www.eicher.in

August 20, 2018

Online intimation/submission

To,
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400 001
Security Code: 505200

To,
The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051
Symbol: EICHERMOT

Dear Sir/Madam,

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

Subject: Annual Report of the Company for the Financial Year 2017-18

In Compliance with Regulation 34 of the SEBI (LODR) Regulations, 2015, please find attached herewith Annual Report of the Company for the Financial Year 2017-18 duly approved and adopted by the Shareholders at the 36th Annual General Meeting of the Company held on Friday, August 10, 2018 at 11.00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003.

This is for your information and record.

Thanking you,
For Eicher Motors Limited

Manhar Kapoor
General Counsel & Company Secretary
Encl: As above

EICHER MOTORS LIMITED

2017-18
Annual Report

EICHER

KEEP RIDING PURE



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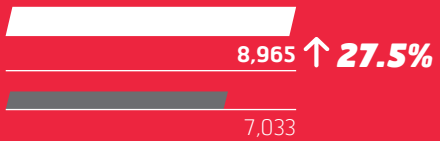
To check this annual report online or for any other information please log on to **www.eichermotors.com**

Eicher Motors Limited is a leading player in the Indian automotive space. It has two business verticals - Motorcycles and Commercial Vehicles.

CONSOLIDATED FINANCIAL HIGHLIGHTS*

Period of Comparison
- 1.4.2017 - 31.3.2018
- 1.4.2016 - 31.3.2017

Net Revenue from Operations
(Rs. Crores)



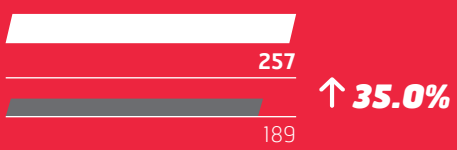
Earnings Before Interest, Depreciation & Tax (EBIDTA) before share of profit of Joint Ventures
(%)



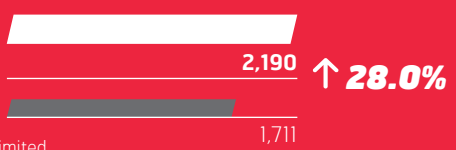
Operating Margin (EBIT) before share of profit of Joint Ventures
(%)



Share of profit of Joint Venture - VECV
(Rs. Crores)



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



*Excluding discontinued operation of Eicher Polaris Private Limited.

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) is a Company Listed on the Bombay Stock Exchange and National Stock Exchange (EICHERMOT) which owns the iconic Brand Royal Enfield, the global leader in middleweight motorcycles. The world's oldest motorcycle brand in continuous production, Royal Enfield has made distinctive motorcycles since 1901. Focussed on bringing back simple, yet engaging and accessible motorcycling, it operates in India, and over 50 countries around the world. With modern product development facilities in Leicestershire, UK and Chennai, India, Royal Enfield manufactures its motorcycles near chennai in Tamil Nadu, India.

In addition to motorcycles, EML has a joint venture with Sweden's AB Volvo – VE Commercial Vehicles (VECV) – driving modernisation in India's commercial vehicle space, and in other developing countries. VECV has a complete range of trucks and buses from 5-49 tonnes. Its integrated manufacturing plant in Pithampur, Madhya Pradesh is also the global hub for medium duty five- and eight-litre engines for the Volvo Group.

Our business segments



Motorcycles

Royal Enfield

8,20,121
motorcycles sold

91%
Market share in India's mid-size (250cc-750cc) motorcycles segment

- World's oldest motorcycle brand in continuous production
- Focussed on mid-sized motorcycles (250cc - 750cc)

Motorcycles
- Bullet
- Classic
- Himalayan
- Thunderbird
- Continental GT



Commercial Vehicles

VE Commercial Vehicles (VECV)

65,932
commercial vehicles sold

32.2%
Commercial vehicles market share in domestic light to medium duty (4.9 to 15 tonne) segment

- A joint venture between EML and Volvo Group
- Designs, manufactures and markets reliable, fuel-efficient and modern trucks and buses

Commercial Vehicles
- Eicher branded light medium duty trucks (5-15 tonnes), heavy duty trucks (16-49 tonnes) and buses
- Volvo trucks
- Engineering components and aggregates

Royal Enfield's Geographic Footprint

Headquartered in Gurugram, India

3

Manufacturing facilities in India at Tiruvottiyur, Oragadam and Vallam Vadagal near Chennai, Tamil Nadu

36

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

2

Technology Centers
- Leicester, UK (existing)
- Chennai, India (upcoming)

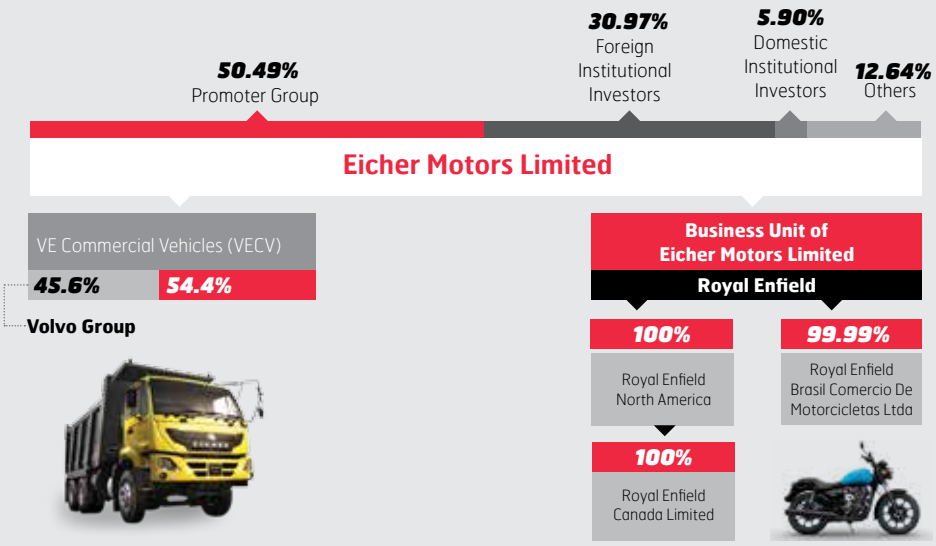
2

Fully-owned subsidiaries in USA (Royal Enfield North America) and in Brazil (Royal Enfield Brazil)

825

Stores in India

Shareholding Pattern



As on March 31, 2018

FINANCIAL POSITION–CONSOLIDATED

BALANCE SHEET

(Rs. Crores)

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

Net Fixed Assets
(Rs. Crores)

31.03.2018	**1,834.90**
31.03.2017	1,246.54
31.03.2016	888.64

Net Worth
(Rs. Crores)

31.03.2018	**7,030.07**
31.03.2017	5,345.07
31.03.2016	3,653.09

Book Value Per Share
(Rs.)

31.03.2018	**2,579.32**
31.03.2017	1,964.36
31.03.2016	1,344.97

Market Capitalisation
(Rs. Crores)

31.03.2018	**77,331.22**
31.03.2017	69,624.22
31.03.2016	52,096.78

OPERATIONAL HIGHLIGHTS– CONSOLIDATED

PROFIT AND LOSS ACCOUNT

(Rs. Crores)

	2017-18	2016-17	2015-16
	Apr'17 - Mar'18	Apr'16 - Mar'17	Apr'15 - Mar'16
Sales Volume :			
Commercial Vehicles (Nos.)	65,932	58,604	51,888
Motorcycles (Nos.)	8,20,121	6,66,135	5,07,548
Net Revenue from operations - motorcycles	8,964.96	7,033.36	5,210.74
Manufacturing and other expenses	6,157.33	4,859.41	3,769.77
Earnings before interest, depreciation & tax (EBIDTA)	**2,807.63**	**2,173.95**	**1,440.97**
EBIDTA to Net Revenue (%)	**31.3%**	**30.9%**	**27.7%**
Depreciation	223.30	153.81	118.03
Earnings before interest & tax (EBIT)	**2,584.33**	**2,020.14**	**1,322.94**
EBIT to Net Revenue (%)	**28.8%**	**28.7%**	**25.4%**
Finance Cost	5.34	3.56	1.57
Other Income	280.10	227.33	147.99
Share of profit of joint venture - VECV	256.56	189.47	172.16
Profit before tax	3,115.65	2,433.38	1,641.52
Provision for taxation	935.93	720.30	459.02
Profit after taxation (PAT)	**2,179.72**	**1,713.08**	**1,182.50**
Share of loss of Joint venture from discontinued operation - EPPL*	-220.05	-46.00	-38.89
Net Profit after tax	**1,959.67**	**1,667.08**	**1,143.61**
Other comprehensive income	9.97	-2.43	-0.98
Total Comprehensive income	**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 (%)	**24.4%**	**24.3%**	**22.7%**
Basic Earnings per Share (Rs.)	719.69	613.12	421.30
Diluted Earnings per Share (Rs.)	718.33	611.44	419.76

* The Operations of EPPL were discontinued with effect from March 9, 2018

Net Revenue from Operations
(Rs. Crores)

2017-18	**8,964.96**
2016-17	7,033.36
2015-16	5,210.74

EBITDA
(Rs. Crores)

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)

2017-18	**2,189.69**
2016-17	1,710.65
2015-16	1,181.52

LETTER TO THE SHAREHOLDERS



Dear Shareholders,

I am delighted to present the Annual Report 2017-18 of Eicher Motors Limited (EML). Once again, we've had a spectacular year, with the Company achieving record volumes and profit, and making significant progress on the several initiatives and projects that we had set out to accomplish this year. We remain dedicated to providing pure motorcycling experience to our community globally, while consistently enhancing value for stakeholders.

Financial year 2017-18 was another strong year for delivering profitable growth and further strengthened the robustness of our business model. In 2017-18, Royal Enfield's sales volume grew by 23% to 8,20,121 motorcycles. Our market share in above 125cc category of motorcycles in India increased from 24% to 27%. We have indeed come a long way from 3.8 % market share in above 125cc category of motorcycles category in 2011-12.

Last year, the Indian automobile industry faced several challenges, including the changeover to BS-IV emission norms, and the implementation of GST. I am pleased to share, neither of these events disrupted business at Eicher Motors Ltd. and we powered through as we were extremely well prepared.

EML's consolidated net revenue from operations (reflecting the business of Royal Enfield motorcycles) for the year 2017-18 was Rs. 8,965 crores, a growth of 27% over 2016-17. In 2017-18, EML's consolidated EBITDA grew 29% to Rs. 2,808 crores and PAT grew 18% to Rs. 1,960 crores. EML set a new industry benchmark with an EBITDA margin of 31.3% in 2017-18.

VECV - Eicher Motors Ltd's joint venture with Volvo Group - had a strong year in tough market conditions. VECV 's consolidated net revenue from operations for the year 2017-18 was Rs. 10,049 crores, a growth of 17% over the previous year. In 2017-18, EBITDA and PAT of VECV grew 33% and 35% respectively, over 2016-17.

29%
Consolidated EBITDA

18%
Consolidated PAT

Royal Enfield

Royal Enfield has emerged as the strongest premium motorcycle brand in India, and the Classic 350 was the best selling model in the above 125cc category* in 2017-18. We recently debuted on Economic Times Brand Equity's Top 100 Most Trusted brands list, perhaps the only brand to have done so without any major advertising spend.

Today, we enjoy the distinction of being a brand that's both aspirational and accessible. Our reason for being is to allow commuters to upgrade to the world of leisure motorcycling, reviving the simple pleasures of motorcycling at its purest in an otherwise fast-paced, performance-crazed world where motorcycling has reached intimidating extremes or is downright boring!

A Royal Enfield motorcycle is something many riders aspire to own and our legions of fans love our motorcycles and what our brand stands for. Still, we're accessible both in terms of price and with our sales and service network, which makes us unique. With our simple, timeless motorcycles, we stand for purposeful longevity, and shun forced obsolescence. That's why Royal Enfield motorcycles have one of the highest resale value in the country.

We continue to experiment with new retail formats and destinations to engage with our customers and those who love our brand. In November 2017, we opened the Garage Cafe in Goa. Reflecting the 'motorcycling way of life', the 120-seater Garage Cafe on the banks of the Baga River in Baga, Goa offers a relaxed, unhurried experience and is conceptualised to be an inclusive, engaging space. The Garage Cafe is a one-of-its-kind format that is an amalgamation of the various dimensions of Royal Enfield. The cafe houses a motorcycle museum-and-exhibition area, an exclusive gear store, a motorcycle customisation area and a service bay.

In an effort to allow easier discovery and access to pre-owned Royal Enfield motorcycles, we introduced our first pre-owned motorcycle store - Vintage - in Chennai. A pioneering initiative in the two-wheeler industry, Royal Enfield Vintage will deal exclusively in pre-owned, refurbished and restored motorcycles offering hassle-free sale and purchase experience to consumers. We will be expanding this unique retail format to 10 different locations across the country.

And we continue to strengthen our core retail network. Last year, we added 150 new dealerships in India taking our total retail outlet strength to 825 exclusive stores in the country, making us the strongest premium motorcycle distribution in the country by a large margin.

Our dealers are thrilled with us and are making solid progress too; this was reflected in our recent #1 ranking for dealer satisfaction by J.D. Power among two-wheeler manufacturers. Deeply engaged dealers are the key to our ambition of being number one in Customer Satisfaction - as an enormous part of the customer experience is in the dealership's purview.

After a very focussed effort over the last many years, we have been ranked #2 among two-wheeler manufacturers in customer service in India by J.D. Power. This is significant progress for Royal Enfield, as we are now ahead of the largest motorcycle manufacturer in the country as well as all the Japanese brands. I firmly believe that we're on the path to becoming number one and to set the standard for an exemplary ownership experience for our customers.

While Royal Enfield has grown from strength to strength in the last few years, we still believe that there's enormous potential to grow further. As incomes rise and the aspiration for leisure motorcycling grows in developing markets, especially India, I believe that customers from the commuter segment will continue to upgrade to the middle-weight segment (250cc-750cc) that is dominated by Royal Enfield. More so, from our own surveys, we see that there is an increasing number of people that are directly buying a Royal Enfield as their first motorcycle purchase.

While in some of the more developed states of India, we have an overall motorcycle market share of as much as 20-33%, in the lower income states it is as low as 2-4%. As incomes rise and distribution penetration increases in these populous states, we see a tremendous potential for growth in these regions.

While we continue to remain focussed on India, we've also been expanding beyond our shores, with motorcycles that stay true to our ethos of Pure Motorcycling, appealing to an increasingly higher number of riders across the world. Beyond India, Royal Enfield is now present across 50 countries through a network of over 500 multi brand outlets and 36 exclusive stores, 11 of which were opened in 2017-18.

Subsequent to opening our subsidiary in Brazil in 2016-17, we opened our first flagship store in the country in 2017-18. We also opened our first stores in Argentina and Vietnam, and added new exclusive stores in the UK, France, Austria, Mexico, Thailand, New Zealand, Colombia, and Indonesia. To further strengthen the brand and to accelerate market development activities, we have decided to set up wholly-owned subsidiaries in Indonesia and Thailand in 2018-19.

To cater to the continued demand, Royal Enfield began production at our plant in Vallam Vadagal near Chennai, in August 2017. Spread over 50 acres, the Vallam Vadagal plant is Royal Enfield's third manufacturing facility. I'm extremely pleased to inform you that Vallam Phase-1 was completed in record time and is now running at full capacity, and we have commenced work on building out Vallam Phase-2, which will further augment our capacity.

With a view to enhance our design, engineering, and product development capabilities, we are also completing construction of our Technical Center in Chennai this year. The Chennai Technical Center will complement our new and bespoke technical Center located in Leicestershire, UK which we moved into in May 2017. Spread over 36,000 square feet, the UK facility houses more than 120 employees and state-of-the-art equipment and workshop facilities, enabling engineers to develop best-in-class motorcycles and future concepts.

We unveiled our Interceptor 650 and Continental GT 650 twin cylinder motorcycles in November 2017 in Milan to great acclaim at the EICMA show, and thereafter at Rider Mania in Goa. I am confident that the Interceptor 650 and the Continental GT 650 will be an important catalyst and flagship in our home market, where I expect many of our over 2.5 million riders, who have been asking for something more from Royal Enfield, to upgrade to the 650 Twins. The Continental GT and Interceptor are likely to become the mainstream volume drivers in our key international markets.

Continuing to strengthen our motorcycle offerings, we also introduced a number of new variants to our best-selling Classic range of motorcycles including the Gunmetal Grey and Stealth Black versions that added a rear disc brake. These new variants have received an excellent response, as has the new Himalayan Sleet + Explorer Kit edition and the brand new Thunderbird X, tailormade for urban explorers.

VE Commerical Vehicles

A strict implementation of a ban on overloading of trucks, a reconfiguration of regional warehouses due to the roll out of GST, and the need for long-haul trucks are driving a transition to higher gross vehicle weight (GVW) trucks. Coupled with increased investment in infrastructure, these measures have helped revive growth in the commercial vehicle industry. Medium duty and heavy duty truck sales led this growth, while the bus segment is still to recover from the pre-buying by State Transport Undertakings and other private players prior to the implementation of BS-IV.

In the high-performance trucks segment, where Volvo Trucks India is the market leader, sluggish demand in the first quarter was attributed to pre-buying ahead of BS-IV deadline. Subsequently, the market gained some momentum in the second quarter but overall industry volumes were 36% lower than the previous financial year.

VE Commercial Vehicles had an extremely successful year with its highest ever sales of 65,932 vehicles, growing 12.5% over 2016-17 volumes. In the domestic market, VECV sold 56,931 vehicles, a growth of 12.6% on the previous year. We achieved our highest ever volumes of 13,427 in heavy duty trucks. In exports, VECV recorded its highest ever volumes of 9,001 vehicles and has been supported by 134% growth in the Middle East and 24% in Africa, along with a 9% growth in South Asia.

VECV is focussed on a few key segments like construction, mining, e-commerce, fruits & vegetables among others, and continue to invest significantly in developing the market for these segments to drive future growth. We continue to retain an 88% market share in the high performance trucks segment (400+ horsepower) and are focussed on targeting mining segments besides quarrying, road construction, and irrigation to continue to drive growth.

We are preparing to introduce the next-generation BS-VI range of trucks and buses and are confident that we will have them in the market ahead of the April 1, 2020 deadline.

With the commencement of operations of our brand new Skyline Pro Electric buses in Kolkata, VECV has reinforced its commitment to greener and cleaner mobility, and joined the league of zero-emission vehicle manufacturers. We plan to have a complete range of electric-mobility solutions for public transportation, offering world-class quality and comfort. We're also developing an affordable air-conditioned range of buses aimed at bringing superior comfort to public transportation.

We believe there is a high growth potential in the Middle East and Africa and we are developing light and heavy-duty buses for these markets. We have entered the ASEAN market, with sales starting in the first quarter of 2018-19, and began setting up assembly operations in Bangladesh, following the Completely Knocked-Down (CKD) operations in Kenya and Nigeria.

VECV aims to create a differentiated customer experience through aftermarket excellence, and we have also been focussed on various means to improve product quality, including deploying the Volvo Production System (VPS) as a basic operating tool in our plants. We are also deploying new technology and automation to boost quality.

To meet market demand, we have increased our plant capacity to 84,000 vehicles per annum, and we will continue working on improving productivity in line with utilisation to further increase capacity.

Eicher Polaris Private Limited

In March 2018, the Board of Eicher Polaris Private Ltd. (EPPL., our equal joint venture with Polaris Industries, decided to close the operations of the venture with immediate effect, after multiple attempts at turning around the business were unsuccessful.

EPPL, which was incorporated in October 2012, introduced Multix, India's first personal utility vehicle in June 2015. Given its unique positioning and differentiated product features, Multix initially generated significant interest from customers. However, the initial interest could not be sustained and the subsequent sales performance was significantly slower than the expectations.

Despite several initiatives, the Company's performance could not be revived. Hence, the Board of EPPL concluded that it was in the best interest of all stakeholders to close the operations of the Company. EPPL is deep in the process of engaging with all its stakeholders including customers, suppliers, employees and channel partners to implement the closure, and will continue to provide spares and service support for the fleet of Multix vehicles on the road.

Consequent to closing down the operations of EPPL, your Company has recorded a loss of Rs 220 crores of exceptional nature representing the Company's share.

Looking ahead

At EML, we have created a business model that has enabled us to achieve a strong and sustained growth over the years. While we have been on a solid growth trajectory, we are not taking things for granted. We have been focussed on ensuring that all our motorcycles and commercial vehicles will keep our customers delighted.

As we move into the new financial year, we are faced with a number of challenges including meeting the BS-VI emission norms by March 2020, four years ahead of the originally planned deadline, and introducing ABS on all our motorcycles before the regulation deadline of March 2019.

Royal Enfield has earmarked an investment of Rs. 800 crores in 2018-19 in all areas of its business. The investment would be towards setting up additional production capacity at Vallam Phase-2, completing construction of the Technology Center in Chennai this year, investing towards the development of new motorcycles to meet the upcoming regulations and to expand Royal Enfield's portfolio for its global markets.

We are committed to being a Company that provides amazing 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.

In 2018-19, we plan to invest Rs. 500 crores in VECV towards new product development and capacity enhancement. We are continuing our journey to become a world-class CV manufacturer in India and continue to invest in new products and technologies to truly lead the segment.

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

Siddhartha Lal
Managing Director & CEO
Eicher Motors Limited

*Based on Society of Indian Automobile Manufacturers' data for B4 category and above



PURE MOTORCYCLING

'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 apartment. I don't want to spend my life reading about the experiences of others. I want to have my own. I want to follow the journeys and not the destination. Every time I ride out, it makes me 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 it 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. Focussed on the essentials and not the excess. Not transforming, but reconnecting with the purity of the experience. Engagement with machine and terrain.

THE OLDEST MOTORCYCLE BRAND...

1891
R.W. Smith and Albert Eadie take over the Townsend Cycle Company in Redditch, UK. Soon after, they start supplying precision machine parts to the Royal Enfield Small Arms Factory in Enfield, Middlesex. Their undertaking is renamed the Enfield Manufacturing Company Limited.



1893
Enfield Manufacturing Ltd. becomes Royal Enfield – 'Royal' being taken from the Royal Small Arms Company. The trademark 'Made like a gun' is introduced.



1898
R.W. Smith designs a prototype motorised vehicle, a four-wheel bicycle known as a quadricycle. It uses a proprietary 1 1/2 hp De Dion engine.



1900
Royal Enfield enters motorsport when one of its quadricycle enters a 1000 -mile Trial. The event does much to persuade the British public about the viability of motorised transport.

1924
Continuous development results in a range of 8 models, including the launch of the Sports Model 351, the first Royal Enfield 350cc OHV 4-stroke motorcycle with foot-operated gear change. It is powered by a JAP engine. A 225cc 2-stroke stepthrough 'Ladies Model' is also released.



1926
A major fire breaks out at the 18-acre Redditch factory. The company's own fire brigade manages to fight the flames that threaten to engulf the entire plant.

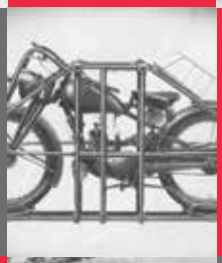


1928
Royal Enfield adopts saddle tanks in place of outmoded flat tanks. It is also one of the first manufacturers to change its front fork system from a Druid design to Center-sprung girder forks.





1935
Cecil Barrow, riding a 500cc Bullet at the Isle of Man TT, finishes in 8th place averaging 74 mph. It is Royal Enfield's last factory-sponsored entry in the event. The 500cc Bullet is radically changed the following year with the release of a new sporting version, the Model JF, featuring a 4-valve cylinder head.



1939
Royal Enfield produces large quantities of motorcycles and bicycles during the Second World War. The most iconic military model is the 125cc 'Airborne' motorcycle known as the Flying Flea. This 125cc 2-stroke can be loaded into a specially fabricated parachute cradle and dropped with paratroops behind enemy lines.



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





1956
The Tiruvottiyur factory opens and Bullets begin to be manufactured under licence. Early production is based on machines that come from England in kit form which are then assembled in Madras. A total of 163 Bullets are built by the end of the year.



1957
Johnny Brittain wins the Scottish Six Days Trial on a Bullet for the second time and also finishes top of the British Trials Championship. The 250cc Crusader model is launched in Britain. Producing 13 bhp, the motorcycle features a unit construction engine and alternator electrics with coil ignition.

1964
The iconic Continental GT café racer is launched to great acclaim when a team of photojournalists ride it from John 'o Groats to Lands End in under 24 hours, by way of 7 laps at the Silverstone circuit. The GT features a racing petrol tank, clip-on handlebars, rear sets, a humped race seat, rev counter and a swept-back exhaust.



1967
With only two models left in production at the start of the year – the 250cc Continental GT and the 736cc Interceptor – Royal Enfield's Redditch facility closes down. Production of the Interceptor continues at Enfield's underground facility in Bradford on Avon.

1993
Enfield India produces the world's first and only mass-manufactured diesel motorcycle. Known as the Enfield Diesel, it used a highly fuel-efficient 325cc power unit installed in the standard Bullet rolling chassis.



1994
The Eicher Group acquires Enfield India Limited. The company is renamed Royal Enfield Motors Limited.



1997
Forty Royal Enfield motorcycles tour Khardung La, the world's highest motorable pass, setting a precedent for epic rides in some of the world's most difficult terrains.



1999
Utilising the design skills of Austrian experts AVL, production of a revised 350cc all-aluminium leanburn Bullet engine, known as the A350, begins at a new Royal Enfield plant near Jaipur, Rajasthan.

2004
The Electra X, an export Bullet with a 500cc version of the all-alloy lean burn engine, goes on sale. The retrostyled 'Bullet Machismo' is rated the 'No.1 Cruiser' in a TNS Autocar survey.



2005
Royal Enfield celebrates its 50th anniversary in India.



2008
Royal Enfield begins exporting the Classic, India's first 500cc EFI, Euro III compliant motorcycle, to European markets. The Thunderbird Twinspark is launched with the new Unit Construction Engine (UCE) in India.





2013
Royal Enfield commences manufacturing at its second facility in Oragadam, Tamil Nadu. With increased capacity, the state-of-the-art factory will be the nucleus of the brand's global ambitions in the future.



2013
Forty-eight years after developing the world's first production café racer, Royal Enfield rolls out the all-new Continental GT Rockers, critics and riders agree that it is the most fun one could ever have on a motorcycle.



2014
Royal Enfield introduces a new retail experience with the opening of the first-of-its kind exclusive gear store at Khan Market, New Delhi.



IN CONTINUOUS PRODUCTION



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



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



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



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



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



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



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



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



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



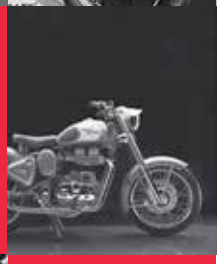
1970
The Enfield Cycle Company in the UK goes out of business. The remaining Interceptor engines are sold to the Rickman Brothers and fit in proprietary Metisse frames. Approximately 90 of these machines are built. Production in India continues without interruption.



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



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





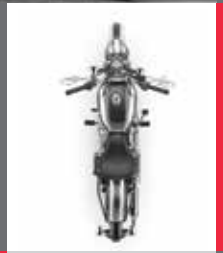
2001
The Daredevils, the motorcycle display team of the Indian Army Corps of Signals, Jabalpur, forms a human pyramid of 201 men on ten 350cc Enfield motorcycles, riding a distance of more than 200 metres.





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

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



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



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



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

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



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



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



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

QUARTERLY HIGHLIGHTS

Q ONE

April 2017 – June 2017





- Participated in the 5th Wheels and Waves Festival, Europe's landmark surfing and motorcycling event, held at Biarritz, France. Royal Enfield showcase two exclusive custom motorcycles- 'Surf Racer' and 'Gentleman Brat' along with its range of motorcycles and gear.
- Conducted the first edition of Royal Enfield Scramble, a non-extreme ride format created with a view to encourage more riders into the adventure motorcycling space. The first edition of Scramble took place in Shimla, Himachal Pradesh



- Opened our first flagship store in Sao Paulo, Brazil, to expand its presence in Latin America. The subsidiary - Royal Enfield Brazil, will be leading all local market development activities in the country.





Q TWO

July 2017 – September 2017



- Completed construction of the first phase and commenced commercial production at the new manufacturing facility at Vallam Vadagal, near Chennai, Tamil Nadu. With a manufacturing capacity of 3 lac units per annum (for the first phase) and spread over an area of 50 acres, this is Royal Enfield's third manufacturing facility.
- Organised the first-ever REUNION in Colombia. The event was organised in the city of Pereira and was received with great enthusiasm from the Royal Enfield community. More than 140 riders hailing from Bogota, Cali and Medellin participated in the event.
- Introduced two new variants of the Royal Enfield Classic in contemporary shades of Gunmetal Grey (350 cc) and Stealth Black (500cc) with stylish matte finish.



Q THREE

October 2017 – December 2017



- Started retail operations in Vietnam, one of the key two-wheeler markets in South East Asia. Also opened the first flagship store in Ho Chi Minh city
- Fully operationalised the Technology Center at Bruntingthorpe Proving Ground, near Leicester, UK with over 120 employees working towards the development of future motorcycles
- Unveiled two grounds-up modern twin motorcycles – the Interceptor 650 roadster and the Continental GT 650 cafe racer at the EICMA Motor Show, Milan, Italy. The new motorcycles are powered by Royal Enfield's modern parallel twin cylinder engine that was showcased at Royal Enfield's UK Technology Center
- Showcased the Interceptor 650 and the Continental GT 650 motorcycles for the first time in India at Rider Mania, Goa - the largest gathering of Royal Enfield enthusiasts. The event saw a record participation of 6,500 motorcyclists from across the country celebrating the spirit of Pure Motorcycling
- Introduced the first edition of the Tour of Thailand, a seven-day riding event flagged off from Bangkok and covering 1,600 kms traversing through scenic locations like Phrae and Chiang Mai

Q FOUR

January 2018 – March 2018





- Launched the new Thunderbird X – a factory-built, custom-inspired motorcycle for urban explorers. As an extension of the existing Thunderbird franchise, The Thunderbird X motorcycle was launched in 320 stores simultaneously across the country. The Thunderbird X has received a phenomenal response from customers.
- Entered Argentina, one of the biggest motorcycle markets in Latin America. Royal Enfield also opened its flagship store in the capital city of Buenos Aires. With Argentina, Royal Enfield is now present in three Latin American markets signifying the importance of this region in its international growth strategy
- Forayed into pre-owned motorcycle segment and launched our first pre-owned motorcycle store in Chennai - Vintage. The first-of-its-kind initiative in the two-wheeler industry, the Vintage store will deal in pre-owned, refurbished and restored motorcycles. It is designed for existing and potential customers looking for quality tested and certified Royal Enfield motorcycles with optimum value and hassle free experience
- Launched the Himalayan Sleet, the all-new variant of Royal Enfield's adventure touring motorcycle -himalayan. The Sleet is available in a camouflaged grey colourway inspired by the terrain of Royal Enfield's spiritual home - the Himalayas. All the 500 limited-edition Sleet motorcycles pre-fitted with Explorer Kit containing Royal Enfield Genuine Motorcycle Accessories were successfully sold online within a few hours of the launch
- Opened the first-ever Garage Cafe in Goa. Steeped in the Royal Enfield heritage and pedigree, the space truly reflects the motorcycling way of life. Designed to be an inclusive and engaging space open to all, the 120-seater cafe offers a one-of-its-kind experience, amalgamating the various dimensions of Royal Enfield. The space also houses a Royal Enfield motorcycle museum-cum-exhibition area, an exclusive gear store, a motorcycle customisation area, and a service bay

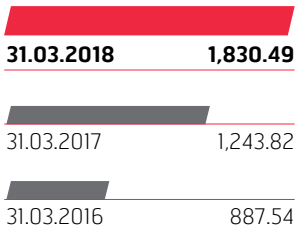
FINANCIAL POSITION–STANDALONE

BALANCE SHEET

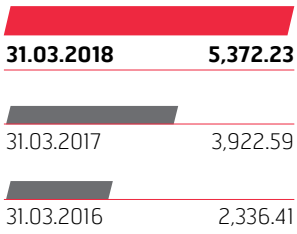
(Rs. Crores)

	31.03.2018	31.03.2017	31.03.2016
Net Fixed Assets (Property plant & equipment, Intangibles, CWIP and Investment property)	1,830.49	1,243.82	887.54
Investment in subsidiaries & Joint ventures	49.43	300.42	243.81
Investment in mutual funds, bonds & fixed deposits	4,925.50	3,241.31	1,825.24
Other non-current assets	207.17	277.96	200.78
Current assets			
Inventories	379.23	322.45	300.36
Debtors	78.02	48.94	46.13
Cash and Bank Balances (excluding fixed deposits)	99.88	20.61	44.52
Other current assets	224.95	84.75	75.53
Total assets	**7,794.67**	**5,540.26**	**3,623.91**
Equity share capital	27.26	27.21	27.16
Other equity	5,344.97	3,895.38	2,309.25
Net Worth	**5,372.23**	**3,922.59**	**2,336.41**
Non-current liabilities	227.81	135.71	78.57
Current liabilities	2,194.63	1,481.96	1,208.93
Total equity and liabilities	**7,794.67**	**5,540.26**	**3,623.91**

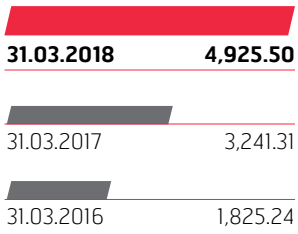
Net Fixed Assets
(Rs. Crores)



Net Worth
(Rs. Crores)



Investments in Mutual Funds, Bonds & Fixed Deposits
(Rs. Crores)



OPERATIONAL HIGHLIGHTS– STANDALONE

PROFIT AND LOSS ACCOUNT

(Rs. Crores)

	2017-18	2016-17	2015-16
	Apr'17 - Mar'18	Apr'16 - Mar'17	Apr'15 - Mar'16
Sales Volume :			
Motorcycles (Nos.)	8,20,492	6,66,493	5,08,099
Net Revenue from operations	8,957.51	7,037.97	5,223.47
Manufacturing and other expenses	6,104.31	4,832.16	3,763.32
Earnings before interest, depreciation & tax (EBIDTA)	**2,853.20**	**2,205.81**	**1,460.15**
EBIDTA to Net Revenue (%)	**31.9%**	**31.3%**	**28.0%**
Depreciation	222.34	153.34	118.20
Earnings before interest & tax (EBIT)	**2,630.86**	**2,052.47**	**1,341.95**
EBIT to Net Revenue (%)	**29.4%**	**29.2%**	**25.7%**
Finance Cost	3.04	2.79	1.57
Other Income	332.43	227.31	212.59
Profit before exceptional item and tax	2,960.25	2,276.99	1,552.97
Exceptional item (Discontinued operation-EPPL)*	311.98	-	-
Profit before tax	2,648.27	2,276.99	1,552.97
Provision for taxation	935.36	716.97	463.94
Profit after taxation (PAT)	**1,712.91**	**1,560.02**	**1,089.04**
Other comprehensive income	10.85	-0.08	-0.83
Total Comprehensive income	**1,723.76**	**1,559.94**	**1,088.20**
Total Comprehensive income excluding exceptional item to Net Revenue (%)	**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 proposed for 2017-18	299.81	-	-
Basic Earnings per Share (Rs.)	629.07	573.75	401.20
Diluted Earnings per Share (Rs.)	627.88	572.17	399.73

* The Operations of EPPL was discontinued with effect from March 9, 2018

Net Revenue from Operations
(Rs. Crores)

2017-18	**8,957.51**
2016-17	7,037.97
2015-16	5,223.47

EBIDTA
(Rs. Crores)

2017-18	**2,853.20**
2016-17	2,205.81
2015-16	1,460.15

Total Comprehensive Income*
(Rs. Crores)

2017-18	**2,035.74**
2016-17	1,559.94
2015-16	1,088.20

Equity Dividend
(%)

2017-18	**1100.0%**
2016-17	1000.0%
2015-16	1000.0%

*Total comprehensive income excludes exceptional item for 2017-18

UNFOLDING THE TWIN STORY



The unveil of the Twins – Interceptor 650 and the Continental GT 650

Two iconic legends with two versatile characters, the Interceptor 650 roadster and the Continental GT 650 cafe racer. Powered by the all-new 648cc air-cooled parallel twin cylinder engine, these ground-up motorcycles revive Royal Enfield's rich twin heritage of the 60's.



THE MODERN 650 TWIN MARKS THE BEGINNING OF A NEW CHAPTER. WITH THE NEW MOTORCYCLES, ROYAL ENFIELD AIMS TO EXPAND AND GROW THE GLOBAL MID-SIZED MOTORCYCLE SEGMENT.



The modern twin is a 4 stroke, single overhead cam, air-cooled, 648cc parallel twin cylinder engine with 270-degree crankshaft generating 47bhp of power and 52Nm of torque. The new engine has been precisely engineered to deliver higher power and torque at lower RPMs making the ride experience hassle-free and smooth.



In November 2017, Royal Enfield showcased its first modern 648cc air/oil-cooled parallel twin-cylinder engine at its new UK Technology Center (UKTC) in Leicestershire, UK. A result of several years' efforts by Royal Enfield's teams in UK and in India, the new engine platform will power the newest generatation of Royal Enfield's motorcycles - the Interceptor 650 and the Continental GT 650.

The engine is designed to offer the right balance between power, torque and usability, which provides a smooth and unintimidating riding experience without frequent gear shifts. A highly refined engine with true highway capability, the new engine has been developped to excel across a wide range of conditions and has been designed to achieve a high level of modern refinement. The twin engine maintains an under-stressed 9.5:1 compression ratio. Its fuel injection system ensures smooth and accessible power from the throttle. The twin pipes and the cooling fins on the classic air-cooled engine renders a visually beautiful impact. Just as relevant as the engine's individuality, is its sound. Hours were spent in the new UK Technology Center, that has resulted in twin silencers that rumble with just the right tone. The entire platform, including the engine and chassis has undergone rigorous testing during the development programme.

The Interceptor 650 and the Continental GT 650 has the potential to invigorate and expand the mid-size motorcycle segment; bringing Royal Enfield's philosophy of uniquely pure motorcycling both to existing loyalists, and to a whole new set of fans.

GLOBAL UNVEIL OF 'THE TWINS' AT EICMA



The 650 Twins will provide a compelling upgrade to Royal Enfield's large customer base in India, an attractive proposition to customers in developing markets like South East Asia and Latin America to graduate to the mid-motorcycling segment and an evocative option to customers in mature markets like Europe and North America

After showcasing its latest twin cylinder engine at the Technology Center in the UK, Royal Enfield unveiled the highly anticipated grounds-up modern motorcycles - Interceptor 650 roadster and Continental GT 650 cafe racer powered by its latest modern twin cyclinder engine, at the EICMA Motor Show in Milan, Italy. Garnering immense enthusiasm from global motorcycling media and prospective customers, the new motorcycles absolutely stole the show at EICMA. The Interceptor 650 retains the design and old school character of a quintessential roadster, it has underpinnings of a modern machine.



The Continental GT 650 cafe racer brings in new engineering and design improvements. Both these motorcycles retain the same engine, chassis and running parts while offering completely different ergonomics and style. The motorcycles will be available in a variety of colourways and two distinct styles – Standard and Retro Custom.

The Interceptor 650 ushers in the idea of the 1960's fun, relaxed motorcycles from the sun-drenched California beaches. With a classic tear-drop shaped fuel-tank, quilted twin-seat and distinctive wide braced handlebars, it looks every bit the stunning roadster that it is. The Continental GT 650 on the other hand, retains its central café racer character with some engineering and design improvements. The motorcycle has an eager and front-leaning stance, giving it a sporty look and a speedy form. Its single seat and sculpted tank design with clip on bars complete the authentic look.

Accompanying the motorcycles is a range of gear and apparel, inspired by history and tailor-made to relevance for today's contemporary style, and a whole suite of Royal Enfield's Motorcycle Accessories.

The unveil of the two motorcycles at EICMA generated massive buzz and Royal Enfield became one of the highest trending brands on social media – globally during the event. Also the Interceptor 650 and the Continental GT 650 became the most searched motorcycle online, signifying the global interest level that these motorcycles have generated

THE TWINS COME TO INDIA AT RIDER MANIA



The 15th edition of Rider Mania was memorable for the entire Royal Enfield community that had assembled in Goa for the three day festival. Not only did the largest gathering of Royal Enfield enthusiasts witness record participation, what made it even more special was the unveil of the most anticipated motorcycles - The Interceptor 650 and the Continental GT 650. Showcasing these two new motorcycles to the community, much ahead of launch, testifies that Royal Enfield riders are at the heart of Royal Enfield's brand and are the custodian's of our purpose of Pure Motorcycling. Rider Mania is the worlds largest gathering of Royal Enfield enthusiasts and it is a celebration of motorcycling as a way of life. It is the idea that the community relates to even before buying Royal Enfield motorcycles, and it is this proposition that the new 650 twins will help strengthen.



AS MANY OF YOU MAY KNOW, ROYAL ENFIELD'S MODERN MOTORCYCLES HAVE BEEN MANUFACTURED IN INDIA AND DISTRIBUTED AROUND THE GLOBE; HOWEVER, THE CENTER OF ITS R&D IS BASED IN LEICESTERSHIRE NEAR LONDON, WHERE ROYAL ENFIELD'S MOTORCYCLES HAVE BEEN DEVELOPED WITH ADVANCED TECHNOLOGIES. WITH THE LAUNCH OF NEW ENGINE IN BOTH MODELS, ALL BIKERS WILL DEFINITELY FALL IN LOVE WITH THESE MODELS.

Poramin Thongkong, L'Optimum, Thailand

THE NEW 650 TWINS HAVE THE POTENTIAL TO BE GAME CHANGERS FOR ROYAL ENFIELD, PARTICULARLY IN OVERSEAS MARKETS AS THEY OFFER A STEP UP FROM THE CURRENT LINE-UP TO CUSTOMERS LOOKING FOR A MID-SIZE MOTORCYCLE. FROM AN INDIAN PERSPECTIVE, THE BIKES APPEAR PROMISING AS THESE BIKES HAVE THE POTENTIAL TO EXPAND THE 500CC+ SEGMENT QUITE SUBSTANTIALLY. AT THE OUTSET, THE NEW TWIN MOTORCYCLES SHOWCASED AT EICMA SEEM TO HAVE GOOD FIT AND FINISH, BUILT QUALITY AND A RETRO LOOK THAT SHOULD GO DOWN WELL WITH THE CUSTOMERS. THE RELIABILITY AND THE PRICE OF THE NEW 650 TWINS WILL BE A CRUCIAL FACTOR TOWARDS THE SUCCESS OF THESE MOTORCYCLES

Rishad Mody, Autocar India

Testimonials



IN GERMANY, ROYAL ENFIELD ENJOYS SO FAR EXOTIC STATUS, BUT THAT COULD CHANGE IN THE FUTURE. WITH THE ROYAL ENFIELD UNVEILING THE CONTINENTAL GT 650 AND ROYAL ENFIELD INTERCEPTOR 650 AT EICMA, THESE MOTORCYCLES ARE BEING EAGERLY ANTICIPATED. THEY WILL CERTAINLY HELP ROYAL ENFIELD EXPAND THEIR PRESENCE IN GERMANY

Johannes Muller, Motorrad, Germany

SPREADING FOOTPRINT GLOBALLY

In 2017-18, Royal Enfield extended its presence to 36 exclusive stores in international markets by adding 11 new exclusive stores to its global network. The year saw Royal Enfield making entry into the new markets of Argentina in Latin American region and Vietnam in the South East Asia region. It continued to strengthen its presence in existing markets such as the UK, Thailand, France and Colombia. Though Royal Enfield has extensive presence in the mature European and North America markets, it is strengthening its network in the Latin American (LATAM) and South East Asian markets. These are markets with strong motorcycling culture and will be critical to its global expansion strategy.

As a part of its continued international expansion strategy, Royal Enfield intends to create a robust ecosystem across all these key markets with its differentiated retail experience, aftermarket capabilities, rides and community events and other adjacencies that bring the brand experience to the fore.



BUILDING THE LATAM MARKET

Royal Enfield, the fastest growing motorcycle brand globally, is focussed on building a strong presence in the LATAM market. Royal Enfield opened its subsidiary in Brazil and now has a flagship store in the city of Sao Paulo. The subsidiary, Royal Enfield Brazil, is conducting all local market development and support activities such as marketing and aftersales.

Focussed on extending the legacy of its iconic brand, Royal Enfield forayed into Argentina and opened its flagship store in the Center of its capital; city - Buenos Aires. The city has a strong motorcycling community and culture that augurs well for the Royal Enfield store. In Argentina, Royal Enfield will provide full range of services in this market including retail and aftersales, helping expand its footprint in Latin America.









STRENGTHENING FOOTHOLD IN SOUTH EAST ASIA

Royal Enfield entered the world's fourth largest motorcycle market, Vietnam, with a flagship store in Ho Chi Minh city. Royal Enfield will provide a full range of services in this market including retail and aftersales. Entry in Vietnam will significantly strengthen Royal Enfield's foothold in South East Asia. While the country already has great motorcycling culture, a few developments are shaping demand. The rising interest of tourists to explore the country on two-wheelers and the growing aspiration of the country's large youth population, commuting on two-wheelers, to adopt the right medium of self-expression and exploration. These developments are unleashing immense demand for latest evocative motorcycles in Vietnam, making it an ideal destination for Royal Enfield.

Vietnam, Royal Enfield now has presence in three South East Asian markets with the other two being in Indonesia and Thailand. Royal Enfield has two exclusive stores in Indonesia at Jakarta and Bali and also an exclusive gear store in Jakarta. In Thailand Royal Enfield has one exclusive store in Bangkok.

GROWING THE ROYAL ENFIELD COMMUNITY OUTSIDE INDIA

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 with the riding community.









TOUR OF THAILAND

Extending the culture and camaraderie of riding all in Thailand

Royal Enfield's first marquee ride event outside the Indian subcontinent, the Tour of Thailand witnessed a participation of 31 riders who covered 1,600 kms over a period of seven days. Flagged-off from the Royal Enfield's store dealership at Thonglor, and passing through several amazing terrains, country roads, mountain twisties, naturally preserved landscapes, scenic highways and best tarmac patches, the ride culminated in Northern Thailand's Chiang Mai. The last day of the tour witnessed local Royal Enfield riders in Chiang Mai joining in through Samoeng loop, enriching the troop to 60+ riders. A cultural bonhomie for the participants with a pleasant mix of riding and cultural interaction, the event brought joy to riders to experience the simplicity and vividness of the Thai culture.

REUNION THAILAND

Celebrating the spirit of motorcycling with the community

REunion Khao Yai was the first-of-its-kind event for the Royal Enfield community in Thailand. Set in at Khao Yai, a 200-km ride from Bangkok, famed for its long-standing natural preserve, the event brought together 100 enthusiasts from across the country. The ride to the beautiful Khao Yai Tieng Dam and different motorcycling events at the venue provided the community the pure joy of riding and bonding.









TOUR OF COLOMBIA

Taking the motorcycling culture to South America

Tour de Colombia – Colonial Towns was the first motorcycle ride event for Royal Enfield customers in South American continent. Colombia has a strong motorcycling culture and Royal Enfield is deepening its engagement with its customers to promote and nurture this motorcycling way of life.

The six day tour started in Bogota, the capital of Colombia. The cavalcade of riders passed through the major cities of Medellin, Cali, Pereira and Bucaramanga. It was done to further encourage the extremely popular weekend riding culture among the Royal Enfield community, with a longer multi-day ride version taking the enthusiasts to extremely scenic parts of the country.

REUNION COLOMBIA

Celebrating the passion binding the rider community

Royal Enfield's maiden edition of REUNION in Colombia was held in the city of Pereira. The event saw participation from 140 enthusiasts from seven cities. The event had host of motorcycling activities like slow race, obstacle race, 'assembly wars', and also a ride through the scenic coffee plantations. The event line-up was rigorous, joyous and generated a lot of thrill for the participants. The idea was to enjoy motorcycling at its purest. Generating tremendous excitement, the event became very popular amongst the Royal Enfield community in Colombia and encouraged them to celebrate leisure riding more often.

PROMOTING DIFFERENTIATED MOTORCYCLE AND RETAIL EXPERIENCES

Royal Enfield has a unique motorcycle line-up to provide a differentiated experience and meet diverse customer expectations while retaining the core philosophy of keep riding pure. This has resulted in a resurgence of interest among prospective buyers and has attracted newer audience for its motorcycles



THE HIMALAYAN SLEET

Inspired by mountains, built to inspire the explorer within

The Sleet is the all new variant of Royal Enfield's versatile adventure touring motorcycle, Himalayan. Designed and purpose-built for adventure touring and exploring the Himalayas, Himalayan's long travel suspension, natural upright riding position, dual purpose tyres combined with agile handling and a durable engine add up to a comfortable ride, whether it's on the highway, city streets, or remote mountain roads.

The Himalayan Sleet while retaining the existing versatility of the original Himalayan, sports a new camouflaged grey colourway, which is inspired by the pattern of Royal Enfield's spiritual home - the Himalayas, its craggy land, gorges and edgy peaks. Strengthening its adventure touring proposition, an exclusive range of first 500 Himalayan Sleet pre-fitted with an explorer kit was launched online for sale on Royal Enfield website. The explorer kit contained an assortment of Royal Enfield's motorcycle accessories including aluminium panniers, pannier mounting rails, aluminium handlebar with cross brace and an engine guard.

The initial 500 units of Himalayan Sleet pre-fitted with an explorer kit went on sale on the Royal Enfield website. All 500 were sold out within a few hours of the commencement of the sale highlighting the interest level for the motorcycle



THE CLASSIC STEALTH BLACK AND GUNMETAL GREY

Celebrating Royal Enfield's long – standing association with the Indian Army

Royal Enfield, the preferred motorcycle of the Indian Armed Forces, launched two colour variants of its best-selling motorcycle – Classic. The two variants Classic 500 Stealth Black and the Classic 350 Gunmetal Grey, have received a fantastic response from customers and are one of the best - selling colours in the Classic franchise.

The Classic Stealth Black carries forward the brand's association with the Indian armed forces. A team of 15 Black-Cat commandos from NSG (National Security Guard) rode the Stealth Black motorcycles on an epic 8,000 kms motorcycling expedition across 13 Indian states to spread awareness against terrorism. The Classic Stealth Black was launched with stealth black gear range of apparel that received a good response from the customers







THE THUNDERBIRD X

Purposed for cities, towns and beyond. Chock-full of personality.

Thunderbird X is Royal Enfield's new factory-built, custom-inspired motorcycle designed for urban explorers. Featuring alloy wheels and tubeless tyres, a first for Royal Enfield, the Thunderbird X has a distinctive attitude. Its 'gunslinger' styled seat coupled with the new grab-rail and shortened rear mudguard creates custom-style statement and gives a cleaner, less cluttered look. The blacked-out theme is uniformly carried over to components like the silencer, front forks, side covers, headlamp cover, indicators and grab-rail. The Thunderbird X will be available in four new colours – Getaway Orange and Drifter Blue for the Thunderbird 500 X and Whimsical White and Roving Red for the Thunderbird 350 X. Thunderbird X was extremely well received by Royal Enfield customers and is paving the way for younger customers to become the part of the iconic Royal Enfield family.

The Thunderbird X was launched simultaneously across 320 stores across India in a single day driving in a lot of consumer awareness for the motorcycle



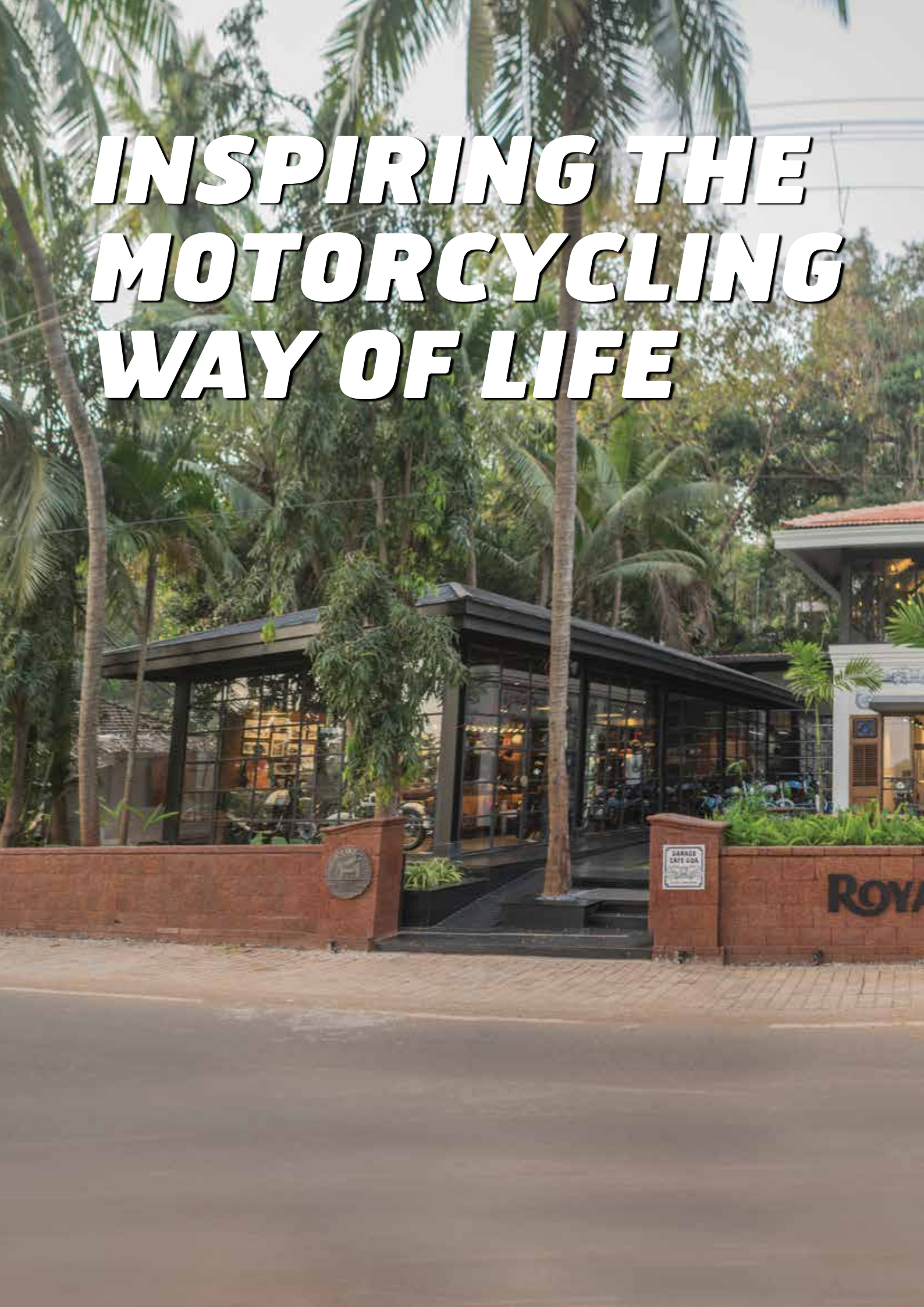
Vintage store allows for easy discovery and access to pre-owned Royal Enfield motorcycles with the advantage of quality tested and certified motorcycles. The customers at Vintage stores will be assured of a hassle-free experience and will make Royal Enfield motorcycles more accessible to riders and enthusiasts

VINTAGE STORE

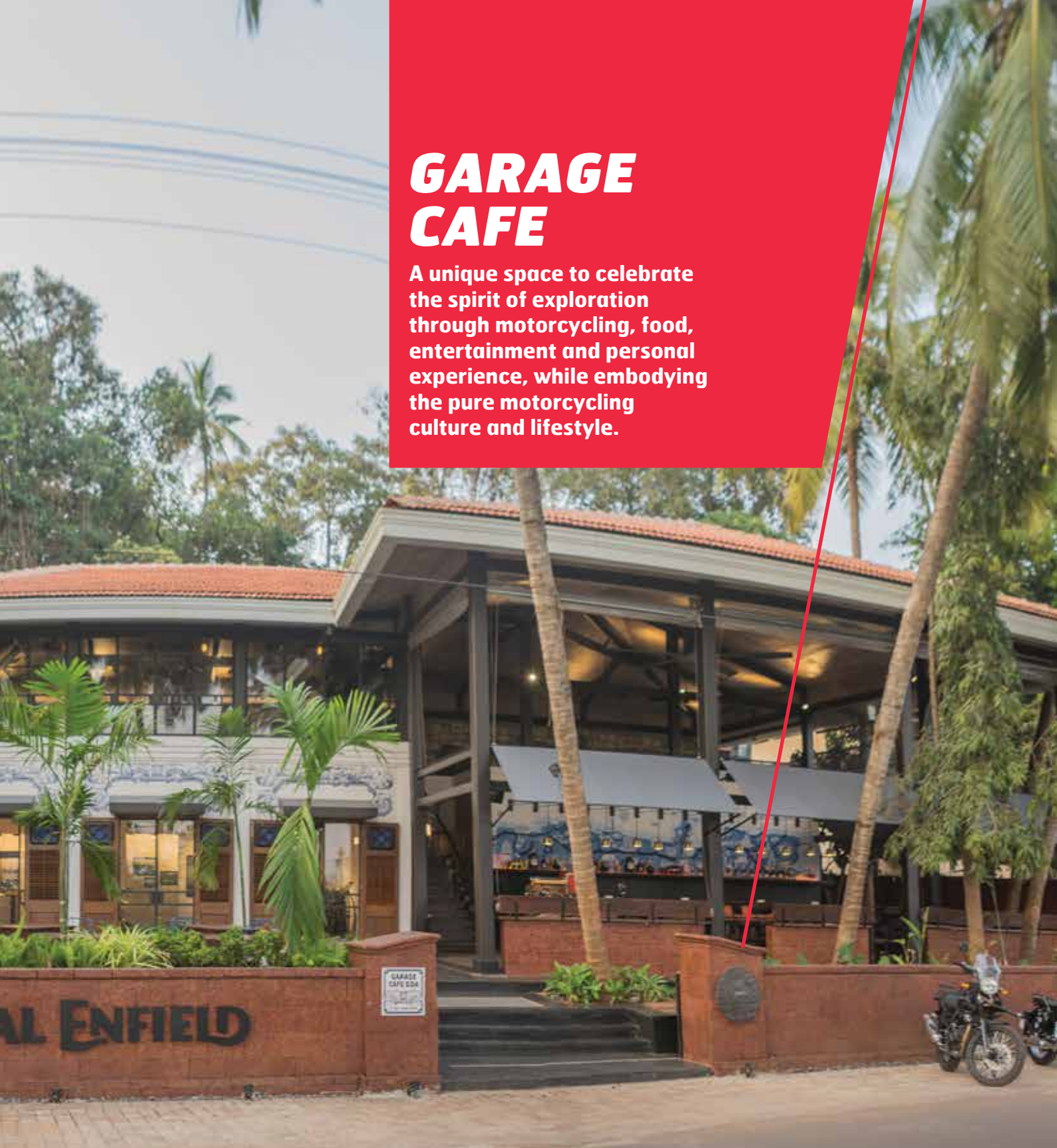
A place where epic motorcycling journeys, experiences, and stories will never end and will be passed on from one owner to another

A first-of-its-kind initiative in the two-wheeler industry, the Vintage Store is a unique concept that allows for easy discovery and access to pre-owned Royal Enfield motorcycles with the advantage of transparency in process and pricing. The store will exclusively deal in three lines of business – 'preowned' for buying and selling of pre-owned motorcycles, 'refurbished' for refurbishing motorcycles as per requirements using genuine spares and parts and 'restored' where vintage motorcycles can be restored to their original condition.

It will be a trusted platform where existing Royal Enfield owners can upgrade, aspiring brand enthusiasts can own, and Royal Enfield aficionados can grow their vintage motorcycle collection. The stores will have trained Royal Enfield technicians to undertake a 92-point quality check that would guarantee quality assurance and reliability.



INSPIRING THE MOTORCYCLING WAY OF LIFE



GARAGE CAFE

A unique space to celebrate the spirit of exploration through motorcycling, food, entertainment and personal experience, while embodying the pure motorcycling culture and lifestyle.

Royal Enfield opened its first ever Garage Cafe set on the banks of the Baga river in Arpora, Goa. Steeped in the Royal Enfield heritage, the spacious 120-seater cafe integrated with a museum-cum-exhibition Center, exclusive gear store, customisation area and service bay truly reflect the motorcycling way of life. Designed to be an inclusive and engaging space, the cafe provides a one-of-its-kind experience that amalgamates various dimensions of Royal Enfield and facilitates in catalysing association with riding enthusiasts and customers. Inspired by restaurants and wayside inns frequented by motorcyclists, the cafe offers an eclectic menu that blends European, British and uniquely Goan cuisine. The cafe's interior is inspired by the traditional Portuguese style structure and is built around the core values of Royal Enfield that are an expression of timelessness and craftsmanship and an unadulterated love for motorcycling.

Among India's most definitive motorcycling inspired cafes and anywhere in the world, the cafe appeals to motorcyclists, explorers, travellers and food enthusiasts alike. The whole idea of the cafe is to provide a relaxed soft sell environment, where anyone can come in and experience the world of Royal Enfield and immerse themselves in the brand.

SCALING MANUFACTURING EXCELLENCE



VALLAM VADAGAL MANUFACTURING FACILITY

Setting new benchmarks in motorcycle manufacturing

Royal Enfield commissioned the first phase of its third manufacturing facility at Vallam Vadagal near Chennai. Spread across 50 acres, the modern production facility features state-of-the-art vehicle and engine assembly, paint shop and machining. The plant has a manufacturing capacity of 3 lakh units per annum in its first phase, taking Royal Enfield's overall production capacity to 9 lac units per annum. The new facility will play an instrumental role in meeting the rising demand for Royal Enfield motorcycles.

The plant sets new benchmarks in production environment led by innovative concepts implemented by the project team. Equipped with modern techniques and a 'Zero Liquid Discharge' facility, the plant adheres to ISO 9001 quality standards as well as all environment and safety guidelines.

Each day, 1,500 employees together manufacture one motorcycle every 45 seconds at the Vallam Vadagal plant



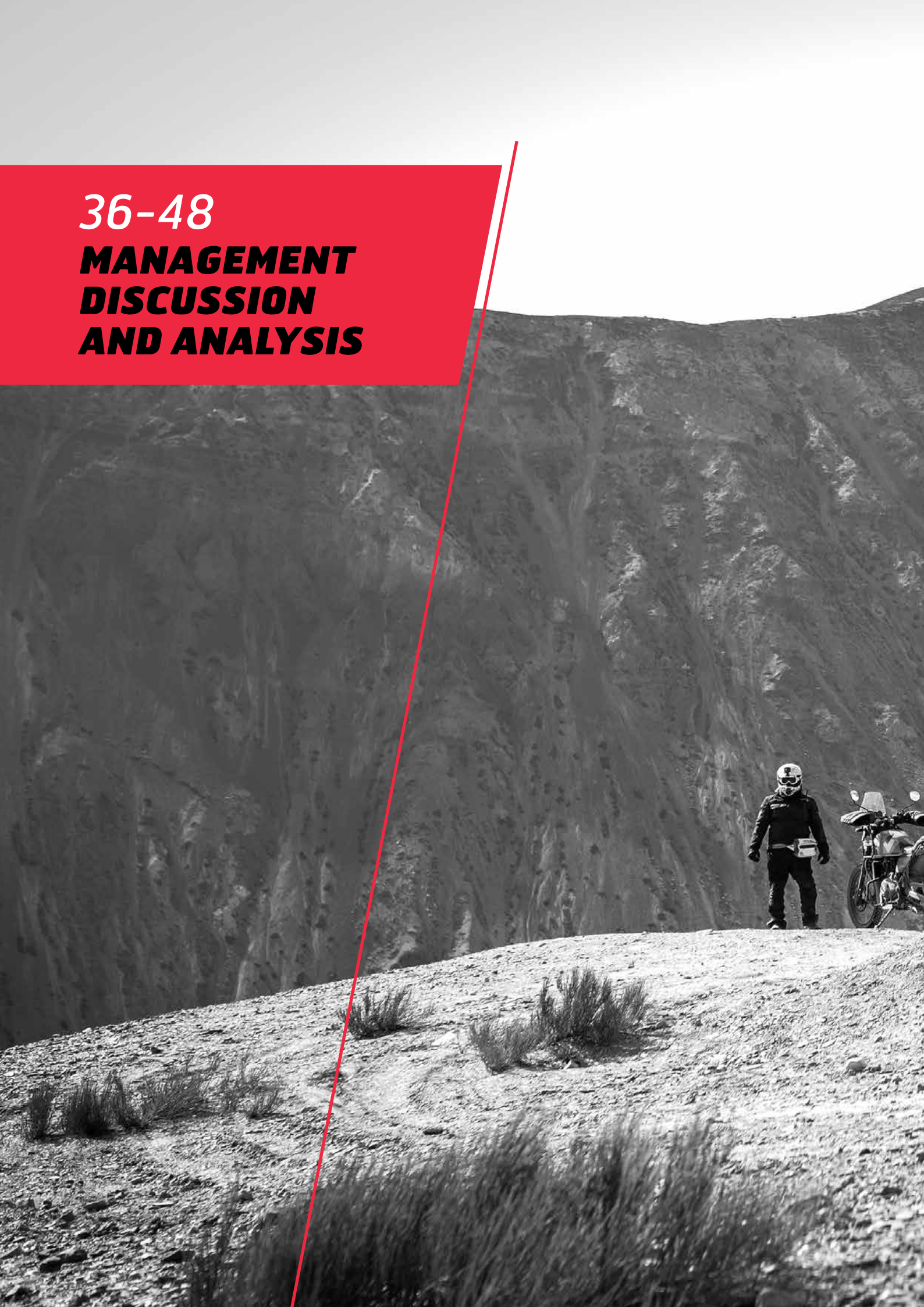
Spread across 4.5 acres, the Royal Enfield Technology Center is located at Sholinganallur on the Old Mahabalipuram Road in Chennai, India

INDIA TECHNOLOGY CENTER

Scaling-up research and development

Royal Enfield's India Technology Center will be its second product development Center after the first facility was operationalised in UK last year. The new tech Center will enable Royal Enfield to scale R&D activities. Spread across an area of 4.5 acres, the India Technology Center is located at Sholinganallur on the Old Mahabalipuram Road, Chennai. It is intended to be a self-contained facility, having provisions for production and assembly of prototypes, testing of engines and vehicles. Designed with modern architectural settings, the Center will facilitate higher operational efficiency and have an environment friendly set-up. This Center is built on the guiding principle of being a creative and collaborative set-up and will work closely with the UK Technology Center enabling Royal Enfield to expedite and set new standards of product development. Post its planned completion in April 2019, the facility will have the capacity to accommodate 800 people.

36-48
MANAGEMENT DISCUSSION AND ANALYSIS





MANAGEMENT DISCUSSION AND ANALYSIS



In the Management Discussion and Analysis, all the numbers pertaining to EML refer to consolidated numbers.

BUSINESS REVIEW

Industry Performance

After a subdued performance over the past few years, the two-wheeler industry bounced back in 2017-18. This rebound was driven by demand coming from smaller towns and semi-urban areas, improving macroeconomic conditions, new model launches, ease of availability of finance and subsiding impact of demonetisation.

The overall two-wheeler industry volume in India touched an all-time high of 20.2 million in 2017-18, a growth of 15% over 17.6 million in 2016-17. This trend was driven by both, scooters and motorcycle segments alike. While the scooter segment volume grew by 20% from 5.6 million in 2016-17 to 6.7 million in 2017-18, year-on-year growth in motorcycle volume was a creditable 14% from 11.1 million in 2016-17 to 12.6 million in 2017-18.

Royal Enfield Performance

Royal Enfield posted another remarkable year, outperforming the industry yet again. Your Company recorded a growth of 23% as the total sales volume including international sales increased from 6,66,135 units in 2016-17 to 8,20,121 units in 2017-18.

Royal Enfield continued its strong brand connect in the India posting a robust 23% growth during 2017-18, over the corresponding previous year. India sales increased from 6,51,110 units in 2016-17 to 8,01,230 units in 2017-18.

Royal Enfield strengthened its market share in India in the motorcycle segment from 5.9% in 2016-17 to 6.4% in 2017-18. Market share gains were driven by strengthening of position in your Company's traditionally strong demand states as well as tapping the potential in the states which are large motorcycle states but your Company's market share was lower than its India average market share.

Chart 1 // Industry Volume and Growth - Motorcycle Segment

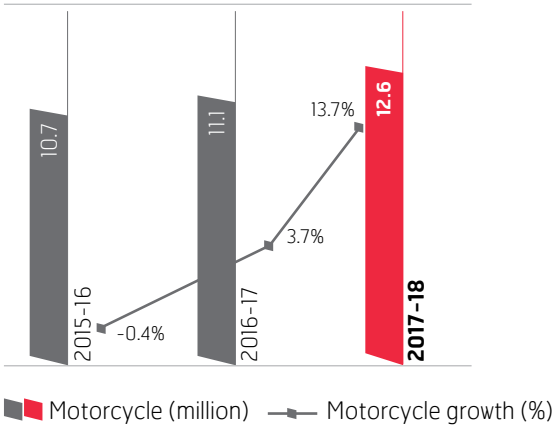
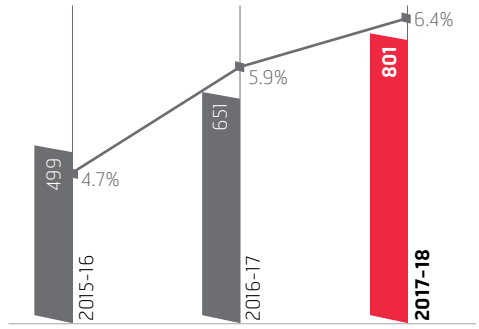


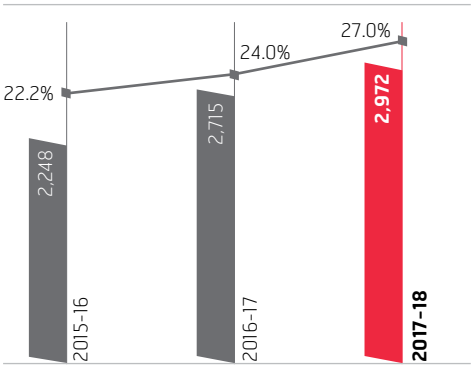
Chart 2 // Royal Enfield's Market Share in India



Royal Enfield India Volume ('000)
Royal Enfield Market Share (%)

Industry volume of motorcycles with engine displacement of above 125cc grew by 9% from 2.7 million in 2016-17 to 3.0 million in 2017-18. Royal Enfield improved its market share in this segment from 24.0% in 2016-17 to 27.0% in 2017-18. While for the year, Royal Enfield was the second largest player in above 125cc segment, in four of the six months in the second half of the year, Royal Enfield was the top choice of customers. This trend reflected that Royal Enfield is high in the consideration set of customers.

Chart 3 // Royal Enfield's Market Share in above 125cc Motorcycle Segment



Sale of Motorcycles of Engine Capacity above 125cc ('000)
Royal Enfield Market Share (%)

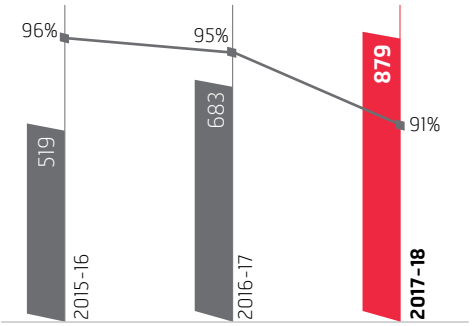
The motorcycle industry is witnessing a drift towards premiumisation as consumers are increasingly looking at riding as an extension of their lifestyle and also aim to be associated with brands which are aspirational in nature. This trend is reflected in the fact that on a year-on-year basis, the 250cc and above segment grew by 29% during the year, outpacing the growth of 14% in the overall motorcycle segment. While higher disposable income, increased awareness and lifestyle upgrades are driving the demand, improved access to financing is aiding the affordability for premium and branded products.

8,01,230

India motorcycles' sales in 2017-18

Royal Enfield continues to dominate this segment with a market share in excess of 90%. In addition to the positioning of a differentiated motorcycle, Royal Enfield also offers a unique experience to its customers through joy of pure riding, adventurous expeditions, community engagement, self expression and participation in events and rides.

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



Sale of motorcycles of Engine Capacity 250cc+ ('000)
Royal Enfield Market Share (%)

Product Enhancements and Portfolio Expansion

Royal Enfield's offerings are designed to cater to riding preferences of a wide range of riders. While pure riding and self expression remain the fundamental premise, Royal Enfield engages extensively with its riders to enhance experiences, irrespective of their riding needs and styles. Product enhancements go a long way on achieving this and your Company continues to strategise and invest in these initiatives.

During 2017-18, Royal Enfield launched several variants with newer features and additional functionalities. It also previewed upcoming products, which would not only provide a compelling upgrade to existing riders, but also strengthen Royal Enfield's presence in the mid-sized motorcycle segment.

Enhancements to the existing product portfolio were a combination of improvement in functionalities, comfort and aesthetic, with an ultimate objective of enhancing riding experience. These value enhancements garnered tremendous interest on the launch of these variants and were well received by customers with enthusiasm. (Refer page no. 18)

Dealership Network Expansion

To keep pace with a strong demand and improve accessibility, Royal Enfield has been ramping up its distribution network both in India and in global markets. In India, your Company

more than doubled its store count in last three years to 825 stores across more than 600 cities. With growing recognition of the Royal Enfield Brand and the culture of pure riding expanding beyond the large urban cities, two-thirds of the 150 stores opened in 2017-18 were in new cities.

While India has traditionally remained a large commuter driven market, noticeable changes in the overall two-wheeler landscape are being witnessed, driven by changing demographics, higher disposable incomes and ease of availability of finance. There are still vast untapped markets in the country, some of them in large motorcycle states, which provide opportunities which could be explored by way of appropriate network expansion. Improving economic health, urbanisation and brand awareness among the customers in these states will be key drivers for uplifting the demand for Royal Enfield motorcycles.

With a view to enhance customer experience in its own distinctive style, Royal Enfield embarked on a 'Brand Retail Identity (BRI)' programme to upgrade and standardise all its dealerships. The BRI programme was focussed on improving the visual identity of the brand by evolving and transforming the dealerships. The programme comprised re-designing of an array of elements including, among other things, exterior and interior ambience, furniture and fixtures, setting-up a brand history wall, display of motorcycle artwork, etc. The successful completion of this programme has resulted into converting of all the dealerships into now showcasing the rich heritage of Royal Enfield and reflect the core message of 'Pure Motorcycling'.

After-Sales Service

Customer reach and service quality have always been of paramount importance to Royal Enfield. Your Company is continuously increasing its service footprint and bay capacity across the country to provide easy access and quick turnaround to the customers. Royal Enfield undertook various initiatives across the service spectrum - from ease of access of service network for its riders and skill development of technicians to creating awareness about the need to use genuine spares.

- To facilitate easy access to service touchpoints and enhance customer experience, the concept of 'Mobile service vans' was commenced during the year to enable riders have the convenience of service on call
- With an aim to promote skill development, 'Royal Enfield Central Staff Training Academy', offered structured long term residential training programme for technicians and service advisers. With completely digitised curriculum, infrastructure for real-time interaction and feedback across locations, Royal Enfield has become a pioneer in two-wheeler industry in offering such courses for promoting skill development. Your Company is planning to open two more academies in Delhi and Mumbai during 2018-19
- Royal Enfield embarked on various programmes for competence development to ensure quality of service. Under such programmes, each store is planned to have technicians with varying degrees of expertise and skill sets. This leads to enhancing technical capability of each Royal Enfield service centre to do the things right in first time
- Your Company is also running a 'Royal Enfield Mechanic Advisory Programme' for freelance mechanics with an aim to create awareness about and to promote the use of genuine parts

Motorcycle Accessories

With the growing desire for personalisation of motorcycle, there is a large nascent demand for product and service solutions which can be offered to Royal Enfield customers to experience the brand. Additionally, the non-branded offerings currently available in the market are not backed by warranty. With a core vision to offer product solutions to the customers which enable them to live the brand experience of "Ride more and Ride pure" even in their daily commute and to proliferate the desire for personalisation, in 2016-17, your Company set out to develop Motorcycle Accessories.

In 2017-18, your Company strengthened its Motorcycle Accessories offerings with design and development of these accessories being carried out in parallel with the motorcycle itself. Your Company also aims to achieve the highest levels of engineering integration and thoroughly test the products fitted on the motorcycle in accordance with the design validation process.

Gear

Royal Enfield Gear extends the brand beyond the legendary motorcycles to complete a way of life that reflects the brand. Inspired by a motorcycling way of life, Royal Enfield Gear comprises riding gear, apparel and personal accessories. The range is built to help riders explore and express themselves, on and off the motorcycle. Royal Enfield Gear bears quintessential Royal Enfield hallmarks – craftsmanship, durability and attention to detail.

Royal Enfield launched multiple ranges and collections, some celebrating the heritage stories of Royal Enfield and some inspired by the motorcycle launches of the year 2017-18. In order to expand its accessibility, your Company has forayed into online retail landscape through its own online store and through other larger online retailers.

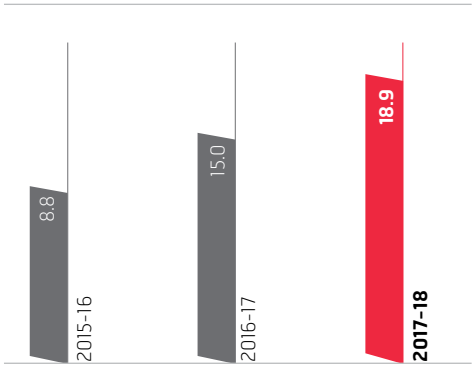
As more and more customers are taking up the riding culture, Royal Enfield gear is aiding them accentuate their lifestyle and self expression.

International Business

Royal Enfield's vision in international markets is to expand and lead the mid-size motorcycle segment by

offering simple pleasures of pure motorcycling. With the focus on offering a differentiated customer experience, Royal Enfield has been engaging deeply with existing and potential riders through several initiatives, including rides, events and international motor shows. The focussed country-specific strategies has made steady progress in building recognition of Royal Enfield as a strong and differentiated brand across developed and emerging countries, alike. This is reflective in its international sales volume which increased by a healthy 26% from 15,025 in 2016-17 to 18,891 in 2017-18.

Chart 5 // Royal Enfield International sales Volume



International sales Volume ('000)

During the year, your Company expanded its global footprint with an increase in exclusive store network from 25 in 2016-17 to 36 by the end of 2017-18 and through a strong network of over 500 Multi Brand Outlets.

In 2016-17, Royal Enfield opened a subsidiary in Brazil, the biggest two-wheeler market in Latin America. With São Paulo as its Brazilian headquarter; the iconic motorcycle brand launched its first flagship store in the heart of the city in 2017-18.

During the year, Royal Enfield forayed into Vietnam and Argentina by opening its flagship stores at strategic locations in Ho Chi Minh City and Buenos Aires, respectively. It further strengthened its presence in UK, France, Austria, Mexico, Indonesia, Thailand, New Zealand and Colombia by adding new stores in these countries, indicating towards the increasing traction the brand is gathering in these regions.

With a view to cater to different riding requirements and grow the segment beyond just commuting, Royal Enfield expanded its product offerings in key global markets by introducing Himalayan across all key global markets. The Interceptor 650 and Continental GT 650 Twins, that were unveiled at the EICMA Motor Show in Milan were also showcased in key motor shows around the world. The rider interest to these have been extremely encouraging and your Company is excited about its upcoming launch.

Royal Enfield's engagement with the rider community deepened during the year, further strengthening its positioning as a differentiated brand. Tours and REunions witnessed enthusiastic participation, further strengthening the concept of "Ride Pure" and building communities. The Tour of Thailand had riders participating in a 1,500 kms ride spanning across the length and breadth of Thailand. The first ever Tour of Colombia also witnessed an encouraging response to 1,400 kms ride through the Colombian Eastern mountain range.

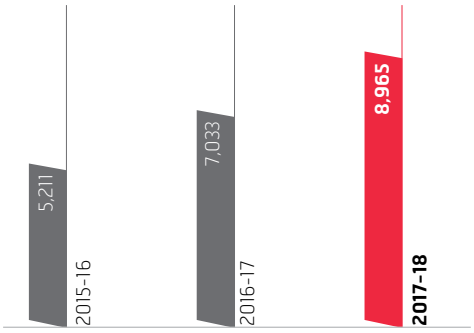
Royal Enfield's unique and evocative motorcycles have found strong traction in the ASEAN since entering the region two years ago. To further strengthen the brand and accelerate market development activities, Royal Enfield has decided to set up wholly-owned subsidiaries in Indonesia and Thailand in 2018-19. The work on building aspiration and creating access will continue to achieve your Company's vision of becoming the global leader in the mid-size motorcycle segment.

FINANCIAL REVIEW

Your Company continued its strong financial performance in 2017-18 with revenue, EBITDA and PAT exhibiting a robust growth during the year. This growth was driven by both motorcycle sales as well as growth in spare parts, gears and service.

Total revenue from operations increased by 27% to Rs. 8,965 Crores in 2017-18 from Rs. 7,033 Crores in 2016-17.

Chart 6 // Net Revenue – CAGR* 31%



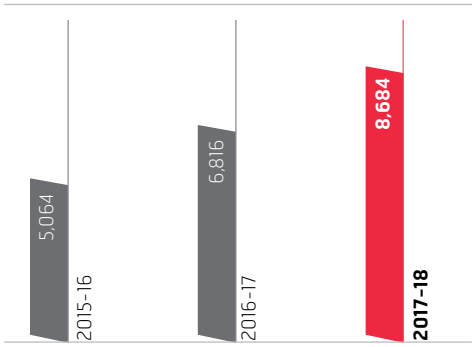
Net Revenue (Rs. in Crores)
*CAGR - Compounded Annual Growth Rate

Rs. 8,965 Crores

Total revenue in 2017-18

Given the largest share in the revenue, India motorcycle sales was the key driver of this growth. India revenue grew by 27% to Rs. 8,684 Crores in 2017-18 from Rs. 6,816 Crores in 2016-17.

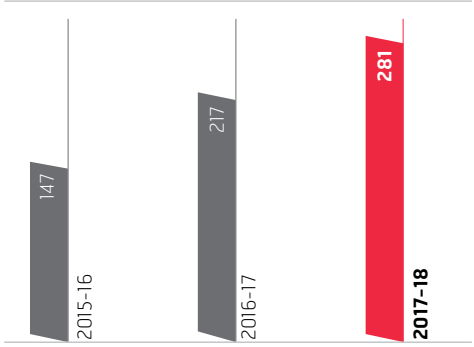
Chart 7 // Net Revenue from India Business – CAGR 31%



Net Revenue from India Business (Rs. in Crores)

International business also grew by 29% during the year to Rs. 281 Crores in 2017-18 from Rs. 217 Crores in 2016-17 on the back of strong response from Europe, UK, Latin America and ASEAN region.

Chart 8 // Net Revenue from International Business – CAGR 38%



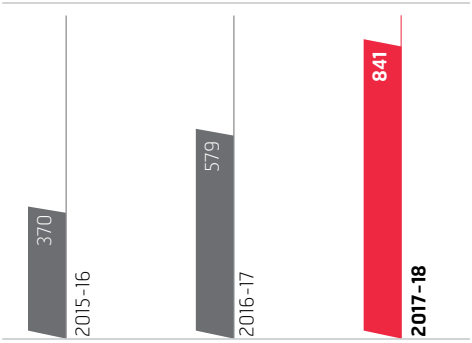
Net Revenue from International Business (Rs. in Crores)

With a view to enhance riding experience, Royal Enfield has been offering a wide variety of Gear and Motorcycle Accessories both through online and in-store spaces. Your Company has also launched programmes to promote the use of Genuine spares and has been working extensively with its network to create awareness. Revenue from Gears and Accessories, together with spares and services grew by 45% in the year to Rs. 841 Crores in 2017-18 from Rs. 579 Crores in 2016-17.

31.3%

EBITDA Margin in 2017-18

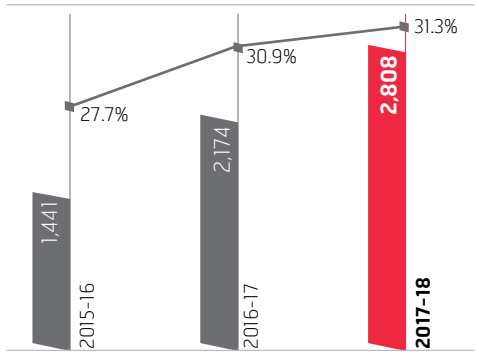
Chart 9 // Net Revenue from Sale of Spare Parts, Gear, Motorcycle Accessories and Services – CAGR 51%



Net Revenue from Sale of Spare Parts, Gear, Motorcycle Accessories and Services (Rs. in Crores)

Industry leading Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of your Company increased by 29% from Rs. 2,174 Crores in 2016-17 to Rs. 2,808 Crores in 2017-18. Despite hardening of the commodity prices, your Company absorbed these inflationary pressures and did not increase prices for most part of the year and took a price increase of 1% only in February 2018. During the year, your Company improved its EBITDA margin from 30.9% in 2016-17 to 31.3% in 2017-18 driven by a focus on better product mix, cost optimisation initiatives and scale benefits.

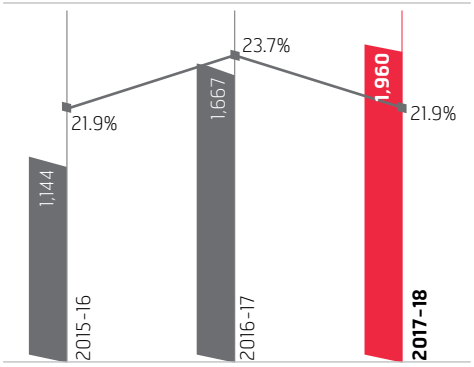
Chart 10 // Earnings Before Interest, Depreciations & Tax (EBITDA) and Margin



EBITDA (Rs. in Crores) — EBITDA Margin (%)

Consolidated Net Profit After Tax (PAT) increased by 18% during the year to Rs. 1,960 Crores in 2017-18, from Rs.1,667 Crores in 2016-17. Net Profit for the year included an amount of Rs. 220 Crores of exceptional nature representing the 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 decreased from 23.7% in 2016-17 to 21.9% in 2017-18. Also refer below.

Chart 11 // Net Profit After Tax and Margin



Your Company continued to generate a healthy cash flow as the total cash flow from operations increased from Rs. 1,708 Crores in 2016-17 to Rs. 2,482 Crores in 2017-18. Capital investment of about Rs. 800 Crores during the year was largely towards the commissioning of Phase-1 of your Company's third manufacturing facility in Vallam Vadagal near Chennai, India, completion of the Technical Centre in the UK, development of new products and the ongoing construction work for India Technology Centre in Chennai. Your Company's financial position continued to be robust with total cash and cash equivalents and investments (other than in subsidiaries and Joint Ventures) of Rs. 5,018 Crores.

EPPL was incorporated in October 2012 and in June 2015, the Company launched "Multix", India's first personal utility vehicle, purpose-built for the independent businessman. Given its unique positioning and differentiated product features, Multix initially generated significant interest from customers. However, the initial interest could not be sustained and the subsequent sales performance was significantly slower than your Company's expectations. Despite several initiatives, EPPL's performance could not be revived and the board of directors of EPPL on March 9, 2018, passed a resolution to close the operations of EPPL with immediate effect.

OPERATIONS REVIEW

Commissioning of your Company's Third Manufacturing Facility at Vallam Vadagal

The year 2017-18 marked the start of production from Royal Enfield's third manufacturing facility at Vallam Vadagal near Chennai, Tamil Nadu. The construction of the Phase-1 of facility was completed in a record time of 15 months. The plant commenced commercial production in August 2017 and ramped up to its peak capacity in eight months following its commissioning.

Spread over 50 acres, the new facility is benchmarked to the highest level of quality and productivity. The facility houses a modern paint shop with 30 colour options and 14 state-of-the art robots. Modern clean painting techniques provide better paint finish and reduce wastage from the overall process. Vehicle assembly line is also equipped with a conveyor belt which follows a non-conventional design and splits the overall assembly across two storeys. This not only led to maximum utilisation of space but has also resulted in process efficiencies as it eases material flow, and requires lesser manpower and exposure to parts.

During 2017-18, the total production from all the three plants was close to the target capacity of 8,25,000 motorcycles. In 2018-19, with the first phase of the Vallam Vadagal plant running its first full year of operations, and with productivity optimisation at its Oragadam plant, your Company plans an annual production capacity of 9,50,000 motorcycles.

With demand continuing to surpass supply and strong growth sustaining in all the markets, your Company sees the need for further capacity expansion. Within a year of commissioning of Phase-1, in April 2018, your Company decided to embark on commencing the construction of Phase-2 of the Vallam Vadagal facility in 2018-19.

Building Product Development Capabilities – R&D and Technology Focus

In May 2017, Royal Enfield moved into its state-of-the-art Technology Centre at UK Technology Centre at Bruntingthorpe, Leicestershire in the United Kingdom. A place rich with history, just like Royal Enfield, 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 became fully operational during the year.

In Chennai, construction work is well underway 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. Activities at the facility are planned to commence in phased manner.

The facilities at these two technology centres will enable Royal Enfield build in-house capabilities to take full ownership of all aspects of motorcycle design and development.

Supply Chain Management

An efficient and active management of supply chain activities has enabled your Company to cater to the growing demand from its customers. In 2017-18, your Company's supply partners significantly contributed to scaling up the overall production including ramp-up of Vallam plant last year, and also ensuring a seamless transition to the new indirect tax regime - Goods and Services Tax (GST).

In line with your Company's focus on quality improvement, the consolidated supplier base also collaborated to achieve improved product performance by active involvement in development and change management. Your Company worked closely with its supply partners in new process

technologies to enable successful launch of new variants and refresh models with new features of right quality, on time.

In addition to strengthening its supply chain, your Company continued to focus and work towards realising cost efficiencies in the overall processes. This entailed implementation of various cost management initiatives such as restructuring the make-or-buy strategies, engaging with suppliers for co-location, optimising value chain, leveraging scale benefits, administering logistics and inventory management controls.

Product Quality

At Royal Enfield, upholding and improving quality standards across all aspects is a constant endeavour.

With a single focus on quality, your Company has undertaken several initiatives across the value chain, ranging from engagement with suppliers, strengthening of systems and processes to support operational excellence to enhancing retail experience.

Your Company kicked off a key quality improvement drive - "Shoki Ryudo Kanri" to foster a shift in mindsets and the ability to look at quality within the organisation. The Shoki Ryudo Kanri process seamlessly integrates with the "Hoshin Kanri" methodology, which drives strategic goals through action at every level. The Shoki Ryudo Kanri initiative, which focusses on strict quality controls for new product and on improvements in the existing product portfolio is highly collaborative. 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, the focus is to eliminate chances of defect through the entire manufacturing value chain.

BRAND BUILDING, CUSTOMER EXPERIENCE AND ENGAGEMENT

At the core of the Royal Enfield brand is promise of pleasure of pure riding and is constantly creating opportunities for its riders to have a differentiated and evocative experience. Rides, tours, events and community engagements provide opportunities for Royal Enfield riders to not only experience the pleasures of pure riding, but also create and reinforce bonds which last a lifetime.

In 2017-18, your Company added new avenues to reinforce brand Royal Enfield by introducing concepts like the garage cafe, vintage store and India's first air-conditioned workshop with a lounge in the two-wheeler industry. Royal Enfield also



extensively engaged with the community by replicating its successful concept of marquee rides in its overseas markets and complementing it with unique initiatives like partnering with the National Security Guard (NSG) for their 8,000 km ride across the country.

Garage Cafe

In December 2017, Royal Enfield set-up its first ever Garage Cafe in Goa, a unique concept to blend motorcycling culture, lifestyle with the overall ethos that the Brand Royal Enfield stands for. (Refer page no. 32)

Vintage Store

In a first of a kind initiative in the two-wheeler industry, Royal Enfield launched its maiden pre-owned motorcycle store in Chennai - **Vintage**. (Refer page no. 31)

Air-conditioned Workshop

Royal Enfield's **Air-conditioned workshop with open lounge** aims to reinforce the connect between Man and Machine by providing a first of its kind experience to its customers in the two-wheeler industry. With the fully air-conditioned lounge blended with a service area, the customers are able to witness the servicing of their motorcycles in real time and up close.

Your Company continues to expand its marquee rides and events to its global motorcycling community. **Rider Mania,** India's most definitive motorcycle festival, is growing every year and its 2017 edition was the biggest ever gathering of Royal Enfield enthusiasts, which saw a participation of about 7,000 Royal Enfield riders from India and across the world. **One Ride**, one of the largest global community rides, had another successful year. One Ride 2017 saw record participation, with more than 500 registered rides attended by over 13,000 registered participants across 114 cities in India. Globally, Royal Enfield One Ride was celebrated across 28 countries in cities like London, Paris, Madrid, Barcelona, Dubai, Jakarta and Bangkok. Royal Enfield conducted 14th edition of its **Himalayan Odyssey** last year witnessing an overwhelming participation of over 61 riders including 6 women. Considered as the holy grail of motorcycle rides across the world, the participants on the Himalayan Odyssey rode from Delhi all the way to Khardung-La - one of the world's highest motorable roads over 18 days covering 2,300 kilometres.

Royal Enfield has always shared an impeccable bond with the Indian armed forces. Reiterating this relationship, your Company supported the NSG Motorcycle Expedition 2017. 15 Black Cat NSG Commandos went on an 8,000 km expedition, riding Royal Enfield Stealth Black Classic 500 motorcycles around the country to raise awareness against terrorism. These 15 motorcycles were then sold online within just 15 seconds of their launch as limited edition motorcycles. This again highlights the strong heritage and image, Royal Enfield brand carries.

Royal Enfield is taking the brand global and building communities outside of India by setting up new chapters of rides and tours in the overseas markets. During 2017-18, Royal Enfield conducted rides in Colombia, Thailand, Nepal and Bhutan. A strong traction in these rides and events reinforced the belief that Pure Motorcycling is truly limitless and boundless.

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

While India continues to be a large two-wheeler market, its composition has evolved over the past few years. On one hand, less than equal to 125cc segment has witnessed a rapid growth of scooters relative to motorcycles, on the other hand, the motorcycle segment has also evolved to witness premiumisation. While Royal Enfield, with its offerings only in the premium segment, has been the biggest beneficiary of this shift in riding 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.

Your Company has also been extensively engaging with its riders to create a differentiated experience and also leveraging its brand to enhance in-store experiences.

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

Anti-lock Braking System (ABS) will be introduced in all two-wheelers with engine displacement size of 125cc and above by April 2019. Your Company plans to be compliant with this regulation ahead of the deadline.

Your Company also successfully transitioned to an all-new GST Regime from 1 July, 2017 onwards with seamless integration of operations and supply chain.

Over the past few years, the performance of Royal Enfield, when compared with the growth in the overall motorcycle industry and the above 125cc segment in India, indicates Royal Enfield motorcycle has been a preferred choice during buying decisions of a premium segment motorcycle. This trend has been driven by a mix of factors ranging from increase in disposable income, the customer preferences for riding evolving beyond just commuting and the positioning of Royal Enfield as an aspirational Brand.

As customer preferences even on riding needs evolve, Royal Enfield continues to expand its product offerings to keep pace with customer preferences. The Thunderbird, Himalayan and the upcoming launch of the 650cc Interceptor and Continental GT indicate the need to keep pace with customer preferences. On the brand side, Royal Enfield continues to position itself as not only a leisure motorcycle offering but also as a compelling upgrade to new customers. It continues the deep and differentiated engagement with its riders through various rider, events and community building initiatives.

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 adequacy of resourcing, staffing and seniority of personnel in the internal audit team. The audit findings and management's resolution plans are reported on 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.

BUILDING HUMAN RESOURCE CAPABILITIES THROUGH HIGH DEGREE OF ENGAGEMENT

At Royal Enfield, effective talent and skill management is quintessential to its growth. Royal Enfield is continuously upscaling by creating the right-sized, driven, empowered and focussed team of professionals that form a base for achieving and surpassing organisational objectives.

Amidst global expansion, your Company has striven to foster and enable an inclusive, open and encouraging culture that thrives on your Company's core values. Managing talent with an equal grit at all locations, allowing equal opportunity to all employees to hone their skills by the means of robust learning & development initiatives has been at the core of the people strategy.

Your Company is continuously adding diverse workforce which includes diversity of gender, experience, industries, and geographies at the production sites, technical centres and the rest of the organisation. The percentage of women workforce in the plants has been increasing by 10% year-on-year for the last three years and apart from manufacturing and allied areas, over 200 women contribute to other areas of business, i.e. marketing, sales, service and other enabling functions.





Fostering the culture of "Pure Motorcycling", your Company has a high degree of engagement with employees on rides and events. Employees are encouraged to actively sign up for riding events and are also eligible for Rider's Leaves to pursue their passion for riding.

INFORMATION TECHNOLOGY

Royal Enfield has been at the forefront of adopting technology and recognising its power to analytics to support and transform businesses. During the year, your Company introduced a Product LifeCycle Management (PLM) tool, which provides a single repository of Product information from 'Concept' to 'Obsolescence' using streamlined change management processes. Adjacent to PLM, an 'Electronic Parts Catalogue' was enabled to share Parts and Service information to Royal Enfield's national and International dealer community.

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 & 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 a continuous basis to reduce material use and wastage per motorcycle, optimise use of natural resources with emphasis on recycling & reusing and to the extent possible, adopt renewable sources of energy. 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, your Company's plants are certified for compliance by the Government Pollution Control departments. It 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. Company's Oragadam plant is amongst the model plants as chosen by the Government of Tamil Nadu for other industries to emulate.

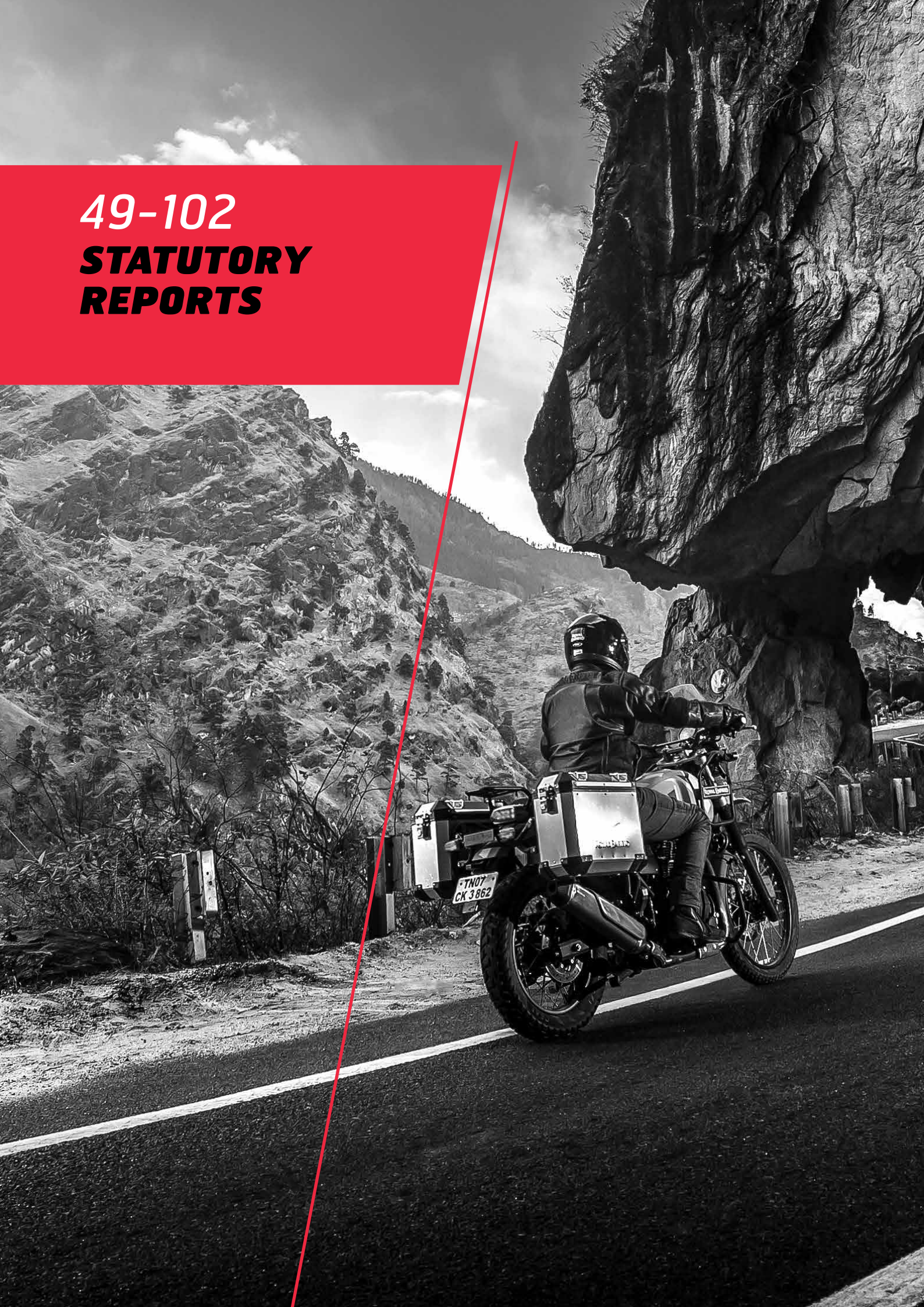
The Safety Committee of your Company addresses all safety related issues that emerge within the organisation. Safety training, including fire fighting training is part of the employees' induction process and all new employees have to mandatorily attend the same. Shop floor workers undergo periodic safety 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 with supply and demand situation, input prices and their availability, changes in Government regulations, tax laws and other factors such as Industrial relations and economic developments, etc. Investors should bear the above in mind.

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STATUTORY REPORTS



BUSINESS RESPONSIBILITY REPORT

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

Royal Enfield has had a fascinating journey of evolution. Spanning over a hundred years in history, Royal Enfield has had a classic way of building motorcycles which are timeless, evocative and purposeful. Today, the name is strongly associated with resilience, uncomplicated and engaging and has decades old pedigree. Our motorcycles have British roots and an Indian soul and they are aspirational yet accessible and are loved across the world.

The characteristics ascribed to our motorcycles are a reflection of our Company's core values. Eicher Motors Limited (EML or the Company), the corporate strength behind these iconic motorcycles, works with the sole objective of providing the highest quality motorcycles and related accessories to its customers. The organisation is committed to provide each and every customer with the best customer experience, rather than being a mere sales and service interface. The aim of the organisation is to create a lasting relationship with the customer, via the product, sales, after-sales and service experience, so that the relationship lasts for years to come. This approach of going beyond the ordinary, towards service excellence is seen in all spheres of the Company's presence. Taking this philosophy forward, the Company strives to leave a positive impact on the people and the planet thus driving the sustainability agenda. This approach is what makes it a game changer.

The Company in its steps to be socially responsible endeavours to make improvements in local areas where it has its roots, as well as where its motorcycles tread. It also encourages and harnesses through its extended teams, partners and riding community in working together to achieve its social missions.

The philosophy of making a positive impact takes into its fold all of the Company's key stakeholder groups and their material concerns. Through its close engagement with the stakeholders, the Company creates a deep connection with them. It is in many ways similar to the synergy between the rider and the machine. Knowing the stakeholders well and having a firm relationship with them, allows the Company to address their needs and concerns in an appropriate and a timely manner.

Eicher Motors Limited has state-of-the-art, streamlined and efficient manufacturing facilities. The Company's production process utilises natural resources judiciously and optimally. The Company sets actionable targets for reducing material, energy and water waste and has shown year-on-year improvement in these. Going beyond compliance, the Company works tirelessly to improve its environmental performance by manufacturing motorcycles keeping in mind the recyclability factor. Majority of the materials used to manufacture our motorcycles can be recycled at the end of its life, reducing the environmental footprint at the end stage of the product also. All plants of EML have a closed-loop water recycling design to ensure close to minimal/zero discharge of waste water. For waste management, the Company recycles aluminium scrap and sends it back into the industry for further use. Hazardous paint sludge is co-processed in the cement industry almost entirely, thus eliminating the need for incineration or landfills.

In order to ensure that Royal Enfield stands out as a unique brand in the two-wheeler segment, the Company has blended traditional practices with modern technologies. Individual pin-striping of the fuel tanks of certain motorcycle models by trained artists is one such practice adding a unique human touch to the vehicle manufacturing.

EML recognises employees as its biggest asset and one of the most important stakeholders for its long-term sustenance. As an equal opportunity employer, the Company actively promotes diversity at the workplace and currently employs 675 women on its rolls. In fact, as a rare achievement for any manufacturing organisation in India, the Company successfully runs an entire engine assembly line with female workforce of approximately 140 women. The Company has also made efforts to include people with special needs. The Company not only employs people with special needs, it makes attempts to make the workplace conducive for them by providing ramps, proper sign boards and special toilets for them in the manufacturing facilities. These enabling factors allow people with special needs to be comfortable at the workplace thereby enhancing their performance.

EML's CSR programmes are managed and monitored by an in-house CSR team facilitated by Eicher Group Foundation. The Foundation operates with a rationale to work towards an inclusive and equitable development by partnering with the community members to make them more involved and empowered. The CSR programmes are as per the Board approved CSR policy and aim to benefit the larger society. Traditional CSR programmes of the Company focus on school education and health care. However, as a more recent development, skill training, community development and sanitation in the community have been included in the CSR programmes.

With the firm foundation of its values, EML is progressively enhancing its sustainability performance. Balancing its economic growth, with equitable and suitable development in the society and environment fields, the Company aims to grow holistically. Driven by the idea of going beyond the basic, the Company is well entrenched in its sustainability philosophy, positively impacting millions of lives, every day.

SECTION A: GENERAL INFORMATION

A-1	**Corporate Identity Number (CIN) of the Company**	:	L34102DL1982PLC129877
A-2	**Name of the Company**	:	Eicher Motors Limited
A-3	**Registered address**	:	3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017
A-4	**Website**	:	www.eichermotors.com
A-5	**E-mail id**	:	investors@eichermotors.com
A-6	**Financial Year reported**	:	April 1, 2017 to March 31, 2018
A-7	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	:	Manufacture of motorcycles (Code 3091 of National Industrial Classification 2008, Government of India)
A-8	**List key products/services that the Company manufactures/provides (as in balance sheet)**	:	Motorcycles
A-9	**Total number of locations where business activity is undertaken by the Company:**		
	i. Number of International Locations (Provide details of major 5)	:	The Company has subsidiaries in North America, Brazil, and Canada and a technology centre in the United Kingdom. The Company has 36 exclusive stores across the UK, USA, Mexico, Colombia, Brazil, Argentina, France, Spain, Indonesia, Thailand, Philippines, Vietnam, Austria, Portugal, Australia, New Zealand and UAE.
	ii. Number of National Locations	:	◆ Registered office: New Delhi, India ◆ Corporate office: Gurugram, Haryana, India ◆ Manufacturing locations: Thiruvottiyur, Oragadam and Vallam Vadagal in Tamil Nadu, India ◆ Technology centre at Chennai, India
A-10	**Markets served by the Company – Local/State/National/International**	:	National: Across India International: 50 countries worldwide 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 (Rs.)**	:	Rs. 27.26 crores
B-2	**Total Turnover (Rs.)**	:	Rs. 8,957.51 crores
B-3	**Total profit after taxes (Rs.)**	:	Rs. 1,712.92 crores
B-4	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	:	The Company spent Rs. 30.85 crores on CSR activities during the reporting year. This was 2% of the average net profits of the Company for the last three financial years
B-5	**List of activities in which expenditure in 4 above has been incurred**		◆ Rural Development ◆ Skill Development ◆ Road Safety ◆ Environmental Sustainability

SECTION C: OTHER DETAILS

C-1	**Does the Company have any Subsidiary Company/Companies?**	:	Yes, as on March 31, 2018, the subsidiaries of the Company were: Direct Subsidiaries ◆ VE Commercial Vehicles Ltd. ◆ Royal Enfield Brasil Comércio de Motocicletas Ltda ◆ Royal Enfield North America Limited ◆ Eicher Group Foundation Step down Subsidiaries ◆ VECV Lanka (Private) Limited ◆ VECV South Africa (PTY) Ltd. ◆ Royal Enfield Canada Limited
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)**	:	The Company and its subsidiary VE Commercial Vehicles Limited have incorporated Eicher Group Foundation (a not for profit Company registered under Section 8 of the Companies Act, 2013) for the purpose of discharging their respective CSR obligations. Other subsidiaries do not participate in BR initiatives of the Company.
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?**	:	Suppliers and distributors are independent businesses that are within the circle of influence of the Company but function as independent entities. The Company's suppliers and distributors are not involved in BR initiatives of the Company.

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 the BR head:

At Eicher Motors Limited, the Corporate Social Responsibility (CSR) Committee is the BR head. The CSR Committee of the Company comprises Mr. S. Sandilya – Chairman, Non-executive and Independent Director (DIN 00037542), Mr. Prateek Jalan - Non-executive and Independent Director (DIN 02170139) and Mr. Siddhartha Lal - Managing Director & CEO (DIN 00037645).

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.	Do you have a policy /policies for....**	Y	Y	Y	Y	Y	Y	Y	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	*
3.	Does the policy conform to any national / international standards? If yes, specify? [1]	Y	Y	Y	Y	Y	Y	Y	Y	*
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	*
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	*
6.	Indicate the link for the policy to be viewed online?	**P1:** http://www.eicher.in/code-of-conduct **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/code-of-conduct **P8:** http://www.eicher.in/code-of-conduct								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	*
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	*
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	*
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	*

[1] All our policies are in line with the National requirements and also incorporates international leading practices as appropriate

* EML has implemented detailed systems and processes for addressing issues pertaining to customer satisfaction, without a formal board approved policy. For details on P9 refer the table below.

** The policies laid out by Eicher Motors Limited are mapped to each principle as follows:

Principle	Applicable policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of conduct for Directors and Senior Management Whistle Blower Policy Policy for Determining Materiality of Events and Information Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information 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	Environmental policy Quality policy
Principle 3: Businesses should promote the wellbeing of all employees	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 marginalised	Corporate Social Responsibility Policy
Principle 5: Businesses should respect and promote human rights	Employee welfare policy Prevention of sexual harassment
Principle 6: Business should respect, protect, and make efforts to restore the environment	Environmental Policy
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of conduct
Principle 8: Businesses should support inclusive growth and equitable development	Corporate social responsibility policy
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	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. 1 of D2 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
i.	The Company has not understood the principles	———				NA				———
ii.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	———				NA				———
iii.	The Company does not have financial or manpower resources available for the task	———				NA				———
iv.	It is planned to be done within next 6 months	———				NA				———
v.	It is planned to be done within the next 1 year	———				NA				———
vi.	Any other reason (please specify)	**P9:** EML has implemented detailed systems and processes for addressing issues pertaining to customer satisfaction, without a formal board approved policy.								

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.	:	The BR vision, strategy and performance of the Company are periodically reviewed by the Managing Director & Chief Executive Officer and Senior Management of the Company. BR performance of the Company is reviewed in the various business reviews in the context of various BR principles.

SECTION E: NVG PRINCIPLES

PRINCIPLE 1: BUSINESS ETHICS, TRANSPARENCY & ACCOUNTABILITY

EML lays utmost importance on good governance practices and upholds the highest ethics and transparency within the organisation and in its business transactions. Well-established governance practices of the Company provide a sound framework for operation, offer direction to strategic business decisions and guide day-to-day operations.

Coverage of policies relating to ethics, bribery and corruption

The Company has laid down well-defined codes of acceptable conduct and behaviour for employees and the management. There are policies in place that ensure ethics, transparency and accountability are maintained within the Company and in all business matters. Some important policies in this regard are:

- **Code of Conduct for Directors & Senior Management**—This policy has been put into place to ensure, inter-alia, protection of confidential information, prevent conflict of interests, ensure compliance to anti-bribery and corruption laws and to ensure compliance with all applicable laws, regulations and Company's policies
- **Whistle Blower Policy**—This policy offers a mechanism that allows Directors, employees and vendors to report any wrongdoing or malpractice in the Company. The policy also assures protection from reprisals or victimisation to the person(s) reporting
- **Policy for Determining Materiality of Events and Information**—This policy determines whether an event or information is material or not, ensures disclosure of any event or information which, pursuant to SEBI Regulations and Company's Policies, is material, and ensures timely, accurate, uniform and transparent disclosure
- **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**—This policy ensure universal and fair discloser of unpublished price sensitive information
- **Terms of appointment of Independent Directors**—It contain duties and responsibilities of Independent Directors of Company
- **A thorough internal and external mechanism is in place to respond to investor grievances in a timely and appropriate manner**

All policies of the Company can be accessed online at http://www.eicher.in/code-of-conduct

The Code of Conduct for Directors & Senior Management, Policy for Determining Materiality of Events and Information and Code of Conduct for fair discloser of unpublished price sensitive information extend to the Company's subsidiary and joint venture companies as well. In addition, several subsidiary and joint venture companies also have their own whistle-blower policies in place.

Stakeholder's complaints redressal

The Company has a Stakeholder's Relationship Committee which consists of two non-executive independent directors. The committee reviews the redressal of shareholders and investors complaints. The Managing Director and Chief Financial Officer are invited to the committee meetings as required and the General Counsel & Company Secretary acts as the Secretary to the Stakeholder's relationship committee. During the financial year 2017-18, the Company received 56 complaints from the shareholders and successfully resolved 55 complaints (out of the total number of complaints resolved, 3 complaints were pertaining to previous financial year). 4 complaints were pending at the year end.

PRINCIPLE 2: PRODUCT RESPONSIBILITY

As an environmentally conscious Company, EML strives to mitigate impacts that its manufacturing process or products may have on the environment. While designing its products, there is a keen focus on environmental aspects (in-use and end-of-life of product). The core aspects of sustainable manufacturing at EML include energy efficiency, sustainable sourcing and hazardous waste management, to name a few.

Social or environmental concerns, risks and/or opportunities and their importance in product design

Eicher Motors Limited is primarily a manufacturer of motorcycles and environmental and social concerns are an integral part of its product development policy. Raw material, energy, water and waste are some crucial aspects, which are taken into consideration during the product design and manufacturing process. At the product development stage, material recyclability of the motorcycles is also taken into consideration from a product lifecycle perspective.

Consumption of energy, water, raw material etc.

Reducing our energy footprint is an important aspect of the production. Resultantly, energy saving initiatives are undertaken regularly in all our plants. Our largest plant, in terms of production volume, has shown a 17.5% reduction in energy intensity (energy per unit of vehicle) over the last 2 years. In addition, the Company has in place processes to minimise hazardous waste generated and being disposed at landfills. Aluminium and steel scrap generated are recovered and sold to industry for recycling. All plants of EML have a closed-loop water recycling design to ensure close to minimal/zero discharge of waste water.

Sustainable sourcing

Royal Enfield is one of the oldest motorcycle brands and over the years, the Company has substantially indigenised its supply chain, by encouraging and supporting development of vendors in the region. 98.5% of the components sourced by EML are from suppliers within India. Of this, 47.6% is sourced from the State of Tamil Nadu. The Company encourages its suppliers to set up units close to its manufacturing facilities. A majority of the suppliers are located close to the three manufacturing facilities near Chennai, in Tamil Nadu. Almost 60% of the supplier base is located within a 100-kilometre radius of the plants. This helps in not only reducing cost, time and environmental footprint associated with logistics, but also creates a potential win-win situation for both the Company and the suppliers.

The in-bound supply chain of the Company offers ample opportunities to promote sustainable sourcing. Towards this end, the Company has taken initiatives to reduce wastage in its in-bound supply chain by using reusable trolleys, bins and pallets that significantly eliminate the use of packaging materials. For export of finished products (motorcycles), the Company uses the Chennai port, which is close to its manufacturing sites. This reduces its transportation related emissions.

Procurement from local and small producers

The Company supports its suppliers by way of suggesting and enabling productivity improvements at their shop floor, manpower training and handholding for product quality improvement. A team of engineers has been stationed at key supplier locations to offer direct engagement and support to suppliers. Periodic visits are also made by Senior Management to review the progress.

During the year, the Company established a New Supplier Assessment process. In this assessment, new suppliers are to be assessed on several criteria, including select social indicators. During the financial year 2017-18, 27 suppliers were assessed for their social impacts.

Recycling products and waste

All existing and new models of Royal Enfield motorcycles are ELV compliant. This means the hazardous waste has been minimised in these vehicles, making them easier to recycle at the end of their life.

Recyclability is an outstanding feature of the motorcycles that EML manufactures. A large part of the materials used in the motorcycles can be recycled at the end of its life (up to 85%). The remaining 15% consist of components such as tyres, rubber parts, seat foam, glass of mirror, headlamp, magnets, electronic parts, paints etc. All motorcycles manufactured by the Company are ELV compliant.

The Company ensures that any waste generated during its manufacturing process is responsibly recovered and recycled.

- The Company sends its paint sludge waste for co-processing in the cement industry where it is used as a fuel to fire up kilns. This has significantly reduced the need for secured landfills
- The Company has instituted a mechanism to eliminate waste by installing bundling machine for steel scraps disposal. Scrap is directly delivered to the melting sources for recycling. There is direct disposal of aluminium scrap to alloy producers, by eliminating multiple processing and improving the recovery efficiency at lower energy

PRINCIPLE 3: EMPLOYEE WELLBEING

EML recognises that employees are an important asset and a source of sustained competitive advantage and is therefore committed to providing an enabling work environment. Employee wellbeing, health and safety, learning and development and diversity are some of the issues related to human resources that are of utmost importance to the Company.

Manpower resources including women employees

EML is driven by a dedicated and talented team of people. The people are the backbone of the Company. As on March 31, 2018, the total number of employees working with the Company was 13,711. For optimal use of the manpower resources, we deploy a mix of contractual and temporary workforce along with our permanent workforce. As on March 31, 2018, out of 13,711 employees, 4,628 are contractual/temporary manpower supporting the permanent workforce.

EML is an equal opportunity employer and does not discriminate employees based on gender, caste, creed, religion, etc. The Company supports the employment of women in particular. The total number of permanent female employees as on March 31, 2018 was 675. The Company has taken its commitment to include women in its workforce to a different level by running an all women engine assembly line with 140 women employees successfully. The Company also makes an effort to include people with special needs as part of its workforce.

Employee association and its membership

The Company recognises the right of its workers for collective bargaining. At its Thiruvottiyur plant, it has internal and independent labour unions and these are recognised by the management. Union elections are held as per the statutory requirements. All permanent workers at the plant are members of the employee associations. As per the statutory norms, EML undertakes wage settlements with the employee union once in three years.

Child labour, forced labour, sexual harassment

The Company has developed systems and processes to alleviate the perils of child labour, forced labour, involuntary labour, and sexual harassment. These systems have been designed in line with the statutory requirements and are internally communicated and monitored. Except one complaint that was addressed in accordance with applicable law and Company rules, the Company did not receive any complaints on these aspects during the financial year 2017-18.

Safety, training and upskilling

The Company considers periodic training of employees imperative for upgradation of their skills and knowledge and to keep their competitive edge. Training is an HR function and the responsible department rolls out the annual training calendar. EML has a strong safety culture with a Board approved Safety Policy. Safety Committee meets on a monthly basis to address all safety related issues that emerge at the plants. Safety training, including fire-fighting training, is a part of the employee induction process and all new employees have to mandatorily undergo it. Shop floor workers undergo periodic safety training that are organised as per the annual safety calendar.

During the year, 100% of the total regular employees including permanent employees, women employees, casual/temporary/contractual employees and employees with disabilities of the Company were given safety and skill upgradation training.

Eicher Motors Limited recognises that the foundation of a strong organisation is a committed, skilled and motivated workforce. Continuous engagement with all levels of employees is essential to know the pulse of the people and to keep them involved and inspired. To this end, a formal annual employee engagement survey is conducted. The objectives of the survey is to measure the employee perception of workplace enablers that impact employee engagement, provide input to management for related change at organisational level and to equip the managers to further engage with employees at the workgroup level. The survey also intended to measure the changes brought about as an outcome of the previous year's survey.

The employee engagement survey REconnect, in 2017-18 saw an excellent participation of 97% of employees. The survey was carried out in English and Tamil on an online medium.

The survey collected information on a five-point scale on categories such as leadership, performance management, communication, diversity, health and safety, to name a few. Overall, scores improved in each category, the strongest categories being sustainable engagement, customer focus and quality and clarity of goals. The survey clearly brought out the close connect between the employees and the Company. An impressive 97% of employees responded favourably to the statement "I am proud to tell others I work for Royal Enfield" and 95% responded favourably to the statement "I am willing to work beyond what is required in my job in order to help the Company succeed."

The employee survey is a transparent process, conducted through an independent agency, that allows employees to give honest and direct feedback to the management. It is a strong tool of employee engagement and will be continued to be used by the Company in the coming times to further strengthen its bond with its employees.

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

EML has over the years developed a firm relationship with its key stakeholder groups through an open two-way communication mechanism. Stakeholders are updated about the Company, its performance, future plan, strategies etc. There are formal channels through which feedback from stakeholders can reach the Company for deliberation and action.

Internal and external stakeholders

The Company has identified stakeholders as person, a group of people or organisation that have vested interests in the Company and its products. They are impacted by the Company and also potentially have the capacity to impact the Company.

The Company has defined its major stakeholder groups. These include:

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

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

Of all the major stakeholder groups of the Company, it has identified certain sections of the local community as disadvantaged, vulnerable & marginalised people. The Company also considers socio-economically disadvantaged sections of society as a disadvantaged group. This particular group is not geographically restricted to areas where the Company has institutional presence, instead, it is spread PAN India.

CSR initiatives

The Company's CSR programmes are in line with the Board approved CSR policy. Key initiatives undertaken during 2017-18 were:

- **Rural Development:** Several social development activities are being undertaken by the Company in communities near the Oragadam plant in Tamil Nadu. Key interventions include women's empowerment through Self-Help Groups (SHG), school education (academic assistance to children, transit schools for dropouts to integrate back into the system, computer education, scholarships), health and hygiene (provision of household toilets and renovation of women sanitary complex, hand washing programme at schools) and renovation of existing water bodies such as ponds and bore wells.
- **Skill Development:** The Company offers a skill training programme for underprivileged youth through multiple centres in and around Chennai and Gurugram. Eicher Academy for Skills offer training programmes on administrative assistant and retail for less educated and economically backward youth at Chennai and Gurugram. In the year 2017-18, 275 young people were trained and supported to get appropriate jobs.

Vocational Training: A life-altering change

Sulekha Haldar belonged to a poor family from West Bengal living in Gurugram. After considerable struggle, she was able to complete her schooling (12th standard) from a Government School. Her father was keen to marry her off soon after she finished school, but her heart was set on gaining some skills to become financially independent. She met the Eicher Motors vocational training team and discussed with them her situation. The team members met her father and after some convincing brought him around. He was ready to allow her three months' time to finish the retail course, after that he would take a decision on her marriage.

Sulekha joined the Gurugram Centre and rapidly made progress. She learnt English/Computer and gained confidence. She faced her first job interview with Chai Point and was selected at a salary of Rs. 12,000. Her joy knew no bounds. Seeing this fortunate turn of events, her father has postponed her marriage for two years. After all, Sulekha is now a much-valued earning member of the family!

A PAN India two-wheeler (Repair and Maintenance) course was organised by EML from February 2016 to August 2017. The programme trained and certified 2004 candidates across several states in India. The curriculum was as per NSDC guidelines. Of those trained, 65% were placed at the end of the training.

- **Road Safety:** A road safety project has been initiated in Leh District of J₹K and Lahaul and Spiti district of Himachal Pradesh to create road safety awareness, provide emergency and trauma care. Sessions and training on community health care and vocational skills are also part of the project.
- The Company is also working on providing Trauma care facility along the 'Manali-Leh' route. The project is likely to be completed in next 3 years.
- **Other projects undertaken** (Disaster relief)**:** The 2015 floods in Chennai, left a trail of destruction. The Company is involved in resettlement and reconstruction activities in the affected areas.

Phase	Construction of new houses	Repair of existing houses	Small New Houses to Irula Families	Individual Household Sanitation Unit
Phase 1	18	76	7	-
Phase 2	25	105	-	300

As a part of this project, the community members were also imparted knowledge on Water, Sanitation and Hygiene (WASH). Community Based Disaster and Risk Management was another important component of this project.

PRINCIPLE 5: HUMAN RIGHTS

Eicher Motors Ltd. considers its employees an asset and has formal and institutionalised forums for engaging with them. Regular engagement with employees allows the management to get a pulse of people and know about their needs, concerns, expectations and grievances.

Human rights policies and stakeholder complaints

EML has in place policies on employee welfare, medical assistance and prevention of sexual harassment which address the human rights aspects. Subsidiary and Joint Venture companies are also covered under Company's Policies and/or have their own Policies of similar nature.

The guiding principles of the aforesaid policies have been laid out as per the governing human rights laws of the land. Systematic internal processes such as employee grievance mechanism and supplier assessments have provided an enabling environment for the various stakeholder groups.

Except one complaint that was addressed in accordance with applicable law and Company rules, the Company did not receive any complaints on these aspects during the financial year 2017-18.

PRINCIPLE 6: ENVIRONMENT

EML is conscious that its operations and products can potentially impact the environment. The Company, therefore, focusses on continuous improvements in order to reduce material use and wastage, optimise use of natural resources through recycling and reuse and upgrading manufacturing technology to increase efficiencies

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

EML's Environmental Policy acts as a guiding light and gives the Company's environmental initiatives a clear direction. Besides issues such as resource conservation and prevention of pollution, the policy also speaks of awareness generation and training of employees on environmental issues. This ensures that employees become aware and gradually get involved in environmental initiatives at the workplace.

At present, the Company's environmental policy does not cover Group/Joint Ventures/ Suppliers/Contractors/NGOs, however, all stakeholders are encouraged to implement similar environmental practices across their operations.

Initiatives on clean technology, energy efficiency etc

With regards to manufacturing, there are primarily three aspects that are of major concern to the Company: energy, water and waste. EML recognises it can positively impact global issues such as climate change through energy efficiency initiatives. Energy efficiency initiatives include improvements in the facilities and equipment (infrastructure) as well as the manufacturing process.

Paint Shop: Energy Optimisation in Chillers

In the Paint shop, the Chillers run continuously throughout the year with the Cathodic Electro Deposition (CED) process for maintaining the temperature. The challenge was to reduce the running hours of the chiller operation which would in turn reduce the power consumption.

After an on-ground detailed study, some changes were made in the process. The chiller was operated in sync with CED Paint Process parameters with logic modification through PLC arrangements. With this, the independent operation of the chillers running hours reduced and the CED bath temperature was maintained as per the quality requirement.

The outcome was energy savings of 1,44,000 units per annum along with the reduction in the running hours, resulting in reduced maintenance cost and improved equipment life.

Paint Shop: Efforts towards Energy Efficiency

In the overall plant energy consumption, the paint shop consumes the highest amount of Electricity and LPG fuel. The ECO-Lean Concept has been introduced in the paint shop for reducing energy consumption, but there was scope for further reduction at the plant. With the ECO-Lean concept improvements such as Aluminium pipelines with modular fittings instead of MS pipelines for compressed air pipelines, installation of LED Lights in all interiors and exteriors with PLC stagewise controlling and installation of Air Supply and Exhaust Fan of VFD arrangement, screw type and VFD arrangements with sigma air manager control for energy conservation in air compressor etc.

A detailed analysis of the equipment and processes was conducted at the paint shop to analyse the power consumption. After the study, some interventions were introduced:

- High efficiency grade filters were installed to maintain the required air flow with reduced running speed of the supply fan
- Spray booth oven's forced coolers are triggered with part arrival and switched off whenever conveyor was running idle
- Lighting load reduced by switching off lights automatically with a timer

Water is limited, non-renewable resource and is therefore considered critical by EML. All three manufacturing sites of the Company have a zero-discharge status. Water consumption at the plants have been optimised through the utilisation of recycled water for production processes. Such an approach had led to the decrease of water consumption per unit level by 14% at the Oragadam plant. Water from the Sewage Treatment Plant (STP) is used for gardening, Air-Handling Units (AHU) and in toilets. Process water once cleared through the ETP is reused in the plants. The total amount of recycled water used in process is as high as 90%. Additionally, rain water harvesting systems set up at all the plants help in ground water recharge.

For waste management, the Company sends paint sludge, a hazardous material, for co-processing in the cement industry where it is used as a fuel for the kilns. About 70% of the total hazardous waste generated is sent to the cement industry, reducing the need for landfilling. A large portion of the non-hazardous waste created by the manufacturing process is aluminium. Aluminium scrap is turned into blocks that are then sold to the industry for recycling.

Environmental risk assessment and development mechanism

Assessment of potential environmental risks is a part of the formal risk management identification process of EML and is overseen by the top management. To ensure that operations are not impacted due to adverse environmental related risks, the Company's environmental policy has been developed based on the ISO 14001:2004 international standard. All processes are analysed with ASPECT-IMPACT analysis to ensure that the impact on environment is reduced on a continual basis through operational control procedures (OCP).

The Company endeavours to continuously improve its environmental performance. Energy, in particular, is material to the Company. All manufacturing plants undertake projects for improving energy efficiency and reducing consumption. The efforts at present are aligned to scale up to intensify the impacts.

Emission control and violations, if any

The Company conducts periodical air quality and noise quality tests through laboratories accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and the reports are also submitted to the Tamil Nadu Pollution Control Board (TNPCB) which is the state regulatory body. The Company has systematic preventive procedures and periodical checks in place to ensure statutory compliances. Annual air quality, noise monitoring, stack monitoring and VOC measurement surveys are conducted by TNPCB. In addition, online VOC monitoring systems are installed and connected to the TNPCB Care Air Centre to monitor any fluctuations in the permissible limits. Over the years, no deviations were recorded in the parameters analysed by the laboratory. During the year 2017-18, all emissions and waste generated by the Company were within the permissible limits given by CPCB and TNPCB and no show cause or legal notices were received.

PRINCIPLE 7: ADVOCACY AND PUBLIC POLICY

EML is actively involved in advocacy and public policy development. It engages with reputed industry bodies such as SIAM and dialogues with government bodies on pertinent issues such as future regulations and policies directly and independently.

Industry associations and advocacy

The Company is an active member of committees set up by Society of Indian Automobile Manufacturers (SIAM) and the Government of India to address matters such as future regulations, policies and implementation plans for the advancement of the industry and public good. The Company also interacts regularly with the Bureau of Indian Standards (BIS) to suggest inputs for new regulations for vehicles, new standards and their feasibility, etc.

The following is a list of associations that the Company continuously engages with:

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

PRINCIPLE 8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Eicher Motors Ltd. believes that the communities around and the society at large must be a partner in the Company's journey. All developmental issues taken up by the Company are based on the needs of the community and the Company always invite community participation in their implementation.

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

The approach adopted by EML towards an inclusive and equitable development is to partner with the community members to make them more involved and empowered. To drive this agenda, the Company has a clearly articulated CSR policy, which is available at: http://www.eicher.in/uploads/1530165050_Eicher_Corporate_Social_Responsibility_Policy.pdf.

Contribution to community development projects and implementation

EML's agenda on CSR is focussed on rural development, skill development, road safety and environmental sustainability. During the year 2017-18, the Company's direct contribution towards CSR stood at Rs. 30.85 crores details of which are provided under Annexure 4 of Directors Report.

The Company's CSR programmes are managed and monitored by an in-house CSR team facilitated by Eicher Group Foundation. Services of reputed NGOs are sought to enhance the programme as required to build capacities, increase the reach and scope of the programme etc. The Company works in close alliance with its NGO partners to ensure quality outcome and timely project delivery.

The process of reporting to the management and CSR Committee is a regular, periodic and ongoing feature. The CSR Committee assesses the progress of the programmes, provides valuable insights and suggests further enhancement and improvement in the existing programmes, to ensure that the highest possible social impact may be created for the benefit of a larger audience.

The Company identifies community development programmes based on actual needs of the community and as per the causes that it firmly believes in. This helps in on-boarding community members from the very beginning of the programme. Capacity building, direct community participation and ownership are the key aspects of our initiatives.

PRINCIPLE 9: CUSTOMER ENGAGEMENT

Customer engagement has a pivotal role to play in the Company's endeavour of creating customer delight. All customer complaints are handled on priority with an aim to resolve these issues speedily and to the utmost satisfaction of the customer.

Displaying product information on the product label

EML's products comply with all requisite codes, specifications and industry regulations relevant to its business. All vehicles manufactured by the Company fully comply with the statutory safety norms of the country (including all export markets). The Company discloses all information related to the vehicle through the 'user manual' given to each customer at the time of purchase along with the product. In addition, the Company regularly uses various media and non-media platforms to communicate the importance of safe driving to its customers, for example, during the bike rides organised by the Company.

Pending customers complaints

The Company has a formal and well-defined process in place for addressing customer grievances. Complaints can be filed through social media or the central command centre and these complaints are documented with the DMS (Dealer Management System). Dedicated teams analyse the nature of complaints on a daily basis to resolve the issue on time and share timely resolutions. There is an escalation matrix also, built into the system to ensure any delays in resolution are notified to the senior management. All customer complaints received during the reporting year were resolved promptly with only 0.77% of the complaints being carried forward to the next year (2018-19).

Customer surveys

Customer satisfaction is of paramount importance to the Company. Customer satisfaction surveys are undertaken regularly at the dealer's end and directly by the Company also. In case of low customer satisfaction scores (1-2) in these surveys, customer's feedback is recorded and the issue is resolved within 15 working days. Third party agency (JD Power) also conducts surveys for Service and Product verticals periodically (monthly to quarterly). In the latest results published by JD Power service satisfaction survey, Royal Enfield's ranking has improved from No. 5 last year to No. 2 in 2017.

DIRECTORS' REPORT

To the Members of Eicher Motors Limited

The Directors have pleasure in presenting the Thirty Sixth Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2018.

FINANCIAL RESULTS

Your Company achieved an all-time high top line growth during the financial year 2017-18 with Net revenue from operations at Rs. 8,957.51 crores. The profit before depreciation and interest amounted to Rs. 2,853.20 crores, which is 31.9% of the total revenue. After accounting for other income of Rs. 332.43 crores, interest expense of Rs. 3.04 crores and depreciation of Rs. 222.34 crores, profit before exceptional item and tax amounted to Rs. 2,960.25 crores.

In March 2018, the Board of Directors of Eicher Polaris Private Limited, a 50:50 joint venture with Polaris Industries Inc, 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 (exceptional item) during the year in the standalone financial statement.

Profit after exceptional item and before tax is Rs. 2,648.27 crores. Profit after tax amounted to Rs. 1,712.92 crores after income tax provision of Rs. 935.36 crores. Total Comprehensive income for the year, net of tax amounted to Rs. 1,723.76 crores.

The financial results are summarized below:

Rs. in Crores

Particulars	For the financial year ended March 31, 2018	For the financial year ended March 31, 2017
Net Revenue from operations	**8,957.51**	7,037.97
Profit before depreciation and interest	**2,853.20**	2,205.81
Interest	**3.04**	2.79
Depreciation	**222.34**	153.34
Profit before other income and tax	**2,627.82**	2,049.68
Other income	**332.43**	227.31
Profit before exceptional items and tax	**2,960.25**	2,276.99
Exceptional Items	**311.98**	-
Profit before tax	**2,648.27**	2,276.99
Provision for tax (including Deferred tax)	**935.36**	716.97
Net profit after tax	**1,712.92**	1,560.02
Other comprehensive income	**10.85**	(0.08)
Total Comprehensive income for the year, net of tax	**1,723.76**	1,559.94
Balance in statement of profit and loss brought forward from previous year	**3,476.61**	1,916.67
Amount available for appropriation	**5,200.37**	3,476.61
Dividend for FY 2016-17, paid in FY 2017-18	**-**	272.22
Dividend proposed for FY 2017-18	**299.81**	-
Earnings per share		
- Basic (Rs.)	**629.07**	573.75
- Diluted (Rs.)	**627.88**	572.17

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, 2018 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, 2018 till the date of this report.

DIVIDEND

The Board of Directors in their meeting held on May 9, 2018, has recommended for approval of the shareholders payment of dividend of Rs. 110/- per Equity Share (@1100%) of face value of Rs. 10/- out of the profits for the financial year 2017-18.

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 August 3, 2018;

b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests lodged with the Company on or before the close of business hours on August 3, 2018.

AMOUNTS TRANSFERRED TO RESERVES

During the financial year 2017-18, no amount was transferred to General Reserve of the Company.

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

Your Company's Royal Enfield unit continues to grow significantly. It sold 8,20,492 motorcycles in the financial year 2017-18, 23.1% more when compared to 2016-17 sales of 6,66,493 motorcycles. Out of 8,20,492 motorcycles sold in 2017-18, 19,262 motorcycles were exported, a growth of 25.2% over previous financial year 2016-17 volume of 15,383 motorcycles.

Net Revenue from operations for 2017-18 year was Rs. 8,957.51 crores, 27.3% growth over previous year (Rs. 7,037.97 crores). Net Sales of spare parts, gear and services increased to Rs. 841.79 crores in 2017-18 from Rs. 581.38 crores in the previous year, registering a growth of 44.8%.

Maximizing operating leverage is a key focus in your Company. This enabled your Company to grow profits faster than revenue from operations. Your Company's profit before depreciation, interest, exceptional item and Tax was Rs. 2,853.20 crores in 2017-18, a growth of 29.3% over Rs. 2,205.81 crores recorded in 2016-17

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.

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

The paid up Equity Share Capital of the Company as on March 31, 2018, was Rs. 27,25,55,490/-. During the year under review, the Company has issued 45,300 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, 2018, 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/1530017922_directors-report-ESOP-annexure-2017-18.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(1) of SEBI LODR, Regulations, 2015.

During the year under review, Mr. Priya Brat, Non Executive Independent Director of the Company resigned from the Board w.e.f. June 16, 2017. Further, Mr. M.J. Subbaiah, Non Executive Independent Director of the Company resigned from the Board w.e.f. March 31, 2018. 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 judgment
- Are financially literate
- Are mature and confident individuals
- Operate with high performance standards

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

i. Breach of confidentiality in anyway

ii. Failure to meet obligatory procedures in the disclosure of conflict of interest

iii. Failure to fulfil the fiduciary duties of a Director for the Company

iv. Acting in any other manner which is against the interests of the Company

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

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

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

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

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

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

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

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

During the financial year under review, formal annual evaluation of the Board, its committees and individual Directors was carried out pursuant to the Board Performance Evaluation Policy of the Company and provisions of the Companies Act, 2013 and SEBI 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 Chairman being evaluated).

MEETINGS OF BOARD OF DIRECTORS

Four (4) meetings of the Board of Directors of the Company were conducted during the financial year. The details of Board/Committee/Shareholder meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

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

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

PARTICULARS OF RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered into by the Company during the financial year with related parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI 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 at 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	Mr. Prateek Jalan

During the year under review, Mr. Priya Brat, Non Executive Independent Director, Member of the Audit Committee and Mr. M J Subbaiah, Non Executive Independent Director, Chairman of the Audit Committee, resigned from the Board w.e.f. June 16, 2017 and March 31, 2018, respectively.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors, employees 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. 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 754 motorcycles during the year 2017-18 and achieved revenue of Rs.19.69 crores. As of March 2018, RENA had contracted with 71 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 2017-18, the company sold 78 motorcycles and achieved revenue of Rs.2.24 crores. As of March 2018, 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, with the launch of its first stand-alone exclusive store in Sao Paulo. The Company started its commercial sales from April 2017 with the launch of an exclusive store. During the first year of its operation in 2017-18, the company sold 429 motorcycles and achieved revenue of Rs.11.08 crores.

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 Companies in Form AOC-1 is attached as ***Annexure-3***.

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

During the financial year under review, no Company has become or ceased to be Company's subsidiary, joint venture or associate company.

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. Prateek Jalan

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

CONSOLIDATED FINANCIAL STATEMENTS

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

Pursuant to Section 136 of the Act, the financial statements, consolidated financial statements and separate audited accounts of the subsidiaries are available on the website of the Company at www.eichermotors.com. These are also available for inspection by the shareholders at the Registered Office of the Company during business hours. The Company shall provide free of cost, the 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. 1969.64 Crores for the financial year 2017-18 as compared to Rs. 1,664.65 crores for the previous period 2016-17.

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. Therefore matter relating to ratification of appointment of M/s S.R. Batliboi & Co., LLP, Statutory Auditors of the Company is not required to be placed before the members at the ensuing 36th Annual General Meeting.

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2018 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, 2018. As required under Section 204 of the Companies Act, 2013, the Secretarial Audit Report is annexed as ***Annexure-5***. The Secretarial Auditors' Report is self-explanatory and does not contain any qualifications or adverse remarks.

(c) COST AUDITOR

Mr. V Kalyanaraman, a qualified Cost Accountant, has been appointed as the cost auditor to carry out audit of the cost records of the Company for the financial year 2017-18 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 Section 92(3) of the Act, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed as ***Annexure-6.***

DIRECTORS RESPONSIBILITY STATEMENT

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

a) that in the preparation of the annual Financial Statements for the year ended March 31, 2018, 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, 2018 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 2017-18 over FY 2016-17
1	Mr. S Sandilya	Chairman & Non-Executive Independent Director	8.2	9.40
2	Mr. Siddhartha Lal	Managing Director and CEO	137.8	0.12
3	Mr. Priya Brat*	Non-Executive Independent Director	0.10	N.A.*
4	Mr. M J Subbaiah^	Non-Executive Independent Director	1.7	3.76
5	Mr. Prateek Jalan	Non-Executive Independent Director	3.7	(12.22)
6	Ms. Manvi Sinha	Non-Executive Independent Director	1.7	17.18
7	Mr. Lalit Malik	Chief Financial Officer	-	(17.97)
8	Mr. Manhar Kapoor	General Counsel and Company Secretary	-	7.34

**Mr. Priya Brat, Non Executive Independent Director, resigned from the Board w.e.f. June 16, 2017. Hence, percentage increase in remuneration is not applicable.*

^Mr. M.J. Subbaiah, Non Executive Independent Director, resigned from the Board w.e.f. March 31, 2018.

2) Percentage increase in the median remuneration of the employees in the financial year: 10%

3) Number of permanent employees on the rolls of Company as at March 31, 2018: 3,085 employees.

4) The average increase in median remuneration of the employees other than managerial personnel was 10% as compared to the increase in the managerial remuneration by -4%.

5) It is hereby affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

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.

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 on Board and General Meetings 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

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 to redress complaints received on sexual harassment. No complaint of sexual harassment was pending at the beginning of the financial year. During the financial year under review, the Company received one complaint of sexual harassment. The said complaint was investigated and disposed of in the month of April 2018 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.

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
& Chief Executive Officer
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram, Haryana
Date: May 9, 2018

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 thermic oil flow to oven increased by increasing the control valve open setting resulting in diesel consumption reduction by 3,300 litres

2. Lights on/off control through IR (Infra-Red) remote control and motion detect sensor; Switch on emergency lights only during power cut by auto-changeover; shop floor LED lights switched off during day time resulting in savings of 15,136 Kwh

3. Machine shop air washer units tanks commonized and switched off 2 circulation pumps instead of 4 pumps running resulting in savings of 3091 Kwh

4. Machines motors are switched off during idle time at fabrication and machine shop resulting in savings of 15,900 Kwh

5. HVAC (Heating, ventilation and air conditioning) Chiller in Engine Assembly load reduced by providing air curtain near auto doors (to avoid hot air entry) resulted in savings of 21,840 Kwh

6. Engine assembly equipment switched off by timer during break time resulting in savings of 3,640 Kwh

7. Engine Assembly and Warehouse VFD (variable frequency drive) replaced with star-delta starter resulting in saving of 5,355 Kwh

8. Engine Assembly compressor energy consumption reduced by increase in header size (free air delivery increased) resulting in savings of 47,400 Kwh

9. Machine shop compressed air usage reduced by providing bay wise electric operated air shut off valve to reduce compressor energy during holidays, washing machines air receiver tank auto drain time optimized by PLC (programmable logic controller) program to avoid air wastage, barrel Liner Pressing machine fixture cleaning air blow time reduced to avoid air wastage, seat check air flow cut off during idle time resulting in saving of 24,892 Kwh

10. Machine shop- converted continuous hydraulic power pack to intermediate power pack with accumulator backup to switch off hydraulic power pack, coolant transfer pumps converted to oil pump to switch off one pump instead of two pumps running resulting in saving of 17,480 Kwh

11. Vehicle Assembly, paint shop and fabrication shop equipment timer installed to switch off during break time resulting in savings of 18,650 Kwh

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

Replacement of MV (mercury vapour) lamps and tube lights by LED lamps resulting in saving of 17,861 Kwh

(iii) The capital investment on energy conservation equipment

Rs. 0.11 crore

(B) TECHNOLOGY ABSORPTION

1. VRLA Battery (Valve Regulated Lead Acid Battery) introduced for 500cc models for improved performance and enhanced life

2. Rear Disc Brake for Classic models introduced as an upgraded Braking system.

3. Implemented AIS 126 compliance (regulation requirements for tell tale) to all models.

4. Introduced Foam Gasket for Crank case joints for improved sealing

5. Introduced Sintered Valve guide for enhanced life

The expenditure incurred on Research and Development:

a) Revenue: Rs. 31.38 crores

b) Capital: Rs. 206.18 crores

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, total exports (FOB value) were Rs. 213.54 crores (Previous year Rs. 177.01 crores). Foreign Exchange amounting to Rs. 369.13 crores (Previous year Rs. 233.79 crores) was used on account of import of components, spare parts, capital goods, salaries & wages, advertisement, business travel and consulting fees during the year under review.

ANNEXURE-2

THE DETAIL OF LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY DURING THE FINANCIAL YEAR 2017-18 WHICH ARE COVERED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Rs. in Crores

Loans	Principal Amount
Opening Balance	3.08
Addition	3.71
Reduction	4.31
Closing Balance	2.48

Rs. in Crores

Guarantees	Amount
Opening Balance	75.41
Addition	26.26
Reduction	-
Closing Balance	101.66

Rs. in Crores

Investments	Amount
Opening Balance^	311.53
Additional investment during the year*	32.49
Less: Impairment in Value of Investments in Eicher Polaris Private Limited**	294.50
Closing Balance	49.52

*Addditional investment:

Eicher Polaris Private Limited	16.50
Royal Enfield North America Limited	15.90
Suryadev Alloys & Power Private Limited	0.09
Total	**32.49**

** Pursuant to the decision of the Board of Directors of Eicher Polaris Private Limited, Company's joint venture, at their meeting held on March 9, 2018 to wind down the operations , the Company has recorded an impairment loss of Rs. 311.98 crores on the investment.

^Includes Rs. 11.10 Crores paid to Eicher Polaris Private Limited during FY 2016-17 for which shares were alloted during FY 2017-18.

ANNEXURE-3

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

(PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

PART A-SUBSIDIARIES

Rs. in Crores

Sl. No.	Name of Subsidiary	VE Commercial Vehicles Ltd. (VECV) *	VECV Lanka (Private) Ltd	VECV South Africa (PTY) Ltd.	Royal Enfield Brasil Comércio de Motocicletas Ltda	Royal Enfield North America Limited (RENA)	Royal Enfield Canada Limited	Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)
		Subsidiary of company	Subsidiary of VECV	Subsidiary of VECV	Subsidiary of company	Subsidiary of company	Subsidiary of RENA	Subsidiary of company (50% held by the Company and remaining 50% held by VECV)
1.	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period.**	-	-	-	-	-	-	-
2.	The date since when subsidiary was acquired	March 07, 2008	April 09, 2013	January 22, 2016	August 18, 2014	March 23, 2015	April 19, 2016	November 19, 2015
3.	Reporting currency and exchange rate as on last date of the relevant Financial Year in case of foreign subsidiaries.	INR	LKR 1 LKR = Rs. 0.42	ZAR 1 ZAR = Rs. 5.48	BRL 1 BRL = Rs. 19.60	USD 1 USD = Rs. 65.04	USD 1 USD = Rs. 65.04	INR
4.	Share Capital	10.00	5.43	6.50	9.24	34.10	0.09	0.05
5.	Other Equity	3,237.58	0.66	(4.80)	(19.69)	(71.58)	0.12	19.70
6.	Total Assets	7,085.75	23.40	12.58	18.11	22.27	0.56	19.86
7.	Total Liabilities	3,838.17	17.31	10.88	28.56	59.75	0.35	0.11
8.	Investments	-	-	-	-	0.09	-	-
9.	Turnover (Gross)	10,200.34	71.06	8.65	11.08	19.69	2.24	-
10.	Contribution received	-	-	-	-	-	-	32.38
11.	Profit before Taxation	652.02	2.80	(4.87)	(14.61)	(34.74)	0.06	8.96
12.	Provision for Taxation	178.47	0.89	(1.59)	-	-	0.01	-
13.	Profit after Taxation	473.55	1.91	(3.28)	(14.61)	(34.74)	0.05	8.96
14.	Proposed Dividend	-	-	-	-	-	-	-
15.	% of Shareholding ***	54.40%	54.40%	54.40%	99.99%	100.00%	100.00%	50.00%

* VECV is a subsidiary company as per Section 2(87) of Companies Act, 2013. However for the purpose of financial statements, VECV is treated as Joint Venture company as per Ind AS 111 'Joint Arrangements'

** 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 VECV Lanka (Private) Limited and VECV South Africa (PTY) Ltd.

PART B-JOINT VENTURE

Sl. No.	Name of Joint Venture	Eicher Polaris Private Limited
1.	Latest audited Balance sheet	March 31, 2018
2.	Date on which joint venture was associated/acquired	July 23, 2012
3.	Shares of Joint Venture held by the company on the year end	
	Number as on March 31, 2018	29,45,00,000 Shares*
	Amount of Investment in Joint Venture - Rs. Crores	294.50^
	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	(7.48)
7.	Profit/Loss for the year	
	i. Considered in Consolidation - Rs. Crores	(210.05)
	ii. Not Considered in Consolidation - Rs. Crores	(210.05)

*Subsequent to year end March 31, 2018, additional 50,00,000 equity shares have been issued and allotted to the Company of value of Rs. 5 crores.

^Pursuant to the decision of the Board of Directors of Eicher Polaris Private Limited, Company's joint venture, at their meeting held on March 9, 2018 to wind down the operations , the company has recorded an impairment loss of Rs. 311.98 crores on the investment.

ANNEXURE-4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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 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. Prateek Jalan
3	Average net profit of the company for last three financial years	Rs. 1542.34 Crores
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 30.85 Crores
5	Details of CSR spent during the financial year	
	(1) Total amount to be spent for the financial year	Rs. 30.85 Crores
	(2) Amount unspent, if any;	Nil
	(3) Manner in which the amount spent during the financial year:	The manner in which the amount is spent is provided under Annexure A.
6	In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	Not Applicable
7	We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.	

Siddhartha Lal
Managing Director
& Chief Executive Officer
DIN: 00037645

S. Sandilya
Chairman, CSR Committee
DIN: 00037542

Place: Gurugram, Haryana
Date: May 9, 2018

ANNEXURE-A

REPORTING PERIOD : APRIL 1, 2017 TO MARCH 31, 2018

(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 programmes wise**	**Amount spent on the projects or programmes Subheads: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenses up to the reporting period**	**Amount spent: Direct or through implementing agency**
1	Disaster Relief	Promoting healthcare, eradicating hunger, poverty and malnutrition, sanitation and making available safe drinking water	Local Area Chennai and surrounding area, Tamil Nadu	491.0	59.0	485.9	Through implementing agency - Eicher Group Foundation
2	Improve employment opportunities for school dropouts unemployed youth by skill building	Employment enhancing vocational skills	Local Area Chennai and surrounding area, Tamil Nadu Gurugram, Haryana	410.0	174.4	240.2	Through implementing agency - Eicher Group Foundation
3	Road Safety and Community Development Programme	(i) promoting health care and sanitation; (ii) promoting education including special education, enhancing vocational skills	Other Leh, Jammu and Kashmir, Lahaul and Spiti, Himachal Pradesh	1000.0	151.2	237.3	Through implementing agency - Eicher Group Foundation
4	Eradication of blindness and deafness	Promoting healthcare	Other various states	530.9	281.0	521.1	Through implementing agency - Eicher Group Foundation
5	Vocational training	Promoting education, employement enhancing vocational skills	Other various states	225.0	34.2	210.3	Through implementing agency - Eicher Group Foundation
6	Infrastructure development and operational expenses for School	Promoting education	Other Alwar and surrounding area, Rajasthan	1401.0	551.0	1393.2	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 programmes wise**	**Amount spent on the projects or programmes Subheads: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenses up to the reporting period**	**Amount spent: Direct or through implementing agency**
7	Village upgradation programme a) Education-Children's learning Centers, renovation of anganwadis b. Environment – reviving of lakes/ ponds, waste collection, kitchen garden c. Livelihood-Self help groups d. Multi disciplinary training center e. Community safe drinking water f. Healthcare g. Community Development Programme	Rural development	Local Area Tiruvottriyur, Oragadam, Vallam (Tamil Nadu)	470.0	198.3	451.6	Through implementing agency - Eicher Group Foundation
8	Upgradation of Government School	Promoting education	Local Area Chennai	155.0	79.0	79.0	Through implementing agency - Eicher Group Foundation
9	Electrification of Villages in Himalayas	Rural development	Other Himalayas	200.0	132.3	132.3	Through implementing agency - Eicher Group Foundation
10	Donation of Clothes	Rural development	Other Kashmir, Jharkhand & Himachal Pradesh	500.0	448.0	448.0	Direct
11	Rehabilitation and vocational training of differently abled children	Promoting education	Local Area Delhi, NCR	15.0	15.0	15.0	Direct
12	Spreading awareness about Noise Pollution	Road Safety	Other Punjab	10.9	8.8	8.8	Direct
13	Eicher Group Foundation		Sl No 1 to 9 above on approved Projects		837.0		
Direct expenditure on projects or programmes (A)					**2,969.2**		
Overheads relating to 1 to 12 above (B)					**115.5**		
Grand Total (A)+(B)					**3,084.7**		

ANNEXURE-5

SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2018
[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, 2018 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, 2018, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) 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) and the rules made there under:

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

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors cum Independent Directors. The 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.

For **RDA & Associates**
Company Secretaries

CS Ranjeet Pandey
Partner
FCS- 5922, CP No.- 6087

Place: New Delhi
Date: May 9, 2018

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
FCS- 5922, CP No.- 6087

Place: New Delhi
Date: May 9, 2018

ANNEXURE-6

EXTRACT OF ANNUAL RETURN
Form No. MGT-9
(As on the financial year ended on March 31, 2018)
[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	3rd 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. 44, 2nd Floor, Community Centre Narayana Industrial Area Phase-I, New Delhi 110028 Phone No: 011-41410592-94 Fax No: 011-41410591 E-Mail: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main Products/ Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacture of motorcycles	3091	90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN/ Reg. No.	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	VE Commercial Vehicles Ltd. Address: 3rd floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-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: 3rd floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017	U34300DL2012PTC243453	Joint Venture	50%	2(6)
5.	Royal Enfield North America Limited Address: 10976, Bridge Street Cedarburg WI 53012, USA	R062747	Subsidiary	100%	2(87)
6.	Royal Enfield Brasil Comércio de Motocicletas Ltda Address: Rua Natividade #129, Vila Nova Conceição Postal Code/ZIP: 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: 3rd floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017	U74900DL2015NPL287551	Subsidiary	50% is held by the Company and remaining 50% is held by VE Commercial Vehicles Ltd.	2(87)
8.	Royal Enfield Canada Limited Address: 1055 West Georgia Street 1500, Royal Centre, P.O. Box 11117 Vancouver BC V6E 4N7 Canada	BC1072545	Subsidiary	100%	2(87)

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

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2017)				No. of Shares held at the end of the year (as on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	9,35,992	-	9,35,992	3.44	6,20,998	-	6,20,998	2.28	(1.16)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	15,143	-	15,143	0.06	15143	-	15,143	0.06	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trust)	1,25,16,355	-	1,25,16,355	46.00	1,25,16,355	-	1,25,16,355	45.92	(0.08)
Sub-total (A)(1)	**1,34,67,490**	**-**	**1,34,67,490**	**49.50**	**1,31,52,496**	**-**	**1,31,52,496**	**48.26**	**(1.24)**
(2) Foreign									
a) NRIs Individuals	2,94,694	-	2,94,694	1.08	6,09,688	-	6,09,688	2.24	1.16
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	**2,94,694**	**-**	**2,94,694**	**1.08**	**6,09,688**	**-**	**6,09,688**	**2.24**	**1.16**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1,37,62,184**	**-**	**1,37,62,184**	**50.58**	**1,37,62,184**	**-**	**1,37,62,184**	**50.49**	**(0.09)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1057518	1180	1058698	3.89	1536966	400	1537366	5.64	1.75
b) Banks/FI	37088	121	37,209	0.14	64,071	121	64192	0.24	0.10
c) Central Govt.	-	-	-	-	7494	-	7494	0.03	0.03
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-		-	-	-	-	-	-	-
f) Insurance Companies	-		-	-	-	-	-	-	-
g) FIIs	88,30,176	-	8830176	32.45	8440163	-	8440163	30.97	(1.48)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Alternate Investment Fund	-	-	-		6266	-	6266	0.02	0.02
Sub-total (B)(1)	**99,24,782**	**1,301**	**99,26,083**	**36.48**	**1,00,54,960**	**521**	**1,00,55,481**	**36.90**	**0.42**

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2017)				No. of Shares held at the end of the year (as on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5,60,160	9,688	5,69,848	2.09	5,66,426	2,995	5,69,421	2.09	-
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18,39,759	4,90,309	23,30,068	8.56	17,61,597	3,51,717	21,13,314	7.76	(0.80)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,69,660	-	1,69,660	0.62	2,53,551	-	2,53,551	0.93	0.31
c) Others (specify)									
(1) Trust	54,957	3,209	58,166	0.21	54,060	3,209	57,269	0.21	0.00
(2) Foreign Nationals	226	-	226	-	1,318	-	1,318	0.00	0.00
(3) Non Resident Indians	1,68,918	1,15,849	2,84,767	1.05	1,24,962	52,927	1,77,889	0.65	(0.40)
(4) Overseas Corporate Bodies	-	880	880	0.00	-	840	840	0.00	0.00
(5) Clearing Members	58,253	-	58,253	0.21	31,149	-	31,149	0.11	(0.10)
(6) HUF	49,709	-	49,709	0.18	50,027	-	50,027	0.18	0.00
(7) IEPF	-	-	-	-	1,71,518		1,71,518	0.63	0.63
(8) Foreign Portfolio Investors (Category III)	-	-	-	-	13	-	13	0.00	0.00
(9) Others	405	-	405	0.00	11,575	-	11,575	0.04	0.04
Sub-total (B)(2)	**29,02,047**	**6,19,935**	**35,21,982**	**12.94**	**30,26,196**	**4,11,688**	**34,37,884**	**12.61**	**(0.33)**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**1,28,26,829**	**6,21,236**	**1,34,48,065**	**49.42**	**1,30,81,156**	**4,12,209**	**1,34,93,365**	**49.51**	**0.09**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2,65,89,013**	**6,21,236**	**27,210,249**	**100.00**	**2,68,43,340**	**4,12,209**	**2,72,55,549**	**100.00**	**-**

(ii) Shareholding of Promoter & Promoter Group:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2017)			Shareholding at the end of the year (as on March 31, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Ms. Simran Lal	3,15,241	1.16	-	3,15,241	1.16	-	0.00
2	Ms. Tara Lal	3,14,994	1.16	-	3,14,994	1.16	-	0.00
3	Ms. Rukmani Joshi*	3,05,757	1.12	-	-	-	-	(1.12)
4	Mr. Arjun Joshi*	-	-	-	1,01,919	0.37	-	0.37
5	Ms. Nihar Joshi*	-	-	-	1,01,919	0.37	-	0.37
6	Ms. Shonar Joshi*	-	-	-	1,01,919	0.37	-	0.37
7	Mr. Siddhartha Lal	2,94,694	1.08	-	2,94,694	1.08	-	0.00
8	The Simran Siddhartha Tara Benefit Trust, Trustee- Vikram Lal	1,20,30,648	44.21	-	1,20,30,648	44.14	-	(0.07)
9	The Brinda Lal Trust, Trustee- Vikram Lal	4,85,707	1.79	-	4,85,707	1.78	-	(0.01)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2017)			Shareholding at the end of the year (as on March 31, 2018)			% 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	
10	Karvansarai Investments Private Limited (formerly known as Karvansarai Travel & Lifestyle Private Limited)	15,143	0.06	-	15,143	0.06	-	0.00
	Total	**1,37,62,184**	**50.58**	**-**	**1,37,62,184**	**50.49**	**-**	**(0.09)^**

*Ms. Rukmani Joshi (deceased), part of Promoter and Promoter Group, was holding 3,05,757 (1.12%) equity shares in the Company which were inherited by Mr. Arjun Joshi, Ms. Nihar Joshi and Ms. Shonar Joshi in equal proportion i.e. 1,01,919 equity shares each. By virtue of such inheritance, during the financial year 2017-18, Mr. Arjun Joshi, Ms. Nihar Joshi and Ms. Shonar Joshi have become part of the Promoter and Promoter Group of the Company.

^Decrease in % shareholding of Promoter & Promoter Group by 0.09% is on account of allotment of equity shares by the Company under its Employee Stock Option Plan, 2006, during the FY 2017-18.

(iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2017)		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
	Data-wise Increase/Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2018			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
	Data-wise Increase/Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2018			3,14,994	1.16
	Ms. Rukmani Joshi*				
3	At the beginning of the year	3,05,757	1.12	3,05,757	1.12
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Transmission of shares on October 7, 2017	(3,05,757)	(1.12)	NIL	NIL
	At the end of the year i.e. as on March 31, 2018			NIL	NIL
	Mr. Arjun Joshi*				
4	At the beginning of the year	NIL	NIL	NIL	NIL
	Data-wise Increase/Decrease in Promoters Shareholding during the year				
	Acquisition from Promoter by way of Inheritance on October 7, 2017	3,05,757	1.12	3,05,757	1.12
	Distribution of shares acquired through inheritance to beneficiary on November 1, 2017	(1,01,919)	(0.37)	2,03,838	0.74
	Distribution of shares acquired through inheritance to beneficiary on November 1, 2017	(1,01,919)	(0.37)	1,01,919	0.37
	At the end of the year i.e. as on March 31, 2018			1,01,919	0.37
	Ms. Nihar Joshi*				
5	At the beginning of the year	NIL	NIL	NIL	NIL
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Acquisition from Promoter by way of Inheritance on November 1, 2017	1,01,919	0.37	1,01,919	0.37
	At the end of the year i.e. as on March 31, 2018			1,01,919	0.37
	Ms. Shonar Joshi*				
6	At the beginning of the year	NIL	NIL	NIL	NIL
	Data-wise Increase/Decrease in Promoters Shareholding during the year:				
	Acquisition from Promoter by way of Inheritance on November 1, 2017	1,01,919	0.37	1,01,919	0.37
	At the end of the year i.e. as on March 31, 2018			1,01,919	0.37

Sl. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Mr. Siddhartha Lal				
7	At the beginning of the year	2,94,694	1.08	2,94,694	1.08
	Data-wise Increase/Decrease in Promoters Shareholding during the year:		No Change		
	At the end of the year i.e. as on March 31, 2018			2,94,694	1.08
	The Simran Siddhartha Tara Benefit Trust				
8	At the beginning of the year	1,20,30,648	44.21	1,20,30,648	44.21
	Date wise Increase/ Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2018			1,20,30,648	44.14
	The Brinda Lal Trust				
9	At the beginning of the year	4,85,707	1.79	4,85,707	1.79
	Date wise Increase/ Decrease in Promoters Shareholding during the year		No Change		
	At the end of the year i.e. as on March 31, 2018			4,85,707	1.78
	Karvansarai Investments Private Limited (formerly known as Karvansarai Travel & Lifestyle Private Limited)				
10	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, 2018			15,143	0.06

*Ms. Rukmani Joshi (deceased), part of Promoter and Promoter Group, was holding 3,05,757 (1.12%) equity shares in the Company which were inherited by Mr. Arjun Joshi, Ms. Nihar Joshi and Ms. Shonar Joshi in equal proportion i.e. 1,01,919 equity shares by each. Since Mr. Arjun Joshi was the designated nominee for the deceased demat account, entire 3,05,757 equity shares were first transferred to Mr. Arjun Joshi. Out of above equity shares, Mr. Arjun Joshi kept 1,01,919 equity shares and transferred remaining 2,03,838 equity shares in equal proportion to Ms. Nihar Joshi and Ms. Shonar Joshi, the other two inheritors. By virtue of such inheritance, during the financial year 2017-18, Mr. Arjun Joshi, Ms. Nihar Joshi and Ms. Shonar Joshi have become part of the Promoter and Promoter Group of the Company.

(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, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Europacific Growth Fund @	10,87,308	4.00	6,46,049	2.37
2.	New World Fund INC@	2,66,400	0.98	2,88,400	1.06
3.	Cartica Capital Ltd@	1,60,092	0.59	2,74,272	1.01
4.	Matthews India Fund^^	1,27,000	0.47	2,66,539	0.98
5.	Steadview Capital Mauritius Limited@	2,20,457	0.81	2,28,973	0.84
6.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund@	2,07,399	0.76	2,28,107	0.84
7.	Government of Singapore@	1,94,637	0.72	1,85,855	0.68
8.	Motilal Oswal Most Focused Multicap 35 Fund^^	1,55,318	0.57	1,84,577	0.68
9.	Vanguard Total International Stock Index Fund@	1,60,629	0.59	1,79,668	0.66
10.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs^^	-	-	1,71,518	0.63
11.	Tiaa-Cref Institutional Mutual Funds-International Equity Fund*	2,09,353	0.77	1,50,916	0.55
12.	Copthall Mauritius Investment Limited*	2,28,756	0.84	1,07,371	0.39
13.	Ishares India Index Mauritius Company*	1,61,224	0.59	1,54,712	0.57

Note: More than 98% 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, 2017 and March 31, 2018.

* Amongst top ten Shareholders only as on April 1, 2017.

^^ Amongst top ten Shareholders only as on March 31, 2018.

(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, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**Mr. Siddhartha Lal, Managing Director & Chief Executive Officer**				
	At the beginning of the year	2,94,694	1.08	2,94,694	1.08
	Date wise Increase/ Decrease in Share holding		No Change		
	At the end of the year i.e., March 31, 2018			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
	Date wise Increase/ Decrease in Share holding		No Change		
	At the end of the year i.e., March 31, 2018			11,766	0.04
3.	**Mr. Lalit Malik, Chief Financial Officer**				
	At the beginning of the year	9,000	0.03	9,000	0.03
	Date wise Increase/ Decrease in Share holding				
	Market Sale on December 1, 2017	109	0.00	8891	0.03
	Market Sale on December 19, 2017	3000	0.01	5891	0.02
	Market Sale on March 21, 2018	3000	0.01	2891	0.01
	At the end of the year i.e., March 31, 2018			2891	0.01

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, 2017)					
(i) Principal Amount	-	-	67,44,02,582	-	**67,44,02,582**
(ii) Interest due but not paid	-	-	-	-	**-**
(iii) Interest accrued but not due	-	-	-	-	**-**
Total (i+ii+iii)	-	-	67,44,02,582	-	**67,44,02,582**
Change in indebtedness during the Financial Year					
• Addition	-	-	5,08,91,52,410	-	**5,08,91,52,410**
• Reduction	-	-	4,90,37,42,581	-	**4,90,37,42,581**
Net Change	-	-	18,54,09,829	-	**18,54,09,829**
Indebtedness at the end of the Financial Year (As on March 31, 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**

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 & Chief Executive Officer	
1.	Gross salary*		
	a) Salary	3,62,65,468	**3,62,65,468**
	b) Value of perquisites	1,69,11,166	**1,69,11,166**
	c) Profits in lieu of salary	-	**-**
2.	Stock Option	-	**-**
3.	Sweat Equity	-	**-**
4.	Commission		

(Amount in Rs.)

Sl. No.	Particulars of Remuneration paid during the year	Name of MD/WTD/ Manager Mr. Siddhartha Lal- Managing Director & Chief Executive Officer	Total Amount
	- as % of profit	-	**-**
	- others	4,20,00,000	**4,20,00,000**
5.	Others, please specify	-	**-**
	Total (A)	**9,51,76,634**	**9,51,76,634**
	Ceiling as per the Act		**1,43,75,85,000**

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

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration paid during the year	Name of Directors					Total Amount
1.	Independent Directors	Mr. S. Sandilya	Mr. Priya Brat*	Mr. M. J. Subbaiah*	Mr. Prateek Jalan	Ms. Manvi Sinha	
	• Fee for attending Board/Committee meetings	3,30,000	70,000	1,80,000	3,00,000	1,80,000	**10,60,000**
	• Commission	48,40,000	9,07,280	9,07,280	20,62,000	9,07,280	**96,23,840**
	• Others, please specify	-	-	-	-	-	**-**
	Total (1)	**51,70,000**	**9,77,280**	**10,87,280**	**23,62,000**	**10,87,280**	**1,06,83,840**
2.	Other Non-Executive Directors						
	• Fee for attending Board/Committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B) = (1 + 2)	**51,70,000**	**9,77,280**	**10,87,280**	**23,62,000**	**10,87,280**	**1,06,83,840**
	Total Managerial Remuneration (A+B)						**10,58,60,474**
	Overall Ceiling as per the Act (11% of the net profits of the Company, computed as per Section 198 of the Companies Act, 2013)						**3,16,26,87,000**

*Mr. Priya Brat and Mr. M.J. Subbaiah, Non Executive Independent Directors, resigned from the Board w.e.f. June 16, 2017 and March 31, 2018 respectively.

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	87,87,816	1,79,15,592	**2,67,03,408**
	b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	32,400	26,38,189	**26,70,589**
	c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	**-**
2.	Stock Option	-	-	**-**
3.	Sweat Equity	-	-	**-**
4.	Commission	-	-	**-**
5.	Others, please specify	-	-	**-**
	Total	**88,20,216**	**2,05,53,781**	**2,93,73,997**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018 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's businesses. As on March 31, 2018, the Board strength consists of five directors comprising four non-executive independent Directors of which one is a woman director and one executive director. Four Board meetings were held during the financial year ended March 31, 2018, on May 5, 2017, August 9, 2017, November 14, 2017 and February 7, 2018. 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 35th AGM held on August 8, 2017	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	4	Yes	5	1	4
2.	Mr. Siddhartha Lal DIN: 00037645	Promoter - Managing Director	4	Yes	1	-	-
3.	Mr. M.J. Subbaiah^ DIN: 00044799	Non-Executive Independent Director	2	No	-	-	-
4.	Mr. Prateek Jalan DIN: 02170139	Non-Executive Independent Director	4	Yes	1	1	-
5.	Ms. Manvi Sinha DIN: 07038675	Non-Executive Independent Director	4	Yes	-	-	-

^Mr. M.J. Subbaiah, resigned from the Board w.e.f. March 31, 2018.

During the year under review, Mr. Priya Brat, non executive independent director of the company resigned from the Board w.e.f. June 16, 2017. He attended one meeting of the Board of Directors held on May 5, 2017.

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

No independent director serves as a whole-time Director in any other listed company. Further, none of the independent director of the company serve as independent director in more than seven listed companies as provided under Regulation 25 of SEBI (LODR) Regulations, 2015.

#For the purpose of this disclosure Listed companies and public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 or Section 25 of the Companies Act, 1956 are excluded.

*For the purpose of reckoning the limit, chairmanship(s)/ membership(s) of the Audit Committee and the Stakeholders' Relationship Committee alone are considered.

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

2.2. Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment. The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website www.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 5, 2017, 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, 2018, Mr. S. Sandilya, Chairman and Non-executive Independent Director of the Company holds 11,766 equity shares of the Company. Other Non-Executive Directors viz. Mr. M.J. Subbaiah, Mr. Prateek Jalan and Ms. Manvi Sinha do not hold any shares in the Company. The Company has not issued any convertible instruments.

2.6. Familiarisation Programme for Independent Directors

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

3. AUDIT COMMITTEE

Composition and terms of reference of the Audit Committee of Directors of the Company are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, with all members being financially literate and most having accounting or related financial management expertise. As on March 31, 2018, Audit Committee consists of three 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) 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

Four Meetings of the Audit Committee of Directors were held during the Financial Year ended March 31, 2018 on May 5, 2017, August 9, 2017, November 14, 2017 and February 7, 2018. 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 M. J. Subbaiah*	Chairman	4	2
2.	Mr S. Sandilya	Member	4	4
3.	Mr Siddhartha Lal	Member	4	4
4.	Mr Prateek Jalan	Member	4	4

*resigned from the Board w.e.f. March 31, 2018. The Board at its Meeting held on May 9, 2018, appointed Mr. S. Sandilya as Chairman of the Audit Committee of the Company.

During the year under review, Mr. Priya Brat, Non Executive Independent Director and a member of the Audit Committee resigned from the Board w.e.f. June 16, 2017. He attended one meeting of the Audit Committee held on May 5, 2017.

The Chief Financial Officer, the Head of Internal Audit and the Statutory Auditors are invited for the Audit Committee meetings as required. Mr. Manhar Kapoor, General Counsel & Company Secretary acts as the Secretary to the Audit Committee.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

4.1 Meetings and Attendance

Three Meetings of the Stakeholders' Relationship Committee of Directors were held during the Financial Year ended March 31, 2018 on May 5, 2017, November 14, 2017 and February 7, 2018. The names of the Members, Chairperson of the Committee and 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.	Ms. Manvi Sinha^	Chairman	2	2
2.	Mr. S. Sandilya	Member	3	3

^appointed as a Member w.e.f. August 9, 2017 and Chairman w.e.f. May 9, 2018.

During the year under review, Mr. Priya Brat, Non-Executive Independent Director and Chairman of the Stakeholders' Relationship Committee resigned from the Board w.e.f. June 16, 2017. He attended one meeting of the Stakeholders' Relationship Committee held on May 5, 2017.

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	56
2.	Complaints resolved	55*
3.	Pending complaints	4

*Out of total number of complaints resolved during the financial year under review, 3 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, 2018. The composition and the role of the Committee are in conformity with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

5.1 Major terms of Reference

(i) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal.

(ii) Laying down the evaluation criteria for performance evaluation of Independent Directors.

(iii) Carrying out evaluation of every Director's performance.

(iv) To decide on whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors.

(v) Devising a policy on diversity of Board of Directors.

(vi) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a Policy relating to the Remuneration of the Directors, Key Managerial Personnel and other employees.

(vi) 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.

(vii) 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

Four Meetings of the Nomination & Remuneration Committee of Directors of the Company were held during the Financial Year ended March 31, 2018 on May 5, 2017, August 9, 2017, November 14, 2017 and February 7, 2018. The names of the Members, Chairperson of the Committee and 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 Prateek Jalan	Chairman	4	4
2.	Mr S. Sandilya	Member	4	4
3.	Mr M J Subbaiah*	Member	4	2

*resigned from the Board w.e.f. March 31, 2018.

The Board at its meeting held on April 2, 2018, appointed Ms. Manvi Sinha, Non Executive Independent Director of the Company, as a member of the Nomination and Remuneration Committee of the Company.

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

5.3 Performance Evaluation Criteria for Independent Directors

The Company has adopted an Evaluation policy to evaluate performance of individual Directors, the Board as a whole and its committees. Evaluation of Individual Directors including Independent Directors is carried out by the entire Board as well as by the Nomination and Remuneration Committee in accordance with the provisions of Code for Independent Directors as outlined under Schedule IV, 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 5, 2017.

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, 2018. The composition and the role of the Committee are in conformity with the provisions of Section 135 of Companies Act, 2013.

6.1 Major terms of Reference

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

(ii) Recommending the amount of expenditure to be incurred on the activities referred to in CSR policy.

(iii) Monitoring the CSR Policy of the Company from time to time.

6.2 Meetings and Attendance

Two meetings of the Corporate Social Responsibility Committee of the Company were held during the Financial Year ended March 31, 2018 on May 5, 2017 and February 7, 2018. The names of the 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	2	2
2.	Mr. Siddhartha Lal	Member	2	2
3.	Mr. Prateek Jalan	Member	2	2

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

7. RISK MANAGEMENT COMMITTEE

In terms of Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company has a Risk Management Committee. The constitution of the Risk Management Committee is in compliance with the above provisions. As on March 31, 2018, 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 & Chief Executive Officer)	Chairman
2.	Mr S. Sandilya (Chairman and Non-Executive Independent Director)	Member
3.	Mr Lalit Malik (Chief Financial Officer)	Member

Major Terms of Reference:

(i) To assist the Board in formulating the Risk Management Plan and Practices.

(ii) To monitor and review risk management plan and practices of the Company as approved by the Board.

8. SHARES COMMITTEE

The Shares Committee of the Company consists of three members i.e. Mr Siddhartha Lal - Managing Director & Chief Executive Officer, Mr Lalit Malik - Chief Financial Officer and Mr Manhar Kapoor–General Counsel & Company Secretary to look after and approve requests for transfer/transmission of equity shares, dematerialization, issue of duplicate share certificates, etc. 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, 2018, 17 meetings of the Committee were held to approve transfer of 2,459 shares, name deletion for 739 shares, issue of duplicate share certificates for 1,60,975 shares, transmission of 1,56,394 shares and dematerialization of 2,09,479 shares. Out of the above number of shares, duplicate share certificates were issued for 1,53,457 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 16,434 equity shares of the Company lying in Company's Suspense Account and 1,627 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.

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, 2018 is as under:

(Rs. in Crores)

Name of the Director	Salary	Commission	Perquisites	Service Contract	
				Tenure	Notice period
Mr Siddhartha Lal, Managing Director	3.63	4.80	1.69	5 years (Members at their AGM held on June 18, 2016, approved re-appointment of Mr. Siddhartha Lal as Managing Director w.e.f. May 1, 2016 up to April 30, 2021)	3 months' notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months

Total remuneration paid as Salary, Allowances, Perquisites and Commission does not exceed 5% of the net profits computed in the manner provided under Section 197 read with Section 198 of the Companies Act, 2013.

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

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, 2018.

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, 2018 is as under:

(Amount in Rs. lacs)

Name of the Director	Remuneration	
	Sitting fee	Commission
Mr S. Sandilya – Chairman and Non-Executive Independent Director	3.30	53.24
Mr Priya Brat - Non-Executive Independent Director^	0.70	2.11
Mr M. J. Subbaiah- Non-Executive Independent Director^	1.80	9.98
Mr Prateek Jalan-Non-Executive Independent Director	3.00	22.68
Ms Manvi Sinha - Non-Executive Independent Director	1.80	9.98
Total	**10.60**	**97.99**

^Mr. Priya Brat and Mr. M.J. Subbaiah, Non Executive Independent Directors of the Company resigned from the Board w.e.f. June 16, 2017 and March 31, 2018, respectively.

Criteria of making payment to Non-Executive Directors: Remuneration paid to Non-executive and Independent Directors represents sitting fees @ Rs. 40,000/- for attending each meeting of the Board of Directors and @ Rs. 20,000/- for attending each meeting of the Audit Committee. Sitting fees @ Rs. 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:

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

(ii) Minutes of Board meetings of subsidiary companies are periodically placed before the Company's Board.

(iii) All significant transactions and arrangements entered into by the subsidiary companies are reviewed periodically by the Board of the Company.

(iv) Mr Prateek Jalan, a Non-Executive Independent Director of the Company is a Director on the Board of VE Commercial Vehicles Limited*, an unlisted material subsidiary company of the Company, incorporated in India.

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

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

11. OTHER DISCLOSURES

11.1 Related Party Transactions

In terms of Indian Accounting Standard-24 on "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013, the Company has identified the related parties and suitable disclosures relating to details of transactions with such related parties have been disclosed in Note No. 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. 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, 2018.

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/1496221291_policy-on-materiality-of-and-dealing-with-related-party-transactions.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 the Directors, employees and connected persons such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window for dealing in securities of the Company is closed as per the provisions of the above code.

11.5 CEO / CFO Certification

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

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

The Company complies with the following non-mandatory requirements:

1. The Non-Executive Chairman of the Company is entitled to maintain a Chairman's office

at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. The Auditors have expressed no qualification in their reports.

3. The Company has appointed separate persons to the post of the Chairman and the Chief Executive Officer. Mr S. Sandilya is the Chairman of the Board of Directors and Mr. Siddhartha Lal is the Managing Director and Chief Executive Officer of the Company.

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

11.7 Accounting treatment in preparation of the financial statements

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

11.8 Vigil Mechanism/ Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy to establish a vigil mechanism for the Directors, employees and vendors of the Company, to report genuine concerns or grievances 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 utilized 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.

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 familiarisation 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 : Friday, August 10, 2018 at 11:00 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, 2017 to March 31, 2018.

13.3 General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
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
January 1, 2014 - December 31, 2014	20.03.2015 (AGM)	Friday	10.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	Yes

Notes:

1. The Company at its AGM held on March 20, 2015, passed two special resolutions for the following:

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

(b) Approval for increase in limit of investment by FIIs in the Company to 49% of Company's total capital.

2. No Special Resolution was passed through postal ballot last year. Also, no Special Resolutions are proposed to be conducted through postal ballot.

13.4 Financial Calendar – 2017-2018

Adoption of Quarterly/ Annual Results for the quarter/year ended	Date of Board Meetings	Date of publication	Name of Newspapers
June 30, 2017 (Quarterly Results)	09/08/2017	10/08/2017	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
September 30, 2017 (Quarterly Results)	14/11/2017	15/11/2017	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
December 31, 2017 (Quarterly Results)	07/02/2018	08/02/2018	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
March 31, 2018 (Quarterly & Annual Results)	09/05/2018	10/05/2018 (Proposed)	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition (Proposed)

Tentative Financial Calendar – for the financial year ending March 31, 2019

Quarterly results for the quarters ending June 30, 2018, September 30, 2018, December 31, 2018 and annual results for the year ending March 31, 2019 will be approved in the Board Meetings which will be tentatively held in the months of August 2018, November 2018, February 2019 and May 2019 respectively (subject to the finalisation of dates by the Board of Directors). Annual General Meeting for the Financial Year 2018-19 will be tentatively held in between July-September 2019. 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 : August 4, 2018 to August 10, 2018 (both days inclusive)

13.6 Dividend payment date: Dividend, if declared by the Members will be paid on or before September 8, 2018.

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 2018-19.

13.8 Name of Depositories for dematerialization of equity shares

Name of the depository	ISIN No.
National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL)	INE066A01013

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

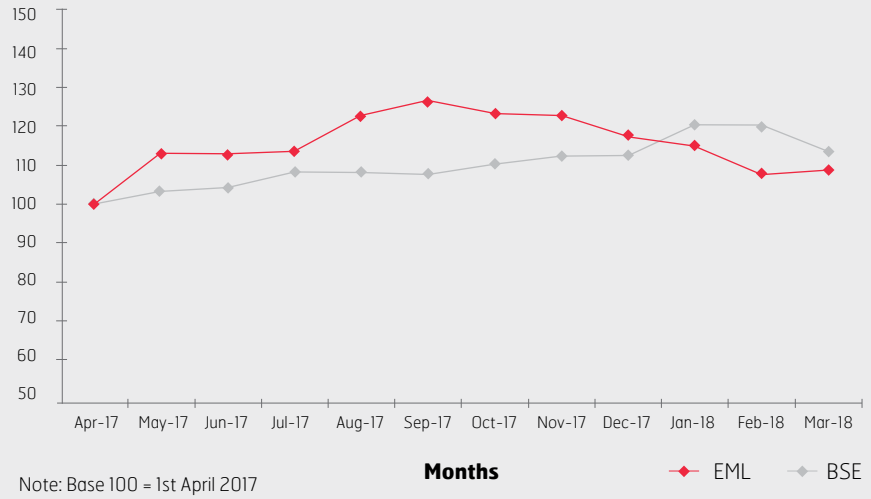
Link Intime India Pvt. Ltd.
Registrar and Share Transfer Agent
44, 2nd Floor, Community Centre,
Narayana Industrial Area, Phase-I,
New Delhi 110028
Phone No: 011-41410592-94
Fax No: 011-41410591
E-mail: delhi@linkintime.co.in

Members may write for any queries / information to Mr Manhar Kapoor, General Counsel & 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:

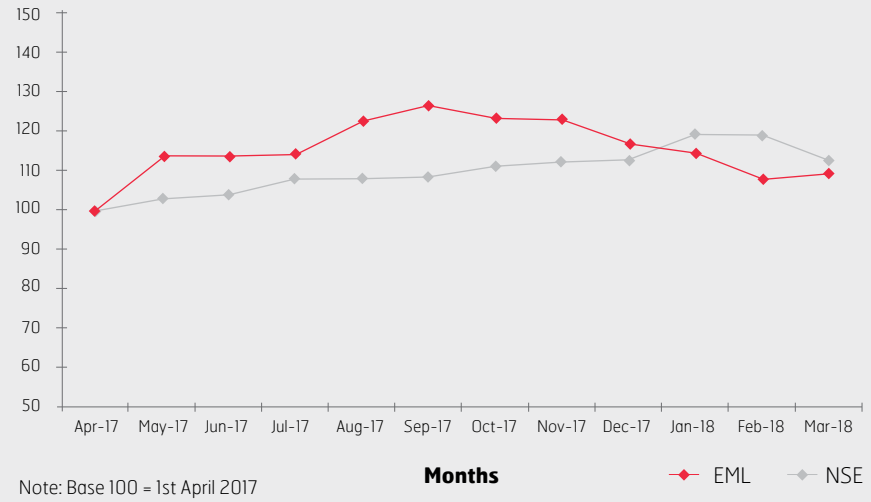
April 2017 to March 2018	BSE			NSE		
	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)
Apr-17	26480	25316.45	118520	26500	25321.1	536979
May-17	29983	25336.8	93191	30051	25336.8	1050777
Jun-17	29925	26388	367907	30051	26400	901096
Jul-17	30160	27153.05	82787	30200	27119	853576
Aug-17	32464.95	29151	75957	32449.35	29135.4	980108
Sep-17	33483.95	29949.85	69265	33480	29910.05	794868
Oct-17	32762.9	30300	36298	32766.6	30712.3	510091
Nov-17	32510.9	29648	63517	32539.2	29612	713800
Dec-17	31100	28100	80579	30999	28111	810887
Jan-18	30472	26000	169899	30420	26208.05	1635349
Feb-18	28495	26112.1	65267	28521.5	26500	1159550
Mar-18	29040.2	27280.9	59320	29059.95	27251.15	772059

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



Note: Base 100 = 1st April 2017

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



Note: Base 100 = 1st April 2017

13.11 Share transfer system

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

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.

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 dematerialized form w.e.f. March 22, 2000.

Members are requested to avail the facility of the depository system by opening of Demat account with any of the Depository Participant (DP), namely, NSDL and CDSL. Members who hold shares in dematerialized form, should send all their communications concerning rematerialization 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, 2018, 2,68,43,340 shares constituting 98.49% of the total paid up equity share capital of the Company have been dematerialized with NSDL and CDSL.

13.13 Distribution of shareholding as on March 31, 2018

Category	No. of shareholders	% holders	No. of shares of face value of Rs. 10/- each	% Shareholding
1-500	99,179	98.89	19,78,956	7.26
501-1,000	361	0.36	2,65,766	0.98
1,001-2,000	228	0.23	3,32,024	1.22
2,001-3,000	97	0.10	2,40,204	0.88
3,001-4,000	67	0.07	2,37,707	0.87
4,001-5,000	40	0.04	1,83,875	0.67
5,001-10,000	106	0.11	7,66,094	2.81
10,001-50,000	145	0.14	30,63,701	11.24
50,001-1,00,000	29	0.03	20,05,244	7.36
1,00,001 and above	32	0.03	1,81,81,978	66.71

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 Sections 124 and 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
2011 (January to December)	April 25, 2019
2012 (January to December)	April 25, 2020
2013 (January to December)	April 25, 2021
2014 (January to December)	April 25, 2022
2015-16 (January to March)*	April 18, 2023
2016-17 (April to March)	September 12, 2024

**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"), the Company has transferred 1,71,518 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 2,340 shareholders, to the Investor Education and Protection Fund Authority (IEPF Authority) during the financial year.

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. 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, 2018 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	858	21,278
(ii)	Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	3	133
(iii)	Number of shareholders to whom shares were transferred from the Suspense Account during the year	3	133
(iv)	Number of shareholders whose shares were transferred to Investor Education and Protection Fund Authority in compliance with the provisions of Sections 124 & 125 of the Companies Act, 2013 and the rules framed thereunder	739	16,434
(v)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	116	4,711

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 dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their 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, 2018 is in compliance with the requirements of Corporate Governance under SEBI (LODR) Regulations, 2015. Further, the Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation 2 of Regulation 46 of the said Regulations.

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

For **Eicher Motors Limited**

Siddhartha Lal
Managing Director
& Chief Executive Officer
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Place: Gurugram, Haryana
Date: May 9, 2018

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, 2018.

For **Eicher Motors Limited**

Siddhartha Lal
Managing Director
& Chief Executive Officer
DIN: 00037645

Place: Gurugram, Haryana
Date: May 9, 2018

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

TO 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, 2018. 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 are 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. Obtained and verified that 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, 2018 and verified that at least one women director was on the Board during the year;
   iv. Obtained and read the minutes of the following meetings held from April 1, 2017 to March 31, 2018:
      (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, 2018, 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
Membership Number: 095169

Place of Signature: Gurugram
Date: May 9, 2018

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, 2018 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, 2018 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, 2018;

   (ii) there have not been any significant changes in accounting policies during the year ended March 31, 2018; and

   (iii) there has not been any instance during the financial year ended March 31, 2018 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 9, 2018



103-222
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **Eicher Motors Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 5, 2017.

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 purpose 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, 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its 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: Gurugram
Date: May 9, 2018

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 verifying 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, 2018 (Rs. in crores)**	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.

(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, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account 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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, excise duty, goods and service tax, sales-tax, service tax, customs duty, value added tax, 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, excise duty, goods and service tax, sales-tax, service tax, customs duty, value added tax, 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 Satatute	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, 2016-17, 2017-18	0.18	0.17
		CESTAT	1983-84 to 2000-01, 2012-13 to 2015-16	1.54	1.42
		High Court - Punjab and Haryana	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 2010-11, 2014-15	7.13	3.23
		Sales Tax Appellate Tribunal	1988-89, 1991-92 to 1995-96, 1997-98 to 2000-01, 2002-03 to 2004-05, 2006-07	0.93	0.72
		High Court - Allahabad, and Madhya Pradesh	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
		High Court - Patna	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	-
		Appellate Tribunal	1991-92, 1993-94 to 1995-96, 1999-00, 2001-02	0.22	0.19
		High Court – Allahabad	2000-01	0.43	0.29

Name of Satatute	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 Appellate Tribunal	1990-00	0.05	0.05
		High Court – Rajasthan	1993-94	0.03	0.01
		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
		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 Orissa Value Added Tax Act, 2004, West Bengal Value Added Tax Act, 2003	Value Added Tax	Commissioner of Sales Tax (Appeals)	2000-01, 1993-94	0.01	0.01
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)	2012-13, 2013-14 and 2014-15	6.98	6.98

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to 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 Sections 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: Gurugram
Date: May 9, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF 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, 2018 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 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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: Gurugram
Date: May 9, 2018

BALANCE SHEET

AS AT MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**1,454.76**	832.43
(b) Capital work-in-progress	5	**141.89**	265.01
(c) Investment property	6	**3.86**	4.21
(d) Intangible assets	7	**38.66**	33.41
(e) Intangible assets under development	8	**191.32**	108.76
(f) Investments in subsidiaries & joint ventures	9	**49.43**	300.42
(g) Financial assets			
(i) Investments	10	**3,183.16**	2,357.70
(ii) Other financial assets	12	**24.88**	16.44
(h) Non-current tax assets	25	**18.44**	18.42
(i) Other non-current assets	17	**163.85**	243.10
Total non-current assets		**5,270.25**	4,179.90
Current assets			
(a) Inventories	13	**379.23**	322.45
(b) Financial assets			
(i) Investments	10	**633.40**	883.61
(ii) Trade receivables	14	**78.02**	48.94
(iii) Cash and cash equivalents	15	**89.28**	12.79
(iv) Bank balances other than (iii) above	16	**1,119.54**	7.82
(v) Loans	11	**0.28**	0.34
(vi) Other financial assets	12	**33.71**	8.70
(c) Other current assets	17	**190.96**	75.71
Total current assets		**2,524.42**	1,360.36
Total assets		**7,794.67**	5,540.26
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	**27.26**	27.21
(b) Other equity	19	**5,344.97**	3,895.38
Total equity		**5,372.23**	3,922.59
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	20	**8.88**	7.16
(b) Provisions	23	**29.12**	26.13
(c) Deferred tax liabilities (net)	24	**142.97**	79.22
(d) Other non-current liabilities	26	**46.84**	23.20
Total non-current liabilities		**227.81**	135.71
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	**85.98**	67.44
(ii) Trade payables	22	**1,170.47**	764.49
(iii) Other financial liabilities	20	**166.70**	140.25
(b) Provisions	23	**47.21**	42.51
(c) Current tax liabilities	25	**108.01**	37.74
(d) Other current liabilities	26	**616.26**	429.53
Total current liabilities		**2,194.63**	1,481.96
Total liabilities		**2,422.44**	1,617.67
Total equity and liabilities		**7,794.67**	5,540.26

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	**For the year ended March 31, 2018**	For the year ended March 31, 2017
INCOME			
Sale of products		**9,167.73**	7,913.71
Other operating income		**44.08**	30.35
Revenue from operations	27	**9,211.81**	7,944.06
Other income	28	**332.43**	227.31
Total Income		**9,544.24**	8,171.37
EXPENSES			
Cost of materials consumed	29	**4,515.60**	3,615.45
Purchases of traded goods	30	**154.97**	105.62
Change in inventories of finished goods, work-in-progress and traded goods	31	**(31.47)**	(14.50)
Excise duty on sale (refer note 27)		**254.30**	906.09
Employee benefits expense	32	**547.86**	408.97
Finance costs	33	**3.04**	2.79
Depreciation and amortisation expense	34	**222.34**	153.34
Other expenses	35	**917.35**	716.62
Total Expenses		**6,583.99**	5,894.38
Profit before exceptional items and tax		**2,960.25**	2,276.99
Exceptional item	36	**311.98**	-
Profit before tax		**2,648.27**	2,276.99
Tax expense			
Current tax	37	**877.34**	678.53
Deferred tax	37	**58.02**	38.44
Total tax expense		**935.36**	716.97
Net profit after tax		**1,712.91**	1,560.02
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		**18.32**	-
Income tax effect	37	**(6.33)**	-
		11.99	-
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		**(1.74)**	(0.12)
Income tax effect	37	**0.60**	0.04
		(1.14)	(0.08)
Total Comprehensive income for the year		**1,723.76**	1,559.94
Earnings per equity share of Rs. 10 each (in Rs.)			
(a) Basic	43	**629.07**	573.75
(b) Diluted	43	**627.88**	572.17

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A EQUITY SHARE CAPITAL

	Number of Shares	Amount
Balance as at March 31, 2016	**2,71,61,183**	**27.16**
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (refer note 48)	49,066	0.05
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**

B OTHER EQUITY

Particulars	Reserves and surplus						Items of OCI	Total equity
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share based payments reserve	Retained earnings	Foreign currency translation reserve	Total
Balance as at March 31, 2016	**0.25**	**1.41**	**25.80**	**339.89**	**25.23**	**1,916.67**	**-**	**2,309.25**
Profit for the year	-	-	-	-	-	1,560.02	-	**1,560.02**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.08)	-	**(0.08)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,559.94**	**-**	**1,559.94**
Share-based payments	-	-	-	-	20.50	-	-	**20.50**
Proceeds from issue of equity shares under employee share option plan	-	-	5.69	-	-	-	-	**5.69**
Transfer to securities premium on issue of shares	-	-	0.60	-	(0.60)	-	-	**-**
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	-	-	-	-	18.11	-	-	**18.11**
Payment of dividends and dividend tax	-	-	-	-	-	(317.12)	-	**(317.12)**
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**

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	**2,648.27**	2,276.99
Adjustments for:		
Depreciation and amortisation expenses	**222.34**	153.34
Gain on disposal of property, plant and equipment	**(0.17)**	(0.12)
Impairment loss in the value of investments (refer note 36)	**311.98**	-
Property, plant and equipment discarded	**-**	0.03
Rent income	**(2.92)**	(2.80)
Loss on sale of property, plant and equipment	**1.00**	0.36
Dividend from joint venture company	**(51.68)**	-
Net gain on financial instruments at fair value through profit or loss	**(235.02)**	(219.74)
Interest income recognised in profit or loss	**(39.32)**	(3.93)
Expenses recognised in respect of equity-settled share-based payments	**18.11**	20.50
Re-measurement gains/(losses) on defined benefit plans	**(1.74)**	(0.12)
Exchange difference on conversion	**18.32**	-
Finance costs recognised in profit or loss	**3.04**	2.79
Operating profit before changes in working capital	**2,892.21**	2,227.30
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	**(6.00)**	(6.37)
Other assets	**0.63**	2.89
Adjustments for (increase) / decrease in current assets:		
Inventories	**(56.78)**	(22.09)
Trade receivables	**(29.08)**	(2.81)
Loans	**0.06**	6.46
Other financial assets	**5.29**	(2.00)
Other assets	**(115.25)**	(12.59)
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	**1.72**	1.29
Provisions	**1.30**	(5.07)
Other liabilities	**23.64**	13.65
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	**405.98**	111.21
Other financial liabilities	**7.33**	4.72
Provisions	**4.70**	16.04
Other liabilities	**186.73**	79.92
Cash generated from operating activities	**3,322.48**	2,412.55
Direct taxes paid	**(807.09)**	(651.64)
Net cash flow from/(used in) operating activities (A)	**2,515.39**	1,760.91
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment	**(745.06)**	(545.46)
Proceeds from disposal of property, plant and equipment	**1.60**	0.70
Investment in subsidiary company	**(15.91)**	(11.01)
Investment in a joint venture company	**(16.50)**	(38.70)
Investment in equity shares of a company recognised at FVTPL	**(0.09)**	-
Proceeds from sale of investments	**6,123.96**	3,050.87
Purchases of investments	**(6,464.10)**	(4,247.19)
Investments in fixed deposit	**(1,243.94)**	(12.26)
Maturity proceeds from fixed deposit	**135.00**	45.05

CASH FLOW STATEMENT (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Dividend from joint venture company	**51.68**	-
Rent received	**2.92**	2.80
Interest received	**11.98**	2.84
Net cash flow from/(used in) investing activities (B)	**(2,158.46)**	(1,752.36)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Short-term borrowings availed	**459.69**	344.21
Re-payment of short term borrowings	**(441.15)**	(344.79)
Bank overdraft repaid	-	(22.57)
Interest paid	**(1.35)**	(1.26)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	**19.49**	5.74
Dividend paid	**(272.22)**	-
Tax on dividend paid	**(44.90)**	-
Net cash flow from/(used in) financing activities (C)	**(280.44)**	(18.67)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**76.49**	(10.12)
Cash and cash equivalents at the beginning of the year	**12.79**	22.91
Cash and cash equivalents at the end of the year	**89.28**	12.79

Particulars	**As at March 31, 2018**	As at March 31, 2017
Components of cash and cash equivalents		
Cash on hand	**0.04**	0.01
Cheques/drafts on hand	**0.06**	0.12
Balances with banks:		
In current accounts	**89.18**	12.66
Cash and cash equivalents as per balance sheet (refer note 15)	**89.28**	12.79

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 authorised for issue in accordance with a resolution of the Board of Directors on May 9, 2018.

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.

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 realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 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 recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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 proportion 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

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

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

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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 grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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 Employee benefits

Provident fund

The Company operates two plans for its employees to provide employee benefits in the nature of provident fund.

Eligible employees receive benefits from a provident fund, 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.

The employees who are not covered under the above scheme, their portion of provident fund is contributed to the government administered provident fund which is a defined contribution scheme. 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

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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.

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

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

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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 (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. 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

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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

In the previous year, as part of transition from the previous GAAP, the Company has 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 estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset, so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised 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 amortization 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

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

developed are amortised over a period of 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 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.	10
Computer software	3

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.

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.

3.14 Inventories

Inventories comprising raw materials, work-in-progress, 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 weighted average.

Finished goods and work-in-progress include appropriate proportion of overheads 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, 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

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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

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, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

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A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investment in subsidiaries and joint ventures is carried at cost in the separate financial statements.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.18 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities 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 recognised 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 costs of an asset is included in the 'Finance costs' Line item.

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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.

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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Cost							
At March 31, 2016	85.95	177.30	663.15	10.53	51.11	18.52	1,006.56
Additions	-	52.59	133.02	3.77	17.01	10.82	217.21
Disposals	-	0.49	1.38	0.38	0.35	1.70	4.30
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	-	-	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**
Accumulated depreciation							
At March 31, 2016	-	18.95	197.06	3.02	18.83	9.24	247.10
Charge for the year	-	9.15	113.87	2.99	13.22	4.11	143.34
Disposals	-	0.35	1.23	0.18	0.34	1.30	3.40
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	-	-	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**
Carrying amount							
At March 31, 2017	85.95	201.65	485.09	8.09	36.06	15.59	832.43
At March 31, 2018	**85.95**	**439.18**	**830.13**	**11.57**	**60.46**	**27.47**	**1,454.76**

* 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, 2018	As at March 31, 2017
Capital work-in-progress	**141.89**	265.01
	141.89	265.01

Capital work-in-progress as at March 31, 2018 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed. It includes the following other direct expenditure amounting to Rs. Nil (March 31, 2017: Rs. 0.64 crore).

Other direct expenditure

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries, wages and bonus	**1.89**	0.78
Contribution to provident and other funds	**0.06**	0.03
	1.95	0.81
Add: Balance brought forward from previous year	**0.64**	0.32
	2.59	1.13
Less: Capitalised during the year	**2.59**	0.49
	-	0.64

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6. INVESTMENT PROPERTY

Particulars	Building	Total
Cost		
At March 31, 2016	10.12	10.12
Additions	-	-
Disposals	-	-
At March 31, 2017	**10.12**	**10.12**
Additions	-	-
Disposals	-	-
At March 31, 2018	**10.12**	**10.12**
Accumulated depreciation		
At March 31, 2016	5.56	5.56
Charge for the year	0.35	0.35
Disposals	-	-
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**
Carrying amount		
At March 31, 2017	4.21	4.21
At March 31, 2018	**3.86**	**3.86**

FAIR VALUE OF THE INVESTMENT PROPERTY

The fair value of the Company's investment properties as at March 31, 2017 and March 31, 2018 have been arrived at on the basis of valuation carried out on the respective dates by Purshotam Khandelwal, independent valuers not related to the Company. Purshotam Khandelwal is a registered valuer with the authority which governs the valuers in India, and they have appropriate qualifications and experience in the valuation of properties in the relevant location.

For the building located in Jaipur, India, the fair value of structure as on March 31, 2017 and March 31, 2018 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, 2018 and March 31, 2017 are as follows :-

Particulars	Level 2	
	Fair value as at March 31, 2018	Fair value as at March 31, 2017
Building located at Jaipur, India	**4.41**	4.50

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Information regarding income and expenditure of Investment property

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Rental income derived from investment properties	**2.92**	2.78
Direct operating expenses	**-**	-
Profit arising from investment properties before depreciation and indirect expenses	**2.92**	2.78
Less: Depreciation	**0.35**	0.35
Profit arising from investment properties before indirect expenses	**2.57**	2.43

7. INTANGIBLE ASSETS

Particulars	**Product designs, prototypes etc.**	**Computer softwares**	**Total**
Cost			
At March 31, 2016	24.71	28.30	53.01
Additions	1.55	12.54	14.09
Disposals	1.06	3.73	4.79
At March 31, 2017	**25.20**	**37.11**	**62.31**
Additions	5.63	14.48	20.11
Disposals	-	0.02	0.02
At March 31, 2018	**30.83**	**51.57**	**82.40**
Accumulated amortisation			
At March 31, 2016	7.70	16.27	23.97
Charge for the year	2.53	7.12	9.65
Disposals	1.03	3.69	4.72
At March 31, 2017	**9.20**	**19.70**	**28.90**
Charge for the year	3.80	11.06	14.86
Disposals	-	0.02	0.02
At March 31, 2018	**13.00**	**30.74**	**43.74**
Carrying amount			
At March 31, 2017	16.00	17.41	33.41
At March 31, 2018	**17.83**	**20.83**	**38.66**

8. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	**As at March 31, 2018**	As at March 31, 2017
Intangible assets under development	**191.32**	108.76
	191.32	108.76

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

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9. INVESTMENTS IN SUBSIDIARIES & JOINT VENTURES

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-Current	**Current**	Non-Current	Current
Unquoted Investments				
(a) Investment in equity instruments of subsidiary companies (at cost)				
47,13,569 (March 31, 2017 : 47,13,569) shares of BRL 1 each fully paid up of Royal Enfield Brasil Comércio de Motocicletas Ltda	**9.82**	**-**	9.82	-
1,00,000 (March 31, 2017 : 1,00,000) shares of Royal Enfield North America Limited (no face value)	**34.17**	**-**	18.26	-
Sub-total (A)	**43.99**	**-**	28.08	-
(b) Investment in equity instruments of joint venture companies (at cost)				
54,40,000 (March 31, 2017 : 54,40,000) Equity shares of Rs. 10 each fully paid up of VE Commercial Vehicles Limited	**5.44**	**-**	5.44	-
29,45,00,000 (March 31, 2017 : 26,69,00,000) Equity shares of Rs. 10 each fully paid up of Eicher Polaris Private Limited	**294.50**	**-**	266.90	-
Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013)*	**-**	**-**	-	-
Sub-total	**299.94**	**-**	272.34	-
Less: Impairment in value of investments in Eicher Polaris Private Limited (refer note 36)	**(294.50)**	**-**	-	-
Sub-total (B)	**5.44**	**-**	272.34	-
Total (A+B)	**49.43**	**-**	300.42	-

*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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FINANCIAL ASSETS :

10. INVESTMENTS

Particulars	As at March 31, 2018		As at March 31, 2017	
	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, 2017 : Nil) Equity shares of Suryadev Alloys and Power Private Limited	**0.09**	-	-	-
Sub-total (A)	**0.09**	**-**	-	-
Quoted Investments				
(b) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	**3,139.13**	**633.40**	2,313.76	883.61
Sub-total (B)	**3,139.13**	**633.40**	2,313.76	883.61
(c) Investment in bonds carried at amortised cost	**43.94**	**-**	43.94	-
Sub-total (C)	**43.94**	**-**	43.94	-
Total (A+B+C)	**3,183.16**	**633.40**	2,357.70	883.61
Aggregate carrying value of quoted investments	**3,183.07**	**633.40**	2,357.70	883.61
Aggregate market value of quoted investments	**3,185.80**	**633.40**	2,360.46	883.61
Aggregate carrying value of unquoted investments	**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**	**-**	-	-
Quoted				
Investment in mutual funds	**3,139.13**	**633.40**	2,313.76	883.61
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	**43.94**	**-**	43.94	-

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11. LOANS

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured, considered good		
Loans to employees	**0.28**	0.34
Total	**0.28**	0.34

12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured, considered good		
Security deposits	**22.44**	16.44
Others	**2.44**	-
Total	**24.88**	16.44
Current		
Unsecured, considered good		
Insurance claim receivable	**1.02**	5.80
Lease rent receivable	**0.05**	0.05
Interest accrued on fixed deposits and bonds	**29.68**	2.34
Others	**2.96**	0.51
Total	**33.71**	8.70

13. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials	**143.44**	122.03
(Includes goods in transit of Rs. 28.74 crores (March 31, 2017 : Rs. 18.47 crores))		
Work-in-progress	**18.01**	14.90
Finished goods	**188.68**	156.63
Traded goods	**16.63**	20.32
Stores and spares	**10.22**	6.98
Loose tools	**2.25**	1.59
Total	**379.23**	322.45

Write-downs of inventories to net realisable value resulted in net loss of Rs. 3.84 crores (March 31, 2017 : Rs. 5.60 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.

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14. TRADE RECEIVABLES

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Secured, considered good	**0.07**	0.26
Unsecured - considered good	**77.95**	48.68
- considered doubtful	**0.25**	0.25
	78.27	49.19
Less: Provision for doubtful receivables	**(0.25)**	(0.25)
Total	**78.02**	48.94

All domestic sales are on advance payment basis, except for certain institutional sales which carries credit period of 50 to 60 days.

Export sales carries credit period of 0 to 180 days, depending on the contractual terms with respective customers.

For terms and conditions for related party sales, refer note 45.

15. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	**0.04**	0.01
Cheques/drafts on hand	**0.06**	0.12
Balances with banks:		
In current accounts	**89.18**	12.66
Total	**89.28**	12.79

Changes in liabilities arising from financing activities

Particulars	April 1, 2017	Net cash flows	Others	March 31, 2018
Short-term borrowings	67.44	18.54	-	**85.98**
Interest accrued but not due	-	(1.35)	1.35	**-**
Dividend payable including tax on dividend	-	(317.12)	317.12	**-**
Total liabilities from financing activities	67.44	(299.93)	318.47	**85.98**

16. OTHER BANK BALANCES

Particulars	As at March 31, 2018	As at March 31, 2017
In unpaid dividend accounts	**10.60**	7.82
On deposit accounts		
- Original maturity between three and twelve months	**538.94**	-
- Original maturity greater than twelve months	**570.00**	-
Total	**1,119.54**	7.82

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17. OTHER ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured, considered good		
Capital advances	**66.22**	133.74
Share application money pending allotment	**-**	11.10
Balance with government authorities	**7.49**	7.71
Prepayment land leases	**88.25**	89.14
Other prepayments	**1.89**	1.41
Total	**163.85**	243.10
Current		
Unsecured, considered good		
Advance to suppliers	**45.41**	28.62
Advance to employees	**4.81**	2.03
Prepaid expenses	**11.06**	6.47
Balance with government authorities:		
Considered good	**119.28**	28.64
Considered doubtful	**1.11**	1.11
	120.39	29.75
Less: Provision for doubtful advances	**(1.11)**	(1.11)
	119.28	28.64
Gratuity fund (net)	**0.47**	0.35
Prepayment land leases	**0.89**	0.96
Government grant receivable	**8.36**	7.94
Other prepayments	**0.68**	0.70
Total	**190.96**	75.71

18. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised Equity share capital		
3,00,00,000 (March 31, 2017 : 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		
2,72,55,549 (March 31, 2017 : 2,72,10,249) Equity shares of Rs. 10 each	**27.26**	27.21
Total	**27.26**	27.21

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.

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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, 2018		For the year ended March 31, 2017	
	Nos.	**Rs. in Crores**	Nos.	Rs. in Crores
At the beginning of the year	**2,72,10,249**	**27.21**	2,71,61,183	27.16
Issued during the year - ESOP (refer note 48)	**45,300**	**0.05**	49,066	0.05
Outstanding at the end of the year	**2,72,55,549**	**27.26**	2,72,10,249	27.21

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	**% holding in the class**	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust	**1,20,30,648**	**44.14%**	1,20,30,648	44.21%

(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, 2018**	As at March 31, 2017
Authorised Preference share capital		
1,01,000 (March 31, 2017 : 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, 2018**	As at March 31, 2017
Capital reserves	**0.25**	0.25
Capital redemption reserve	**1.41**	1.41
Securities premium reserve	**60.37**	32.09
General reserves	**339.89**	339.89
Share-based payments reserve	**59.80**	45.13
Foreign currency translation reserve	**11.99**	-
Retained earnings	**4,871.26**	3,476.61
	5,344.97	3,895.38

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
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, 2018	For the year ended March 31, 2017
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 utilise the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C Securities premium reserve		
Opening balance	**32.09**	25.80
Add : Proceeds from issue of equity shares@	**19.44**	5.69
Add : Transferred from share options outstanding account	**8.84**	0.60
Closing balance	**60.37**	32.09

@ Represents premium @ Rs. 452 per equity share on 500 (March 31, 2017 : 2,500) equity shares, @ Rs. 685 per equity share on 29,000 (March 31, 2017 : 11,000) equity shares, @ Rs. 1,152 per equity share on Nil (March 31, 2017 : 32,100) equity shares, @ Rs. 1,760 per equity share on 1,800 (March 31, 2017 : 1,800) equity shares, and @ Rs. 4,905 per equity share on 1,000 (March 31, 2017 : 1,666) equity shares, and @ Rs. 8,467.50 per equity share on 3,830 (March 31, 2017 : Nil) equity shares, and @ Rs. 12,983.65 per equity share on 800 (March 31, 2017 : Nil) equity shares, and @ Rs. 14,729 per equity share on 8,370 (March 31, 2017 : Nil) equity shares issued and allotted during the year under Employee Stock Option Scheme. The Company can utilise the same for the purpose of buy back of share or issue of fully paid bonus shares.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
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.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
E Share-based payments reserve		
Opening balance	**45.13**	25.23
Add : ESOP expense during the year	**18.11**	20.50
Add : ESOP expense transferred to subsidiary company	**5.40**	-
Less : Transferred to securities premium on issue of shares	**8.84**	0.60
Closing balance	**59.80**	45.13

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.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
F Foreign currency translation reserve		
Opening balance	**-**	-
Add : Exchange differences in translation of foreign operations	**11.99**	-
Closing balance	**11.99**	-

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
G Retained earnings		
Opening balance	**3,476.61**	1,916.67
Add: Profit for the year	**1,712.91**	1,560.02
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	**(1.14)**	(0.08)
Less: Dividend (amount per share Rs. 100 (March 31, 2017 : Rs. Nil))	**272.22**	-
Less: Tax on dividend	**44.90**	-
Total appropriations	**317.12**	-
Balance at end of year	**4,871.26**	3,476.61

FINANCIAL LIABILITIES :

20. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Security deposits received	**8.88**	7.16
Total	**8.88**	7.16
Current		
Employee dues	**59.16**	49.17
Capital creditors	**69.15**	70.29
Unpaid dividend *	**10.60**	7.82
Book overdraft	**-**	2.66
Provision for constructive obligation towards the discontinued operations of a joint venture (refer note 36)	**17.48**	-
Others	**10.31**	10.31
Total	**166.70**	140.25

*Does not include any amounts outstanding which are required to be credited to Investor Education and Protection Fund.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

21. BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
- From bank		
Short-term loan	**85.98**	67.44
Total	**85.98**	67.44

22. TRADE PAYABLES

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 41)	**27.15**	13.41
Sub-total (A)	**27.15**	13.41
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	**110.12**	90.78
Other trade payables	**1,033.20**	660.30
Sub-total (B)	**1,143.32**	751.08
Total (A+B)	**1,170.47**	764.49

For terms and conditions pertaining to related party dues, refer note 45

23. PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Employee benefits - refer note (i) below		
Other employee benefits	**3.88**	2.96
Warranties - refer note (ii) below	**25.24**	23.17
Total	**29.12**	26.13
Current		
Employee benefits - refer note (i) below		
Compensated absences	**8.06**	10.40
Other employee benefits	**0.04**	0.07
Sub-total (A)	**8.10**	10.47
Warranties - refer note (ii) below	**39.11**	32.04
Sub-total (B)	**39.11**	32.04
Total (A+B)	**47.21**	42.51

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

(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, 2018**	For the year ended March 31, 2017
Opening balance	**55.21**	46.15
Additions during the year	**47.30**	47.80
Amount utilised during the year	**39.85**	40.27
Unwinding of discount	**1.69**	1.53
Closing balance	**64.35**	55.21

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.

24. DEFERRED TAX LIABILITIES (NET)

Particulars	**As at March 31, 2018**	As at March 31, 2017
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	**150.48**	81.67
Investments measured at FVTPL	**11.88**	8.01
Others	**0.97**	1.09
Sub-total (A)	**163.33**	90.77
Less: Deferred tax assets on		
Accrued expenses deductible on payment	**2.80**	3.26
Deferred revenue	**10.08**	-
Provision for compensated absences and other employee benefits	**2.79**	3.60
Provision for doubtful debts and advances	**0.47**	0.47
Others	**4.22**	4.22
Sub-total (B)	**20.36**	11.55
Total (A-B)	**142.97**	79.22

Movement of deferred tax liabilities/assets

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

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
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

For the year ended March 31, 2017

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	41.73	39.94	-	81.67
Investments measured at FVTPL	8.76	(0.75)	-	8.01
Others	0.76	0.33	-	1.09
Sub-total (A)	51.25	39.52	-	90.77
Less: Deferred tax assets on				
Accrued expenses deductible on payment	2.26	1.00	-	3.26
Provision for gratuity	-	(0.04)	0.04	-
Provision for compensated absences and other employee benefits	2.89	0.71	-	3.60
Provision for doubtful debts and advances	0.53	(0.06)	-	0.47
Others	4.75	(0.53)	-	4.22
Sub-total (B)	10.43	1.08	0.04	11.55
Total (A-B)	40.82	38.44	(0.04)	79.22

25. CURRENT TAX LIABILITY / (ASSETS)

Particulars		As at March 31, 2018	As at March 31, 2017
Tax liabilities			
Provision for current tax (net)		**108.01**	37.74
	Total	**108.01**	37.74
Tax assets			
Advance income tax (net)		**18.44**	18.42
	Total	**18.44**	18.42

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

26. OTHER LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Deferred revenue arising from Government grant - refer note (i) below	**46.84**	23.20
Total	**46.84**	23.20
Current		
Advance from customers	**420.61**	292.06
Deferred revenue arising from Government grant - refer note (i) below	**10.13**	-
Deferred revenue	**29.13**	18.82
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	**145.42**	113.78
Others	**10.97**	4.87
Total	**616.26**	429.53

(i) The deferred revenue arises as a result of :

a) The benefit received by the United Kingdom (UK) Branch of the Company from the Government of UK - Department for Business Innovation & Skills - Regional Growth Fund.

b) Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant.

These grants will be recognised in statement of profit and loss on a systematic basis over the useful life of the assets after capitalisation of the related fixed assets.

27. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations		
Sale of products		
Manufactured goods (including excise duty)*	**8,846.02**	7,695.33
Traded goods	**321.71**	218.38
Sub-total (A)	**9,167.73**	7,913.71
Other operating revenue		
Government grant (Export incentives)**	**17.58**	6.25
Scrap sale	**22.15**	19.01
Excess liability no longer required written back	**-**	0.18
Income from other operating revenues	**4.35**	4.91
Sub-total (B)	**44.08**	30.35
Total (A+B)	**9,211.81**	7,944.06

*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 Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duty, levies like GST is not considered as part of Revenue. Accordingly, the figures of previous year ended March 31, 2017 and first three months of the current period, i.e., April 2017 to June 2017, includes Excise duty on sales. Excise duty on sales 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.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Details of products sold			
Manufactured goods			
Two wheelers		**8,314.17**	7,279.23
Spare parts and other components		**531.85**	416.10
	Total	**8,846.02**	7,695.33
Traded goods			
Accessories and other allied products		**321.71**	218.38
	Total	**321.71**	218.38

28. OTHER INCOME

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on financial assets carried at amortised cost		
Bank deposits and bonds	**37.61**	2.03
Others	**1.71**	1.90
	39.32	3.93
Dividend income		
Dividend from joint venture company	**51.68**	-
	51.68	-
Net gain on financial instruments at fair value through profit or loss	**235.02**	219.74
Other non-operating income		
Rent income (refer note 6)	**2.92**	2.80
Other income	**1.75**	0.72
Profit on sale of property, plant and equipment	**0.17**	0.12
Exchange gain (net)	**1.57**	-
	6.41	3.64
Total	**332.43**	227.31

29. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	**122.03**	113.93
Add: Purchases	**4,597.63**	3,647.56
	4,719.66	3,761.49
Less: Inventory at the end of the year	**143.44**	122.03
Less: Material cost of vehicles capitalised	**1.71**	1.64
	4,574.51	3,637.82
Less: Sale of raw materials to suppliers on cost-to-cost basis	**58.91**	22.37
Total	**4,515.60**	3,615.45

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

30. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Accessories and other allied products	**154.97**	105.62
Total	**154.97**	105.62

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year		
Finished goods	**188.68**	156.63
Work-in-progress	**18.01**	14.90
Traded goods	**16.63**	20.32
A	**223.32**	191.85
Inventories at the beginning of the year/period		
Finished goods	**156.63**	148.44
Work-in-progress	**14.90**	9.43
Traded goods	**20.32**	19.48
B	**191.85**	177.35
Net change (B-A)	**(31.47)**	(14.50)

32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	**454.50**	329.37
Contribution to provident and other funds (refer note 42)	**22.11**	18.93
Share-based payments (refer note 48)	**18.11**	20.50
Staff welfare expenses	**53.14**	40.17
Total	**547.86**	408.97

33. FINANCE COSTS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
On other borrowings	**1.35**	1.26
Unwinding of discount on provisions	**1.69**	1.53
Total	**3.04**	2.79

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

34. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (refer note 4)	**207.13**	143.34
Depreciation of investment property (refer note 6)	**0.35**	0.35
Amortisation of intangible assets (refer note 7)	**14.86**	9.65
Total	**222.34**	153.34

35. OTHER EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and machinery spares (including loose tools and packing material)	**149.10**	115.42
Increase/decrease of excise duty on finished goods	**(8.34)**	2.37
Loss on sale of property, plant and equipment and intangible assets	**1.00**	0.36
Property, plant and equipment discarded	**-**	0.03
Power and fuel	**52.37**	45.99
Insurance	**10.51**	8.75
Repairs and maintenance		
Buildings	**3.30**	2.30
Plant and equipment	**37.53**	34.16
Others	**28.41**	18.08
Rates and taxes	**5.76**	11.68
Advertisement	**11.84**	17.64
Freight and handling charges	**134.01**	103.86
Incentives	**16.46**	15.20
Warranty	**47.30**	47.80
Other selling and distribution expenses	**173.68**	103.51
Rent	**36.50**	28.40
Legal and professional charges*	**27.48**	25.67
Travelling expenses	**70.35**	39.22
Development expenses	**10.40**	7.18
Corporate social responsibility expenditure (refer note 51)	**30.85**	18.33
Exchange loss (net)	**-**	11.80
Miscellaneous expenses	**78.84**	58.87
Total	**917.35**	716.62

***Including payment to auditors as below (excluding GST ₹ Service tax):**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditors:		
a) For Audit	**0.25**	0.25
b) For Limited reviews of unaudited financial results	**0.15**	0.19
c) For other services	**0.07**	0.07
d) For reimbursement of expenses	**0.03**	0.01
Total	**0.50**	0.52
In other capacity:		
a) For other services	**0.06**	0.09
Total	**0.06**	0.09

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

36. EXCEPTIONAL ITEMS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Impairment loss in the value of investments		
- Eicher Polaris Private Limited	**311.98**	-
Total	**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 has recorded an impairment loss of Rs. 294.50 crores on the investment. Further, the Company has also recorded an amount of Rs. 17.48 crores towards its share of cost to wind down the operations (refer note no 20). Accordingly, the Company has recorded a cumulative loss of Rs. 311.98 crores as exceptional item in statement of profit and loss during the year.

37. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
In respect of the current year	**877.34**	678.53
Sub-total (A)	**877.34**	678.53
Deferred tax charge		
In respect of the current year	**58.02**	38.44
Sub-total (B)	**58.02**	38.44
Total (A+B)	**935.36**	716.97

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	**2,648.27**	2,276.99
Income tax expense calculated at 34.608% (2016-17 : 34.608%)	**916.51**	788.02
Effect of lower tax on long-term capital gain from investment in mutual funds	**(58.27)**	(68.15)
Effect of additional deduction of research and product development cost	**(6.54)**	(11.77)
Effect of additional deduction for investment allowance under Section 32AC of the Income Tax Act, 1961	**-**	(6.10)
Effect of ESOP expenses not deductible in determining taxable profits	**6.27**	7.09
Effect of income exempt from taxation	**(18.92)**	(0.52)
Effect of non creation of deferred tax asset on exceptional item	**107.97**	-
Others	**(11.66)**	8.40
	935.36	716.97
Income tax expense recognised in statement of profit and loss	**935.36**	716.97

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Income tax recognised in other comprehensive income

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Deferred tax charge/(benefit)		
Arising on income and expenses recognised in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	**6.33**	-
Remeasurement of defined benefit obligation	**(0.60)**	(0.04)
Total	**5.73**	(0.04)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that may be reclassified to profit or loss	**6.33**	-
Items that will not be reclassified to profit or loss	**(0.60)**	(0.04)
Total	**5.73**	(0.04)

38. CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 273.00 crores (March 31, 2017 : Rs. 397.57 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. 31.38 crores (March 31, 2017 : Rs. 36.78 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 206.18 crores (March 31, 2017 : Rs. 91.29 crores).

40. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	**As at March 31, 2018**	As at March 31, 2017
a) In respect of the following:		
- Excise duty matters	**1.72**	1.74
- Sales tax matters	**6.38**	6.75
- Service tax matters	**0.39**	0.39
- Customs duty matters	**3.48**	3.48
b) Claims against the Company not acknowledged as debts	**5.23**	3.86
c) Guarantees given:	**101.66**	75.41
to bank/others for credit facility granted to 100% subsidiary Company		
- Dues outstanding	**64.86**	44.41

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

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

41. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars		As at March 31, 2018	As at March 31, 2017
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**26.95**	13.27
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**9.89**	5.00
(iv)	The amount of interest due and payable for the year	**0.07**	0.07
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**0.20**	0.14
(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, 2018	For the year ended March 31, 2017
Detail of amount recognised as expense for defined contribution plans is given below:			
a)	Provident fund*	**15.56**	15.73
b)	Superannuation fund	**0.49**	0.43
c)	Employees' State Insurance Corporation	**4.77**	2.22
d)	Other funds	**7.57**	3.92

*includes Rs. 0.10 crore (March 31, 2017 : Rs. 0.06 crore) capitalised during the year and Rs. 6.18 crores (March 31, 2017 : Rs. 3.31 crores) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 3.55 crores (March 31, 2017 : Rs. 2.59 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is 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, 2018 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:

Under the defined benefit plan, the Company contributes to the "Eicher Executive Provident Fund Trust". 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, 2018.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Provident fund	
	As at March 31, 2018	As at March 31, 2017
Discount rate	**7.91%**	7.50%
Expected statutory interest rate on the ledger balance	**8.55%**	8.65%
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 principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Discount rate	**7.90%**	7.50%
Future salary increase	**7.50%**	7.00%
Retirement age	**58 years**	58 years
Rate of withdrawal	**2.00%**	2.00%
In service mortality	**IALM (2006-08)**	IALM (2006-08)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Service cost:		
Current service cost	**2.66**	1.96
Net Interest expense	**(0.02)**	(0.01)
Components of defined benefit costs recognised in profit or loss	**2.64**	1.95
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	**1.74**	0.12
Components of defined benefit costs recognised in other comprehensive income	**1.74**	0.12
Total	**4.38**	2.07

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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, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	**17.13**	13.32
Fair value of plan assets	**17.60**	13.67
Net liability arising from defined benefit obligation	**(0.47)**	(0.35)

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening defined obligation	**13.32**	11.34
Current service cost	**2.66**	1.96
Interest cost	**1.00**	0.85
Actuarial (gains)/ losses	**1.54**	0.53
Benefits paid	**(1.39)**	(1.36)
Closing defined benefit obligation	**17.13**	13.32

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening fair value of plan assets@	**13.67**	11.65
Interest income	**1.02**	0.86
Actuarial gains/ (losses)	**(0.20)**	0.41
Contribution	**4.50**	1.00
Benefit paid	**(1.39)**	(0.25)
Closing fair value of plan assets@	**17.60**	13.67

@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, 2018**	As at March 31, 2017
Government securities	**5.67**	4.64
Debt instruments categorised by issuers credit rating:		
AAA	**8.84**	7.25
AA+	**1.78**	0.82
AA	**0.91**	0.55
Cash, deposits, etc.	**0.40**	0.41

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. 0.83 crore for the year ended March 31, 2018.

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Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 0.87 crores (increase by Rs. 0.95 crores) (as at March 31, 2017: Decrease by Rs. 0.62 crores (increase by Rs. 0.68 crores)).
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs.0.95 crores (decrease by Rs. 0.87 crore) (as at March 31, 2017: Increase by Rs. 0.68 crores (decrease by Rs. 0.62 crores)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

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, 2018**	As at March 31, 2017
Average duration of the defined benefit obligation (in years)	**19.67**	19.27

The estimated contribution during next year is Rs. 3.18 crores (March 31, 2017 : Rs. 2.36 crores) to the defined benefit plan.

43. EARNINGS PER SHARE

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Basic earnings per share	**629.07**	573.75
Diluted earnings per share	**627.88**	572.17
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)	**1,712.91**	1,560.02
Weighted average number of equity shares for the purposes of basic earnings per share	**2,72,29,364**	2,71,89,996
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)	**1,712.91**	1,560.02
Weighted average number of equity shares for the purposes of basic earnings per share	**2,72,29,364**	2,71,89,996
Shares deemed to be issued for no consideration in respect of :		
- employee options	**51,448**	74,974
Weighted average number of equity shares for the purposes of diluted earnings per share	**2,72,80,812**	2,72,64,970

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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 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, 2018	**8,938.43**	**273.38**	**9,211.81**
For the year ended March 31, 2017	7,722.28	221.78	7,944.06
Non-current segment assets			
As at March 31, 2018	**1,752.73**	**309.48**	**2,062.21**
As at March 31, 2017	1,641.37	164.39	1,805.76

a) Domestic segment includes sales and services to customers located in India.

b) Overseas segment includes sales and services rendered to customers located outside India.

c) Non-current segment assets include property, plant and equipment, investments in subsidiaries & joint ventures and other non-current assets.

d) 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.

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
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation	(EGF)	Joint venture company
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
Eicher Goodearth India Private Limited #	(EGIPL)	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

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b. Key management personnel:

Mr. Siddhartha Lal	Managing Director & Chief Executive Officer
Mr. S. Sandilya	Chairman
Mr. Priya Brat	Non-Executive and Independent Director (Resigned w.e.f. June 16, 2017)
Mr. M.J. Subbaiah	Non-Executive and Independent Director (Resigned w.e.f. March 31, 2018)
Mr. Prateek Jalan	Non-Executive and Independent Director
Ms. Manvi Sinha	Non-Executive and Independent Director
Mr. Lalit Malik	Chief Financial Officer
Mr. Manhar Kapoor	Company Secretary

c. Transactions with the key management personnel during the year:

Particulars	Nature of transaction	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Mr. Siddhartha Lal	**Managerial remuneration**		
	Short-term benefits	**10.12**	9.20
	Post-employment benefits	**0.14**	0.33
	Other long-term benefits	**0.05**	0.17
		10.31	9.70
Mr. S. Sandilya	Sitting fees	**0.03**	0.03
	Commission	**0.53**	0.48
Mr. Priya Brat	Sitting fees	**0.01**	0.03
	Commission	**-**	0.09
Mr. M.J. Subbaiah	Sitting fees	**0.02**	0.02
	Commission	**0.10**	0.09
Mr. Prateek Jalan	Sitting fees	**0.03**	0.03
	Commission	**0.23**	0.21
Ms. Manvi Sinha	Sitting fees	**0.02**	0.01
	Commission	**0.10**	0.09
Mr. Lalit Malik	**Remuneration**		
	Short-term benefits	**2.06**	2.51
	Post-employment benefits	**0.04**	0.05
	Other long-term benefits	**-**	0.05
		2.10	2.61
Mr. Manhar Kapoor	**Remuneration**		
	Short-term benefits	**0.88**	0.82
	Post-employment benefits	**0.01**	0.02
	Other long-term benefits	**0.01**	0.01
		0.90	0.85

The above remuneration to key managerial personnel does not include employee stock compensation expense.

d. Transactions with the related parties:

Name of related party	Nature of transaction	**For the year ended March 31, 2018**	For the year ended March 31, 2017
VE Commercial Vehicles Limited	Purchase of raw materials and components / services	**160.14**	145.74
	Expenses reimbursed	**0.35**	0.43
	Corporate service charges paid	**2.43**	2.60
	Dividend income	**51.68**	-
Eicher Polaris Private Limited	Investment in equity share capital (including advance given in previous year)	**27.60**	45.60
	Advance given for subscription of equity shares	**-**	11.10

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Name of related party	Nature of transaction	**For the year ended March 31, 2018**	For the year ended March 31, 2017
	Expenses recovered	**0.05**	1.07
	Rent income	**2.92**	2.78
Eicher Goodearth Private Limited	Expenses reimbursed	**-**	6.28
	Corporate service charges paid	**0.88**	0.83
	Rent	**3.42**	3.33
	Brand fees paid	**16.02**	17.55
Eicher Goodearth India Private Limited	Brand fees paid	**6.31**	-
Royal Enfield North America Ltd	Investment in shares capital of subsidiary company	**15.90**	2.72
	Guarantee given	**-**	51.33
	Sale of products	**12.84**	18.99
	Expenses recovered	**5.58**	-
	Expenses reimbursed	**0.66**	0.65
Royal Enfield Brasil Comercio de Motocicletas Ltda	Investment in shares capital of subsidiary company	**-**	8.29
	Guarantee given	**26.02**	-
	Sale of products	**10.88**	1.73
Eicher Group Foundation	Corporate social responsibility expenditure	**25.08**	18.09
Eicher Executive Provident Fund	Contribution	**3.55**	2.59
Eicher Tractors Executive Staff Superannuation Fund	Contribution	**0.31**	0.25
Eicher Motors Limited Employees Gratuity Trust	Contribution	**4.50**	1.00
	Benefits paid	**(1.39)**	(0.25)

Balance outstanding at the year end

Name of related party	Nature	**As at March 31, 2018**	As at March 31, 2017
VE Commercial Vehicles Limited	Trade payables	**45.63**	32.68
Eicher Polaris Private Limited	Advance given for subscription of equity shares (at cost)	**-**	11.10
Eicher Goodearth Private Limited	Trade payables	**0.27**	0.23
	Security deposits receivable	**1.09**	1.09
Royal Enfield North America Ltd	Trade receivables	**8.22**	0.88
	Share-based payments receivables	**5.40**	-
	Trade payables	**0.14**	0.13
	Guarantee given	**75.65**	75.41
Royal Enfield Brasil Comercio de Motocicletas Ltd	Trade receivables	**4.21**	1.73
	Guarantee given	**26.02**	-
Mr. Siddhartha Lal	Commission payable	**4.80**	4.20
Non-Executive and Independent Directors	Commission payable	**0.96**	1.02

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, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017 : 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 90 days and 180 days with respect to receivables from 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 maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company 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 summarises the capital of the Company:

Particulars	**As at March 31, 2018**	As at March 31, 2017
Borrowings (refer note 21)	**85.98**	67.44
Less: Cash and cash equivalents (refer note 15)	**(89.28)**	(12.79)
Net debt*	**-**	54.65
Share capital	**27.26**	27.21
Other equity	**5,344.97**	3,895.38
Total Equity	**5,372.23**	3,922.59
Gearing ratio	**-**	1.39%

*Cash and cash equivalents for the current year is greater than borrowings, hence net debt is considered as Nil.

46.1 Categories of financial instruments

Particulars	**As at March 31, 2018**	As at March 31, 2017
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	**0.09**	-
Investments in mutual funds	**3,139.13**	2,313.76
Current		
Investments in mutual funds	**633.40**	883.61
Financial assets at amortised cost		
Non-current		
Investments in bonds	**43.94**	43.94
Other financial assets	**24.88**	16.44
Current		
Trade receivables	**78.02**	48.94
Cash and bank balances	**1,208.82**	20.61
Loans	**0.28**	0.34
Other financial assets	**33.71**	8.70
Financial liabilities at amortised cost		
Non-current		
Other financial liabilities	**8.88**	7.16
Current		
Borrowings	**85.98**	67.44
Trade payables	**1,170.47**	764.49
Other financial liabilities	**166.70**	140.25

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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 categorising the financial instruments measured at fair value into Level 1 to Level 3 :

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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, 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**	**-**	**-**

Particulars	Fair value as at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	2,313.76	-	-
Current			
Investments in mutual funds	883.61	-	-

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values.

Particulars	**March 31, 2018**		March 31, 2017	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets at amortised cost				
Non-current				
Investments in bonds	**43.94**	**46.67**	43.94	46.70

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Particulars	Fair value hierarchy	
	March 31, 2018	March 31, 2017
	Level 1	Level 1
Financial assets at amortised cost		
Non-current		
Investments in bonds	**46.67**	46.70

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 judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year 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 realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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Foreign currency exposure	As at March 31, 2018		As at March 31, 2017	
	Foreign currency monetary assets	**Foreign currency monetary liabilities**	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	**0.35**	**0.23**	0.19	0.10
EURO	**0.35**	**0.03**	0.27	0.04
GBP	**0.09**	**0.08**	0.11	0.07
JPY	**-**	**12.16**	-	7.44
Others	**-**	**0.17**	-	0.60

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 statement.

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, 2018**	For the year ended March 31, 2017
Balance at beginning of the year	**0.25**	0.43
Less: Reversals of provision	**-**	0.18
Balance at end of the year	**0.25**	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, 2018 would increase/decrease by Rs. 37.73 crores (for the year ended March 31, 2017: increase/decrease by Rs. 31.97 crores).

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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.

Maturity profile of financial liabilities:

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	**85.98**	**-**	**-**	**85.98**
(ii) Trade payables	**1,170.47**	**-**	**-**	**1,170.47**
(iii) Other financial liabilities	**166.70**	**-**	**-**	**166.70**

Particulars	As at March 31, 2017			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current Other financial liabilities	-	-	7.16	7.16
Current				
(i) Borrowings	67.44	-	-	67.44
(ii) Trade payables	764.49	-	-	764.49
(iii) Other financial liabilities	140.25	-	-	140.25

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within 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 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 more than 5 (five) years and not 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.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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 Compensation 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.
(i)	2,08,900	22-Oct-07	3 Years	21-Oct-17	462.00	243.90
(ii)	40,000	29-Apr-10	1 Year	28-Apr-18	695.00	154.62
(iii)	15,400	8-Nov-10	3 Years	7-Nov-20	1,411.00	243.90
(iv)	1,08,200	6-May-11	3-5 Years	5-May-21	1,162.00	625.14
(v)	5,400	11-Feb-12	3-5 Years	10-Feb-22	1,770.00	967.06
(vi)	5,000	16-Dec-13	3-5 Years	15-Dec-23	4,915.00	2,522.03
(vii)	16,000	11-Aug-14	3-5 Years	10-Aug-24	8,477.50	4,336.33
(viii)	5,400	12-Nov-14	3-5 Years	11-Nov-24	12,993.65	6,555.65
(ix)	2,000	12-Jan-15	1 Year	11-Jan-25	14,739.00	7,626.61
(x)	20,300	12-Jan-15	3-5 Years	11-Jan-25	14,739.00	7,393.91
(xi)	4,500	20-Mar-15	3-5 Years	20-Mar-25	16,112.00	8,295.62
(xii)	53,000	8-May-15	3-5 Years	7-May-25	14,807.00	7,741.96
(xiii)	6,590	21-Jul-15	3-5 Years	20-Jul-25	21,248.00	11,112.50
(xiv)	7,800	6-Nov-15	3-5 Years	5-Nov-25	17,678.00	9,010.46
(xv)	4,200	5-Feb-16	3-5 Years	4-Feb-26	16,894.00	8,565.87
(xvi)	2,400	27-Apr-16	3-5 Years	26-Apr-26	20,148.00	10,055.79
(xvii)	2,100	28-Jul-16	3-5 Years	27-Jul-26	20,340.00	10,437.06
(xviii)	3,000	28-Oct-16	3-5 Years	27-Oct-26	24,492.00	11,753.96
(xix)	1,800	1-Feb-17	3-5 Years	31-Jan-27	23,028.00	10,875.64
(xx)	3,500	27-Mar-17	3-5 Years	26-Mar-27	24,350.00	11,601.21
(xxi)	1,350	9-Aug-17	3-5 Years	8-Aug-27	32,121.00	14,973.54
(xxii)	1,500	14-Nov-17	3-5 Years	13-Nov-27	30,585.00	14,520.88
(xxiii)	2,100	7-Feb-18	3-5 Years	6-Feb-28	27,579.25	12,729.74

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. 29,728.74 (March 31, 2017 : Rs. 22,751.61). 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 behavioural 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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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Inputs into the Black Scholes options pricing model

				Option series
Particulars	**(xvii)**	**(xviii)**	**(xix)**	**(xx)**
Grant date share price	20,148	20,340	24,492	23,028
Exercise price	20,148	20,340	24,492	23,028
Expected volatility	33.65%-39.83%	32.04%-37.36%	31.91%-33.37%	31.34%-32.78%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.94%	0.94%	0.89%	0.89%
Risk-free interest rate	7.52%-7.60%	7.3%-7.38%	6.96%-7.01%	6.69%-6.85%

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Particulars	**(xxi)**	**(xxii)**	**(xxiii)**	**(xxiv)**
Grant date share price	24,350	32,121	30,585	27,579.25
Exercise price	24,350	32,121	30,585	27,579.25
Expected volatility	30.73%-32.54%	29.99%-31.89%	30.06%-31.37%	30.23%-30.97%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.89%	0.83%	0.83%	0.83%
Risk-free interest rate	6.07%-6.28%	6.79%-6.88%	7.21%-7.29%	7.78%-7.96%

Movements in share options during the year

Particulars	**For the year ended March 31, 2018**		For the year ended March 31, 2017	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	**1,56,674**	**12,236.35**	2,03,490	9,032.69
Granted during the year	**4,950**	**29,728.74**	12,800	22,751.61
Forfeited during the year	**(2,100)**	**16,894.00**	(10,550)	14,662.45
Exercised during the year	**(45,300)**	**4,298.37**	(49,066)	1,171.37
Balance at end of the year	**1,14,224**	**16,056.89**	1,56,674	12,236.35
Exercisable at the end of the year	**4,694**	**8,039.57**	36,634	1,895.41

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Share-based payments	**18.11**	20.50

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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, 2018			
(vi) Granted on February 11, 2012	1,800	5-May-17	1,770
(iii) Granted on April 29, 2010	10,000	5-May-17	695
(ii) Granted on October 22, 2007	500	7-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	7-Feb-18	695
(vii) Granted on December 16, 2013	1,000	7-Feb-18	4,915
(x) Granted on January 12, 2015	2,000	7-Feb-18	14,739
(xi) Granted on January 12, 2015	6,370	7-Feb-18	14,739
(ix) Granted on November 12, 2014	471	7-Feb-18	12,994
Total	**45,300**		
Weighted average exercise price	**4,288.37**		
For the year ended March 31, 2017			
(vi) Granted on February 11, 2012	1,800	5-May-16	1,770
(iii) Granted on April 29, 2010	3,000	28-Jul-16	695
(v) Granted on May 06, 2011	32,100	28-Jul-16	1,162
(ii) Granted on October 22, 2007	2,500	28-Oct-16	462
(iii) Granted on April 29, 2010	3,000	28-Oct-16	695
(iii) Granted on April 29, 2010	5,000	1-Feb-17	695
(vii) Granted on December 16, 2013	1,666	1-Feb-17	4,915
Total	**49,066**		
Weighted average exercise price	**1,161.37**		

Share options outstanding at end of the year

Option series		Options outstanding		Remaining contractual life		Exercise price Rs.
		As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017	
(ii)	22-Oct-07	**-**	500	**-**	0.56	462
(iii)	29-Apr-10	**-**	29,000	**-**	1.08	695
(iv)	8-Nov-10	**-**	-	**-**	3.61	1,411
(v)	6-May-11	**-**	-	**-**	4.10	1,162
(vi)	11-Feb-12	**-**	1,800	**-**	4.87	1,770
(vii)	16-Dec-13	**2,334**	3,334	**5.71**	6.71	4,915
(viii)	11-Aug-14	**12,170**	16,000	**6.37**	7.37	8,478
(ix)	12-Nov-14	**1,600**	2,400	**6.62**	7.62	12,994
(x)	12-Jan-15	**-**	2,000	**6.79**	7.79	14,739
(xi)	12-Jan-15	**13,930**	20,300	**6.79**	7.79	14,739
(xii)	20-Mar-15	**1,500**	1,500	**6.98**	7.98	16,112
(xiii)	8-May-15	**48,450**	48,450	**7.11**	8.11	14,807
(xiv)	21-Jul-15	**6,590**	6,590	**7.31**	8.31	21,248
(xv)	6-Nov-15	**7,800**	7,800	**7.61**	8.61	17,678
(xvi)	5-Feb-16	**2,100**	4,200	**7.85**	8.85	16,894
(xvii)	27-Apr-16	**2,400**	2,400	**8.08**	9.08	20,148
(xviii)	28-Jul-16	**2,100**	2,100	**8.33**	9.33	20,340
(xix)	28-Oct-16	**3,000**	3,000	**8.58**	9.58	24,492
(xx)	1-Feb-17	**1,800**	1,800	**8.84**	9.84	23,028
(xxi)	27-Mar-17	**3,500**	3,500	**8.99**	9.99	24,350
(xxii)	9-Aug-17	**1,350**	-	**9.36**	-	32,121
(xxiii)	14-Nov-17	**1,500**	-	**9.63**	-	30,585
(xxiv)	7-Feb-18	**2,100**	-	**9.86**	-	27,579
		1,14,224	1,56,674			

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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 recognise as expense aggregate to Rs. 36.50 crores (March 31, 2017 : Rs. 28.40 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, 2018**	As at March 31, 2017
Not later than one year	**5.16**	6.67
Later than one year and not later than five years	**5.06**	3.46

(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 recognise as income aggregate to Rs. 2.92 crores (March 31, 2017 : Rs. 2.78 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, 2018**	As at March 31, 2017
Not later than one year	**0.24**	2.92
Later than one year and not later than five years	**-**	13.20
Later than five years	**-**	3.72

Note : Lease agreement with Eicher Polaris Private Limited has been terminated with effect from April 30, 2018.

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 asset

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Company's management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 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

The Company initially measures the cost of cash-settled transactions with employees using a Black Scholes model to determine the fair value of the liability incurred. 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.

51. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
(a) Gross amount required to be spent	**30.85**	18.33
(b) Amount spent:		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purpose other than (i) above	**29.80**	18.09
(c) Administrative expenses	**1.05**	0.24

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

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

53. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognised when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Asset Held for Sale and Discontinued Operations.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Company will apply amendments when they become effective.

Transfers of Investment Property – Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Company will apply amendments when they become effective. However, since Company current practice is in line with the clarifications issued, the Company does not expect any effect on its standalone financial statements

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

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 transaction date for each payment or receipt of advance consideration.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. The Company is analysing the changes and impact as applicable from financial year 2018-19.

54. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors at their meeting held on May 09, 2018, considered and recommended a final dividend aggregating Rs. 299.81 crores @ Rs. 110 per share (nominal value Rs. 10 per share) for the financial year 2017-18 (final dividend paid for March 31, 2017 : Rs. 272.22 crores @ Rs. 100 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

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Eicher Motors Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, comprising the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) 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; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of a joint venture, Eicher Polaris Private Limited (EPPL) and subsidiaries of a Joint Venture, VE Commercial Vehicles Limited (VECV), the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, and its joint ventures as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTER

(a) The consolidated Ind AS financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 210.92 crores for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of the joint venture EPPL and of the subsidiaries of the joint venture VECV, viz. VECV Lanka (Private) Limited and VECV South Africa (PTY) Limited, whose financial statements 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 these subsidiaries of joint venture and the joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on the reports of such other auditors.

(b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 5, 2017.

(c) 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 auditor and the financial statements.

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 of the joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, 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 Standard) Rules, 2017;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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 joint ventures incorporated in India, none of the directors of the Group's companies and joint ventures incorporated in India is disqualified as on March 31, 2018 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 of the Holding Company and joint ventures incorporated in India (other than Eicher Polaris Private Limited which is exempted from reporting on internal control over financial reporting vide MCA notification no. G.S.R 583 (E) dated June 13, 2017, read with corrigendum dated July 13, 2017), refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 auditor on separate financial statements as also the other financial information of a joint venture 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, and joint ventures – Refer Note 39 to the consolidated Ind AS financial statements;

ii. The Group, and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and joint ventures incorporated in India during the year ended March 31, 2018.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169

Place: Gurugram
Date: May 9, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT 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, 2018, we have audited the internal financial controls over financial reporting of Eicher Motors Limited (hereinafter referred to as the "Holding Company"), and joint ventures, which are companies incorporated in India, as of that date. The joint venture company Eicher Polaris Private Limited incorporated in India is exempted from reporting on internal control over financial reporting vide MCA notification no. G.S.R 583 (E) dated June 13, 2017, read with corrigendum dated July 13, 2017.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and joint ventures, 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 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the 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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and jointly controlled companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169

Place: Gurugram
Date: May 9, 2018

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**1,459.17**	835.13
(b) Capital work-in-progress	5	**141.89**	265.01
(c) Investment property	6	**3.86**	4.21
(d) Intangible assets	7	**38.66**	33.44
(e) Intangible assets under development	8	**191.32**	108.76
(f) Investments in joint ventures	9	**1,764.27**	1,745.82
(g) Financial assets			
(i) Investments	10	**3,183.17**	2,357.70
(ii) Other financial assets	12	**22.55**	16.46
(h) Non-current tax assets	25	**18.44**	18.42
(i) Other non-current assets	17	**163.86**	243.19
Total non-current assets		**6,987.19**	5,628.14
Current assets			
(a) Inventories	13	**394.64**	335.90
(b) Financial assets			
(i) Investments	10	**633.40**	883.61
(ii) Trade receivables	14	**68.00**	50.04
(iii) Cash and cash equivalents	15	**92.46**	17.24
(iv) Bank balances other than (iii) above	16	**1,119.54**	7.82
(v) Loans	11	**0.70**	0.34
(vi) Other financial assets	12	**30.75**	8.83
(c) Other current assets	17	**195.55**	77.16
Total current assets		**2,535.04**	1,380.94
Total assets		**9,522.23**	7,009.08
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	**27.26**	27.21
(b) Other equity	19	**7,002.81**	5,317.86
Total equity		**7,030.07**	5,345.07
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	20	**8.88**	7.16
(b) Provisions	23	**29.12**	26.13
(c) Deferred tax liabilities (net)	24	**142.08**	77.77
(d) Other non-current liabilities	26	**46.84**	23.20
Total non-current liabilities		**226.92**	134.26
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	**150.84**	111.85
(ii) Trade payables	22	**1,171.86**	765.30
(iii) Other financial liabilities	20	**170.01**	142.40
(b) Provisions	23	**47.21**	42.51
(c) Current tax liabilities	25	**108.02**	37.77
(d) Other current liabilities	26	**617.30**	429.92
Total current liabilities		**2,265.24**	1,529.75
Total liabilities		**2,492.16**	1,664.01
Total equity and liabilities		**9,522.23**	7,009.08

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Sale of products		**9,175.16**	7,909.10
Other operating income		**44.10**	30.35
Revenue from operations	27	**9,219.26**	7,939.45
Other income	28	**280.10**	227.33
Total Income		**9,499.36**	8,166.78
EXPENSES			
Cost of materials consumed	29	**4,515.60**	3,615.69
Purchases of traded goods	30	**161.76**	108.39
Change in inventories of finished goods, work-in-progress and traded goods	31	**(33.87)**	(19.61)
Excise duty on sale (refer note 27)		**254.30**	906.09
Employee benefits expense	32	**573.68**	426.28
Finance costs	33	**5.34**	3.56
Depreciation and amortisation expense	34	**223.30**	153.81
Other expenses	35	**940.16**	728.66
Total Expenses		**6,640.27**	5,922.87
Profit before share of profit of Joint venture and tax from continuing operation		**2,859.09**	2,243.91
Share of profit of joint venture		**256.56**	189.47
Profit before tax and after share of profit of Joint venture from continuing operation		**3,115.65**	2,433.38
Tax expense			
Current tax	36	**877.35**	678.56
Deferred tax	36	**58.58**	41.74
Total tax expense		**935.93**	720.30
Net Profit after taxes and share of profit of Joint venture from continuing operation		**2,179.72**	1,713.08
Discontinued operation :			
Share of loss of Joint venture (refer note 9 (ii))		**(220.05)**	(46.00)
Net Profit after tax		**1,959.67**	1,667.08
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		**18.41**	0.65
Income tax effect	36	**(6.37)**	(0.22)
Share of other comprehensive income in joint ventures (net of tax)		**(0.14)**	(0.95)
		11.90	(0.52)
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		**(1.74)**	(0.12)
Income tax effect	36	**0.60**	0.04
Share of other comprehensive income in joint ventures (net of tax)		**(0.79)**	(1.83)
		(1.93)	(1.91)
Total Comprehensive income for the year		**1,969.64**	1,664.65
Profit for the year attributable to:			
- Owners of the Company		**1,959.67**	1,667.08
- Non-controlling interests		**-**	-
Other comprehensive income for the year attributable to:			
- Owners of the Company		**9.97**	(2.43)
- Non-controlling interests		**-**	-
Total comprehensive income for the year attributable to:			
- Owners of the Company		**1,969.64**	1,664.65
- Non-controlling interests		**-**	-
Earnings per equity share of Rs. 10 each (in Rs.)			
For Continuing Operations	42	**800.50**	630.04
(a) Basic	42	**798.99**	628.31
(b) Diluted			
For Discontinued Operations			
(a) Basic	42	**(80.81)**	(16.92)
(b) Diluted	42	**(80.66)**	(16.87)
For Continuing and Discontinued Operations			
(a) Basic	42	**719.69**	613.12
(b) Diluted	42	**718.33**	611.44

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A EQUITY SHARE CAPITAL

	Number of Shares	Amount
Balance as at March 31, 2016	**2,71,61,183**	**27.16**
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan (refer note 47)	49,066	0.05
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**

B OTHER EQUITY

Particulars	Reserves and surplus						Items of OCI	Total equity
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payments reserve	Retained earnings	Foreign currency translation reserve	Total
Balance as at March 31, 2016	**0.25**	**1.41**	**25.80**	**339.89**	**25.23**	**3,233.18**	**0.17**	**3,625.93**
Profit for the year	-	-	-	-	-	1,667.08	-	**1,667.08**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1.91)	(0.52)	**(2.43)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,665.17**	**(0.52)**	**1,664.65**
Charged to investment in joint venture	-	-	-		-	-	1.09	**1.09**
Share-based payments	-	-	-	-	20.50	-	-	**20.50**
Proceeds from issue of equity shares under employee share option plan	-	-	5.69	-	-	-	-	**5.69**
Transfer to securities premium on issue of shares	-	-	0.60	-	(0.60)	-	-	**-**
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	-	-	-	-	23.51	-	-	**23.51**
Payment of dividends and dividend tax	-	-	-	-	-	(327.64)	-	**(327.64)**
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**

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax and after share of profit of Joint venture from continuing operation	**3,115.65**	2,433.38
Profit/(loss) before tax from discontinued operations	**(220.05)**	(46.00)
Profit before tax	**2,895.60**	2,387.38
Adjustments for:		
Share of profit of joint venture	**(256.56)**	(189.47)
Share of loss of joint venture from discontinued operation (refer note 9 (ii))	**220.05**	46.00
Depreciation and amortisation expenses	**223.30**	153.81
Gain on disposal of property, plant and equipment	**(0.29)**	(0.12)
Property, plant and equipment discarded	**0.04**	0.07
Rent income	**(2.92)**	(2.80)
Loss on sale of property, plant and equipment	**1.00**	0.36
Net gain on financial instruments at fair value through profit or loss	**(235.02)**	(219.74)
Interest income recognised in profit or loss	**(39.36)**	(3.95)
Expenses recognised in respect of equity-settled share-based payments	**23.51**	20.50
Re-measurement gains/(losses) on defined benefit plans	**(1.74)**	(0.12)
Exchange difference on conversion	**18.41**	0.65
Finance costs recognised in profit or loss	**5.34**	3.56
Operating profit before changes in working capital	**2,851.36**	2,196.13
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	**(6.09)**	(6.39)
Other assets	**0.62**	2.91
Adjustments for (increase) / decrease in current assets:		
Inventories	**(58.74)**	(27.51)
Trade receivables	**(17.96)**	(17.40)
Loans	**(0.36)**	6.46
Other financial assets	**5.42**	(2.10)
Other assets	**(118.39)**	(13.90)
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	**1.72**	1.29
Provisions	**1.30**	(5.07)
Other liabilities	**23.64**	13.65
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	**406.56**	110.10
Other financial liabilities	**8.21**	5.59
Provisions	**4.70**	16.04
Other liabilities	**187.38**	79.81
Cash generated from operating activities	**3,289.37**	2,359.61
Direct taxes paid	**(807.12)**	(651.64)
Net cash flow from/(used in) operating activities (A)	**2,482.25**	1,707.97
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment	**(748.50)**	(547.73)
Proceeds from disposal of property, plant and equipment	**2.54**	0.73
Investment in a joint venture company	**(16.50)**	(38.70)
Investment in equity shares of a company	**(0.09)**	-
Proceeds from sale of investments	**6,123.96**	3,050.87
Purchases of investments	**(6,464.11)**	(4,247.20)
Investments in fixed deposit	**(1,243.94)**	(12.26)

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Maturity proceeds from fixed deposit	**135.00**	45.05
Dividend from joint venture company	**51.68**	-
Rent received	**2.92**	2.80
Interest received	**12.02**	2.86
Net cash flow from/(used in) investing activities (B)	**(2,145.02)**	(1,743.58)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Short-term borrowings availed	**495.38**	388.62
Re-payment of short-term borrowings	**(456.39)**	(344.79)
Bank overdraft repaid	**-**	(22.57)
Interest paid	**(3.37)**	(1.71)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	**19.49**	5.74
Dividend paid	**(272.22)**	-
Tax on dividend paid	**(44.90)**	-
Net cash flow from/(used in) financing activities (C)	**(262.01)**	25.29
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**75.22**	(10.32)
Cash and cash equivalents at the beginning of the year	**17.24**	27.56
Cash and cash equivalents at the end of the year	**92.46**	17.24

Particulars	**As at March 31, 2018**	As at March 31, 2017
Components of cash and cash equivalents		
Cash on hand	**0.06**	0.02
Cheques/drafts on hand	**0.06**	0.12
Balances with banks:		
In current accounts	**92.34**	17.10
Cash and cash equivalents as per balance sheet (refer note 15)	**92.46**	17.24

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 namely, Royal Enfield North America Limited, Royal Enfield Canada Limited and Royal Enfield Brasil Comercio De Motocicletas LTDA (hereinafter referred to as "the Group") are engaged in the manufacturing and selling of motorcycles, 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 authorised for issue in accordance with a resolution of the Board of Directors on May 9, 2018.

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.

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 realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and entities controlled by the Holding Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company 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 Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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, 2018**	Voting power held as at March 31, 2017
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%

3.2 Investment in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, 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 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, 2018**	Voting power held as at March 31, 2017
VE Commercial Vehicles Limited	India	54.4%	54.4%
Eicher Polaris Private Limited	India	50.0%	50.0%

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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 is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are despatched and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.5 Leases

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 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

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.

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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 a foreign operation 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 grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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 Employee benefits

Provident fund

The Group operates two plans for its employees to provide employee benefits in the nature of provident fund.

Eligible employees receive benefits from a provident fund, 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 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 recognises 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.

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The employees who are not covered under the above scheme, their portion of provident fund is contributed to the government administered provident fund which is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises 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.

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).

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

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tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is 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 (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. 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

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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

In the previous year, as part of transition from the previous GAAP, the Group has 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 estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised profit or loss in the period in which it is incurred.

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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 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.	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 the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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.

3.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads and where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.17 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

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, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost

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of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets
The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjustments for forward-looking information.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.20 Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

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.

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.

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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Cost							
At March 31, 2016	85.95	177.30	663.40	10.56	51.18	19.31	1,007.70
Additions	-	52.70	133.33	3.89	17.30	12.12	219.34
Disposals	-	0.49	1.38	0.38	0.35	1.77	4.37
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	-	-	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**
Accumulated depreciation							
At March 31, 2016	-	18.95	197.06	3.02	18.84	9.28	247.15
Charge for the year	-	9.16	114.00	3.02	13.29	4.33	143.80
Disposals	-	0.35	1.23	0.18	0.34	1.31	3.41
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	-	-	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**
Carrying amount							
At March 31, 2017	85.95	201.75	485.52	8.21	36.34	17.36	835.13
At March 31, 2018	**85.95**	**439.66**	**830.85**	**11.94**	**60.74**	**30.03**	**1,459.17**

* 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, 2018	As at March 31, 2017
Capital work-in-progress	**141.89**	265.01
	141.89	265.01

Capital work-in-progress as at March 31, 2018 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed. It includes the following other direct expenditure amounting to Rs. Nil (March 31, 2017: Rs. 0.64 crore).

Other direct expenditure

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries, wages and bonus	**1.89**	0.78
Contribution to provident and other funds	**0.06**	0.03
	1.95	0.81
Add: Balance brought forward from previous year	**0.64**	0.32
	2.59	1.13
Less: Capitalised during the year	**2.59**	0.49
	-	0.64

NOTES

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6. INVESTMENT PROPERTY

Particulars	Building	Total
Cost		
At March 31, 2016	10.12	10.12
Additions	-	-
Disposals	-	-
At March 31, 2017	**10.12**	**10.12**
Additions	-	-
Disposals	-	-
At March 31, 2018	**10.12**	**10.12**
Accumulated depreciation		
At March 31, 2016	5.56	5.56
Charge for the year	0.35	0.35
Disposals	-	-
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**
Carrying amount		
At March 31, 2017	4.21	4.21
At March 31, 2018	**3.86**	**3.86**

FAIR VALUE OF THE INVESTMENT PROPERTY

The fair value of the Company's investment properties as at March 31, 2017 and March 31, 2018 have been arrived at on the basis of valuation carried out on the respective dates by Purshotam Khandelwal, independent valuers not related to the Company. Purshotam Khandelwal is a registered valuer with the authority which governs the valuers in India, and they have appropriate qualifications and experience in the valuation of properties in the relevant location.

For the building located in Jaipur, India, the fair value of structure as on March 31, 2017 and March 31, 2018 was determined based on S.O. No.X-3/2015 dated 15/07/2015 of State P.W.D.B$R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since July 2015 to average mean period of construction. The items not covered under Standing Order No. X-3/2015 have been valued on the rates of State PWD BSR.

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Detail of the investment properties and information about the fair value hierarchy as at March 31, 2018 and March 31, 2017 are as follows :-

Particulars	Level 2	
	Fair value as at March 31, 2018	Fair value as at March 31, 2017
Building located at Jaipur, India	**4.41**	4.50

Information regarding income and expenditure of Investment property

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Rental income derived from investment properties	**2.92**	2.78
Direct operating expenses	**-**	-
Profit arising from investment properties before depreciation and indirect expenses	**2.92**	2.78
Less: Depreciation	**0.35**	0.35
Profit arising from investment properties before indirect expenses	**2.57**	2.43

7. INTANGIBLE ASSETS

Particulars	**Product designs, prototypes etc.**	**Computer softwares**	**Total**
Cost			
At March 31, 2016	24.71	28.30	53.01
Additions	1.55	12.58	14.13
Disposals	1.06	3.73	4.79
At March 31, 2017	**25.20**	**37.15**	**62.35**
Additions	5.63	14.48	20.11
Disposals	-	0.05	0.05
At March 31, 2018	**30.83**	**51.58**	**82.41**
Accumulated amortisation			
At March 31, 2016	7.70	16.27	23.97
Charge for the year	2.53	7.13	9.66
Disposals	1.03	3.69	4.72
At March 31, 2017	**9.20**	**19.71**	**28.91**
Charge for the year	3.80	11.07	14.87
Disposals	-	0.03	0.03
At March 31, 2018	**13.00**	**30.75**	**43.75**
Carrying amount			
At March 31, 2017	16.00	17.44	33.44
At March 31, 2018	**17.83**	**20.83**	**38.66**

8. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	**As at March 31, 2018**	As at March 31, 2017
Intangible assets under development	**191.32**	108.76
	191.32	108.76

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, 2018	As at March 31, 2017
Unquoted Investments		
VE Commercial Vehicles Limited : 54,40,000 (March 31, 2017 : 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	**1,758.83**	1,565.42
Sub-total (A)	**1,764.27**	1,570.86
Eicher Polaris Private Limited : 29,45,00,000 (March 31, 2017 : 26,69,00,000) Equity shares of Rs. 10 each fully paid up		
Cost of investment	**294.50**	266.90
Group's share of net assets	**(294.50)**	(91.94)
Sub-total (B)	**-**	174.96
Total (A+B)	**1,764.27**	1,745.82

i) In addition to the above investment, the Company 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.

ii) 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 Company's share of loss for the year ended March 31, 2018. This includes an amount of Rs. 17.48 crores recorded by the Company 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 princpal place of business	Proportion of ownership interest and voting rights held by the Group	
			As at March 31, 2018	As at March 31, 2017
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.

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, 2018	As at March 31, 2017
Non-current assets	**2,730.09**	2,563.20
Current assets	**4,313.33**	3,162.57
Non-current liabilities	**243.22**	182.18
Current liabilities	**3,557.02**	2,655.97

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VE Commercial Vehicles Limited	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	**10,223.34**	9,262.08
Profit for the year	**471.62**	348.29
Other comprehensive income for the year	**(1.74)**	(5.20)
Total comprehensive income for the year	**469.88**	343.09
Dividends received from the joint venture during the year	**51.68**	-

Reconciliation of the above summaried 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, 2018	As at March 31, 2017
Net assets of the joint venture	**3,243.18**	2,887.62
Proportion of the Group's ownership interest in the joint venture	**1,764.27**	1,570.86
Carrying amount of the Group's interest in the joint venture	**1,764.27**	1,570.86

Eicher Polaris Private Limited	As at March 31, 2018	As at March 31, 2017
Non-current assets	**28.53**	358.66
Current assets	**18.37**	48.76
Non-current liabilities	**-**	11.20
Current liabilities	**61.86**	24.09

Eicher Polaris Private Limited	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	**27.56**	42.65
Profit/(loss) for the year	**(420.10)**	(91.99)
Other comprehensive income for the year	**-**	0.16
Total comprehensive income for the year	**(420.10)**	(91.83)

Reconciliation of the above summaried 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, 2018	As at March 31, 2017
Net assets of the joint venture	**(14.96)**	372.13
Proportion of the Group's ownership interest in the joint venture	**(7.48)**	186.06
Less:- Advances given for investment in shares	**-**	11.10
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)	**-**	174.96

*In addition to Rs.7.48 crores, an amount of Rs. 10.00 crores have been accrued towards cost to wind down the operations of Eicher Polaris Private Limited. In total, an amount of Rs. 17.48 crores has been disclosed as Provision for constructive obligation towards the discontinued operations (refer note 20)

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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FINANCIAL ASSETS :

10. INVESTMENTS

Particulars	As at March 31, 2018		As at March 31, 2017	
	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, 2017 : Nil) Equity shares of Suryadev Alloys and Power Private Limited	**0.09**	**-**	-	-
Sub-total (A)	**0.09**	**-**	-	-
Quoted Investments				
(b) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	**3,139.14**	**633.40**	2,313.76	883.61
Sub-total (B)	**3,139.14**	**633.40**	2,313.76	883.61
(c) Investment in bonds carried at amortised cost	**43.94**	**-**	43.94	-
Sub-total (C)	**43.94**	**-**	43.94	-
Total (A+B+C)	**3,183.17**	**633.40**	2,357.70	883.61
Aggregate carrying value of quoted investments	**3,183.08**	**633.40**	2,357.70	883.61
Aggregate market value of quoted investments	**3,185.81**	**633.40**	2,360.45	883.61
Aggregate carrying value of unquoted investments	**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**	**-**	-	-
Quoted				
Investment in mutual funds	**3,139.14**	**633.40**	2,313.76	883.61
Financial assets carried at amortised cost				
Quoted				
Investment in bonds	**43.94**	**-**	43.94	-

11. LOANS

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured, considered good		
Loans to employees	**0.70**	0.34
Total	**0.70**	0.34

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12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured, considered good		
Security deposits	**22.55**	16.46
Total	**22.55**	16.46
Current		
Unsecured, considered good		
Security deposits	**-**	0.04
Insurance claim receivable	**1.02**	5.80
Lease rent receivable	**0.05**	0.05
Interest accrued on fixed deposits and bonds	**29.68**	2.34
Others	**-**	0.60
Total	**30.75**	8.83

13. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials	**140.99**	121.54
(Includes goods in transit of Rs. 28.74 crores (March 31, 2017 : Rs. 18.47 crores))		
Work-in-progress	**18.01**	14.90
Finished goods	**203.60**	168.27
Traded goods	**18.05**	22.62
Stores and spares	**11.74**	6.98
Loose tools	**2.25**	1.59
Total	**394.64**	335.90

Write-downs of inventories to net realisable value resulted in net loss of Rs. 4.81 crores (March 31, 2017 : Rs. 5.81 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, 2018	As at March 31, 2017
Current		
Secured, considered good	**0.06**	0.26
Unsecured - considered good	**67.94**	49.78
- considered doubtful	**0.25**	0.25
	68.25	50.29
Less: Provision for doubtful receivables	**(0.25)**	(0.25)
Total	**68.00**	50.04

All domestic sales are on advance payment basis, except for certain institutional sales which carries credit period of 50 to 60 days.

Export sales carries credit period of 0 to 180 days, depending on the contractual terms with respective customers.

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15. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	**0.06**	0.02
Cheques/drafts on hand	**0.06**	0.12
Balances with banks:		
In current accounts	**92.34**	17.10
Total	**92.46**	17.24

Changes in liabilities arising from financing activities

Particulars	April 1, 2017	Net cash flows	Others	March 31, 2018
Short-term borrowings	111.85	38.99	-	**150.84**
Interest accrued but not due	0.32	(3.37)	3.65	**0.60**
Dividend payable including tax on dividend	-	(317.12)	317.12	**-**
Total liabilities from financing activities	112.17	(281.50)	320.77	**151.44**

16. OTHER BANK BALANCES

Particulars	As at March 31, 2018	As at March 31, 2017
In unpaid dividend accounts	**10.60**	7.82
On deposit accounts		
- orginal maturity between three and twelve months	**538.94**	-
- orginal maturity greater than twelve months	**570.00**	-
Total	**1,119.54**	7.82

17. OTHER ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unsecured, considered good		
Capital advances	**66.22**	133.83
Share application money pending allotment	**-**	11.10
Balance with government authorities	**7.49**	7.71
Prepayment land leases	**88.25**	89.14
Other prepayments	**1.90**	1.41
Total	**163.86**	243.19
Current		
Unsecured, considered good		
Advance to suppliers	**45.91**	28.75
Advance to employees	**4.81**	2.05
Prepaid expenses	**11.74**	7.02
Balance with government authorities		
Considered good	**122.69**	29.39
Considered doubtful	**1.11**	1.11
	123.80	30.50
Less: Provision for doubtful advances	**(1.11)**	(1.11)
	122.69	29.39
Gratuity fund (net)	**0.47**	0.35
Prepayment land leases	**0.89**	0.96
Government grant receivable	**8.36**	7.94
Other prepayments	**0.68**	0.70
Total	**195.55**	77.16

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18. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised Equity share capital		
3,00,00,000 (March 31, 2017 : 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		
2,72,55,549 (March 31, 2017 : 2,72,10,249) Equity shares of Rs. 10 each	**27.26**	27.21
Total	**27.26**	27.21

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, 2018		For the year ended March 31, 2017	
	Nos.	**Rs. in Crores**	Nos.	Rs. in Crores
At the beginning of the year	**2,72,10,249**	**27.21**	2,71,61,183	27.16
Issued during the year - ESOP (refer note 47)	**45,300**	**0.05**	49,066	0.05
Outstanding at the end of the year	**2,72,55,549**	**27.26**	2,72,10,249	27.21

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	**% holding in the class**	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust	**1,20,30,648**	**44.14%**	1,20,30,648	44.21%

(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 47.

(b) Preference share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised Preference share capital		
1,01,000 (March 31, 2017 : 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.

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19. OTHER EQUITY

Particulars	**As at March 31, 2018**	As at March 31, 2017
Capital reserves	**0.25**	0.25
Capital redemption reserve	**1.41**	1.41
Securities premium reserve	**60.37**	32.09
General reserves	**339.89**	339.89
Share-based payments reserve	**59.80**	45.13
Foreign currency translation reserve	**12.64**	0.74
Retained earnings	**6,528.45**	4,898.35
	7,002.81	5,317.86

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
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, 2018**	For the year ended March 31, 2017
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 utilise the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
C Securities premium reserve		
Opening balance	**32.09**	25.80
Add : Proceeds from issue of equity shares@	**19.44**	5.69
Add : Transferred from share options outstanding account	**8.84**	0.60
Closing balance	**60.37**	32.09

@ Represents premium @ Rs. 452 per equity share on 500 (March 31, 2017 : 2,500) equity shares, @ Rs. 685 per equity share on 29,000 (March 31, 2017 : 11,000) equity shares, @ Rs. 1,152 per equity share on Nil (March 31, 2017 : 32,100) equity shares, @ Rs. 1,760 per equity share on 1,800 (March 31, 2017 : 1,800) equity shares, and @ Rs. 4,905 per equity share on 1,000 (March 31, 2017 : 1,666) equity shares, and @ Rs. 8,467.50 per equity share on 3,830 (March 31, 2017 : Nil) equity shares, and @ Rs. 12,983.65 per equity share on 800 (March 31, 2017 : Nil) equity shares, and @ Rs. 14,729 per equity share on 8,370 (March 31, 2017 : Nil) equity shares issued and allotted during the year under Employee Stock Option Scheme. The Company can utilise the same for the purpose of buy back of share or issue of fully paid bonus shares.

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Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
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, 2018**	For the year ended March 31, 2017
E Share-based payments reserve		
Opening balance	**45.13**	25.23
Add : ESOP expense during the year	**23.51**	20.50
Less : Transferred to securities premium on issue of shares	**8.84**	0.60
Closing balance	**59.80**	45.13

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, 2018**	For the year ended March 31, 2017
F Foreign currency translation reserve		
Opening balance	**0.74**	0.17
Less: Exchange fluctuation of subsidiary company of joint venture transferred to exchange loss pursuant to divestment	**-**	(1.09)
Add: Exchange differences in translating the financial statements of foreign operations	**11.90**	(0.52)
Closing balance	**12.64**	0.74

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
G Retained earnings		
Opening balance	**4,898.35**	3,233.18
Add: Profit for the year	**1,959.67**	1,667.08
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	**(1.93)**	(1.91)
Less: Dividend (amount per share Rs. 100 (March 31, 2017 : Rs. Nil))	**272.22**	-
Less: Tax on dividend	**55.42**	-
Total appropriations	**327.64**	-
Balance at end of year	**6,528.45**	4,898.35

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FINANCIAL LIABILITIES :

20. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Security deposits received	**8.88**	7.16
Total	**8.88**	7.16
Current		
Employee dues	**61.87**	51.00
Capital creditors	**69.15**	70.29
Unpaid dividend *	**10.60**	7.82
Book overdraft	**-**	2.66
Interest accrued but not due	**0.60**	0.32
Provision for constructive obligation towards the discontinued operations of a joint venture (refer note 9 (ii))	**17.48**	-
Others	**10.31**	10.31
Total	**170.01**	142.40

*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, 2018	As at March 31, 2017
Unsecured		
- From bank		
Short-term Loan#	**150.84**	111.85
Total	**150.84**	111.85

Includes - a. Acceptance against trade payables as at March 31, 2018 of Rs. 85.98 crores (March 31, 2017 : Rs. 67.44 crores).
b. Unsecured short-term loans of subsidiary company viz., Royal Enfield North America Ltd as at March 31, 2018 of Rs. 42.28 crores (March 31, 2017 : Rs. 44.41 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, 2018 of Rs. 22.58 crores (March 31, 2017 : Rs. Nil), carrying interest @ 3.39% p.a. These loans are against Corporate Guarantee given by the Parent Company, Eicher Motors Limited.

22. TRADE PAYABLES

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 40)	**27.15**	13.41
Sub-total (A)	**27.15**	13.41
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	**110.12**	90.78
Other trade payables	**1,034.59**	661.11
Sub-total (B)	**1,144.71**	751.89
Total (A+B)	**1,171.86**	765.30

For terms and conditions pertaining to related party dues, refer note 44

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23. PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Employee benefits - refer note (i) below		
Other employee benefits	**3.88**	2.96
Warranties - refer note (ii) below	**25.24**	23.17
Total	**29.12**	26.13
Current		
Employee benefits - refer note (i) below		
Compensated absences	**8.06**	10.40
Other employee benefits	**0.04**	0.07
Sub-total (A)	**8.10**	10.47
Warranties - refer note (ii) below	**39.11**	32.04
Sub-total (B)	**39.11**	32.04
Total (A+B)	**47.21**	42.51

(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, 2018	For the year ended March 31, 2017
Opening balance	**55.21**	46.15
Additions during the year	**47.30**	47.80
Amount utilised during the year	**39.85**	40.27
Unwinding of discount	**1.69**	1.53
Closing balance	**64.35**	55.21

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, 2018	As at March 31, 2017
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	**149.59**	81.67
Investments measured at FVTPL	**11.88**	8.01
Others	**0.97**	1.28
Sub-total (A)	**162.44**	90.96
Less: Deferred tax assets on		
Accrued expenses deductible on payment	**2.80**	3.26
Deferred revenue	**10.08**	-
Provision for compensated absences and other employee benefits	**2.79**	3.60
Provision for doubtful debts and advances	**0.47**	0.47
Others	**4.22**	5.86
Sub-total (B)	**20.36**	13.19
Total (A-B)	**142.08**	77.77

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Movement of deferred tax liabilities/assets

For the year ended March 31, 2018

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	81.67	67.92	-	149.59
Investments measured at FVTPL	8.01	3.87	-	11.88
Others	1.28	(0.31)	-	0.97
Sub-total (A)	90.96	71.48	-	162.44
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	(1.68)	0.04	4.22
Sub-total (B)	13.19	12.90	(5.73)	20.36
Total (A-B)	77.77	58.58	5.73	142.08

For the year ended March 31, 2017

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	41.73	39.94	-	81.67
Investments measured at FVTPL	8.76	(0.75)	-	8.01
Others	0.76	0.30	0.22	1.28
Sub-total (A)	51.25	39.49	0.22	90.96
Less: Deferred tax assets on				
Business loss carried forward	4.91	(4.91)	-	-
Accrued expenses deductible on payment	2.29	0.97	-	3.26
Remeasurement of defined benefit obligation	-	(0.04)	0.04	-
Provision for compensated absences and other employee benefits	2.89	0.71	-	3.60
Provision for doubtful debts and advances	0.53	(0.06)	-	0.47
Others	4.78	1.08	-	5.86
Sub-total (B)	15.40	(2.25)	0.04	13.19
Total (A-B)	35.85	41.74	0.18	77.77

At March 31, 2018, there was no recognised deferred tax liability (March 31, 2017 : 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, 2018	As at March 31, 2017
Tax liabilities		
Provision for current tax (net)	**108.02**	37.77
Total	**108.02**	37.77
Tax assets		
Advance income tax (net)	**18.44**	18.42
Total	**18.44**	18.42

26. OTHER LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Deferred revenue arising from Government grant - refer note (i) below	**46.84**	23.20
Total	**46.84**	23.20
Current		
Advance from customers	**421.05**	292.06
Deferred revenue arising from Government grant - refer note (i) below	**10.13**	-
Deferred revenue	**29.13**	18.82
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	**146.02**	114.17
Others	**10.97**	4.87
Total	**617.30**	429.92

(i) The deferred revenue arises as a result of :

a) The benefit received by the United Kingdom (UK) Branch of the Company from the Government of UK - Department for Business Innovation & Skills - Regional Growth Fund.

b) 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 recognised in statement of profit and loss on a systematic basis over the useful life of the assets after capitalisation of the related fixed assets.

27. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations		
Sale of products		
Manufactured goods (including excise duty)*	**8,852.76**	7,690.32
Traded goods	**322.40**	218.78
Sub-total (A)	**9,175.16**	7,909.10
Other operating revenue		
Government grant (Export incentives)**	**17.58**	6.25
Scrap sale	**22.17**	19.01
Excess liability no longer required written back	**-**	0.18
Income from other operating revenues	**4.35**	4.91
Sub-total (B)	**44.10**	30.35
Total (A+B)	**9,219.26**	7,939.45

*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 Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duty, levies like GST is not considered as part of Revenue. Accordingly, the figures of previous year ended March 31, 2017 and first three months of the current period, i.e., April 2017 to June 2017, includes Excise duty on sales. Excise duty on sales 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, 2018	For the year ended March 31, 2017
Details of products sold			
Manufactured goods			
Two wheelers		**8,322.08**	7,276.50
Spare parts and other components		**530.68**	413.82
	Total	**8,852.76**	7,690.32
Traded goods			
Two wheelers		**0.26**	0.15
Accessories and other allied products		**322.14**	218.63
	Total	**322.40**	218.78

28. OTHER INCOME

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on financial assets carried at amortised cost			
Bank deposits and bonds		**37.64**	2.03
Others		**1.72**	1.92
		39.36	3.95
Net gain on financial instruments at fair value through profit or loss		**235.02**	219.74
Other non-operating income			
Rent income (refer note 6)		**2.92**	2.80
Other income		**2.14**	0.72
Profit on sale of property, plant and equipment		**0.29**	0.12
Exchange gain (net)		**0.37**	-
		5.72	3.64
	Total	**280.10**	227.33

29. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	**121.54**	113.13
Add: Purchases	**4,595.67**	3,648.11
	4,717.21	3,761.24
Less: Inventory at the end of the year	**140.99**	121.54
Less: Material cost of vehicles capitalised	**1.71**	1.64
	4,574.51	3,638.06
Less: Sale of raw materials to suppliers on cost-to-cost basis	**58.91**	22.37
Total	**4,515.60**	3,615.69

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30. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Two wheelers	**6.58**	1.00
Accessories and other allied products	**155.19**	107.39
Total	**161.76**	108.39

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year		
Finished goods	**203.60**	168.27
Work-in-progress	**18.01**	14.90
Traded goods	**18.05**	22.62
A	**239.66**	205.79
Inventories at the beginning of the year		
Finished goods	**168.27**	157.27
Work-in-progress	**14.90**	9.43
Traded goods	**22.62**	19.48
B	**205.79**	186.18
Net change (B-A)	**(33.87)**	(19.61)

32. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	**472.95**	345.05
Contribution to provident and other funds (refer note 41)	**23.39**	20.42
Share-based payments (refer note 47)	**23.51**	20.50
Staff welfare expenses	**53.83**	40.30
Total	**573.68**	426.28

33. FINANCE COSTS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
On bills discounting	**0.20**	0.15
On other borrowings	**3.45**	1.88
	3.65	2.03
Unwinding of discount on provisions	**1.69**	1.53
Total	**5.34**	3.56

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34. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (refer note 4)	**208.08**	143.80
Depreciation of investment property (refer note 6)	**0.35**	0.35
Amortisation of intangible assets (refer note 7)	**14.87**	9.66
Total	**223.30**	153.81

35. OTHER EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and machinery spares (including loose tools and packing material)	**149.36**	115.90
Increase/decrease of excise duty on finished goods	**(8.34)**	2.37
Loss on sale of property, plant and equipment and intangible assets	**1.00**	0.36
Property, plant and equipment discarded	**0.04**	0.07
Power and fuel	**52.41**	46.02
Insurance	**11.77**	9.31
Repairs and maintenance		
Buildings	**3.31**	2.37
Plant and equipment	**37.53**	34.16
Others	**28.90**	18.29
Rates and taxes	**6.31**	11.92
Advertisement	**16.40**	17.69
Freight and handling charges	**134.37**	104.83
Incentives	**16.50**	15.27
Warranty	**47.30**	47.80
Other selling and distribution expenses	**177.92**	106.87
Rent	**39.60**	30.13
Legal and professional charges*	**30.75**	26.95
Travelling expenses	**73.64**	41.48
Development expenses	**10.54**	7.20
Corporate social responsibility expenditure (refer note 49)	**30.85**	18.33
Exchange loss (net)	**-**	11.80
Miscellaneous expenses	**80.00**	59.54
Total	**940.16**	728.66

***Including payment to auditors as below (excluding GST ₹ Service tax):**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditors:		
a) For Audit	**0.25**	0.25
b) For Limited reviews of unaudited financial results	**0.15**	0.19
c) For other services	**0.07**	0.07
d) For reimbursement of expenses	**0.03**	0.01
Total	**0.50**	0.52
In other capacity:		
a) For other services	**0.06**	0.09
Total	**0.06**	0.09

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36. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
In respect of the current year	**877.35**	678.56
Sub-total (A)	**877.35**	678.56
Deferred tax		
In respect of the current year	**58.58**	41.74
Sub-total (B)	**58.58**	41.74
Total (A+B)	**935.93**	720.30

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax and after share of profit of Joint venture from continuing operation	**3,115.65**	2,433.38
Income tax expense calculated at 34.608% (2016-17 : 34.608%)	**1,078.27**	842.14
Effect of lower tax on long-term capital gain from investment in mutual funds	**(58.27)**	(68.15)
Effect of additional deduction of research and product development cost	**(6.54)**	(11.77)
Effect of additional deduction for investment allowance under Section 32AC of the Income Tax Act, 1961	**-**	(6.10)
Effect of ESOP expenses not deductible in determining taxable profits	**6.27**	7.09
Effect of income exempt from taxation	**(1.03)**	(0.52)
Deferred tax asset not created on carried forward business loss of subsidiary companies	**17.06**	13.32
Impact of share of profit of joint venture included in profit before tax	**(88.79)**	(65.57)
Others	**(11.03)**	9.86
	935.93	720.30
Income tax expense recognised in statement of profit and loss	**935.93**	720.30

Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred tax charge/(benefit)		
Arising on income and expenses recognised in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	**6.37**	0.22
Remeasurement of defined benefit obligation	**(0.60)**	(0.04)
Total	**5.77**	0.18
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that may be reclassified to profit or loss	**6.37**	0.22
Items that will not be reclassified to profit or loss	**(0.60)**	(0.04)
Total	**5.77**	0.18

37. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 273.00 crores (March 31, 2017 : Rs. 397.57 crores).

The Group has other commitments, for purchase/sale orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, 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.

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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. 31.38 crores (March 31, 2017 : Rs. 36.78 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 206.18 crores (March 31, 2017 : Rs. 91.29 crores).

39. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	**As at March 31, 2018**	As at March 31, 2017
a) In respect of following:		
- Excise duty matters	**1.72**	1.74
- Sales tax matters	**6.38**	6.75
- Service tax matters	**0.39**	0.39
- Customs duty matters	**3.48**	3.48
b) Claims against the Group not acknowledged as debts	**5.23**	3.86
c) Contingent liabilities arising from its interests in joint ventures	**131.06**	155.27

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.

40. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**26.95**	13.27
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**9.89**	5.00
(iv) The amount of interest due and payable for the year	**0.07**	0.07
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**0.20**	0.14
(iv) 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, 2018**	For the year ended March 31, 2017
Details of amount recognised as expense for defined contribution plans is given below:		
a) Provident fund*	**15.56**	15.73
b) Superannuation fund	**0.49**	0.43
c) Other funds	**8.85**	5.41
d) Employees' State Insurance Corporation	**4.77**	2.22

*includes Rs. 0.10 crore (March 31, 2017 : Rs. 0.06 crore) capitalised during the year and Rs. 6.18 crores (March 31, 2017 : Rs. 3.31 crores) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 3.55 crores (March 31, 2017 : Rs. 2.59 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government administered provident fund.

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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, 2018 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.

Provident fund:

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, 2018.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Provident fund	
	As at March 31, 2018	As at March 31, 2017
Discount rate	**7.91%**	7.50%
Expected statutory interest rate on the ledger balance	**8.55%**	8.65%
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 principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal assumptions	Gratuity	
	As at March 31, 2018	As at March 31, 2017
Discount rate	**7.90%**	7.50%
Future salary increase	**7.50%**	7.00%
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 recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Service cost:		
Current service cost	**2.66**	1.96
Net Interest expense	**(0.02)**	(0.01)
Components of defined benefit costs recognised in profit or loss	**2.64**	1.95
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	**1.74**	0.12
Components of defined benefit costs recognised in other comprehensive income	**1.74**	0.12
Total	**4.38**	2.07

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, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	**17.13**	13.32
Fair value of plan assets	**17.60**	13.67
Net liability arising from defined benefit obligation	**(0.47)**	(0.35)

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening defined obligation	**13.32**	11.34
Current service cost	**2.66**	1.96
Interest cost	**1.00**	0.85
Actuarial (gains)/ losses	**1.54**	0.53
Benefits paid	**(1.39)**	(1.36)
Closing defined benefit obligation	**17.13**	13.32

Movements in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening fair value of plan assets@	**13.67**	11.65
Interest income	**1.02**	0.86
Actuarial gains/ (losses)	**(0.20)**	0.41
Contribution	**4.50**	1.00
Benefit paid	**(1.39)**	(0.25)
Closing fair value of plan assets@	**17.60**	13.67

@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, 2018**	As at March 31, 2017
Government securities	**5.67**	4.64
Debt instruments categorised by issuers' credit rating:		
AAA	**8.84**	7.25
AA+	**1.78**	0.82
AA	**0.91**	0.55
Cash, deposits, etc.	**0.40**	0.41

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. 0.83 crore for the year ended March 31, 2018.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 0.87 crore (increase by Rs. 0.95 crore) (as at March 31, 2017: Decrease by Rs. 0.62 crore (increase by Rs. 0.68 crore)).
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 0.95 crore (decrease by Rs. 0.87 crore) (as at March 31, 2017: Increase by Rs. 0.68 crore (decrease by Rs. 0.62 crore)).

Sensitivities due to change in mortality rate and change in withdrawal rate are not material and hence impact of such change is not calculated.

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

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, 2018**	As at March 31, 2017
Average duration of the defined benefit obligation (in years)	**19.67**	19.27

The estimated contribution during next year is Rs. 3.18 crores (March 31, 2017 : Rs. 2.36 crores) to the defined benefit plan.

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42. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
For Continuing Operations		
(a) Basic	**800.50**	630.04
(b) Diluted	**798.99**	628.31
For Discontinued Operations		
(a) Basic	**(80.81)**	(16.92)
(b) Diluted	**(80.66)**	(16.87)
For Continuing and Discontinued Operations		
(a) Basic	**719.69**	613.12
(b) Diluted	**718.33**	611.44
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	**2,179.72**	1,713.08
Share of loss of Joint ventures from discontinued operation	**(220.05)**	(46.00)
Net Profit for the year	**1,959.67**	1,667.08
Weighted average number of equity shares for the purposes of basic earnings per share	**2,72,29,364**	2,71,89,996
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	**2,179.72**	1,713.08
Share of loss of Joint ventures from discontinued operation	**(220.05)**	(46.00)
Net Profit for the year	**1,959.67**	1,667.08
Weighted average number of equity shares for the purposes of basic earnings per share	**2,72,29,364**	2,71,89,996
Shares deemed to be issued for no consideration in respect of :		
- employee options	**51,448**	74,974
Weighted average number of equity shares for the purposes of diluted earnings per share	**2,72,80,812**	2,72,64,970

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 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, 2018	**8,938.49**	**280.77**	**9,219.26**
For the year ended March 31, 2017	7,722.28	217.17	7,939.45
Non-current segment assets			
As at March 31, 2018	**3,511.48**	**269.99**	**3,781.47**
As at March 31, 2017	3,114.82	139.15	3,253.97

a) Domestic segment includes sales and services to customers located in India.

b) Overseas segment includes sales and services rendered to customers located outside India.

c) Non-current segment assets include property, plant and equipment, non-current financial assets and other non-current assets.

d) 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
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
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 & Chief Executive Officer
Mr. S. Sandilya	Chairman
Mr. Priya Brat	Non-executive and independent director (Resigned w.e.f. June 16, 2017)
Mr. M.J. Subbaiah	Non-executive and independent director (Resigned w.e.f. March 31, 2018)
Mr. Prateek Jalan	Non-executive and independent director
Ms. Manvi Sinha	Non-executive and independent director
Mr. Lalit Malik	Chief Financial Officer
Mr. Manhar Kapoor	Company Secretary

c. Transactions with the key management personnel during the year:

Particulars	Nature of transaction	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Mr. Siddhartha Lal	**Managerial remuneration**		
	Short-term benefits	**10.12**	9.20
	Post-employment benefits	**0.14**	0.33
	Other long-term benefits	**0.05**	0.17
		10.31	9.70
Mr. S. Sandilya	Sitting fees	**0.03**	0.03
	Commission	**0.53**	0.48
Mr. Priya Brat	Sitting fees	**0.01**	0.03
	Commission	**-**	0.09
Mr. M.J. Subbaiah	Sitting fees	**0.02**	0.02
	Commission	**0.10**	0.09
Mr. Prateek Jalan	Sitting fees	**0.03**	0.03
	Commission	**0.23**	0.21
Ms. Manvi Sinha	Sitting fees	**0.02**	0.01
	Commission	**0.10**	0.09

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Particulars	Nature of transaction	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Mr. Lalit Malik	**Remuneration**		
	Short-term benefits	**2.06**	2.51
	Post-employment benefits	**0.04**	0.05
	Other long-term benefits	**-**	0.05
		2.10	2.61
Mr. Manhar Kapoor	**Remuneration**		
	Short-term benefits	**0.88**	0.82
	Post-employment benefits	**0.01**	0.02
	Other long-term benefits	**0.01**	0.01
		0.90	0.85

The above remuneration to key managerial personnel does not include employee stock compensation expense

d. Transactions with the related parties:

Name of related party	Nature of transaction	**For the year ended March 31, 2018**	For the year ended March 31, 2017
VE Commercial Vehicles Limited	Purchase of finished goods/services	**160.14**	145.74
	Expenses reimbursed	**0.35**	0.43
	Corporate service charges paid	**2.43**	2.60
	Dividend income	**51.68**	-
Eicher Polaris Private Limited	Investment in equity share capital (including advance given in previous year)	**27.60**	45.60
	Advance given for subscription of equity shares	**-**	11.10
	Expenses recovered	**0.05**	1.07
	Rent income	**2.92**	2.78
Eicher Goodearth Private Limited	Expenses reimbursed	**-**	6.28
	Corporate service charges paid	**0.88**	0.83
	Rent	**3.42**	3.33
	Brand fees paid	**16.02**	17.55
Eicher Goodearth India Private Limited	Brand fees paid	**6.31**	-
Eicher Group Foundation	Corporate social responsibility expenditure	**25.08**	18.09
Eicher Executive Provident Fund	Contribution	**3.55**	2.59
Eicher Tractors Executive Staff Superannuation Fund	Contribution	**0.31**	0.25
Eicher Motors Limited Employees Gratuity Trust	Contribution	**4.50**	1.00
	Benefits paid	**(1.39)**	(0.25)

Balance outstanding at the year end:

Name of related party	Nature	**As at March 31, 2018**	As at March 31, 2017
VE Commercial Vehicles Limited	Payables	**45.63**	32.68
Eicher Polaris Private Limited	Advance given for subscription of equity shares	**-**	11.10
Eicher Goodearth Private Limited	Payables	**0.27**	0.23
	Security deposit receivable	**1.09**	1.09
Mr. Siddhartha Lal	Commission payable	**4.80**	4.20
Non-executive and independent directors	Commission payable	**0.96**	1.02

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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, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017 : 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 maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Group uses the operational cash flows and equity to meet its capital requirements.

The Group is not subject to any externally imposed capital requirements.

The management of the 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, 2018**	As at March 31, 2017
Borrowings (refer note 21)	**150.84**	111.85
Less: Cash and cash equivalents (refer note 15)	**(92.46)**	(17.24)
Net debt	**58.38**	94.61
Share capital	**27.26**	27.21
Other equity	**7,002.81**	5,317.86
Total Equity	**7,030.07**	5,345.07
Gearing ratio	**0.83%**	1.77%

45.1 Categories of financial instruments

Particulars	**As at March 31, 2018**	As at March 31, 2017
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	**0.09**	-
Investments in mutual funds	**3,139.14**	2,313.76
Current		
Investments in mutual funds	**633.40**	883.61
Financial assets at amortised cost		
Non-current		
Investments in bonds	**43.94**	43.94
Other financial assets	**22.55**	16.46
Current		
Trade receivables	**68.00**	50.04
Cash and bank balances	**1,212.00**	25.06
Loans	**0.70**	0.34
Other financial assets	**30.75**	8.83
Financial liabilities at amortised cost		
Non-current		
Other financial liabilities	**8.88**	7.16
Current		
Borrowings	**150.84**	111.85
Trade payables	**1,171.86**	765.30
Other financial liabilities	**170.01**	142.40

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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 categorising the financial instruments measured at fair value into Level 1 to Level 3:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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, 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**	**-**	**-**

Particulars	Fair value as at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in mutual funds	2,313.76	-	-
Current			
Investments in mutual funds	883.61	-	-

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 recognised in the financial statements approximate their fair values.

Particulars	**March 31, 2018**		March 31, 2017	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets at amortised cost				
Non-current				
Investments in bonds	**43.94**	**46.67**	43.94	46.70

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Particulars	Fair value hierarchy	
	March 31, 2018	March 31, 2017
	Level 1	Level 1
Financial assets at amortised cost		
Non-current		
Investments in bonds	**46.67**	46.70

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 judgement 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 realised or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There were no transfers between Level 1 and Level 2 during the year.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives

The 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 realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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Foreign currency exposure	As at March 31, 2018		As at March 31, 2017	
	Foreign currency monetary assets	**Foreign currency monetary liabilities**	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	**0.12**	**1.28**	0.27	0.83
EURO	**0.35**	**0.03**	0.27	0.04
GBP	**0.09**	**0.08**	0.11	0.07
JPY	**-**	**12.16**	-	7.44
Others	**0.32**	**0.25**	0.14	0.62

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 statement.

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.

Movement in the expected credit loss allowance of financial assets

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Balance at beginning of the year	**0.25**	0.43
Less: Reversals of provision	**-**	0.18
Balance at end of the year	**0.25**	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, 2018 would increase/decrease by Rs. 37.73 crores (for the year ended March 31, 2017: increase/decrease by Rs. 31.97 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.

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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, 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**

Particulars	As at March 31, 2017			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current Other financial liabilities	-	-	7.16	7.16
Current				
(i) Borrowings	111.85	-	-	111.85
(ii) Trade payables	765.30	-	-	765.30
(iii) Other financial liabilities	142.40	-	-	142.40

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

47. SHARE-BASED PAYMENTS

Employee share option plan of the Group

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 Holding 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 more than 5 (five) years and not 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 Compensation Committee.

Each employee share option converts into one equity share of the Holding Company upon 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 Group

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.
(i)	2,08,900	22-Oct-07	3 Years	21-Oct-17	462.00	243.90
(ii)	40,000	29-Apr-10	1 Year	28-Apr-18	695.00	154.62
(iii)	15,400	8-Nov-10	3 Years	7-Nov-20	1,411.00	243.90
(iv)	1,08,200	6-May-11	3-5 Years	5-May-21	1,162.00	625.14
(v)	5,400	11-Feb-12	3-5 Years	10-Feb-22	1,770.00	967.06
(vi)	5,000	16-Dec-13	3-5 Years	15-Dec-23	4,915.00	2,522.03
(vii)	16,000	11-Aug-14	3-5 Years	10-Aug-24	8,477.50	4,336.33
(viii)	5,400	12-Nov-14	3-5 Years	11-Nov-24	12,993.65	6,555.65
(ix)	2,000	12-Jan-15	1 Year	11-Jan-25	14,739.00	7,626.61
(x)	20,300	12-Jan-15	3-5 Years	11-Jan-25	14,739.00	7,393.91
(xi)	4,500	20-Mar-15	3-5 Years	20-Mar-25	16,112.00	8,295.62
(xii)	53,000	8-May-15	3-5 Years	7-May-25	14,807.00	7,741.96
(xiii)	6,590	21-Jul-15	3-5 Years	20-Jul-25	21,248.00	11,112.50
(xiv)	7,800	6-Nov-15	3-5 Years	5-Nov-25	17,678.00	9,010.46
(xv)	4,200	5-Feb-16	3-5 Years	4-Feb-26	16,894.00	8,565.87
(xvi)	2,400	27-Apr-16	3-5 Years	26-Apr-26	20,148.00	10,055.79
(xvii)	2,100	28-Jul-16	3-5 Years	27-Jul-26	20,340.00	10,437.06
(xviii)	3,000	28-Oct-16	3-5 Years	27-Oct-26	24,492.00	11,753.96
(xix)	1,800	1-Feb-17	3-5 Years	31-Jan-27	23,028.00	10,875.64
(xx)	3,500	27-Mar-17	3-5 Years	26-Mar-27	24,350.00	11,601.21
(xxi)	1,350	9-Aug-17	3-5 Years	8-Aug-27	32,121.00	14,973.54
(xxii)	1,500	14-Nov-17	3-5 Years	13-Nov-27	30,585.00	14,520.88
(xxiii)	2,100	7-Feb-18	3-5 Years	6-Feb-28	27,579.25	12,729.74

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. 29,728.74 (March 31, 2017 : Rs. 22,751.61). 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 behavioural 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

	Option series			
Particulars	(xvii)	(xviii)	(xix)	(xx)
Grant date share price	20,148	20,340	24,492	23,028
Exercise price	20,148	20,340	24,492	23,028
Expected volatility	33.65%-39.83%	32.04%-37.36%	31.91%-33.37%	31.34%-32.78%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.94%	0.94%	0.89%	0.89%
Risk-free interest rate	7.52%-7.60%	7.3%-7.38%	6.96%-7.01%	6.69%-6.85%

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	(xxi)	(xxii)	(xxiii)	(xxiv)
Grant date share price	24,350	32,121	30,585	27,579.25
Exercise price	24,350	32,121	30,585	27,579.25
Expected volatility	30.73%-32.54%	29.99%-31.89%	30.06%-31.37%	30.23%-30.97%
Option life	10 Years	10 Years	10 Years	10 Years
Dividend yield	0.89%	0.83%	0.83%	0.83%
Risk-free interest rate	6.07%-6.28%	6.79%-6.88%	7.21%-7.29%	7.78%-7.96%

Movements in share options during the year

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	**1,56,674**	**12,236.35**	2,03,490	9,032.69
Granted during the year	**4,950**	**29,728.74**	12,800	22,751.61
Forfeited during the year	**(2,100)**	**16,894.00**	(10,550)	14,662.45
Exercised during the year	**(45,300)**	**4,298.37**	(49,066)	1,171.37
Expired during the year	**-**	**-**	-	-
Balance at end of the year	**1,14,224**	**16,056.89**	1,56,674	12,236.35
Exercisable at the end of the year	**4,694**	**8,039.57**	36,634	1,895.41

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Share-based payments	**23.51**	20.50

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, 2018			
(vi) Granted on February 11, 2012	1,800	5-May-17	1,770
(iii) Granted on April 29, 2010	10,000	5-May-17	695
(ii) Granted on October 22, 2007	500	7-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	7-Feb-18	695
(vii) Granted on December 16, 2013	1,000	7-Feb-18	4,915
(x) Granted on January 12, 2015	2,000	7-Feb-18	14,739
(xi) Granted on January 12, 2015	6,370	7-Feb-18	14,739
(ix) Granted on November 12, 2014	471	7-Feb-18	12,994
Total	**45,300**		
Weighted average exercise price	**4,288.37**		

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2017			
(vi) Granted on February 11, 2012	1,800	5-May-16	1,770
(iii) Granted on April 29, 2010	3,000	28-Jul-16	695
(v) Granted on May 06, 2011	32,100	28-Jul-16	1,162
(ii) Granted on October 22, 2007	2,500	28-Oct-16	462
(iii) Granted on April 29, 2010	3,000	28-Oct-16	695
(iii) Granted on April 29, 2010	5,000	1-Feb-17	695
(vii) Granted on December 16, 2013	1,666	1-Feb-17	4,915
Total	**49,066**		
Weighted average exercise price	**1,161.37**		

Share options outstanding at end of the year

Option series		Options outstanding		Remaining contractual life		Exercise Price Rs.
		As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017	
(ii)	22-Oct-07	**-**	500	**-**	0.56	462
(iii)	29-Apr-10	**-**	29,000	**-**	1.08	695
(iv)	8-Nov-10	**-**	-	**-**	3.61	1,411
(v)	6-May-11	**-**	-	**-**	4.10	1,162
(vi)	11-Feb-12	**-**	1,800	**-**	4.87	1,770
(vii)	16-Dec-13	**2,334**	3,334	**5.71**	6.71	4,915
(viii)	11-Aug-14	**12,170**	16,000	**6.37**	7.37	8,478
(ix)	12-Nov-14	**1,600**	2,400	**6.62**	7.62	12,994
(x)	12-Jan-15	**-**	2,000	**6.79**	7.79	14,739
(xi)	12-Jan-15	**13,930**	20,300	**6.79**	7.79	14,739
(xii)	20-Mar-15	**1,500**	1,500	**6.98**	7.98	16,112
(xiii)	8-May-15	**48,450**	48,450	**7.11**	8.11	14,807
(xiv)	21-Jul-15	**6,590**	6,590	**7.31**	8.31	21,248
(xv)	6-Nov-15	**7,800**	7,800	**7.61**	8.61	17,678
(xvi)	5-Feb-16	**2,100**	4,200	**7.85**	8.85	16,894
(xvii)	27-Apr-16	**2,400**	2,400	**8.08**	9.08	20,148
(xviii)	28-Jul-16	**2,100**	2,100	**8.33**	9.33	20,340
(xix)	28-Oct-16	**3,000**	3,000	**8.58**	9.58	24,492
(xx)	1-Feb-17	**1,800**	1,800	**8.84**	9.84	23,028
(xxi)	27-Mar-17	**3,500**	3,500	**8.99**	9.99	24,350
(xxii)	9-Aug-17	**1,350**	-	**9.36**	-	32,121
(xxiii)	14-Nov-17	**1,500**	-	**9.63**	-	30,585
(xxiv)	7-Feb-18	**2,100**	-	**9.86**	-	27,579
		1,14,224	1,56,674			

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 recognise as expense aggregate to Rs. 39.60 crores (March 31, 2017 : Rs. 30.13 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, 2018**	As at March 31, 2017
Not later than one year	**5.16**	6.67
Later than one year and not later than five years	**5.06**	3.46

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

(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 recognise as income aggregate to Rs. 2.92 crores (March 31, 2017 : Rs. 2.78 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, 2018	As at March 31, 2017
Not later than one year	**0.24**	2.92
Later than one year and not later than five years	**-**	13.20
Later than five years	**-**	3.72

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, 2018	For the year ended March 31, 2017
(a) Gross amount required to be spent	**30.85**	18.33
(b) Amount spent:		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purpose other than (i) above	**29.80**	18.09
(c) Administrative expenses	**1.05**	0.24

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, 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)**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Name of the entity	Share of net assets As at March 31, 2017		Share of profit or loss For the year ended March 31, 2017	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	73.24%	3,914.45	93.40%	1,557.17
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-0.70%	(37.22)	-1.74%	(29.02)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	-0.11%	(5.64)	-0.27%	(4.54)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	29.29%	1,565.42	11.37%	189.47
2. Eicher Polaris Private Limited	-1.72%	(91.94)	-2.76%	(46.00)

Name of the entity	Share of other comprehensive income For the year ended March 31, 2017		Share of total comprehensive income For the year ended March 31, 2017	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	3.38%	(0.08)	93.54%	1,557.09
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-27.55%	0.67	-1.70%	(28.35)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	9.87%	(0.24)	-0.29%	(4.78)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	116.36%	(2.83)	11.21%	186.64
2. Eicher Polaris Private Limited	-2.06%	0.05	-2.76%	(45.95)

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.

The arrangement shall be treated as a joint arrangement under Ind AS 111 "Joint Arrangements".

Ind AS 111 classifies joint arrangements into:

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

- 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 asset

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in consolidated financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the consolidated financial statements. Gain contingencies are not recognised until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 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

The Group initially measures the cost of cash-settled transactions with employees using a Black Scholes model to determine the fair value of the liability incurred. 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.

53. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognised when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Asset Held for Sale and Discontinued Operations.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Group will apply amendments when they become effective.

Transfers of Investment Property – Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

The amendments are effective for annual periods beginning on or after April 1, 2018. The Group will apply amendments when they become effective. However, since Group current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements

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

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 transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. The Group is analysing the changes and impact as applicable from financial year 2018-19.

54. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors at their meeting held on May 09, 2018, considered and recommended a final dividend aggregating Rs. 299.81 crores @ Rs. 110 per share (nominal value Rs. 10 per share) for the financial year 2017-18 (final dividend paid for March 31, 2017 : Rs. 272.22 crores @ Rs. 100 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

Place: Gurugram
Date: May 9, 2018

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

Manhar Kapoor
Company Secretary

Lalit Malik
Chief Financial Officer

Siddhartha Lal
Managing Director
DIN: 00037645

Prateek Jalan
Director
DIN: 02170139

Manvi Sinha
Director
DIN: 07038675

S. Sandilya
Chairman
DIN: 00037542



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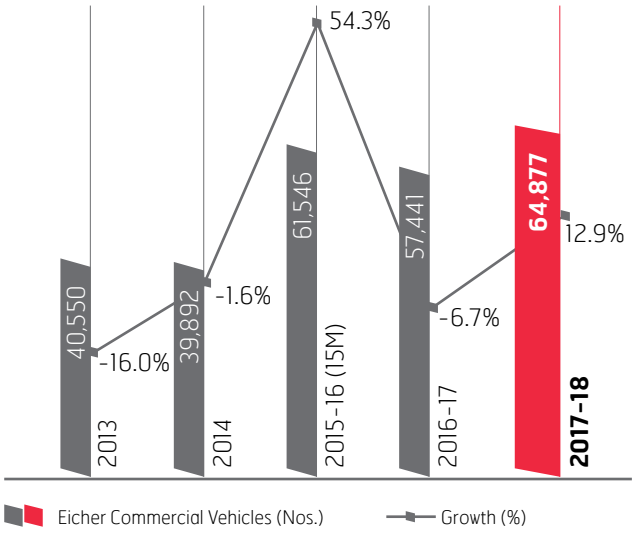
OVERVIEW OF PERFORMANCE

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 5-14 Tonne Cargo Domestic and Market Share

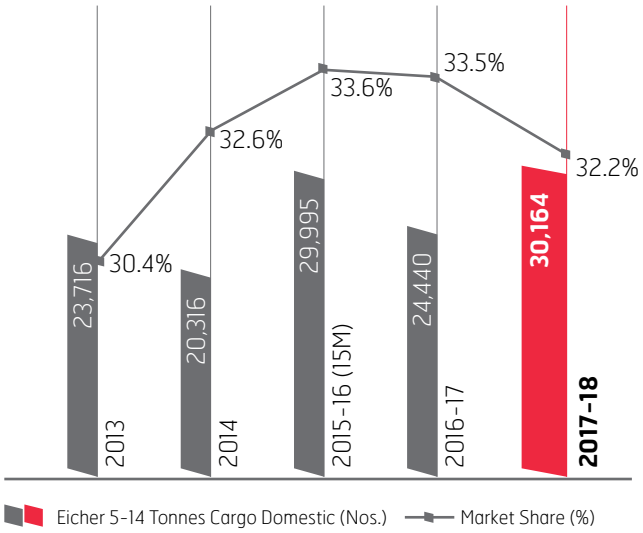


Chart 3: Eicher 16-Tonne and above Cargo Domestic and Market Share

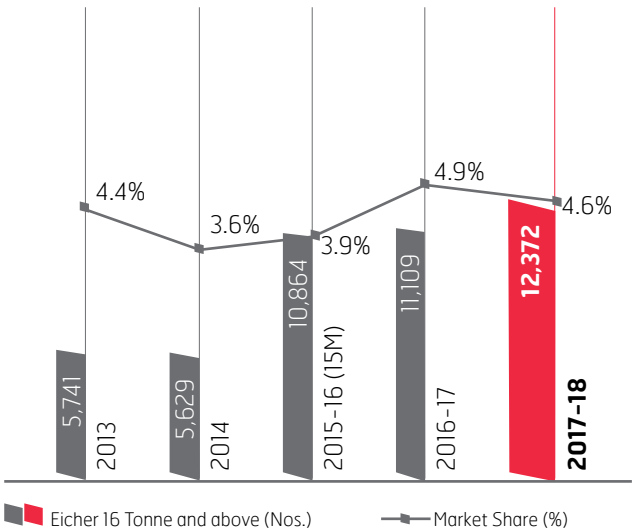


Chart 4: Eicher Exports: Cargo/Buses and Growth

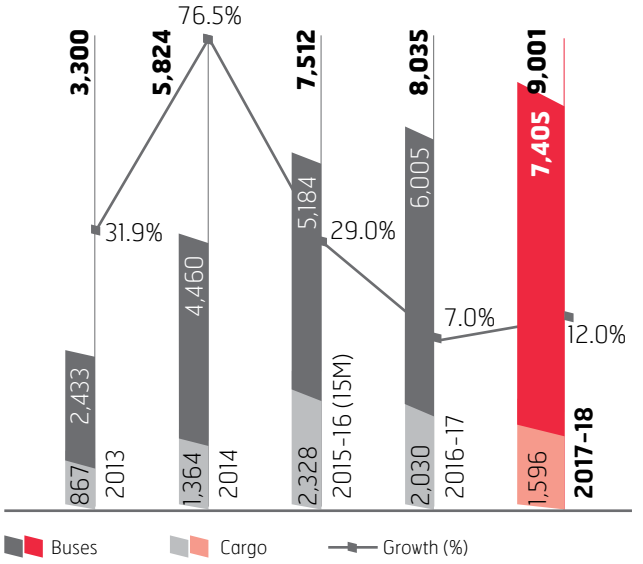


Chart 5: Eicher Buses Domestic and Market Share

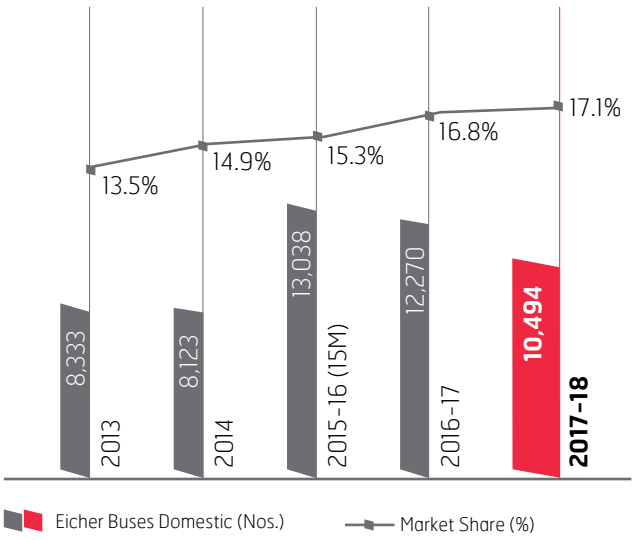


Chart 6: Volvo Trucks Domestic and Growth

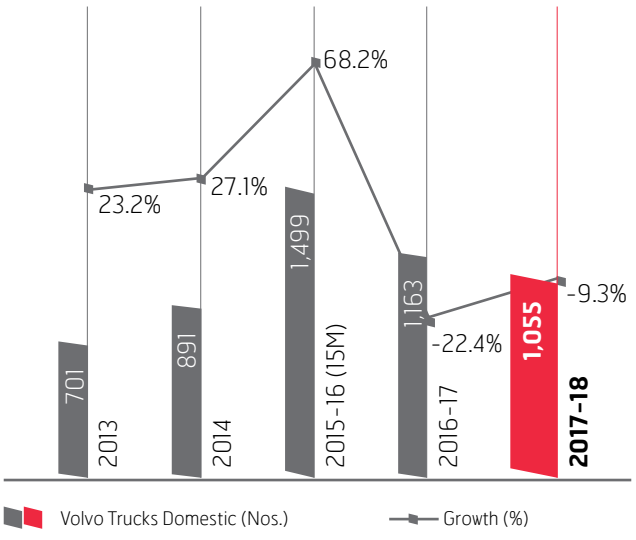


Chart 7: Net Revenue from Operations and Total Comprehensive Income (Consolidated)

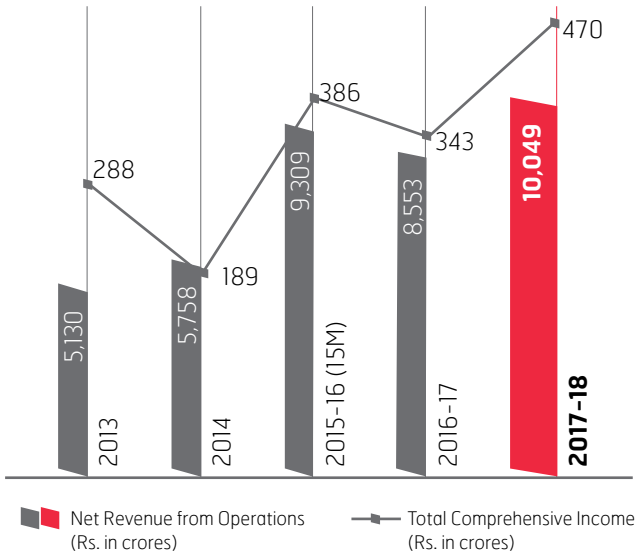
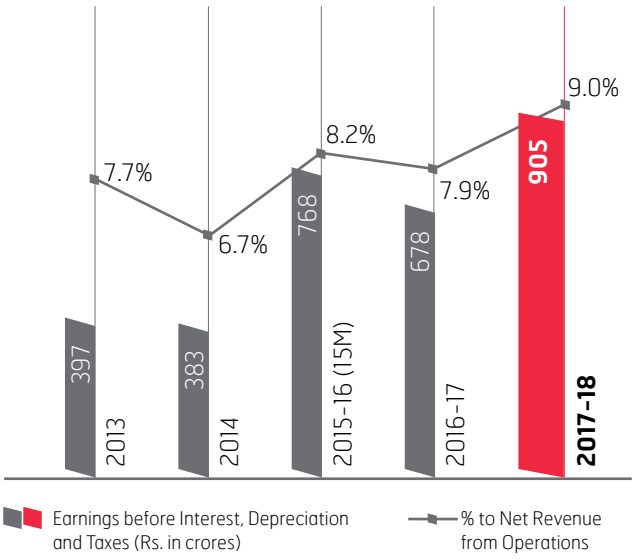


Chart 8: Earnings before Interest, Depreciation and Taxes and percentage to Net Revenue from Operations (Consolidated)



BUSINESS HIGHLIGHTS AND FUTURE PROSPECTS



BRIEF DESCRIPTION OF THE STATE OF COMPANY'S AFFAIRS

The year 2017-18 threw up many challenges and uncertainties to the CV industry, the biggest being the ban of BS-III vehicle sales from April 1, 2018 and GST implementation from July 1, 2018. However, the Company did well to end the year on a high note with highest ever CV sales of 65,932 vehicles with a growth of 12.5% over previous year.

In the domestic market, the Company has sold 56,931 vehicles, a growth of 12.6% from previous year. The Company has achieved highest ever volumes of 13,427 and 9,001 in Heavy Duty trucks and Exports respectively. The Company made significant gains in Pro series with 37% contribution of value trucks in HD sales.

During the year under review, the Company won the following prestigious awards:

- At the Apollo CV Awards 2018, VECV bagged 4 prestigious awards viz., "ICV people mover of the year" for Eicher Skyline Pro 3009L AC, "LCV people mover of the year" for Eicher Starline platform, "MCV cargo carrier of the year" for Eicher Pro 6025 and "Special Application CV of the year" for Volvo Tree Transplanter
- At the World 5th Auto Forum Awards, 2017, VECV bagged "Best marketing and sales function" and "Best finance function" awards
- At the 2nd CII National Awards 2017, VECV won special recognition in 5S excellence and Gold rating in manufacturing category
- VECV was honoured with "Excellence in HR" at the Manufacturing Today Awards 2017
- VECV ETB plant was awarded as "Energy Efficiency Unit" at National Energy Management Awards 2017 organised by CII Hyderabad
- VECV won ET Now HR Leadership Awards 2018 in the Best Talent Management Strategy
- FMX460 6x4 Puller won "HCV of the year" by EPC World and "Best Application Award" by Yellow Dot

BUSINESSES, MARKET AND FUTURE PROSPECTS

Eicher Trucks and Buses (ETB)

CV industry is also called the barometer of the economy. The demand for trucks started improving from second quarter of 2017-18 onwards in line with the upswing in the GDP growth. ETB has achieved highest ever sales of 64,877 units in 2017-18. ETB did very well in all segments during 2017-18 and achieved market share in Light Medium Duty trucks (5-15 Tonne) of 32.2% in 2017-18 as compared to 33.5% in 2016-17 despite intense competition, 4.6% in Heavy Duty trucks, as compared to 4.9% in 2016-17, and 17.1% in Buses as compared to 16.8% in 2016-17. ETB has been focussing on key segments like construction, mining, e-commerce, fruits & vegetables and many more for growth and continues to invest significantly for developing the market in these segments to drive future growth.

ETB plant is continuing its journey to become a world class-CV manufacturer in India. There is a continuous focus on quality

improvement through technology adoption and automation. The new engine assembly line has advanced equipment and the 'Manufacturing Execution System' will further help in improving engine line and assembly shop output. In order to meet market demand, plant capacity has been increased to 84,000 per annum. Productivity improvement measures have resulted into significant enhancement in utilisation of LMD and HD lines and man days per unit over last year. This drive will continue in 2018-19 as well. In 2017-18, Pro 8000 was productionised successfully at Pithampur plant in a record time of 9 months.

Volvo Trucks India (VTI)

High performance trucks sales had a sluggish first quarter due to heavy pre-buying of BS-III trucks in March 2017. Trucks sales gained momentum from second quarter onwards. Overall total industry volume in the financial year 2017-18 registered 1,199 units which is 36% lower than previous financial year total industry volume of 1,865 units. In 2017-18, the Company has sold 1,055 Volvo Trucks and with continued customer-centric approach, retained the leadership position within the 400 plus Horse Power (HP) trucks segment with a significant market share of 88%. The Company has taken new initiative to drive growth projects targeting niche segments in quarrying, road construction, and irrigation with customised solutions which yielded excellent results.

Business environment for high performance trucks in 2017-18 was led by the coal mining as well as new segments stemming from the Government's infrastructure push. Coal India Ltd (CIL) achieved coal production of 567.37 MT with a 2.4% year-on-year growth. Going forward, CIL is targeting 630 MT production in 2018-19 which along with Government push in infrastructure projects could trigger higher demand for high performance trucks.

Eicher Engineering Components (EEC)

At EEC, the Company has made significant progress in sales with global as well as domestic customers including the captive businesses. With the state-of-the-art transmission assembly line set up at EEC, the scope of growth has got significantly enhanced.

The year 2018-19 is likely to witness further growth in business with the OEM customers through focus on increasing the share of business with the customers, development of new parts and assemblies, enhanced manufacturing technologies, productivity and meeting the increased requirements for strategic and export customers. The overall economy (India and US) is also buoyant signalling the overall increase in demand. EEC is expecting the exports business also to grow further based on the projects in hand.

VE Powertrain (VEPT)

VE Powertrain (VEPT) has sold 34,805 engines in the financial year 2017-18 as against 23,711 engines in 2016-17, thus registering a growth of 46.8%. The sale for the period under review includes 23,015 long block engines (previous year 18,663) and 11,790 completely built units (CBU) engines (previous year 5,048). Focussed actions to improve quality resulted in zero defects of delivered long block engines for nine months continuously.

The year 2018-19 is likely to witness further growth in sales of engines. Main growth drivers at VEPT will be increase in supplies of CBU engines for Eicher branded vehicles (BS-IV application) and UD branded vehicles in Thailand (Euro III applications). With relentless cost reduction programmes and high focus on increasing flexibility and agility of the supply chain, VEPT aims to cater all customer requirements.

Bus Body and Application Manufacturing Plant (Bus Body Plant)

Bus Body plant has sold 5,605 buses in India during 2017-18 as against 4,879 buses during 2016-17 with a growth of 15%. This includes 420 buses supplied through a new initiative of mass customisation which has been well accepted in the market. This has helped in opening up a new segment of route permit buses with high total industry volumes (TIV). During 2017-18, the plant productivity has been enhanced with man-days reduction by 10% per bus.

To further boost numbers, major initiative of developing Light and Heavy-duty buses exclusively for the Middle East and Africa markets with a high growth potential is underway. Development of low cost AC buses is in the pipeline as demand for AC buses is increasing with climatic changes. To support the exports initiative, a programme on world-class quality has been undertaken to benchmark the buses with the best in class.

International Business

The Company recorded the highest ever exports of 9,001 Eicher Branded vehicles during 2017-18 as against 8,035 vehicles in 2016-17. The strong growth has been supported by 9% growth in South Asia, 24% in Africa and 134% in Middle East. Apart from growth in Bangladesh, Nepal and Sri Lanka, six other African markets - Ivory Coast, South Africa, Somalia, Malawi, Mauritius and Madagascar registered the best ever sales. This was also supplemented by spare part sales growth of 28% over last year supported by retail network expansion to over 300 outlets in South Asia against 182 in 2016-17.

The CV exports (>5T and above) out of India registered growth of 2.1% over last year largely led by South Asia. Both Middle East and Africa which were relatively subdued on account of low oil prices, forex non-availability and local currency depreciation during first half of 2017-18, gained significantly during the second half of 2017-18. The new generation trucks namely Pro 3000 and Pro 6000 series have been introduced in 7 new markets with extremely good customer feedback. The world-class technology products with modern features are successfully competing with the established brands in these markets.

Entry into ASEAN markets has been initiated with sales starting in the first quarter of 2018-19. The CKD / SKD (Knock down kits) business progressed in two large African markets of Kenya and Nigeria, and setup for assembly operations has been initiated in Bangladesh.

CONSOLIDATED BALANCE SHEET

VE COMMERCIAL VEHICLES LIMITED AS AT MARCH 31, 2018

(Rs. in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
ASSETS		
Non-current assets		
(a) Property, plant and equipment	**1,632.21**	1,554.99
(b) Capital work-in-progress	**96.45**	175.91
(c) Intangible assets	**520.83**	430.45
(d) Intangible assets under development	**238.72**	191.25
(e) Financial assets		
(i) Investments	**0.05**	0.05
(ii) Trade receivables	**1.97**	8.90
(iii) Loans	**2.17**	1.91
(iv) Other financial assets	**34.43**	33.92
(f) Other assets	**203.26**	165.82
Total non-current assets	**2,730.09**	2,563.20
Current assets		
(a) Inventories	**948.99**	662.77
(b) Financial assets		
(i) Trade receivables	**1,392.47**	1,029.61
(ii) Cash and cash equivalents	**345.22**	310.78
(iii) Bank balances other than (ii) above	**1,265.51**	747.32
(iv) Loans	**1.52**	5.69
(v) Other financial assets	**190.56**	124.48
(c) Other assets	**169.06**	281.92
Total current assets	**4,313.33**	3,162.57
Total assets	**7,043.42**	5,725.77
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	**10.00**	10.00
(b) Other equity	**3,233.18**	2,877.62
Total equity	**3,243.18**	2,887.62
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	**6.42**	9.75
(b) Provisions	**160.81**	124.62
(c) Deferred tax liabilities (net)	**42.52**	10.27
(d) Other liabilities	**33.47**	37.54
Total non-current liabilities	**243.22**	182.18
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	**258.74**	204.00
(ii) Trade payables	**2,663.58**	1,941.54
(iii) Other financial liabilities	**265.08**	221.22
(b) Provisions	**91.01**	85.85
(c) Income tax liabilities (net)	**19.07**	10.51
(d) Other liabilities	**259.54**	192.85
Total current liabilities	**3,557.02**	2,655.97
Total liabilities	**3,800.24**	2,838.15
Total equity and liabilities	**7,043.42**	5,725.77

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, 2018

(Rs. in Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME		
Revenue from operations	**10,223.34**	9,262.08
Other income	**82.66**	57.21
Total Income	**10,306.00**	9,319.29
EXPENSES		
Cost of raw materials consumed	**6,328.27**	4,850.50
Purchases of stock-in-trade	**1,324.16**	1,502.73
Change in inventories of finished goods, work-in-progress and stock-in-trade	**(127.40)**	50.42
Excise duty on sale of goods	**173.98**	709.25
Employee benefits expenses	**688.52**	651.25
Finance costs	**16.25**	18.59
Depreciation and amortisation expenses	**322.52**	273.14
Other expenses	**930.32**	819.50
Total expenses	**9,656.62**	8,875.38
Profit before tax	**649.38**	443.91
Tax expense		
Current tax	**151.88**	97.12
Tax adjustment relating to earlier years	**(7.28)**	-
Deferred tax charge/(benefit)	**33.16**	(1.50)
Total tax expense	**177.76**	95.62
Profit for the year	**471.62**	348.29
Other comprehensive income		
Items that will not be reclassified to profit or loss:-		
Re-measurement gains/ (losses) on defined benefit plans	**(2.26)**	(5.31)
Income tax benefit	**0.78**	1.84
	(1.48)	(3.47)
Items that may be reclassified to profit or loss:-		
Exchange differences in translating the financial statements of foreign operations	**(0.39)**	(2.64)
Income tax effect	**0.13**	0.91
	(0.26)	(1.73)
	(1.74)	(5.20)
Total Comprehensive income for the year, net of tax	**469.88**	343.09
Earnings per share (of Rs. 10 each) in Rs.		
Basic/diluted	**471.62**	348.29

CONSOLIDATED CASH FLOW STATEMENT

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	**471.62**	348.29
Adjustments for:		
Current tax	**151.88**	97.12
Minimum alternate tax (MAT) credit entitlement	**(7.28)**	(10.92)
Deferred tax charge/(benefit)	**33.16**	9.42
Depreciation and amortisation expenses	**322.52**	269.70
Profit on sale of property, plant and equipment	**-**	(0.40)
Property, plant and equipment and intangible assets discarded	**6.64**	1.26
Loss on sale of property, plant and equipment	**2.60**	3.98
Exchange fluctuation of subsidiary company transferred to exchange loss pursuant to divestment	**-**	2.00
Exchange differences in translating the financial statements of foreign operations	**(0.39)**	(2.64)
Re-measurement gains/ (losses) on defined benefit plans	**(2.26)**	(5.31)
Profit on divestment of subsidiary company	**-**	(4.31)
Interest income	**(69.19)**	(44.52)
Finance costs	**16.25**	18.59
Operating profit before changes in working capital	**925.55**	682.26
Changes in working capital:		
Adjustments for (increase) / decrease in assets:		
Non-current		
Trade receivables	**6.93**	20.70
Loans	**(0.26)**	(0.31)
Other financial assets	**(0.85)**	(2.96)
Other assets	**(19.22)**	(48.59)
Current		
Inventories	**(286.21)**	31.95
Trade receivables	**(362.85)**	(231.34)
Loans	**4.17**	(3.08)
Other financial assets	**(50.78)**	5.47
Other assets	**112.86**	(2.60)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	**(0.03)**	(16.77)
Provisions	**36.19**	30.18
Other liabilities	**(4.07)**	9.97
Current		
Trade payables	**722.04**	160.40
Provisions	**5.16**	29.85
Other financial liabilities	**52.22**	100.13
Other liabilities	**66.70**	33.88
Cash generated from operating activities	**1,207.55**	799.14
Income taxes paid	**(136.04)**	(94.65)
Net cash flow from operating activities (A)	**1,071.51**	704.49

CONSOLIDATED CASH FLOW STATEMENT

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	**(504.02)**	(374.92)
Sale of fixed assets	**6.76**	6.68
Investment in fixed deposits	**(517.85)**	(707.76)
Interest received	**53.89**	37.36
Net cash flow from investing activities (B)	**(961.22)**	(1,038.64)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in short-term borrowings (net)	**54.74**	140.70
Interest paid	**(16.25)**	(18.59)
Dividend paid	**(95.00)**	-
Tax on dividend	**(19.34)**	-
Net cash flow from financing activities (C)	**(75.85)**	122.11
Net Increase in cash and cash equivalents (A)+(B)+(C)	**34.44**	(212.04)
Cash and cash equivalents at the beginning of the year	**310.78**	522.82
Cash and cash equivalents at the end of the year	**345.22**	310.78

(Rs. in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Components of cash and cash equivalents		
Cash on hand	**0.11**	0.11
Cheques/drafts on hand	**34.67**	19.37
Balances with banks:		
In current accounts	**45.44**	18.08
In deposit accounts	**265.00**	273.22
Total cash and cash equivalents	**345.22**	310.78

NOTICE OF 36TH (THIRTY SIXTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 36th (Thirty Sixth) Annual General Meeting of the members of Eicher Motors Limited is scheduled to be held on Friday, August 10, 2018 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003 at 11:00 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, 2018 together with the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend of Rs. 110/- per equity share for the financial year ended March 31, 2018.

SPECIAL BUSINESS:

3. To consider and ratify remuneration of Cost Auditors payable for the financial year 2017-18:

   In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"), remuneration payable to Mr. V Kalyanaraman, Cost Accountant (Membership No. 778), 4, Second Street, North Gopalapuram, Chennai-600 086, appointed by the Board of Directors as Cost Auditor of the Company to conduct audit of the relevant cost records of the Company for the financial year 2017-18, amounting to Rs. 2,50,000 (Rupees two lac fifty thousand only), plus tax(s) as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby ratified and confirmed."

4. To consider and approve re-classification of certain Promoter and Promoter Group individuals 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 Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any re-enactment(s), modification(s), amendment(s) thereof for the time being in force and other applicable provisions, if any and subject to requisite approvals of the Stock Exchanges and other appropriate statutory authorities, as may be necessary, approval of the members of the Company be and is hereby accorded for re-classification of Mr. Arjun Joshi, Ms. Nihar Joshi and Ms. Shonar Joshi (hereinafter referred to as "Persons Seeking Re-classification"), from "Promoter and Promoter Group" category shareholders to the "Public" category shareholders.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including the officers authorised by the Board in this regard), be and are hereby authorised to take all necessary steps in relation to aforesaid re-classification, to do all such acts, deeds and things as they may, in their absolute discretion deem necessary, to settle any questions, difficulties or doubts that may arise in this regard and to make & submit all requisite applications, representations, filings, undertakings and any other documents, to the Stock Exchanges and other regulatory authorities for their approval, as may be required, in order to give effect to this resolution."

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary
Membership No. FCS 5564

Place: Gurugram, Haryana
Date: May 9, 2018

CIN: L34102DL1982PLC129877
Regd. Off: 3rd Floor-Select Citywalk
A-3 District Centre, Saket
New Delhi – 110 017
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. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE AT A POLL INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETE, STAMPED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) % OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**

3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company in this regard.

4. Corporates/other entities intending to send their respective authorised representative are requested to issue appropriate resolutions/authority, as applicable, authorising such representative to attend and vote at the Annual General Meeting.

5. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain close from August 4, 2018 to August 10, 2018 (both days inclusive).

6. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Board of Directors had fixed August 3, 2018 as cut-off date for determining the Members who shall be entitled to vote through Remote e-voting or voting at the meeting. A person who is not a member as on the cut-off date shall treat this notice for information purpose only.

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

   a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on August 3, 2018;

   b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests lodged with the Company on or before the close of business hours on August 3, 2018.

8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. 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 Dividend for the financial year 2010 (January – December) to the IEPF Authority within the stipulated time period.

   Members who have not encashed their dividend warrants for the financial year 2011 (January – December) and onwards are advised to write to the Registrar immediately for claiming dividends declared by the Company.

   b) During the financial year ended March 31, 2018, the Company has transferred 1,71,518 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 2,340 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") .

   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 - 110 017 in an envelope marked as "Claim for refund from IEPF Authority" for verification. 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.

10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to Company's Registrar i.e. Link Intime India Pvt. Ltd. at 44, 2nd Floor, Community Centre, Narayana Industrial Area, Phase-I, New Delhi - 110 028. Beneficial owners holding shares in electronic form are requested to intimate change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP). To support the "Green Initiative", members are requested to register/update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar along with folio details.

12. Annual Report for the financial year 2017-18 along with the Notice of the 36th 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 Participant(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 2017-18 along with Notice of the 36th Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent by other permissible modes. The process and manner of e-voting is provided under para 19 below.

13. Members may also note that the Notice of the 36th Annual General Meeting and the Annual Report for the financial year 2017-18 is available on the Company's website www.eichermotors.com and on the website of the Registrar www.linkintime.co.in for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during 11:00 A.M. to 5:00 P.M. on any working day (Monday-Friday). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode, free of cost. For any communication, the shareholders may also write to the Company's investor email id: investors@eichermotors.com.

14. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) may write to the Company/Registrar for this facility. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.

15. Guidelines for attending the ensuing Annual General Meeting of the Company:

    a) Entry to the AGM Auditorium will be strictly against entry coupon 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 Licence 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.

16. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the Company between 11:00 A.M. and 5:00 P.M. on all working days (Monday-Friday) up to the date of AGM.

17. Members desirous of obtaining any information/ clarification on the matters provided in the Annual Report are requested to submit their query in writing to Mr. D.S. Mehta, 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.

18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under Section 189 will be made available for inspection by members of the Company at the meeting. Certificate from the Auditors of the Company certifying that Employee Stock Option Plan 2006 is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will also be available for inspection at the meeting.

19. Voting through electronic means:

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management

and Administration) Amendment Rules, 2015 and regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot process shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their voting rights at the meeting through ballot process.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on August 7, 2018 (9:00 A.M.) and ends on August 9, 2018 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 3, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

V. The process and manner for remote e-voting are as under:

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 your email ID is registered and you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL over email. 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 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 along with notice of the AGM.

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.

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.

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.

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 authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to info@rdajuris.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 August 3, 2018.

5. Any person, who acquires shares of the Company and become member of the Company after despatch of the notice and holding shares as of the cut-off date i.e. August 3, 2018, may obtain the login ID and

password by sending a request at evoting@nsdl.co.in and investors@eichermotors.com.

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.

20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot process.

21. Member(s) can choose only one mode of voting, i.e. either remote e-voting or voting through ballot process at the AGM. In case a member casts its vote through both the modes, voting done through remote e-voting shall prevail and voting done at the meeting through ballot process shall be treated as invalid.

22. Mr. Ranjeet Pandey, or in his absence, Mr. Awanish Dwivedi, Partners - M/s RDA & Associates, Company Secretaries shall act as the Scrutiniser(s) to scrutinise the ballot voting and remote e-voting process in a fair and transparent manner.

23. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, through "Ballot Process" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

24. The Scrutiniser 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 scrutiniser's report within the prescribed time of the total votes cast in favour or against, if any, and submit the report to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

25. 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 Scrutinisers' report would be displayed at the registered office of the Company, at the corporate office at 96, Sector 32, Gurugram - 122 001, Haryana and shall be intimated to the Stock Exchanges where securities of the Company are listed, Depositories and Registrar & Share Transfer Agent and will be displayed on the Company's website www.eichermotors.com and NSDL website www.evoting.nsdl.com.

26. 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. 0124-7102968, E-mail: investors@eichermotors.com).

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary
Membership No. FCS 5564

Place: Gurugram, Haryana
Date: May 9, 2018

CIN: L34102DL1982PLC129877
Regd. Off: 3rd Floor-Select Citywalk
A-3 District Centre, Saket
New Delhi – 110 017
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. 3:

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, 2017 approved appointment of Mr. V Kalyanaraman, Cost Accountant, having office at 4, Second Street, North Gopalapuram, Chennai-600 086 to conduct audit of relevant cost records of the Company for the financial year 2017-18. Board of Directors at its meeting held on May 9, 2018, decided to recommend to the shareholders for ratification, payment of remuneration of Rs. 2,50,000/- (Rupees two lac 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 2017-18. The Board therefore seeks shareholders' approval through an Ordinary Resolution as set out under business item no. 3 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. 4:

The Shareholders are informed that pursuant to the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as the "SEBI (LODR) Regulations"], the Company has received a joint application dated December 7, 2017 along with requisite undertakings from Mr. Arjun Joshi, Ms. Nihar Joshi and Ms. Shonar Joshi, members of "Promoter and Promoter Group" of the Company (hereinafter referred to as the "Persons Seeking Re-classification"), for their re-classification as "Public" category shareholders.

The Shareholders are further informed that the aforesaid persons seeking re-classification are the descendants of Ms. Rukmani Joshi (deceased and erstwhile member of Promoter and Promoter Group of the Company). Ms. Rukmani Joshi was holding 3,05,757 (1.12%) equity shares of the Company. After her demise, said 3,05,757 (1.12%) equity shares were transmitted to her three descendants by way of inheritance in equal proportion [i.e. 1,01,919 (0.37%) equity shares each to Mr. Arjun Joshi, Ms. Nihar Joshi and Ms. Shonar Joshi] during the financial year 2017-18.

By virtue of acquisition of aforementioned shares by way of inheritance, Mr. Arjun Joshi, Ms. Shonar Joshi and Ms. Nihar Joshi are considered "Promoters" of the Company, pursuant to the provisions of Regulation 31A(4) of the SEBI (LODR) Regulations. Other than the shares acquired through inheritance, as above, Mr. Arjun Joshi, Ms. Shonar Joshi and Ms. Nihar Joshi are not holding any shares in the Company. Further, prior to such inheritance they did not fall into the definitions of "Promoter" and "Promoter Group" contained in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 i.e. inter-alia, none of them is an immediate relative of any other Promoter(s) of the Company.

Persons seeking re-classification also meet the following conditions prescribed for re-classification under the SEBI (LODR) Regulations:

a) They, directly or indirectly, do not exercise control over the affairs of the Company. They have also confirmed that post-reclassification, they shall not exercise direct or indirect control over the Company;

b) Proposed re-classification is not intended for increasing the level of public shareholding towards achieving compliance with minimum public shareholding requirement under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, and the provisions of SEBI (LODR) Regulations;

c) They, individually, along with their Persons acting in concert (without considering shareholding of other promoters of the Company), do not hold more than 10% of the paid-up equity share capital of the Company;

d) They do not have any special rights in the Company through formal or informal arrangements. There are no existing shareholders' agreements granting special rights to them in the Company;

e) They, individually, including through their immediate relatives, do not hold any key managerial personnel position in the Company;

f) No regulatory action is pending against them.

Pursuant to Regulation 31A of SEBI (LODR) Regulations, 2015, re-classification of a person from "Promoter and Promoter Group" category into "Public" Category requires approval of Board of Directors, Shareholders and the Stock Exchanges. The Board of Directors of the Company at their meeting held on May 9, 2018 has approved aforesaid re-classification and recommended the resolution as set out under business item no. 4 in the Notice of this meeting for approval of the shareholders as an Ordinary Resolution. After shareholders' approval, the Company shall also be seeking requisite approvals of the Stock Exchanges in this regard.

None of the Directors, Key Managerial Personnel or their relatives is/are concerned or interested, financially or otherwise, in the proposed resolution.

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary
Membership No. FCS 5564

Place: Gurugram, Haryana
Date: May 9, 2018

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

DP ID*	Client ID*/ Regd. Folio No.	No. of Shares Held	Name and Address of the Registered Shareholders

I being the registered Shareholder/proxy for the registered Shareholder of the Company hereby record my presence at the 36th ANNUAL GENERAL MEETING of the Company on Friday, August 10, 2018 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003 at 11:00 A.M. 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 - 110 017
Phone: 0124-4415600 Fax: 0124-4415807
Website: www.eichermotors.com, Email: investors@eichermotors.com

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Regd. Address :

Email :

Folio No./DP ID/Client ID :

I/We, being the holder of ..... shares of the above named Company, hereby appoint

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 36th Annual General Meeting of the Company, to be held on Friday, August 10, 2018 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003 at 11:00 A.M. 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, 2018 together with the reports of Board of Directors and the Auditors thereon.

2. To declare a dividend of Rs. 110/- per equity share for the financial year ended March 31, 2018.

Special Business:

3. To consider and ratify remuneration of Cost Auditor payable for financial year 2017-18.

4. To consider and approve re-classification of certain Promoter and Promoter Group individuals of the Company.

Signed this..... day of..... 2018

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 36th Annual General Meeting

Sri Sathya Sai International Centre
Pragati Vihar, Lodhi Road, New Delhi – 110 003
(Landmark: Dayal Singh College / JLN Stadium Metro Station)

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AWARDS



Mr Rudratej (Rudy) Singh - President Royal Enfield receiving the Mint Corporate Strategy Award from Hon. Vice President of India Mr. Venkaiah Naidu

- Royal Enfield won the Hindustan Times - Mint Corporate Strategy Awards.
- Royal Enfield debuted as one of India's top-100 most trusted brands in the ET brand Equity Survey 2017.
- Royal Enfied was awarded by J.D Power, for the highest dealer satisfaction among two-wheeler manufactures.
- Royal Enfield was awarded the AIMA-RK Swamy High Performance Brand Award for 2017.
- Royal Enfield won BrandZ Award for the fastest growing brand in India.



Eicher Motors Limited

Registered Office
3rd Floor-Select Citywalk, A-3 District Center, Saket, New Delhi - 110 017
Tel: (011) 2956 3722

www.eichermotors.com