to attract, retain and incentivize key management personnel including Director(s) whether whole-time or not, of the Company and of its subsidiary company(ies) (hereinafter referred to as "Employees") with a view to achieve and maintain sustained corporate growth and profitability. The Company views the proposed Restricted Stock Units as instruments that would while limiting dilution in the shareholding, also enable the Employees to get a share in the value created by the Company. With this in view, your Company intends to implement 'Eicher Motors Limited - Restricted Stock Unit Plan 2019' ("RSU 2019" / "Plan") which is in the nature of an employee stock option plan with salient features explained below.

As per provisions of Regulation 6 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company seeks approval of the members of the Company for the implementation of the Plan and grant of RSUs to the eligible Employees.

The main features of the RSU 2019 are as under:

a) Brief description of the RSU 2019:

The Company proposes to introduce RSU 2019 with a view to give benefit to its eligible Employees by giving them equity shares in the Company. The RSU 2019 contemplates grant of restricted stock units ("RSUs") in the nature of employee stock options, at the face value subject to fulfilment of certain condition(s) as determined from time to time. Due to higher benefit potential per RSU and possibility of rationalization of total accounting cost to the Company, it seems an effective equity based plan that may protect Employee benefits against price fluctuations helping in Employee retention and it also results in lesser equity dilution for the existing shareholders.

Every grant of RSU shall be followed by vesting. After vesting, the eligible Employees earn a right (but not obligation) to exercise the vested RSUs within the predefined exercise period. Each RSU is convertible into one equity share of the Company upon vesting. The Company shall issue shares upon exercise of vested RSUs, subject to fulfilment of certain condition(s) & subject to payment of exercise price and satisfaction of consequential tax obligations.

The Nomination and Remuneration Committee ("Committee") of the Company shall administer RSU 2019. All questions of interpretation of the RSU 2019 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in RSU 2019.

b) Total number of options/ RSUs to be granted:

The total number of RSUs to be granted under RSU 2019 shall not exceed in aggregate 1% of the paid-up equity shares of the Company, from time to time, which upon exercise shall be convertible into not exceeding in aggregate 1% of the paid-up equity shares of the Company, from time to time, of face value of Rs. 10 each fully paid-up.

RSUs lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to severance of the Employee, would be available for re-grant at a future date. The Committee is authorized to re-grant such lapsed / cancelled RSUs as per the RSU 2019.

Further, the SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, stock split, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the RSUs granted. In this regard, the Committee shall adjust the number and to the extent allowed, the price of the RSUs in such a manner that the total value of the RSUs remains the same after any such corporate action. Accordingly, if any additional RSUs are issued by the Company to the RSU grantees for making such fair and reasonable adjustment, the ceiling of RSUs and shares aforesaid shall be deemed to be modified accordingly.

c) Identification of classes of Employees entitled to participate in RSU 2019:

Following classes of Employees are entitled to participate in RSU 2019:

- (i) an employee of the Company working in India or outside India;
- (ii) a director of the Company, whether whole-time or not; or
- (iii) an employee or a director, working in India or outside India (whether whole-time or not), of a Subsidiary Company, incorporated in India or outside India.

Provided following category of persons are not entitled for RSUs:

- a. An employee, who is a promoter or belongs to the promoter group;
- b. A director, who either by himself or through his relatives or through any-body corporate, directly or indirectly holds more than 10% of the outstanding shares of the Company;
- c. An independent director within the meaning of the Companies Act, 2013 and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Requirements of vesting and period of vesting including maximum period:

RSUs granted under the Plan would vest on the basis of continuation of employment as on relevant date of vesting as a pre-requisite condition. Additional vesting conditions may be imposed based on individual or corporate performance parameters as decided by the Committee at the time of grant of RSUs which shall be communicated to the individual Employees. Owing to Employees responsible for different functions in the Company, the vesting conditions may be different for different Employees or any class thereof.

RSUs granted under this Plan would vest not earlier than minimum vesting period of 1 (One) year but not later than maximum vesting period of 7 (Seven) years from the date of grant of such RSUs. The exact vesting schedule within this band of vesting shall be determined by the Committee and shall be specified to the Employees at the time of grant of RSUs.

e) Exercise price or pricing formula:

The exercise price per RSU shall be the face value of underlying share as on date of exercise of such RSU.

f) Exercise period and the process of exercise:

In case of continuation of employment/ service, the exercise period of a vested RSU shall be a maximum of 7 (Seven) years from the date of vesting of such RSU, or such other lesser period as may be prescribed by the Committee at time of grant.

The Plan envisages shorter exercise periods than that specified above in case of separation from employment/ service on account of specified reasons. In case of termination due to misconduct, there shall not be any exercise period as all the vested RSUs shall lapse forthwith.

The vested RSUs, as permitted under the Plan, shall be exercisable by the Employees by a written application to the Company expressing their desire to exercise such RSUs in such manner and in such format and in such

numbers as may be prescribed by the Committee from time to time. The vested RSUs shall lapse, if not exercised within the specified exercise period subject to exceptions as decided by the Committee.

g) Process for determining the eligibility of Employees under RSU 2019:

The eligible employees and / or eligibility criteria shall be decided from time to time by the Committee. The broad eligibility criteria may include parameters like appointment to key managerial positions, tenure of association with the Company/ its subsidiary, performance during the previous years, contribution towards strategic growth and such other parameters as may be decided by the Committee from time to time.

h) Maximum number of options/ RSUs to be issued per employee:

The maximum number of RSUs that may be granted under RSU 2019 to any eligible Employee per grant and in aggregate shall be less than 0.50% (half percent) of the paid-up equity shares (excluding outstanding warrants and conversions) of the Company at the time of grant.

i) Maximum quantum of benefits to be provided per employee under the Plan:

No benefit other than by way of grant of RSUs is envisaged under the Plan.

j) Implementation or administration of the RSU 2019:

RSU 2019 shall be implemented and administered directly by the Company without forming or involving any trust.

k) Source of acquisition of shares under the RSU 2019:

RSU 2019 envisages issue of primary shares against exercise of vested RSUs.

l) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

RSU 2019 envisages direct implementation without intervention of any trust and thus, this is not applicable.

m) Maximum percentage of secondary acquisition:

RSU 2019 envisages issue of primary shares and there is no contemplation of secondary acquisition.

n) Accounting and Disclosure Policies:

The Company shall follow the prevailing Indian Accounting Standard IND-AS 102 for accounting of employee share-based payments as notified and amended by the competent authorities from time to time, including the disclosure requirements prescribed

therein. The Company shall conform to the accounting policies specified in Regulation 15 of SEBI SBEB Regulations.

o) Method of option/ RSU valuation:

The Company shall adopt 'fair value method' for valuation of RSUs as prescribed under applicable Indian Accounting Standard notified by the competent authorities from time to time.

p) Declaration:

In case the Company opts for expensing of share based employee benefits using the intrinsic value at any time due to any regulatory or other requirement, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the RSUs and the impact of this difference on profits and on earning per share (EPS) of the Company shall also be disclosed in the Directors' report.

It is therefore considered necessary to obtain approval of the members to the Restricted Stock Unit Plan 2019 for granting RSUs, convertible into equity shares, to the eligible employees of the Company and its subsidiary company(ies) pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 6 of the SEBI SBEB Regulations. The Board accordingly recommends Resolution as set out under business item nos. 10 & 11 in the notice of this meeting for approval of the members as Special Resolutions. A draft copy of RSU 2019 is available for inspection by members at the Registered Office of the Company on all working days, during business hours, up to the date of the AGM.

None of the Director and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said resolutions except to the extent of their entitlements determined lawfully, if any, under RSU 2019.

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary

Place: Gurugram, Haryana

Membership No. FCS 5564

Date: May 10, 2019

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: 0124-4415600

Website: www.eichermotors.com

E-mail: investors@eichermotors.com

ATTENDANCE SLIP**Eicher Motors Limited**

CIN: L34102DL1982PLC129877

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

Phone: 0124-4415600

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 37th ANNUAL GENERAL MEETING of the Company on Thursday, August 1, 2019 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003 at 10:00 AM and at any adjournment(s) thereof.

Signature of Shareholder / Proxy

* Applicable for investors holding shares in electronic form

PROXY FORM**Eicher Motors Limited**

CIN: L34102DL1982PLC129877

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

Phone: 0124-4415600

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

- | | | |
|----|------------------|---------------------------------|
| 1. | Name: | Address:..... |
| | E-mail Id: | Signature:....., or failing him |
| 2. | Name: | Address:..... |
| | E-mail Id: | Signature:....., or failing him |
| 3. | Name: | Address:..... |
| | E-mail Id: | Signature:..... |



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company, to be held on Thursday, August 1, 2019 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003 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, 2019 together with the reports of Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 125/- per equity share for the financial year ended March 31, 2019.
3. To appoint Mr. Siddhartha Lal, who retires by rotation and being eligible, offers himself for re-appointment as a Director, liable to retire by rotation.

Special Business:

4. To consider and ratify remuneration of Cost Auditor payable for financial year 2018-19.
5. To appoint Mr. Vinod Kumar Dasari as Whole-time Director of the Company and determine his remuneration.
6. To appoint Mr. Inder Mohan Singh as an Independent Director of the Company.
7. To appoint Mr. Vinod Kumar Aggarwal as Non-executive Director of the Company.
8. To consider and approve payment of remuneration by way of commission to Directors, other than Managing Director(s) and Whole Time Director(s) of the Company.
9. To consider and approve payment of remuneration to Mr. S. Sandilya, Chairman (Non-Executive Independent Director) for the financial year 2018-19, which may exceed fifty per cent of the total remuneration payable to all the Non-Executive Directors of the Company.
10. To approve and adopt Eicher Motors Limited's Restricted Stock Unit Plan 2019.
11. To approve extension of benefits of Eicher Motors Limited's Restricted Stock Unit Plan 2019 to the employees of subsidiary company(ies).

Signed this..... day of..... 2019

Signature of shareholder.....Signature of proxyholder (s).....

Affix
Revenue
Stamp of
Re. 1/-

Note: In order to be effective, this form should be deposited at the registered office of the Company, duly complete and signed, not less than 48 hours before the scheduled time of the meeting. A shareholder/proxy may vote either for or against each resolution.

ROUTE MAP OF THE VENUE FOR ANNUAL GENERAL MEETING



Venue for 37th Annual General Meeting



Sri Sathya Sai International Centre
Pragati Vihar, Lodhi Road, New Delhi - 110 003
(Landmark: Dayal Singh College / JLN Stadium Metro Station)

NOTES

[illegible]



Eicher Motors Limited

Registered Office

3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi - 100 017

Tel: (011) 2956 3722

www.eichermotors.com