PURE MOTORCYCLING

CHARTING A PATH TO **THE FUTURE**









EICHER

INTEGRATED ANNUAL REPORT **2021-2022**



PURE SPORT

PURE HERITAGE





PURE DESIGN



PURE EXPERIENCE



PURE ADVENTURE



PURE ENGINEERING

PURE MISSION



PURE ART





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Further online reading

Forward-looking statement

The report makes use of certain statements related to the Company's business operations, industry, objectives, business strategy, management plans and expectations. These forward-looking statements can be denoted by usage of words such as 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'outlook', 'plans', 'will' and other similar words that imply future operating or financial performance of the Company. Since Forward-looking statements are reliant on assumptions, there is a probability of incorrect data or methods with little potential of being fulfilled. These statements are intended to establish our current expectations according to logical assumptions and not act as a guarantee of future outcomes. The Company's actual results could be affected by various factors, risks and uncertainties and could vary materially from the projections indicated by the forward-looking statements. The Company is not under any obligation nor has any intention to update or revise any forward-looking statements in case of future events.

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01

CORPORATE REVIEW

Eicher Motors Limited (EML) is globally acclaimed for consistently raising the bar in fusing world-class engineering with simplicity of design to produce category-defining motorcycles and commercial vehicles. Through the course of an unpredictable 2021-22, the Company continued to maintain razor-sharp focus on its long-term goals and strategic business objectives, as it unveiled several new products, while keeping its sight firmly fixed on creating value for all its stakeholders.

Powering through fast changing urban and consumer contexts, Royal Enfield, EML's flagship brand, steadfastly embraces its enduring heritage of authenticity and purpose. It directs its focus on integrating timeless design with modern technology, reflected in each of its motorcycles, and continues to expand the horizons of Pure Motorcycling with new launches and forays into unchartered territories.

To serve commercial customers in India, EML has created a joint venture Volvo Eicher Commercial Vehicles (VECV) with Sweden's AB Volvo. Known for its innovative technologies and services, this arm of the business is recognised as an industry frontrunner in modernising commercial transportation in India and other developing markets.

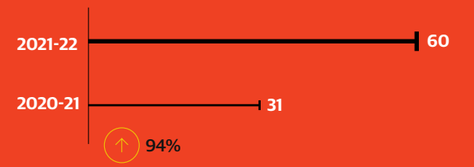
CONSOLIDATED FINANCIAL HIGHLIGHTS

PERIOD OF COMPARISON — *01.04.2021 - 31.03.2022* — *01.04.2020- 31.03.2021*

Revenue from Operations
(Rs. Crores)



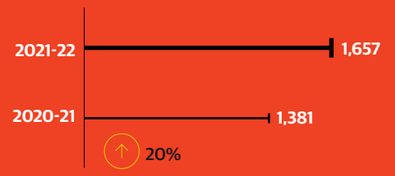
Share of profit of Joint Venture - VECV
(Rs. Crores)



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



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



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











ABOUT THE REPORT

EML is proud to present its Integrated Annual Report for the Financial Year 2021-22. This report is a comprehensive narrative of the Company's continued emphasis on embracing Environment, Social and Governance (ESG) considerations in the value it creates for various stakeholder groups. It highlights the importance accorded to ESG in managing the business and the risks and external changes that influence its sustained growth. In addition, it describes the key resources EML leans on for creating value for all stakeholder and the interdependence among such resources. These resources are organised under six key capitals, viz. Financial, Manufactured, Human, Intellectual, Natural, Social and Relationship.

EML is committed to contributing to the sustainable development of the world and has aligned its business objectives and strategies with the United Nations Sustainable Development Goals (SDGs). Reporting the Company's overall performance thus includes EML's contribution to the SDGs which are relevant to its core business activities and sustainability initiatives.

REPORTING PRINCIPLE

This Report has been developed in accordance with the Integrated Reporting <IR> framework of the International Integrated Reported Council (IIRC) and discloses performance on key performance indicators (KPIs) that are relevant to EML. It also aligns with the core criteria of the Global Reporting Initiative (GRI) and the Business Responsibility and Sustainability Reporting (BRSR) requirements of the Securities and Exchange Board of India (SEBI). Each year, EML's Reporting progresses towards enhanced disclosures to satisfactorily meet the needs of investors and other stakeholders. The financial and statutory data disclosed in the statutory sections of this Report meet the requirements of the Companies Act, 2013 including the rules made thereunder, Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Standards issues by the Institute of Company Secretaries of India, and other applicable regulations.

REPORTING PERIOD

The quantitative and qualitative disclosures in this Report are for the financial year from April 1, 2021 to March 31, 2022.

APPROACH TO MATERIALITY

The contents of this Report and their presentation are based on issues that are material to EML and its stakeholders. Material ESG issues have been arrived at through a robust process of multi-channel engagement with internal and external stakeholders followed by prioritisation of topics of importance. EML updated its ESG related material issues in FY 2020-21 and these have been incorporated in long term planning and strategy development for the Company's growth.

SCOPE AND BOUNDARIES

The scope and reporting boundaries cover EML's Headquarters in Chennai, its 3 domestic manufacturing locations in Thiruvottiyur, Oragadam and Vallam Vadagal as well as its technical centre in Bruntingthorpe, UK. The Company's joint ventures and subsidiaries are excluded from the scope of the Report.

MANAGEMENT RESPONSIBILITY

To ensure governance oversight, risk management and controls, the contents of this Report have been reviewed by EML's senior leadership members.

INDEPENDENT ASSURANCE

Financial statements in this report have been assured by independent auditors, S.R. Batliboi & Co. LLP, Chartered Accountants. Secretarial information has been assured by M/s Shweta Banerjee & Associates, Company Secretaries.

FEEDBACK

We are deeply committed to listening to the feedback and viewpoints of all our stakeholders. Your comments, enquiries and recommendations on all aspects of our sustainability journey are welcome as these help us improve our performance as well as the reporting of the same.

We look forward to hearing from you and invite you to write to us with your feedback, questions and suggestions at **investors@eichermotors.com**

Further details of EML's sustainability performance are available on the corporate website:

www.eichermotors.com



ABOUT EICHER MOTORS LIMITED

Eicher Motors Ltd (EML) (Bloomberg: EIM IN Reuters: EICH.NS) is an Indian, multinational automotive company that has diversified interests in motorcycle and commercial vehicle manufacturing. Listed on the Bombay and National Stock Exchanges, EML is the listed parent company of Royal Enfield, global leader in the middleweight motorcycles segment (250cc - 750cc), and is headquartered in Chennai, India. EML is also a majority stake owner in VE Commercial Vehicles (VECV), a joint venture with Sweden's AB Volvo.

The world's oldest motorcycle brand in continuous production, Royal Enfield has made distinctive motorcycles since 1901. Royal Enfield has pioneered the mid-size motorcycle market in India, and since EML took over the company in the mid-1990s, Royal Enfield has nurtured and grown the market for upgraders with a focused range of modern classic motorcycles across its wide premium distribution network globally. Over the years, Royal Enfield has registered meteoric growth and is a global leader in the mid-size motorcycle segment with presence in over 60 countries across the world. With modern design and technical centers in the UK and India, Royal Enfield designs its motorcycles in the UK and rolls them out of its two, ultra-modern manufacturing facilities in India, supported by adjunct facilities and a global supplier base.

Eicher brand of trucks and buses came to life in 1985 as a challenger to a duopoly in the Indian market. Eicher made huge progress in the Indian CV market which was further bolstered when Volvo came in as an equity partner in 2008. VE Commercial Vehicles Limited (VECV) is a joint venture between EML and Sweden's AB Volvo. It is majority-owned by EML and equally managed by both partners. With access to global technology and processes, VECV is now at the forefront of driving modernisation in the CV market in India and other developing countries. The Eicher brand is now the second largest in the light and medium duty CV market, and is third and gaining in the HD market.



BUSINESS SEGMENT

Performance FY 2021-22

595,474
MOTORCYCLES SOLD

90%
MARKET SHARE IN INDIA'S MID-SIZE (250CC-750CC) MOTORCYCLES SEGMENT



Motorcycles
ROYAL ENFIELD

- World's oldest motorcycle brand in continuous production
- Focussed on mid-sized motorcycles (250 cc - 750 cc)
- Products sold in India and 60+ countries globally through exclusive stores and dealerships

Portfolio

- Motorcycles: Classic 350, Bullet, Himalayan, Intercetor 650, Continental GT 650, Meteor 350, Scram 411
- Apparel (men and women): Protective riding apparel, urban casual wear, and riding accessories
- Motorcycle accessories; protective, functional and style enhancing accessories - including seats, bodywork, controls, wheels, luggage and engine

JOINT VENTURE

Performance FY 2021-212

57,077
COMMERCIAL VEHICLES SOLD

100%
ALL TRUCKS AND BUSES SOLD IN INDIA CONNECTED VIA ADVANCED TELEMATICS

29.3%
MARKET SHARE IN INDIA'S LIGHT & MEDIUM DUTY (3.5 TO 15 TONNES) CV SEGMENT

Commercial Vehicles
VE COMMERCIAL VEHICLES

- Modernising commercial transportation in India and the developing world
- Best-in-class, fuel-efficient trucks and buses with superior uptime and modern industry-first features for driving productivity and profitability
- Leadership in Light and Medium vehicle segment
- CV industry's first state-of-the-art Uptime Centre
- Acquired Volvo India's premium buses segment

Portfolio

- Eicher branded Light & Medium duty trucks (4.9-15 tonnes), Heavy duty trucks (16-55 tonnes) and buses (12-62 seats)
- 100% connected vehicles powered by connected vehicle solution – Eicher LIVE
- Volvo branded trucks and buses
- Engineering components and aggregates
- Medium-duty base engines for Volvo Group's Euro VI requirements

ROYAL ENFIELD : GEOGRAPHIC FOOTPRINT

2,100+
RETAIL OUTLETS IN INDIA

3
STATE-OF-THE-ART, MODERN MANUFACTURING FACILITIES AT ORGADAM AND VALLAM VADAGAL WITH ADJUNCT FACILITIES CONTINUING AT THIRUVOTTIYUR

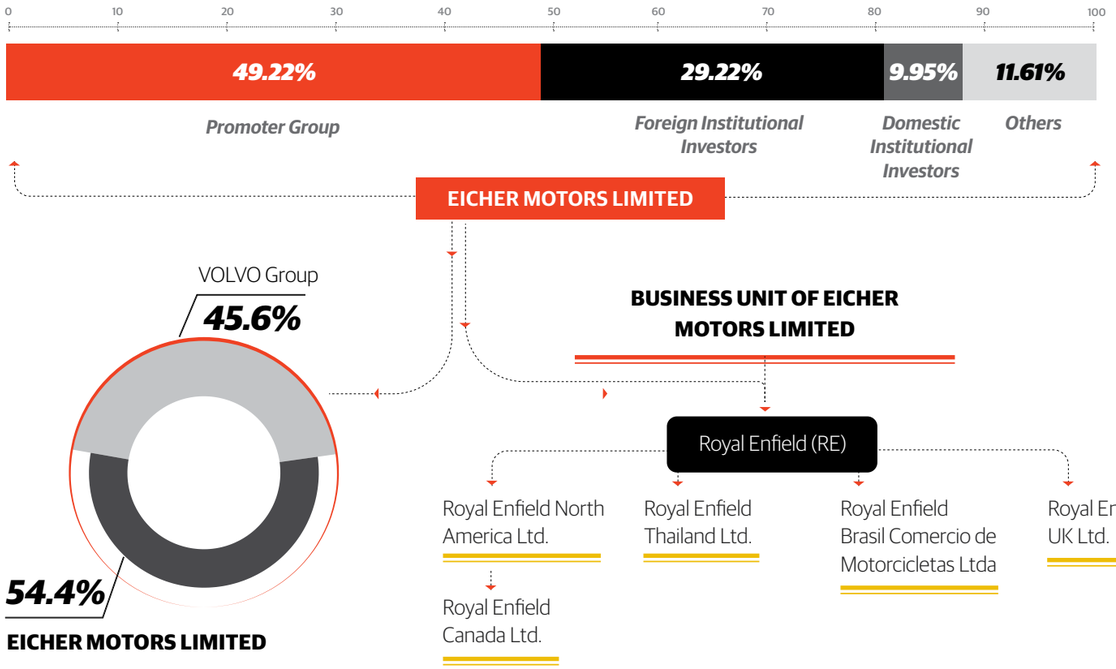
3
COMPLETELY KNOCKED DOWN (CKD) ASSEMBLY LINES IN ARGENTINA, COLOMBIA AND THAILAND

2
TECHNICAL CENTRES
LEICESTERSHIRE, UK
CHENNAI, INDIA

840+ retail outlets across 60+ countries
INCLUDING UK, COLOMBIA, USA, MEXICO, UAE, FRANCE, SPAIN, ITALY, INDONESIA, THAILAND, PHILIPPINES, AUSTRALIA, NEW ZEALAND, PORTUGAL, MALAYSIA, BRAZIL, VIETNAM, SOUTH KOREA, JAPAN AND ARGENTINA

160+
EXCLUSIVE STORES

SHAREHOLDING PATTERN (As on March 31, 2022)



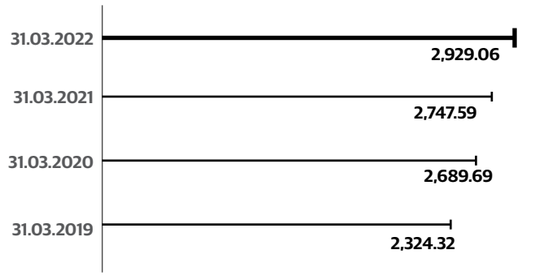
FINANCIAL POSITION – CONSOLIDATED

RS. CRORES

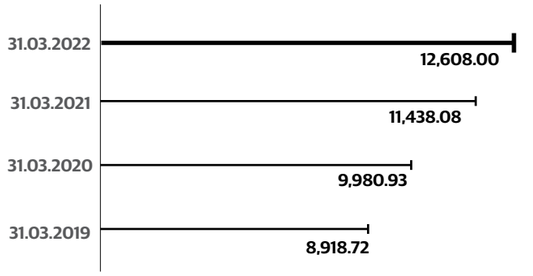
BALANCE SHEET	31.03.2019	31.03.2020	31.03.2021	31.03.2022
Net Fixed Assets (Property plant & equipment,Intangibles, CWIP and Investment Property)*	2,324.32	2,689.69	2,747.59	2,929.06
Investment in joint venture	1,943.92	1,892.05	1,926.21	1,957.94
Investment in mutual funds, bonds & fixed deposits, bill discounting	5,896.60	6,747.70	8,157.0	9,127.69
Other non-current assets	193.49	149.17	176.48	356.7
Current assets				
Inventories	633.38	572.35	874.60	1,132.40
Debtors	84.29	86.76	158.16	302.04
Cash and Bank Balances (excluding fixed deposits)	47.29	59.61	108.38	81.93
Other current assets	263.54	252.39	410.16	313.23
Total assets	**11,386.83**	**12,449.72**	**14,558.61**	**16,200.99**
Equity share capital	27.28	27.30	27.33	27.34
Other equity	8,891.44	9,953.63	11,410.75	12580.66
Net worth	**8,918.72**	**9,980.93**	**11,438.08**	**12,608.00**
Non-current liabilities	370.15	450.21	491.72	609.63
Current liabilities	2,097.96	2,018.58	2,628.81	2,983.36
Total equity and liabilities	**11,386.83**	**12,449.72**	**14,558.61**	**16200.99**
No. of Shares #	27,28,25,700	27,30,45,700	27,33,35,922	27,34,23,102
Book Value per Share (Rs.) #	326.90	365.54	418.46	461.12
Market Value per Share (Rs.) #	2,054.77	1,309.59	2,603.95	2457.15
Market Value to Book Value per Share	6.3:1	3.6:1	6.2:1	5.3:1
Market Capitalisation (Rs. Crores)	56,059.41	35,757.79	71,175.31	67,184.16

* Net Fixed Assets as on 31.03.2022, 31.03.2021, 31.03.2020 includes Right of use assets as per Ind AS 116 effective April 1, 2019.
# The total number of shares, book value per share and market value per share have been computed for all the periods after considering the shares split

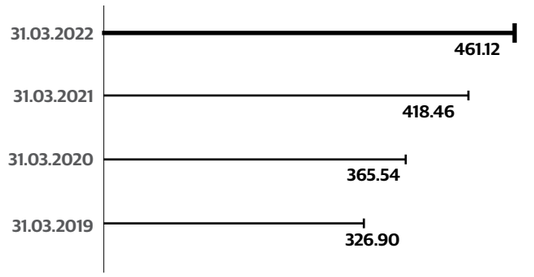
Net Fixed Assets (Rs. Crores)



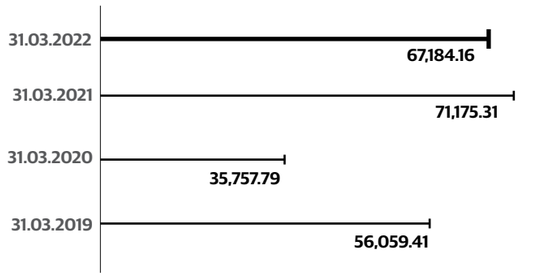
Net worth (Rs. Crores)



Book Value Per Share# (Rs.)



Market Capitalisation (Rs. Crores)

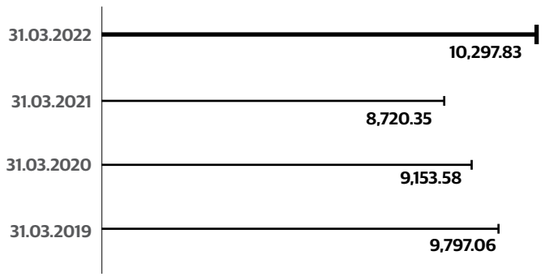


OPERATIONAL HIGHLIGHTS – CONSOLIDATED

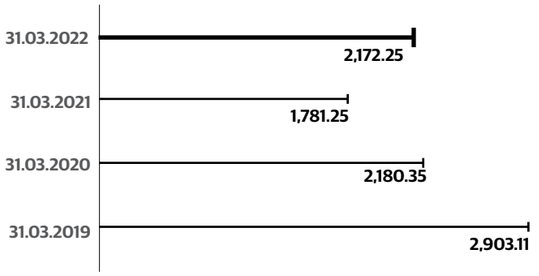
PROFIT AND LOSS ACCOUNT	2018-19	2019-20	2020-21	2021-22
Sales Volume :				
Commercial Vehicles (Nos.)	72,969	48,721	41,268	57,077
Motorcycles (Nos.)	8,22,724	6,97,582	6,09,403	5,95,474
Net Revenue from operations	9,797.06	9,153.58	8,720.35	10,297.83
Manufacturing and other expenses	6,893.95	6,973.23	6,939.10	8,125.58
Earnings before interest, tax, depreciation & amortisation (EBITDA)	**2,903.11**	**2,180.35**	**1781.25**	**2,172.25**
EBITDA to Net Revenue (%)	29.6%	23.8%	20.4%	21.1%
Depreciation & amortisation expense	300.28	381.54	450.73	451.93
Earnings before interest & tax (EBIT)	**2602.83**	**1,798.81**	**1,330.52**	**1,720.32**
EBIT to Net Revenue (%)	**26.6%**	**19.7%**	**15.3%**	**16.7%**
Finance Cost	7.33	18.88	16.45	18.78
Other Income	443.39	543.25	453.19	440.82
Share of profit of joint venture - VECV	258.40	31.71	31.13	60.15
Profit before tax	3,297.29	2,354.89	1,798.39	2,202.51
Provision for taxation	1,077.04	527.45	451.50	525.91
Profit after taxation (PAT)	**2,220.25**	**1,827.44**	**1,346.89**	**1,676.60**
Share of loss of Joint venture from discontinued operation - EPPL*	(17.52)	-	-	
Net Profit after tax	**2,202.73**	**1,827.44**	**1,346.89**	**1676.60**
Other comprehensive income /(expense)	(6.20)	11.18	34.35	-19.16
Total Comprehensive income	**2,196.53**	**1,838.62**	**1,381.24**	**1657.44**
Total Comprehensive income including share of profits from Joint Venture from continuing operation to Net Revenue (%)**	**22.6%**	**20.1%**	**15.8%**	**16.1%**
Basic Earnings per Share (Rs.)#	80.78	66.95	49.30	61.33
Diluted Earnings per Share (Rs.)#	80.69	66.92	49.24	61.26

* The Operations of Eicher Polaris Private Limited was discontinued with effect from March 9, 2018
** Total comprehensive income excludes share of loss of Eicher Polaris Private Limited.
# The basic and diluted earnings per share have been computed for all the periods on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

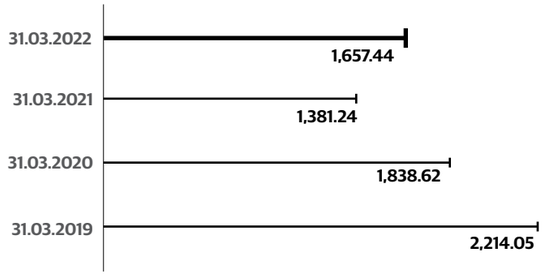
Net Revenue from Operations (Rs. Crores)



EBITDA (Rs. Crores)



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



MESSAGE TO THE SHAREHOLDERS



DESPITE THE CHALLENGES IN THE EXTERNAL ENVIRONMENT, EICHER MOTORS LIMITED RECORDED ITS HIGHEST EVER TOTAL REVENUE FROM OPERATIONS (REFLECTING THE BUSINESS OF ROYAL ENFIELD MOTORCYCLES) AT RS. 10,298 CRORES IN FY22.

Rs. 2,172 crores

EBITDA, UP BY 22.0% IN FY22

Rs. 1,677 crores

PROFIT AFTER TAX, UP BY 24.5% IN FY22

Dear Shareholders,

I hope you and your families are doing well.

As the pandemic continues to wane globally, humanity and businesses have learnt invaluable lessons over the last couple of years, and have also developed skills and competencies to survive and thrive despite the impact of the pandemic. The last couple of years were testing for the industry and for us at Eicher Motors Ltd., but we were able to weather the challenges and have continued to progress on our vision under the able leadership of B Govindarajan at Royal Enfield and Vinod Aggarwal at VE Commercial Vehicles, backed by the resilience and commitment of our teams.

At Eicher Motors Ltd., our clear priority, apart from ensuring the safety and wellbeing of our employees and partners, was to sustain the momentum and the exponential growth and success that we have been able to achieve over the last several years.

In addition to building some of the world's most recognized and awarded personal and commercial transportation solutions, we have successfully worked towards nurturing organizations and cultures that are reflective of our vision, and communities that reflect the guiding philosophies and principles of our brands.

We have significantly grown beyond Indian shores with the expansion of our manufacturing and allied units across the world, growth and global successes of our product portfolio, and expansion of our markets and retail network. We have seen inclusive and comprehensive growth across our businesses in India and in international markets, and across business divisions.

While this success and scale has created exceptional opportunities for us, it has also brought upon us greater responsibilities. We've reflected on our journey as a brand that has withstood the test of time over centuries and took some conscious steps to shape the next stage of growth for the company.

As a niche brand over the years, or as a successful global organization today, we have always stayed true to our core values and have maintained a challenger brand approach. We have remained committed to ensuring better value, and bigger and better pure motorcycling experiences. But in addition to pursuing excellence in productivity and profitability, companies such as ours have always served a greater social purpose. As the global society today tackles an ever-increasing series of environmental, health and geopolitical crises, we stand committed to being part of the solution rather than part of the problem.

As the world urgently evaluates how we can ensure a brighter future for generations to come, it is now clear that we at EML need to recalibrate and renew our mission so that we can continue to make a significant contribution to society – not just as a corporation, but as a force for good. This, combined with our razor sharp business strategy, including key focus areas like electric vehicles both at VECV and Royal Enfield, will fuse together to form a holistic mission for Eicher Motors Ltd.

Our philosophy of Pure Motorcycling has always been about a constant search for balance between man, machine and terrain. Today, in a world out of sync with itself, we must extend this quest to our business – so that we can restore equilibrium between commercial objectives, community goals and the collective ecosystem that we all inhabit; realign our priorities to sit at the intersection of business performance and social purpose

To mark this phase of our evolution, our 2022-25 strategic vision will elevate our greater socio-economic purpose over our business priorities, so we have a singular clarion call to ride towards, as we navigate constantly shifting sands of global commerce. With a strong and robust business model, led by pure motorcycling, we will now adopt a larger purpose to REBALANCE - balance profit and profitability, balance social and commercial objectives, balance the existing product portfolio of internal combustion engines and the future with electric vehicles, balance a strong brand-led customer experience

ROYAL ENFIELD

DESPITE THE CHALLENGES IN THE EXTERNAL ENVIRONMENT, EICHER MOTORS LIMITED RECORDED ITS HIGHEST EVER TOTAL REVENUE FROM OPERATIONS (REFLECTING THE BUSINESS OF ROYAL ENFIELD MOTORCYCLES) AT RS. 10,298 CRORES IN FY22. YOUR COMPANY'S EBITDA WAS RS. 2,172 CRORES, UP BY 22.0% AS COMPARED TO RS. 1,781 CRORES IN FY21, AND PROFIT AFTER TAX WAS RECORDED AT RS. 1,677 CRORES, UP BY 24.5% AS COMPARED TO RS. 1,347 CRORES FOR THE SAME PERIOD LAST YEAR- UNDERSCORING OUR STRONG BUSINESS FUNDAMENTALS THAT HAVE SEEN US THROUGH TWO YEARS OF PANDEMIC INDUCED UNCERTAINTIES.

This year, we made concerted efforts towards becoming a premium, global player - with an ambition to sustainably grow our overseas presence and business, and with a focus on some of the toughest motorcycle markets in the world. I am happy to state that we recorded tremendous success on this front over the last year.

Our international business focus has been driven by our long-term strategy - a carefully mapped approach wherein the intent has been not merely to grow retail presence, but to actually create a brand-led pure motorcycling ecosystem within markets.

Over the last few years, we have sharply focused on growing strong and empowered teams in global markets in addition to growing our infrastructure capabilities. We have invested hugely in growing our distributor and retail network, strategically setting up subsidiaries and assembly units and optimizing supply chain infrastructure in critical geographies. From the approach of single store in a nodal city,we today have over 160 exclusive stores and more than 675 multi-brand outlets with unique retail identity, in over 60 countries around the world.

We now have greater collaboration with distributors, with many of them willing to partner with us across entire regions. Understanding the criticality of building greater accessibility and time to market, we set up assembly units in Thailand and Colombia this year, in addition to Argentina, with plans to set up one more in Brazil.

Over and above building world-class motorcycles targeted at global motorcycling enthusiasts, we have sharply focused on increasing brand awareness and resonance, and have nurtured distinct riding cultures and communities.

Our carefully crafted strategy in international markets has borne excellent results as we recorded a more than 100% year-on-year increase in export volumes. Today, over 12% of our overall volumes come from international markets, and Royal Enfield ranks among the top-3 best selling brands in the mid-size segment in markets like Europe, New Zealand, and Thailand, over and above leading the Indian mid-segment market.

As we continue our strategic focus in global markets, we strongly believe that our journey has only just begun; our international business is at an inflection point. Our understanding of these markets and consumers gives us the confidence that there is considerable headroom for sustained growth in the future.

At home in India, we continue to define the middleweight segment, and perform consistently as compared to the industry.

DESPITE STRONG MACROECONOMIC HEADWINDS AND CONSIDERABLE SUPPLY CHAIN CHALLENGES BECAUSE OF PARTS SHORTAGE, WE HAVE MAINTAINED A STEADY MARKET SHARE OF 5.8% IN THE OVERALL MOTORCYCLE SEGMENT, AND CLOSED Q4 AT 7%. WE INCREASED OUR MARKET SHARE IN THE MORE THAN 125CC SEGMENT BY 2.8% DURING THE YEAR, TO 28.7%, AS WE CONTINUE TO DOMINATE THE SEGMENT ABOVE 250CC SEGMENT WITH AROUND 90% MARKET SHARE. OUR PREMIUM DOMESTIC DEALER NETWORK DURING THE YEAR EXPANDED TO OVER 2100 RETAIL TOUCHPOINTS, AS WE CONTINUE TO GROW WHAT IS THE MOST PREMIUM GLOBAL DISTRIBUTION NETWORK IN THE SEGMENT.

As the overall supply chain seems to be stabilizing, there is a sharp increase in inflation and interest rates. Despite this, in a market driven by aspiration and premiumization, we strongly believe that our distinct, world-class product portfolio combined with strong brand resonance will help us further grow.

This year,we re-envisioned our most loved and iconic motorcycle, the Classic, with the launch of the all-new Royal Enfield Classic 350. The Classic has been a huge catalyst in growing and expanding the middleweight segment across the globe, while also being instrumental in unlocking a thriving sub-culture of leisure riding among young and experienced riders across the world. The all-new Classic 350 carries forward this legacy, and is built to reflect the familiar timeless design language, with a completely modern and reimagined ride experience. Retaining the retro appeal in entirety, the new Classic 350 aims to take the legacy of its predecessor forward. Since its launch, the motorcycle has won a slew of awards across diverse geographies. We believe that the all new Classic 350 will galvanize the riding spirit amongst modern riders and redefine the mid-size motorcycling segment globally.

Creating niche riding cultures has been a key focus for us. With the Himalayan we were able to successfully build a unique subculture of accessible adventure touring across global communities. Its pure and unique design and well-rounded capability, made it among Royal Enfield's best selling motorcycles across the world. Cementing that proposition and in an effort to further build in-roads into the adventure category, we launched a new subspecies - the Scram 411, our first ADV crossover motorcycle this year. The Scram 411 is a capable street scrambler, with the heart of an adventure motorcycle. We believe the Scram 411 will unlock a new segment of riders for us.

To further catalyse the growth of motorcycling subcultures, we marked our maiden foray into motorsports this year, with the first edition of the **Continental GT Cup 2021.** The GT Cup sits at the intersection of increasing interest in motorcycle track racing, and the need for accessible forms of racing and training in India. The first racing season was completed to resounding response from young racers across India. To further encourage young motorsports talent in the country, we intend to introduce racetrack schools with an intent to provide professional training access to eager enthusiasts.

At the EICMA Motor Show this year, we unveiled a stunning new concept motorcycle - the Royal Enfield **SG650 Concept.** The motorcycle is a glimpse into our engineering and contemporary design prowess, while being truly representative of our rich legacy of custom motorcycles. A neo-retro interpretation that pushes the boundaries of what a Royal Enfield motorcycle could look like, the SG650 was hugely appreciated at the global motor show held in Milan.

As Royal Enfield completed 120 years in 2021, we also showcased a major centerpiece of our anniversary celebration at the EICMA, with the unveiling of 'Project Origin', a faithful working replica of the brand's very first 'motor-bicycle'. This was the very machine that built the foundations upon which we have created the enduring legacy of pure motorcycling.

The enduring 120-year old legacy of the brand is nothing without the community, and so to pay an ode to all Enfielders who've dared to explore beyond the ordinary, the company undertook 90° South - a first-of-its-kind motorcycle expedition that dared to go where no brand has gone before - the South Pole. We successfully completed this quest on December 16 last year, as two of our riders reached the geographic South Pole after an arduous, but historical 15-day ride from the Ross Ice Shelf.

In commemoration of 120 years of pure motorcycling, we also launched special Anniversary Edition models of the Interceptor and Continental GT 650 motorcycles. With a stunning black-chrome colour scheme and hand-made brass tank badges, these motorcycles were unveiled at EICMA with an exclusive, limited run of just 480 units for global markets. We also launched an exclusive range of bespoke, limited-edition helmets, consisting of 12 designs - one for each decade of the brand's legacy.

Royal Enfield has been committed and making consistent efforts to foster a pure motorcycling ecosystem for enthusiasts globally. Our robust plans for both apparel and accessories business continue to enable options for self expression and personalization for our consumers and yield impressive business results for the company. In 2021, our focused initiatives resulted in a 45% year-on-year growth in our non-motorcycling business backed by razor sharp focus on growing service and spares business, as well as our motorcycle apparel and accessories business.

As we move forward, we remain focused on creating a strong business vision, a robust product portfolio and experiences that stay true to our philosophy of pure motorcycling and also tie back into our larger mission to REBALANCE.

VECV

Despite the challenges posed by two waves of the Covid pandemic, supply chain disruptions caused by lockdowns and the situation in Ukraine, VECV registered handsome growth both in volumes as well as total income. Sales of our trucks and buses grew by 38.3% to 57,077 units during FY22. Despite the pandemic, we also brought on-line the Industry 4.0 compliant Bhopal Plant with a total capacity of 40000 vehicles per annum.

VECV also continued on our journey to become a whole-hearted customer-centric organization - something we started in 2018. Customer- centricity is taking deep roots within VECV and we note initial recognition by our customers and dealers as demonstrated by being Ranked No.1 in Dealer Satisfaction Survey 2021 by the Federation of Automobile Dealer Associations, India. We treat this as just the beginning and it remains our constant endeavor to consistently keep improving our partnership with dealers and customers and to set new benchmarks in the industry. Our initiatives of Retail Excellence, Uptime, Network development backed by a strong industry infrastructure, a strong product line up, and an efficient digital backbone provides us with a strong foundation in our journey towards being a truly customer-centric organization.

As part of our quest of becoming an Uptime company and No.1 in customer satisfaction we have also focused on creating a very agile and efficient dealer network. Last year alone we added close to 150 new touch points with state-of-the-art facilities for enhanced customer experience across the country. Majority of our workshops are now Uptime Certified delivering remote diagnostics and predictive maintenance to our 100% connected truck and bus fleet by linking these in real-time to our Uptime Center.

VECV is also happy to share that digitalization has taken firm roots within the company with the industry leading My Eicher App launch in FY22 being the latest in a series of initiatives being taken.

We continued to have a granular and immersive go to market approach with the introduction of several new products in different segments. To address the growing demand of CNG trucks we launched India's biggest CNG truck, Pro 2114XP and industry's first 11.5T GVW CNG truck- Pro 2095XP 'PLUS' CNG. We also created a new segment with the first 17.5TGVW truck, Pro 3015XP, a hallmark of our customer centric product planning. First fruits or synergy with Volvo Bus were delivered with Eicher front engine Intercity Coach and Sleeper buses.

We also successfully launched the all new range of Volvo Trucks' of FM & FMX Range. These new range of trucks have the most modern features optimally designed to push the limits of productivity and uptime.

And just as the financial year was ending, we received further recognition that our Volvo 9400 B8R won Coach of the Year, Eicher Skyline Pro Staff 3010 L CNG won the L&ICV People Hover of the Year and Eicher Pro 2114XP CNG has won both the ICV Cargo Carrier of the Year, and the Apollo CV of the Year

I am also happy to share that VECV is accelerating focus on Electric Vehicles and alternate fuels. We have won our first tender for electric buses from the prestigious City of Chandigarh and this transformation towards sustainable operations and products will continue as part of our roadmap to protect the world for future generations.

Above all, appreciable efforts are being made to bring down cost and improving value delivered to our customers in the face of a fiercely competitive market. This has resulted in excellent performance whereby we have been the only major Indian CV manufacturer to remain profitable through the pandemic and as well as improve our customer and dealer satisfaction scores. We also continue to expand our footprint in international markets and in FY 22 achieved highest ever sales in Africa and Middle East while also adding new export markets. We have also recorded performances in our components (EEC) and Non-Automotive Engine Business.

All signs indicate that the Indian economy and CV industry will grow at a rapid pace in the coming few years. Based on the strong foundation, high degree of customer-orientation, and excellent execution VECV is well positioned to realize our vision to be recognized as the Industry Leader driving modernization in commercial transportation in India and the developing world.

Looking ahead we are committed to take forward our journey of making VECV a customer- centric organization with consistent progress in network development, retail excellence, superior uptime, and digitalization initiatives. We are also gearing up for the future by addressing sustainability in all aspects of our business and evolving the right products, services, business models, people and capabilities

LOOKING AHEAD

We introduced our first Integrated Report last year on the back of renewed commitment to focus on Environment, Social and Governance (ESG) performance parameters. Over the last few years, we have not only established a strong and resilient business model, but also made critical strides to deliver positive results towards our ESG vision. In recognition of these efforts, Dow Jones ranked EML as one among only ten global automotive companies to feature on its elite list of Dow Jones Sustainability Indices 2021 (DJSI) in the Emerging Markets category. Also in December last year, Royal Enfield was recognized with the 'Challengers Award' in the Mega Large Automotive Business category at the Frost & Sullivan and TERI Sustainability 4.0 Awards 2021.

Moving forward we will continue to sharpen our overarching Environmental, Social and Governance (ESG) vision with a firm focus on REBALANCE. All aspects of business at EML will be developed and driven with REBalance at its very heart.

We will continue our efforts to create motorcycles that are loved and revered by motorcycling enthusiasts across the world. Our electric vehicle plans will form a critical part of our product development process moving forward, while we continue our work on the internal combustion engine offerings. Our focus on EV will be driven by our ethos of creating modern classic motorcycles accessible and appealing to consumers of today.

Riding ahead towards new horizons and challenges, I am confident that our teams will power the Company on this new journey as we realize the long term market potential for both Royal Enfield and VECV. At Royal Enfield, we are at the cusp of incrementally scaling up our international business, and turning a new chapter in India as well. To further fuel this plan in a strategic direction, we have created a new empowered, multicultural, cross-functional management team structure that will work with Govindarajan and me to push forward on the next growth journey.

EML draws its success from its numerous stakeholders including its people, business partners, and communities. I would like to extend my sincere gratitude to each and every one of them and their families for their support and faith and for always inspiring us to step up to challenges and explore our potential to scale newer heights.

Thank you

Siddhartha Lal
Managing Director
Eicher Motors Limited

PURE MOTORCYCLING



We keep riding pure. We just love the feeling of riding out on an Enfield, plain and simple, and our purpose is to preserve that feeling. While the world moves fast, we go at our own pace, living the moment, riding further, going deeper. We're the guardians of what's authentic and real, for people who are trying to explore and discover themselves. We have covered a lot of ground over the last 120 years, And we'll keep riding for a while yet. Filling a rider's life with real, authentic experiences is what we call pure motorcycling.

PURE

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

MOTORCYCLING

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

THE OLDEST MOTORCYCLE BRAND

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.



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



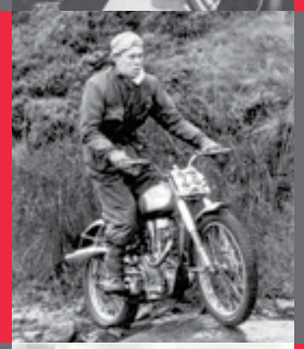
1932
The legendary "Bullet" motorcycle is born. It is first displayed in November 1932 at the important Earls Court Motorcycle Show in London. Three versions: 250, 350 and 500cc are available with inclined 'sloper' engines, twin-ported cylinder heads, foot operated gear change and high compression pistons.



1943
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 paratroopers behind enemy lines.



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



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 Day Trial' on his 350cc Bullet, 'HNP 331'.



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



1964
The iconic Continental GT café racer is launched to great acclaim. To showcase its endurance, a team of photojournalists ride it from John 'o Groats to Lands End in under 24 hours. The GT features a racing petrol tank, clip-on handlebars, rear sets, a humped race seat, rev counter and a swept-back exhaust.



IN CONTINUOUS PRODUCTION

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



2008
The 500cc Unit Construction Engine (UCE) is launched in India. The retro-styled Classic version achieves cult status immediately and sales grow rapidly.



2013
The first Royal Enfield motorcycle rolls out of the new Oragadam plant near Chennai. In the same year, Royal Enfield rolls out the all new Continental GT, a motorcycle built on a new cradle frame chassis that is, through and through, a café racer.



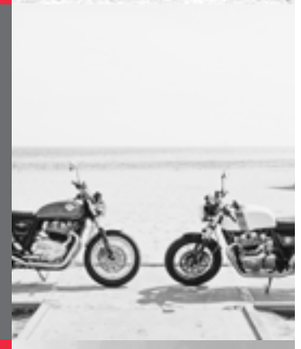
2016
Royal Enfield debuts its first purpose-built motorcycle, the Himalayan. With the all-new LS410 engine, a half-duplex split-cradle frame and steadfast suspension, it promises the ride of a lifetime on all roads and no roads.



2017
Production commences at Royal Enfield's third manufacturing facility - a new state-of-the-art factory at Vallam Vadagal, Chennai.



2018
After premiering at EICMA 2017, Royal Enfield's most anticipated motorcycles, the 650 Twins - Interceptor & Continental GT are launched across all global markets to rave reviews scalping two prestigious awards - 'The Indian Motorcycle of the Year' & 'The Thailand Bike of the Year.'



2020
Royal Enfield debuts the all-new Meteor 350, a class-leading, thoroughbred cruiser. With an all new ground-up engine and chassis, the motorcycle delivers a supreme riding experience on open highways and is sublime for city rides.



2021
In its 120th year, Royal Enfield re-envisioned its iconic motorcycle, the Classic, with the launch of the All-New Royal Enfield Classic 350. The motorcycle adds a new chapter to Royal Enfield's legacy of building authentic post-war era British motorcycles that are loved by enthusiasts around the world.



QUARTERLY HIGHLIGHTS

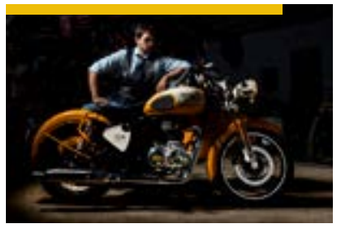
Q1
APR'21 – JUNE'21

#TIMELESSCLASSIC CAMPAIGN TO CELEBRATE THE SPIRIT OF PURE MOTORCYCLING.

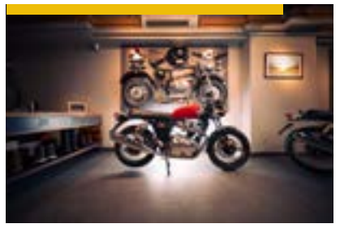
Royal Enfield rolled out the #TimelessClassic campaign in June 2021, to celebrate the spirit of Pure Motorcycling. Run across the brand's social media handles on Facebook and Instagram, the campaign attracted nearly 5000 entries and brought thousands together to reminisce their favourite moments with the iconic motorcycle.

ROYAL ENFIELD ANNOUNCED INR 20 CRORES FOR INDIA'S FIGHT AGAINST COVID-19

Royal Enfield demonstrated its commitment to aid India's fight against COVID-19 pandemic by committing INR 20 crores to build long term medical infrastructure, aid remote and rural communities, and enable local administrations with immediate response measures. This contribution is in addition to INR 50 crores committed by the Eicher Group in the last financial year.







SUPPORT FOR COVID-19 RELIEF IN TAMIL NADU

Royal Enfield provided INR 2 crores towards relief for those affected by COVID-19 by contributing to the Tamil Nadu Disaster Relief Fund. This contribution was accompanied by several support initiatives that the Company rolled out in order to help communities in distress.

ROYAL ENFIELD COMMENCES OPERATIONS IN SINGAPORE

Royal Enfield commenced operations in Singapore with a new flagship store in Ubi Road. The store showcases the entire range of Royal Enfield motorcycles, including the RE Interceptor 650, Continental GT 650, Himalayan, and the Classic.

ROYAL ENFIELD COLLABORATED WITH BELSTAFF FOR EXCLUSIVE 120TH ANNIVERSARY APPAREL

Royal Enfield and Belstaff, both iconic brands and dedicated to furthering the experience of pure motorcycling, jointly presented the exclusive range of Capsule apparel to celebrate Royal Enfield's 120th anniversary. The centre piece of the collection is the limited edition Royal Enfield x Belstaff waxed jackets - Trialmaster jacket and the Brooklands armoured motorcycle jacket. Every jacket is styled with a special commemorative "Royal Enfield 120-year Anniversary" patch on the right-hand sleeve and an additional "Limited Edition" riveted metal plaque on the inside zip. With a run of only 500 jackets each in Belstaff's 'Classic Black' colourway, each piece is truly a collector's item.

Q2
JULY'21 – SEP'21

ROYAL ENFIELD ANNOUNCES NEW CKD FACILITY IN COLOMBIA

Royal Enfield opened a Completely Knocked Down (CKD) assembly plant in Colombia, its second assembly facility outside India, after Argentina. Based at its partner Colombiana de Comercio's facility located in Envigado, Antioquia, the facility is a testament to Royal Enfield's commitment to the market and is in line with the company's long-term focus and growing confidence in the region.

ROYAL ENFIELD ONE RIDE 2021

Royal Enfield organized the 10th edition of One Ride, one of the world's largest curated single-day rides spanning 35 countries on September 26, 2021. Aligning with the theme of #LeaveEveryPlaceBetter, Royal Enfield partnered with civil society organisations like Saahas, Waste Warriors, Human matrix and Wildlife Conservation & Birds Club in India to flag off its journey towards becoming zero-waste on its rides and events.

ALL NEW CLASSIC 350 LAUNCHED

Royal Enfield launched the All- New Royal Enfield Classic 350. Built ground-up on Royal Enfield's modern J-series engine and an all-new chassis, the Classic 350 is retro-styled with all the elements of a contemporary motorcycle, meets modern aspirations and provides a superlative ride experience.

ROYAL ENFIELD LAUNCHES 120TH ANNIVERSARY LIMITED EDITION HELMETS

As part of its 120th anniversary celebrations, Royal Enfield unveiled an exclusive range of limited edition helmets. Comprising 12 hand painted designs, each represents a decade of the brand's 120 year legacy and offers customers an opportunity to own a piece of Royal Enfield's history.





DEBUT OF THE ROYAL ENFIELD CONTINENTAL GT CUP 2021

Royal Enfield conducted the inaugural Royal Enfield Continental GT Cup 2021, a unique retro track-racing initiative that aims to facilitate entry into track racing for new entrants as well as experienced racers. It also drives Royal Enfield's larger purpose of nurturing motorcycling sub-cultures and communities. Ridden on a minimally modified Royal Enfield Continental GT-R650, this championship offered young and aspiring riders a new avenue to showcase and hone their racing skills. The event elicited a phenomenal response from the two-wheeler racing community and saw a participation of top riding enthusiasts from across India.





ROYAL ENFIELD AND TCX LAUNCH A RANGE OF CE CERTIFIED PROTECTIVE RIDING AND LIFESTYLE SHOES

Reiterating its commitment to riders' safety, Royal Enfield partnered with TCX to launch an exclusive range of accessible riding and lifestyle shoes. Royal Enfield has always kept safety of its riders at the forefront and by partnering with TCX the brand aims at bringing an exclusive range of accessible riding and lifestyle shoes that have passed stringent safety tests and meet global safety norms to provide riders a safe and enhanced riding experience.

QUARTERLY HIGHLIGHTS

Q3

OCT'21 - DEC'21

ROYAL ENFIELD LEADS MOTORCYCLE EXPEDITION TO THE SOUTH POLE

Celebrating 120 years of pure motorcycling culture and the courage and resilience of innumerable riders, Royal Enfield's 90° SOUTH - Quest for the Pole, pushed the boundaries of motorcycling possibilities with an expedition on the Royal Enfield Himalayan to the geographic South Pole. The riders and their motorcycles powered through extreme climatic conditions and terrain to reach their destination, all the while ensuring a minimal environmental footprint in keeping with the brand's #LeaveEveryPlaceBetter initiative.





ROYAL ENFIELD UNVEILS SG 650 CONCEPT MOTORCYCLE

In line with its endeavour to be a global leader in the middleweight motorcycle segment (250cc - 750cc), Royal Enfield opened its showcase offering at EICMA 2021 with the Royal Enfield SG650 Concept motorcycle, a machine that embodies the tradition and timeless aspects of Royal Enfield and its transition through changing urban contexts and consumer tastes. The SG 650 Concept is an expression of what Royal Enfield machines could look like in the future.



ROYAL ENFIELD'S NEW LAUNCH EVENT CREATES GUINNESS WORLD RECORD

On 1st September 2021, Royal Enfield made a new Guinness World Record as 19,564 viewers witnessed the launch of the all-new Classic 350 on YouTube in a half -hour period. This exceeded the previous such record of 13,779 viewers .While the cumulative viewership of the broadcast ran into lakhs, the concurrent peak viewership has been certified as a new high by Guinness World Records.

LAUNCH OF 120TH ANNIVERSARY EDITION OF 650 TWIN MOTORCYCLES

Commemorating its 120th anniversary, Royal Enfield unveiled the Anniversary Edition of the popular 650 Twin motorcycles, the Interceptor INT 650 and the Continental GT 650, at EICMA 2021. Of the total of 480 units produced, 60 units of each model were made available for India, Europe, Americas and South-East Asia, giving global enthusiasts a unique opportunity to own a piece of motorcycling history. The motorcycles received an incredible response in India as well as Europe and were sold out in under 120 seconds.



ROYAL ENFIELD DEBUTS ON THE DOW JONES SUSTAINABILITY INDEX 2021, EMERGING MARKETS CATEGORY

EML made its debut on the Emerging Markets Category of the Dow Jones Sustainability Indices (DJSI). The Company featured as one of ten global automotive companies and one of three Indian automobile manufacturers on the list for 2021. With more than 100% year-on-year improvement in its score, EML ranked at an overall 8th position in the list of sustainability leaders in emerging markets.

ROYAL ENFIELD UNVEILS PROJECT ORIGIN

As a part of its 120th anniversary celebrations, Royal Enfield showcased Project Origin, a faithful working replica of the brand's very first 'motor-bicycle'. This was the very machine that built the foundations upon which Royal Enfield has based their enduring legacy of 'Pure Motorcycling'. The brand's famous tagline, 'Since 1901' pays testament to just how important the concept of heritage and embracing the richness of the past is to Royal Enfield, and 'Project Origin' embodies this sentiment wholeheartedly.

ROYAL ENFIELD COMMENCES CKD OPERATIONS IN THAILAND

Reiterating its commitment to global expansion and to the Asia Pacific Region, Royal Enfield commenced operations of its exclusive Local Assembly Unit and CKD facility in Thailand, a major automotive hub in the region . The unit is set up in partnership with GPX and is Royal Enfield's third such operation outside India

QUARTERLY HIGHLIGHTS

Q4

JAN'22 - MAR'22





ROYAL ENFIELD CONCLUDES ARTOFMOTORCYCLING SEASON II CAMPAIGN IN INDIA

Royal Enfield concluded the second edition of its designing platform – ArtofMotorcycling, which was conceptualised to fuel creativity amongst artists, creators and motorcycling enthusiasts. With 15,000 registrations, a 50% jump over the first year, the event has seen phenomenal growth. The winners were hand-picked by renowned jury members- Leading fashion designers Shantanu and Nikhil, Celebrated Illustrator Vimal Chandran and Ace Photographer Bobby Joshi and Royal Enfield's community.

ROYAL ENFIELD LAUNCHES THE SCRAM 411 ADV CROSSOVER

Scram 411, Royal Enfield's first ADV crossover, was launched in March 2022. The new Scram 411 offers an engaging, accessible street scrambling experience as well as the capability for rough-roading. It is built on Royal Enfield's proven LS-410 engine platform and the Harris Performance chassis. It will be available in Europe and the Asia Pacific region by mid-2022 and subsequently in the Americas. piece of Royal Enfield's history.

BSF SEEMA BHAWANI FELICITATED AT ROYAL ENFIELD VALLAM VADAGAL FACILITY IN CHENNAI

The BSF Seema Bhawani Shaurya Expedition Empowerment Ride – 2022, a collaboration between Royal Enfield and the Border Security Force, highlighted the message of women's empowerment, and their achievements. The expedition comprised 36 women riders among others and concluded a challenging 5,280-km ride from New Delhi to Kanyakumari to Chennai. It was flagged off on International Women's Day on 8 March 2022 and concluded successfully on March 29, 2022. The team was felicitated by Royal Enfield at its Vallam Vadagal facility near Chennai..



ROYAL ENFIELD RIDES WITH HELMETS FOR INDIA

Royal Enfield partnered with 'Helmets For India', a not-for-profit, creative initiative to bring about a positive change in the mass perception of wearing a helmet and improving road safety in the country. This collaboration will unlock the potential of a widespread and passionate Royal Enfield ecosystem - unified community, expansive retail network etc - for Helmets For India and will allow the initiative a larger canvas to mobilise influential voices and inspire action towards the cause.

PURE DESIGN





MADE LIKE A GUN SINCE 1901

120 YEARS OF PURE MOTORCYCLING

From humble beginnings at the Redditch factory in 1901, Royal Enfield, the oldest motorcycle brand in continuous production, has been a preserver of the legacy of building simple, pared-down, authentic classic motorcycles. Holding true to an uncomplicated design philosophy that propounds purposeful longevity, Royal Enfield has spent more than a century traversing some of the toughest terrains in the world, and creating memorable experiences and legendary tales.

Continuing on this journey of being fiercely unique, and riding ahead with undeterred grit and resilience, Royal Enfield celebrated its 120 years anniversary in 2021, with several initiatives across the globe.

90° SOUTH: PUSHING THE BOUNDARIES OF MOTORCYCLING POSSIBILITIES

As a celebration of the brand's pursuit of pure motorcycling over 120 years, and as a tribute to the courage and resilience of innumerable riders who have made history with their motorcycling journeys, Royal Enfield undertook an audacious motorcycling expedition to the South Pole in December 2021.

90° South - A Quest for the Pole was conceptualized as an attempt to test the resilience and endurance of man and machine, as two Royal Enfield Himalayan motorcycles were ridden from the Ross Ice Shelf, over a compacted snow track, all the way to the geographic South Pole. The success of this monumental effort stands testimony to Royal Enfield's commitment to pure motorcycling and the resilience of the human spirit.
From Novo, Antarctica, Santhosh Vijay Kumar and Dean Coxson traversed 3,200 kms to reach 87° South, the designated starting point for the expedition. From there, the expedition team powered their way for more than 400 kms through polar terrain and extreme climatic conditions, on their Royal Enfield Himalayans, to complete Royal Enfield's quest for the South Pole and making motorcycling history.

The team used two slightly modified Royal Enfield Himalayan motorcycles for this expedition. Functional upgrades were made to the motorcycle, to be able to navigate snow and ice, and function ably under extreme conditions in Antarctica. The motorcycles were ridden on a compacted snow track to reduce motorcycle drag and limit emissions to the bare minimum.

Royal Enfield consciously ensured that the expedition team left a minimal environmental footprint, except for wheel tracks that were quickly lost to snow drift. In line with the brand's #LeaveEveryPlaceBetter philosophy, the team ensured all waste, including human waste, was brought back for appropriate disposal.





ANNIVERSARY EDITION INTERCEPTOR AND CONTINENTAL GT 650 MOTORCYCLES

To celebrate its 120th anniversary, Royal Enfield launched a very bespoke, limited edition range of its popular 650 Twin motorcycles - the Interceptor 650 and Continental GT 650. A limited run of only 480 collectible motorcycles - comprising an equal number of Interceptors and Continental GTs - were exclusively designed and handcrafted by the company for global enthusiasts.

A rich black-chrome tank colour scheme was developed in-house, with Royal Enfield's industry-leading chroming technology at the company's original 1950's manufacturing factory in Thiruvottiyur, Chennai - India. The motorcycles were chromed with an alternate, sustainable trivalent eco-friendly process. To complement the black chrome tanks, both the Continental GT 650 and Interceptor 650 featured completely blacked-out components, with the engine, silencer and other elements in an array of black colour schemes.

The centre piece of this limited edition motorcycles was a unique handcrafted, die-cast brass badge that proudly featured on the tank, celebrating the brand's handcrafted DNA.

Reminiscent of the brand's legacy of passionately building handcrafted motorcycles, the 120th Year Anniversary edition Interceptor 650 and Continental GT 650s also boasted the legendary Royal Enfield hand-painted pinstripes. The motorcycles also came equipped with a range of Genuine Motorcycle Accessories such as flyscreens, engine guards, heel guards, touring and bar end mirrors amongst others, in a black disguise to compliment the overall design.

The launch evoked an overwhelming response from across the globe, as all motorcycles were swiftly sold in a matter of minutes across India and Europe. 120 of these motorcycles were sold in India in under 120 seconds. The limited edition motorcycles were subsequently made available for consumers in the South-East Asia and Americas markets.









120TH ANNIVERSARY LIMITED EDITION HELMETS

Also as part of its 120th anniversary celebrations, Royal Enfield unveiled an exclusive range of limited-edition helmets consisting of 12 designs, each representing one of the twelve decades of the brand's legacy. Each helmet was inspired by a poster from the decade starting 1901-2021 and was hand-painted by artists.

Royal Enfield ensured that this limited range offered the best quality and comfort while sporting designs that are head-turners. The range of helmets not only caters to the safety, protection, comfort and style needs of riders but also inspires younger generation riders and non-riders to continue creating stories for many more years to come.

GOING BACK TO THE BEGINNING: PROJECT ORIGIN

Project Origin has its roots in the very first prototype Royal Enfield motor-bicycle that was developed and displayed in 1901 by Royal Enfield's co-founder and chief designer, Bob Walker Smith and Frenchman, Jules Gobiet. However, no working model of this original motor-bicycle was found to exist and this left a major gap in Royal Enfield's historical puzzle.

Project Origin was initiated to fill in this missing piece in the brand's history, by developing a working replica of the first engine-powered Royal Enfield two-wheeler. With neither design blueprints nor technical drawings of the motor-bicycle, all that remained were a few photographs, some promotional advertisements and a couple of illustrated news articles from 1901 that provided some basic graphic clues and information about how the motor-bicycle might have looked and functioned. The extent of evidence to be guided by was slim at best, however this added to the challenge and excitement around the project.

A team of passionate Royal Enfield volunteers swiftly assembled and embarked on a journey of discovery and exploration, delving into history books to unearth information and century old knowledge about the pioneering era of two-wheeled motorised transportation. A collaborative team from the Royal Enfield UK and Indian technical centres, as well as Harris Performance and other experts from within the vintage motorcycling community, researched and painstakingly put together information of the original motor-bicycle's mechanics, engineering and ergonomics and set out to combine new-world technologies with old-world skills and practices to start the full reconstruction of a faithful working replica from the ground up.

Project Origin represents yet another seminal chapter in Royal Enfield's illustrious story, marked by decades of creativity, development, ingenuity and resilience. What started way back in 1901, with that charming, slow-revving, doof - doof - doof engine of the very first motor-bicycle, set the foundations for what would become an extraordinary and ongoing 120 year adventure.

The motorcycle was unveiled to an excited audience of enthusiasts at the 2021 EICMA Motor Show in Milan.







THE TIMELESS LEGACY OF THE CLASSIC

LAUNCH OF THE ALL-NEW CLASSIC 350

Royal Enfield has preserved the legacy of building simple, harmonious, old-school motorcycles by blending traditional craftsmanship with modern technology, to create pure motorcycling experiences. This year, Royal Enfield re-envisioned its iconic Classic motorcycle, with the launch of the all-new Royal Enfield Classic 350 - a timeless motorcycle reimagined to meet modern aspirations. The sublime beauty and confidence of the Classic, now enhanced with a more smooth and refined ride experience.

The legacy of the Classic dates back to 1948 with the groundbreaking Royal Enfield Model G2, the first to have swinging arm rear suspension on a full production motorcycle. As dependable as it was beautiful, the Model G2 served as a strong design inspiration for the hugely popular Classic 500 and Classic 350 launched in 2008. Its simple and elegant design philosophy with signature styling details, combined with a commanding, comfortable riding stance, and dependable UCE engine made it a favorite amongst leisure motorcycling enthusiasts.







THE ALL-NEW CLASSIC 350: COMBINES LEGACY WITH MODERN ASPIRATIONS

Since its introduction in 2008, the Classic has redefined the middleweight (250 cc-700 cc) motorcycling space and kickstarted the revival of Royal Enfield. The Classic is known for its inimitable style, and superior ride experience, and the new Classic 350 is all set to take this legacy to even greater heights.

The new Classic 350 retains its predecessor's enduring beauty and essence and continues to be a visual treat with a refreshed look, premium fit and finish and signature post-war British motorcycle styling. The motorcycle bears the distinct teardrop shaped tank, and the classic Royal Enfield casquette that houses the headlamp along with the signature 'tiger' pilot lights - an enduring feature on Royal Enfield motorcycles since 1954.

DESIGNED FOR A MODERN AND REFINED RIDE EXPERIENCE

Designed and developed by Royal Enfield's teams of designers and engineers in India and the UK, the Classic 350 is built ground-up on Royal Enfield's modern J-series engine, with an all-new chassis. The motorcycle yields a superlative ride experience, and the new chassis inspires enormous confidence. Powered by the modern, globally appreciated 349cc fuel-injected, air-oil cooled single cylinder engine, the machine is intuitively responsive and engaging and feels smooth and well-mannered on the road, retaining the unmistakable thump of the exhaust note.

Launched in five variants with 11 colourways and with an array of genuine motorcycle accessories, the Classic 350 has been launched in India, and several markets across Europe, Americas and the Asia Pacific region.









THE NEW CLASSIC 350 IMPRESSES ONE AND ALL

The all new Royal Enfield Classic 350 is better in all aspects - more refined performance, better dynamics, more colour options and feels better built as well. The Classic 350 will spearhead appeal for the modern classic, single cylinder Royal Enfield not just in India but around the world. To that end, the new Royal Enfield Classic 350 almost nails it to become a much improved, much better and more refined motorcycle- all qualities that will help the motorcycle find fans in every corner of the world.

NDTV Car and Bike

The Classic 350 is a barebones no-nonsense motorcycle. It's simply a chassis with a beautiful engine and two wheels. As an overall package, the Royal Enfield Classic 350 offers you an affordable good quality proper classic motorcycle that is fun to ride and also use on an everyday basis.

Auto X

The all new Classic 350 is a more improved version of the old Classic with new and much enhancements. It gets a more refined engine with a perfect mid and low range torque making it exciting for city and slow commute.

The Times of India

The new Classic 350 is a whole new chapter in Royal Enfield's iconic history.

Top Gear

The J-series engine is a tireless performer, has a great turn of torque, clever gearing and is reliable enough to silence critics. What's most impressive about the motorcycle is the feeling of an all pervasive solidity as if nothing can happen to this motorcycle. The new Classic 350 is just like the current Classic 350 but fresher, stronger, livelier and vastly more responsive- which is a job well done!

Powerdrift

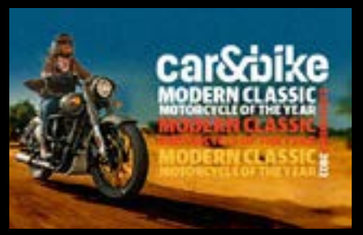
The Classic 350 feels fresher, better engineered despite everything that the design may suggest. And that's one big feat that Royal Enfield have achieved. Creating new benchmarks with this particular motorcycle will be a walk in the park for the brand.

Overdrive

The Classic 350 is a massive jump forward. Pleasure to ride in urban conditions but it's also up to taking a long highway ride at fairly brisk speeds. Royal Enfield has managed to find that tricky balance point of keeping the Classic 350's timeless look and feel but also giving the bike modern levels of engineering and significantly improving the riding experience.

Autocar India

WINNING AWARDS AND ACCOLADES









2022 CARANDBIKE MODERN CLASSIC MOTORCYCLE OF THE YEAR AWARD

AUTOCAR VIEWERS' CHOICE BIKE OF THE YEAR

MOTOR VIKATAN: RETRO BIKE OF THE YEAR CLASSIC 350

2W BRAND OF THE YEAR

AUTO X: BEST OF 2021

2022 BIKE OF THE YEAR UPTO 500 CC

BUILDING NEW SUBSPECIES

SCRAM 411, ROYAL ENFIELD'S FIRST ADV CROSSOVER

Unveiled for global audiences in March 2022, the Scram 411, Royal Enfield's first ADV crossover is a continuation of the brand's quest to build motorcycles that can be the perfect ally for every adventure. The Scram 411 is a reimagined version of the globally lauded Himalayan, Royal Enfield's first purpose-built adventure tourer. It is a younger, modern-day, urban avatar that fulfills the modern rider's desire for a fun and engaging ride as well as rugged appeal.



BEST OF ROUGH ROAD CAPABILITY X URBAN RIDING

The Scram 411 is a new subspecies that has the authentic vibes of a scrambler and comes with built-in strong adventure DNA. It is a motorcycle that feels playfully agile on urban roads, yet is a highly capable multi-tasker.

Focused and purposeful changes in the riding geometry and ergonomics make it playfully agile for in-city riding as well as for unpredictable, challenging trails off the urban grid.

DESIGNED TO DEAL WITH THE UNEXPECTED

The Scram 411 is built on Royal Enfield's proven LS-410 engine platform and trusted Harris Performance chassis. The riding geometry has been enhanced by 19-inch, dual purpose front tyres. These combine with 17-inch rear tyres to enable agile handling over speed bumps and potholes, while also reassuring the rider of grip when maneuvering tarmac and loose gravel. With long travel suspension and monoshocks, and class-leading 200 mm ground clearance, the motorcycle ensures a smooth and comfortable ride for the rider and pillion over extended periods in the saddle.

The motorcycle was launched in seven colourways across three variants, designed to stand out with a distinct urban vibe, and edgy colours.









THE FUTURE OF MOTORCYCLE DESIGN

THE ROYAL ENFIELD SG 650

Scripting another chapter in its 120 year old journey of creative expression and conceptual development, and pushing on the boundaries of motorcycle design possibilities, Royal Enfield showcased a cool, new concept motorcycle at the 2021 EICMA Motor Show in Milan - the Royal Enfield SG650 Concept.

Constantly changing design contexts and Royal Enfield's classic design sensibilities formed the cornerstone of the Industrial Design Team's efforts as they stretched the limits of their creativity to conceptualize this motorcycle of the not-so-distant future.

Starting from within Royal Enfield's classic design sensibilities, the motorcycle is a neo-retro interpretation that expands the possibilities of what a Royal Enfield motorcycle could look like, while preserving the iconic aesthetic sensibilities and the DNA of Royal Enfield at its core.

With its heritage-inspired polished aluminium front end flowing into the futuristic, digital graphic on the tank, the SG650 Concept brings the old and the new together, showcasing an original and entirely unique offering. The motorcycle and the design language were highly appreciated by motorcycle enthusiasts and Royal Enfield afficionados across the world.

EXPANDING GLOBAL FOOTPRINT

Royal Enfield is committed to growing the middleweight motorcycling segment globally and has maintained a razor-sharp focus on global markets. In line with this vision, the company has been investing in setting the right environment for growth - setting up market-specific subsidiaries for greater focus, empowered people and market teams, optimized supply chain, enhanced distributor and retail network, global and market relevant products and a strong brand and marketing approach.

FROM A FEW STORES IN SELECT GEOGRAPHIES, THE COMPANY TODAY HAS

over 2,100

touchpoints in India alone

over 840

touchpoints in 60+ countries worldwide.

The company has also been strategically investing in assembly units in critical markets.

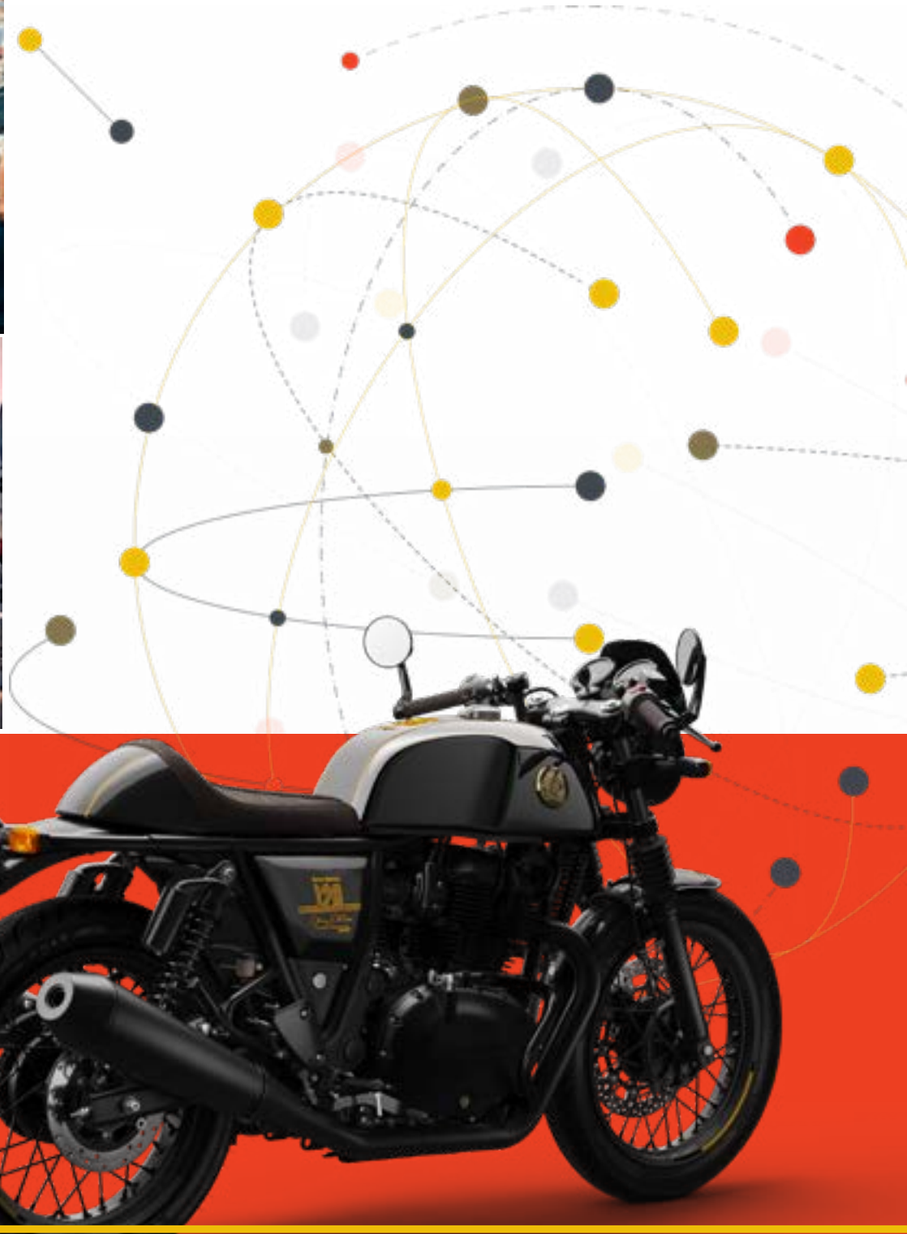
3 CKDs

facilities in Argentina, Colombia and Thailand















57
EXCLUSIVE STORES

40
OTHER RETAIL TOUCHPOINTS

NEW FACILITIES IN COLOMBIA AND THAILAND

Royal Enfield has a significant presence in Latin America with a total of **57 EXCLUSIVE STORES AND 40 OTHER RETAIL TOUCHPOINTS. COLOMBIA IS THE THIRD LARGEST MOTORCYCLE MARKET IN LATIN AMERICA AND A KEY MARKET FOR ROYAL ENFIELD.**

The brand has seen nearly 70% growth in sales from January to July 2021, in relation to the same period in 2020. Continuing this journey, in August 2021, Royal Enfield further expanded its presence in Colombia with the inauguration of a new CKD assembly unit in partnership with the local distributor. The motorcycle assembly plant, which is based at Antioquia, commenced operations with the local assembly of the Royal Enfield Himalayan.

This CKD unit in Colombia was the brand's second motorcycle assembly plant outside of India, and in the Latin American region - the first being the local assembly unit in Argentina that was set up in 2020-21.

To further strengthen its commitment to the Asia Pacific region, and to cater to a growing market and to a growing community of motorcycling enthusiasts, Royal Enfield marked a first in the region by setting up a CKD assembly plant in Thailand. With this, the company now has three assembly units outside of India. Located at Gateway City Industrial Estate in Chachoengsao, the facility in Thailand will enable Royal Enfield to efficiently cater to the growing demand in the Asia-Pacific region and also become the hub for the other Southeast Asian markets such as Indonesia and Vietnam.





ROYAL ENFIELD COMMENCES OPERATIONS IN SINGAPORE

Royal Enfield setup retail operations in Singapore with the opening of a new flagship outlet in the city. Delivering the brand philosophy of 'Pure Motorcycling', Royal Enfield's first exclusive showroom in the city creates a robust ecosystem of highly differentiated retail experience, aftermarket capabilities, rides and community events and other adjacencies that bring to life the heritage and world of Royal Enfield.

The store will not only house Royal Enfield's motorcycle range, but also its complete gear range, representing - apparel and accessories, that include the purpose-built protective riding gear and moto-inspired urban protection gear for everyday life. The space of the store has been designed not just as a point of purchase but also a meeting point for enthusiasts to have conversations around motorcycling.

CONTINUING TO EXPAND THE PURE MOTORCYCLING ECOSYSTEM

Royal Enfield is committed to unlocking pure motorcycling experiences that enable motorcycle enthusiasts to express themselves. The brand's range of apparel, accessories, and riding gear inspire riders across the world to ride more and ride pure. To further this spirit, the brand created several new and exciting apparel ranges this year, and inked collaborations with some of the coolest global brands.



ROYAL ENFIELD #ARTOFMOTORCYCLING SEASON II

Royal Enfield has always engaged with artists and supported art projects, celebrating the ethos of exploration and motorcycling through the lens of various art forms. #ArtofMotorcycling, the brand's marquee creative campaign, is envisioned to fuel creativity amongst artists, creators and motorcycling enthusiasts by giving them an opportunity to express their love for 'the motorcycling way of life'.

The second edition of this campaign commenced in December 2021 and concluded in February 2022. It evoked an enthusiastic response with over 15,000 registrations. It was very heartening to see that more than 80% of the participants were non-Royal Enfield owners and a majority of the participants came from small towns.

The jury this year comprised experts from the fields of fashion, photography and the visual arts. Aiming to offer exciting learning opportunities and an inclusive creative platform, Royal Enfield also hosted master classes by each of the jury members through the course of the campaign. These master classes were made available for everyone to view and were hosted on Royal Enfield's website and social media handles.

ROYAL ENFIELD X BELSTAFF - AN EXCLUSIVE CAPSULE RANGE OF APPAREL

Inspired by the shared legacy of pure motorcycling and timeless design, Royal Enfield and Belstaff joined hands to present an exclusive range of apparel to celebrate the 120th anniversary of Royal Enfield.

With decades of experience in the motorcycle and apparel industry, Royal Enfield and Belstaff have been developing iconic products which are synonymous with the spirit of motorcycling. This special collaboration reiterates the commitment of both brands to embracing the spirit of exploration and building a culture around the joys of riding pure and of fostering community.
The range comprises heritage inspired t-shirts, zip-up sweatshirts, caps, enamel mugs and the hero pieces of the collection, namely the two limited edition Royal Enfield x Belstaff waxed jackets - Trialmaster jacket and the Brooklands armoured motorcycle jacket - styled with a special commemorative 'Royal Enfield 120-year Anniversary' patch on the right-hand sleeve and an additional 'Limited Edition' riveted metal plaque on the inside zip.

In homage to the collaboration of two iconic heritage bands, the in-house Royal Enfield Custom Team developed two custom Royal Enfield Continental GT 650 motorcycles boasting one-of-a-kind liveries and featuring unique design elements incorporating Belstaff's legendary British Millerain waxed canvas and antique brass hardware. These beautiful custom bikes are to be showcased around Europe in some of Belstaff's flagship stores.

APPAREL CUSTOMIZATION - MAKE IT YOURS (MIY) RIDING JACKETS

Royal Enfield extended the Make It yours (MiY) programme to its range of riding jackets, advocating the idea of 'Your Adventure, Your Jacket'. Fuelling self-expression and customization of riding apparel, this industry-first initiative was developed keeping in mind riders' needs, comfort and to provide him or her a very personalized and enhanced riding experience.

ROYAL ENFIELD X TCX - A NEW RANGE OF PROTECTIVE RIDING SHOES

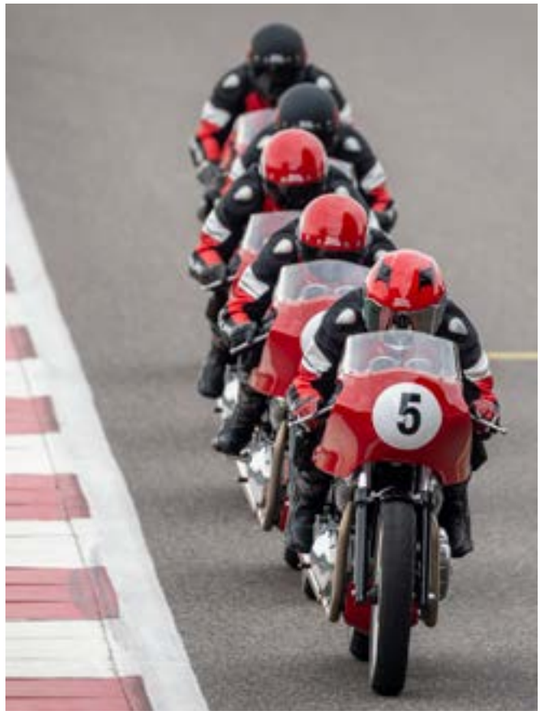
Riding boots are an important aspect of a rider's apparel. Keeping the safety of its riders at the forefront, Royal Enfield partnered with TCX to offer a range of CE Certified protective riding and lifestyle shoes. Both being iconic brands in the world of motorcycling, this collaboration symbolises a union of authenticity and safety.

This exclusive range of accessible riding and lifestyle shoes are CE certified and have passed stringent safety tests and meet global safety norms to provide riders a safe and enhanced riding experience. Fashioned with full grain leather or equipped with a leather finish, these protective and stylish boots are waterproof and cater to the diverse needs of men and women riders.



NURTURING MOTORCYCLING SUBCULTURES

Royal Enfield furthered its endeavour to expand and explore the world of motorcycling as the brand ventured into new terrains and circuits, in newer formats, to explore new ideas and kickstart new journeys of exploration.





THE CONTINENTAL GT CUP

With an aim to nurture niche riding cultures and open new avenues to real-world track racing, the brand debuted the **Royal Enfield Continental GT Cup 2021** - a unique retro track-racing initiative. The Continental GT Cup sits at the intersection of increasing interest in motorcycle track racing, and the need for accessible forms of racing and training in India.

The championship is designed to offer young and aspiring riders a new platform to showcase and hone their racing skills on the Royal Enfield Continental GT-R650. Retaining much of the stock COntinental GT motorcycle, the GTR650 is a minimally modified version with a retro fairing, stiffer suspension, a more committed riding posture and stainless steel exhausts suited for track racing.

The Royal Enfield Continental GT Cup 2021 made its debut on the race track in September 2021, under the aegis of the Federation of Motorsports Club of India (FMSCI). The championship racing event was staged across four rounds at the Kari Motor Speedway in Coimbatore and elicited a phenomenal response from the two-wheeler racing community in India. The enrolment process saw entries from nearly 500 racing enthusiasts from all across the country. The selection process had participation from over 100 riders and the 18 fastest riders made it to the final grid.

The track-ready Continental GT-R650, with its minimalistic, yet purpose-built modifications provided an un-intimidating, agile and spirited performance on the track that exceeded all expectations to offer a unique and engaging racing experience to riders and demonstrated its potential as a brilliant café racer.

Encouraged by the massive success of the inaugural season of this championship, Royal Enfield aims to continue making the property even bigger and better and offer more exciting opportunities for aspiring racers and take the championship experience a notch higher over the coming years.



SLIDE SCHOOL DEBUT IN THE UK

Royal Enfieldannounced the expansion of its marquee Slide School initiative in the UK in collaboration with Dirt Craft to provide the ultimate introduction to flat track experience.

The training school offers motorcycle enthusiasts the opportunity to try out flat tracking for the first time or to further sharpen and refine their riding skills. Royal Enfield has customised its hugely popular and versatile Himalayan to create the FT411 model – specially for use in the flat track environment. The specially modified motorcycles have been developed by pro racers in the USA and Europe with great success. The Dirt Craft Slide School is the newest experience partner to be added to Royal Enfield's programme of partners complementing the already successful schools in the USA and India.



MAIDEN WIN AT DTRA FLAT TRACK

Royal Enfield's first year of competitive flat track racing on European soil came to a perfect finish with a clean sweep of season wins in the "Twins Class" category. The Royal Enfield team comprising Gary Birtwistle and Paul Young, together claimed the chequered flag in all five rounds of racing, clinching both 1st and 2nd places in the Championship.

The result marked Royal Enfield's first "factory" European Championship win since the legendary Johnny Brittain won the ACU Star at the National Trials Championship back in 1956. After a hiatus of 65 years, this marks an exciting new milestone for Royal Enfield as it further develops its footing in the world of competitive racing.



LAUNCH OF THE RIDERS CLUB OF EUROPE

2021 saw Royal Enfield launch the Riders Club of Europe, a community-focused, one-stop-shop for all current and future Royal Enfield riders, embodying all aspects of Royal Enfield's 'Pure Motorcycling' ethos. At the heart of the Club is a packed programme of dedicated rides, brand experiences and event activations that seek to build strong communities right across Europe that are both inclusive and approachable for all Royal Enfield riders. With this, Royal Enfield aims to strengthen and grow its burgeoning riding community across Europe.

2022 BUILD.TRAIN.RACE

Royal Enfield North America announced the next phase of its immensely popular and widely appreciated Build Train Race (BTR) program which seeks out female motorcyclists to go road racing on Royal Enfield Continental GT 650 motorcycles.

The BTR Road Race roster this year doubled in size from the previous season, with 15 women on the grid. Professional road racer and crew chief Melissa Paris also made her comeback to Royal Enfield BTR as the mentor to the women through each phase of the program. Each of the 15 participants have received a Royal Enfield Continental GT 650 motorcycle that they will design and build over the next three months. Melissa Paris will work with each rider to create a design and build their race bike before they begin training.



RIDE MORE. RIDE PURE



ROYAL ENFIELD ONE RIDE

Royal Enfield's signature One Ride, among the world's largest curated single-day rides, invites motorcycling enthusiasts and Royal Enfield riders across the world to come together and ride as one, celebrating camaraderie and fraternity. The 10th edition of One Ride was organised across 35 countries on September 26, 2021, with strict adherence to all COVID protocols.

One Ride 2021 was organized across more than 400 cities in India, and 35 countries globally including Argentina, Australia, Korea, Germany, the UK, Japan and Indonesia, among several others. Motorcycling enthusiasts of all ages from diverse regions and social identities came together on this day for a ride that is inclusive and fiercely unique. Enthusiasts were able to participate either by joining a ride or hosting one. Through the most recent edition of One Ride, Royal Enfield also encouraged its rider communities to adopt Responsible Travel practices in a bid to #LeaveEveryPlaceBetter. To this end, a behaviour change campaign was launched to sensitise and encourage riders to carry back waste, support local communities and businesses, and avoid single-use plastic during the ride.

Taking the core theme of #LeaveEveryPlaceBetter further, Royal Enfield also partnered with civil society organisations like Saahas, Waste Warriors, Humanmatrix and Wildlife Conservation & Birds Club, in India, to continue on this journey of becoming zero-waste on its rides and events.



PARTNERING WITH THE ARMED FORCES - BSF SEEMA BHAWANI SHAURYA EXPEDITION

The Border Security Forces (BSF), one of the largest border guarding forces across the world, and Royal Enfield came together to organize the BSF Seema Bhawani Shaurya Expedition "Empowerment Ride – 2022". Flagged off from India Gate on the occasion of International Women's Day on March 8, the Seema Bhawani Shaurya Expedition was conceptulised as a top-to-tip motorcycle expedition led by the Seema Bhawani contingent of the BSF in association with Royal Enfield.

The 36-member, all-women Daredevil Motorcycle Team of the BSF's prestigious Shaurya Bhawani unit, led by Inspector Himanshu Sirohi embarked on a gruelling 5280 km ride across the country, to spread the message of Women Empowerment. The expedition these riders traverse across the country, covering historical landmarks beginning from India Gate in Delhi, leading to the Wagah Attari Border in Punjab and Statue of Unity in Gujarat before finally culminating at Royal Enfield's manufacturing facility at Vallam Vadagal in Chennai, Tamil Nadu.
All along the expedition, the Seema Bhawani riders were joined by riding communities as well as youth, who cheered them on, applauding their determination and fortitude while on this challenging expedition. The BSF Seema Bhawani Shaurya Expedition "Empowerment Ride – 2022" witnessed exhilarating moments of team spirit and camaraderie from the riders, encouraged by the amazing support from enthralled audiences along the route.

FOSTERING THE SPIRIT OF CUSTOMIZATION – ROYAL ENFIELD CUSTOM WORLD

Royal Enfield motorcycles have always been the perfect canvas for customisation and self-expression, given their simple yet evocative design language. Believing in the power of self-expression, the Royal Enfield Custom Programme team has remained committed to developing a seamless global custom motorcycling ecosystem. Royal Enfield's custom collaborations enable expression to enthusiasts' love for the brand and allows them to showcase exquisite craftsmanship.



BUSTED KNUCKLES BUILD OFF SEASON 2 – AUSTRALIA AND NEW ZEALAND

Busted Knuckles Build Off is a competition that is open to Royal Enfield dealers, and 2nd Season of the event in Australia and New Zealand was supported by Royal Enfield's distributor Urban Moto imports. The competition saw 5 dealers participate and work on concepts based on the 650 Twins platform in an effort to win the coveted title.

While the continued pandemic in 2021 slowed things down considerably, the dealers persevered and delivered some amazing builds that celebrate the spirit and love for Royal Enfield. Each build is unique and not only showcases exquisite craftsmanship but also focuses on serious performance, further establishing that Royal Enfields are perfect canvases for personalisation.







DUNAALI – INDIA'S FIRST TWINS-BASED DRAG BIKE

Royal Enfield partnered with IndiMotard to develop a drag spec motorcycle inspired by the streamliners of the 1960s. Piloted by Lani Zena Fernandez, a national champion in multiple disciplines of moto racing, the Dunaali - Hindi for "Double barrel gun" and a tribute to our twin cylinder 650 - was revealed to a small yet focused group of about 1, 800 motorcycle and automotive enthusiasts at the 6th Vroom Drag meet held near Hosur on March 4, 2022. Royal Enfield achieved a stellar 3rd place finish at the first outing in India of the all-new Dunaali drag bike.

COLLABORATING FOR RIDER SAFETY

ROYAL ENFIELD & HELMETS FOR INDIA

Two-wheeler rider safety and the lack of adoption of helmets, have been among the most pressing subjects concerning road safety in India. Taking this into cognisance and to enhance awareness and increase adoption of helmets as essential companions for millions of riding enthusiasts in India, **Royal Enfield** partnered with Helmets For India, a not-for-profit, creative initiative aimed at bringing about a positive change in the mass perception of wearing a helmet and improving road safety in India.

This collaboration will unlock the potential of a widespread and passionate Royal Enfield ecosystem for **Helmets For India** and will allow the initiative a larger canvas to mobilise influential voices and inspire action towards the cause. The collaboration will also allow Royal Enfield to deepen its commitment towards its social mission of Responsible Travel, and in general encourage adoption of safe riding gear for riders, especially helmets.

Conceived in 2018, Helmets For India is an initiative started by **Niels-Peter Jensen,** a German film-maker and former world champion mountain bike racer. Niels initiated 'Helmets For India' with the motto of Safe ride for everyone, everywhere! Helmets For India uses self-expression and art as a means of inspiration to unite the global motorcycle community and raise awareness for the cause of educating millions on the need to wear a helmet.



02

MANAGEMENT REVIEW

Management Discussion and Analysis

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

1. KEY PRODUCTS, PERFORMANCE AND NEW LAUNCHES



All-New Classic 350: Reborn

Royal Enfield has launched its most awaited motorcycle - The All-New Classic 350 - in September 2021, with a resounding response from consumers. The new motorcycle takes forward the legacy of its legendary predecessor while significantly elevating the riding experience and is re-imagined to meet modern expectations. It is available in 5 variants with 11 colorways. The new Classic 350 also created a new benchmark for digital launches, including a Guinness World Record, as more than 19,500 concurrent viewers joined the live webcast on the launch day.
Since its debut in India, the All-New Classic has been launched in APAC as well as made its debut in Europe at EICMA 2021. The new motorcycle has received many awards globally from leading automotive publications. The All-New Classic has been leading the domestic sales charts among the motorcycle with over 125cc category in the second half of the year and 'your Company has shipped more than 200,000 units of new Classic since its launch in the year, despite supply chain constraints.

Scram 411: The ADV Crossover – expanding the adventure play

Royal Enfield unveiled the Scram 411 - the brand's first ADV crossover and a new sub-category that is optimized for agility as well as challenging terrain. Available in a vibrant array of colorways across 3 variants, the motorcycle has been received well by consumers and experts in India. Since the launch in India, Scram 411 managed to carve out its own niche and has expanded Royal Enfield's presence in the fast growing adventure category. Scram will be rolled out in EMEA and APAC markets around mid-2022.





650 Twins: 120th Anniversary limited edition: Gone under 120 seconds!

Royal Enfield debuted the **120th Year Anniversary Edition** of its flagship **650 Twins motorcycles**, the Interceptor 650 and the Continental GT 650 at EICMA 2021. The two premium, special edition motorcycles with a limited production run of only 480 units globally, were distributed as 120 units each for India, Europe, Americas and South-East Asia. The motorcycles have been launched via online auction in India and Europe, where they have received incredible response and were sold out in under 120 seconds.

Meteor 350: Opening up easy cruising proposition around the world

After a successful launch in India in November 2020, Meteor 350 was launched in the USA, UK, Europe, Asia Pacific and Latin America. The motorcycle has received encouraging response from consumers and experts, and it continues to win numerous awards – including the prestigious MCN Retro Motorcycle of the year for 2021. Meteor has opened up the easy cruising segment and continues to deliver on our commitment to grow and expand the middleweight motorcycles segment globally.



2. BRAND BUILDING, CUSTOMER EXPERIENCE AND ENGAGEMENT

Royal Enfield – the oldest motorcycle brand in continuous production – celebrated its 120th year in existence in 2021 and continues to nurture the spirit of pure motorcycling through a host of unique motorcycling experiences and programs.

120th year anniversary: Tracing the origins at EICMA; showcasing future

As Royal Enfield completed its 120 years anniversary in 2021, the Company showcased its legacy and heritage at EICMA 2021, the annual global motorcycle show at Milan, Italy. The Company unveiled the **Royal Enfield SG650 Concept** motorcycle, marking another chapter in its journey of creative expression and product development. Royal Enfield also debuted the **120th Year Anniversary Edition** of the brand's flagship **650 Twin motorcycles**, the Interceptor 650 and the Continental GT 650 at EICMA 2021. The motorcycles received an incredible response in India and Europe, and were sold out in under 120 seconds each. Royal Enfield also unveiled **'Project Origin'**, at EICMA. This motorcycle is a working replica of the brand's very first 'motor-bicycle' from 1901, the very machine that laid the foundations upon which Royal Enfield's enduring legacy of 'Pure Motorcycling' is built.





90° SOUTH: Pushing the boundaries for adventure

A significant celebration of the 120-years milestone was an extraordinary endeavour to reach the geographic South Pole. Conceptualised as an ode to the Royal Enfield rider community, **90° SOUTH** saw two Royal Enfield Himalayans accomplish the unthinkable feat of traversing the treacherous journey to the South Pole. Two company employees successfully completed this expedition in 28 days, in December 2021.

One ride 2021: #LeaveEveryPlaceBetter

After a hiatus of a year in 2020, the brand conducted the 10th edition of **One Ride**, one of the world's largest curated single-day rides, in September 2021. Held across 35 countries, One Ride 2021 focused on encouraging responsible travel practices amongst the global riding community in a bid to **#LeaveEveryPlaceBetter**.

Fostering flat track racing in India, EMEA and USA

Royal Enfield furthered its commitment to foster flat-track racing with the introduction of its Slide School programme in the UK. The UK Slide School joins existing flat-track programmes in India and the USA. Royal Enfield secured the top 2 places in the inaugural season of the **Dirt Track Riders Association** in the UK, followed by a first ever half mile win at the **American Flat Track Lima, Ohio Half Mile** race. To encourage more and more enthusiasts from diverse backgrounds to embrace riding, 'your Company introduced the second edition of the **Build.Train.Race (BTR)** - women's only racing program in the USA.

Continental GT Cup

Royal Enfield marked its maiden foray in motorsports this year, with the first edition of the **Continental GT Cup 2021**. Launched in partnership with JK Motorsports, The



Continental GT Cup sits at the intersection of increasing interest in motorcycle track racing, and the need for accessible forms of racing and training in India. Season 1 of the Continental GT Cup was kick-started to a resounding response from racing enthusiasts at the Kari Motor Speedway and Racetrack in October 2021.

Seema Bhawani Shaurya Expedition

Continuing to strengthen its 70-year association with the Indian armed forces, Royal Enfield partnered with the Border Security Force - BSF for a one of its kind, all women - **Seema Bhawani Shaurya Expedition** motorcycle ride. Conceptualized to propagate the message of women empowerment, and celebrate women's achievements, the Seema Bhawani Shaurya Expedition 2022 saw 36 women riders traverse across the country on Royal Enfield Classic 350 motorcycles for over 5200 kilometres with an intent to sensitize and build more awareness about the capabilities of women while emphasizing freedom from bias, stereotypes and discrimination.





Art of motorcycling: Second edition

Royal Enfield's designing platform was rolled out in 2020 as an avenue for artists, creators and motorcycling enthusiasts to express their love for motorcycling through creative illustrations. The second edition of the campaign which concluded in February 2022, attracted 15,000 registrations, 50% more than the inaugural edition. It is noteworthy that 80% of the participants were non-Royal Enfield owners and the largest participation came from small cities and towns, demonstrating the aspirational pull of the Royal Enfield brand across geographies and consumer segments.

Helmets for India

Royal Enfield partnered with Helmets For India, a not-for-profit creative initiative that aims to positively influence perceptions about wearing helmets and improve road safety in India. This collaboration is envisaged to unlock the potential of widespread and passionate Royal Enfield communities and retail networks for Helmets For India, providing the initiative a larger canvas to mobilise influential voices and inspire action towards the cause. This partnership also enables Royal Enfield to deepen its commitment to its social mission of Responsible Travel and to encourage adoption of safe riding gear, especially helmets.

MiY: Pan India coverage in 2021

Make It Yours - An industry-first personalisation initiative with a paradigm shift in customer purchase journey is now available at all 2,100+ stores. your Company has not only expanded the MiY coverage for all motorcycle models on offer, but also has increased the number of accessories/parts available on the platform. As a result, MiY adoption and GMA penetration have been growing consistently.

REBALANCE - A larger purpose for EML

As the world urgently evaluates how to ensure a brighter future for generations to come, it is now clear that EML needs to recalibrate and renew its mission so we continue to make a significant contribution to society – not just as a corporation, but as a force for good. With a strong and robust business model, led by pure motorcycling, we will now adopt a larger purpose to REBALANCE - balance profit and profitability, balance social and commercial objectives, balance the existing product portfolio of internal combustion engines and the future with electric vehicles, balance a strong brand-led customer experience. This, combined with our razor sharp business strategy, including key focus areas like electric vehicles both at VECV and Royal Enfield, will fuse together to form a holistic mission for Eicher Motors Ltd

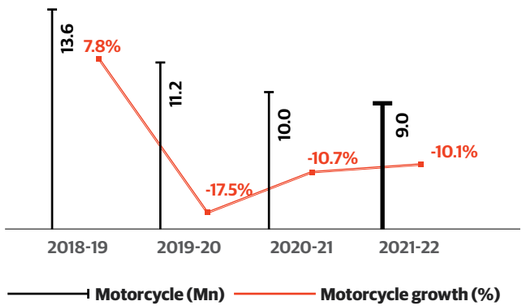
3. INDIA BUSINESS REVIEW

Domestic Two-wheeler Industry Performance

The industry clocked total sales of 13.9 million units in 2021-22, registering a decline of ~11% from 15.1 million units in the previous year. The motorcycle industry sales volume stood at 9 million units in 2021-22, registering a decline of ~10% from 10 million units in 2020-21. The fall in sales in the scooter industry remained in-line with motorcycles, declining from 4.5 million units in 2020-21 to 4 million units in 2021-22.

The two-wheeler industry in India went through another challenging year as it was impacted by the uncertainties and restrictions on account of COVID in Q1, followed by severe supply chain constraints. Although the demand started showing signs of recovery in the second half of the previous year (FY 2020-21), the second wave of COVID in the first quarter of the financial year resulted in subdued consumer sentiments. This was followed by a global shortage of semiconductors from the second quarter leading to a severe supply shortage for motorcycles and a muted festive season. A sharp surge in the prices of key commodities such as Precious metals, Aluminium, Steel, Crude oil, Copper etc. led to a significant increase in the overall cost of ownership of motorcycles across models. The industry has shown steady recovery since then, however, volumes are yet to return to the pre-pandemic level

Motorcycle Industry Volume and Growth



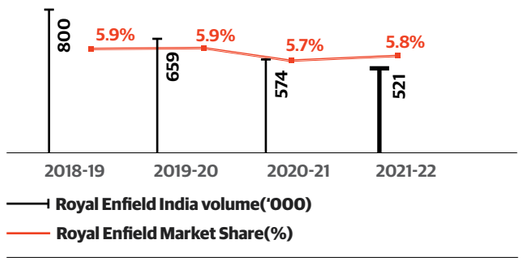
Royal Enfield Performance: Strengthening its presence

Royal Enfield's total sales volume (including international business) stood at 5,95,474 units in 2021-22, reporting a decline of 2% from 6,09,403 units in 2020-21. Notwithstanding the prolonged supply side constraints, \ actively pursued development of alternate vendors to steadily improve production. During the year, your Company transitioned its most loved motorcycle Classic to the all-new J-Series platform and launched a new ADV crossover Scram

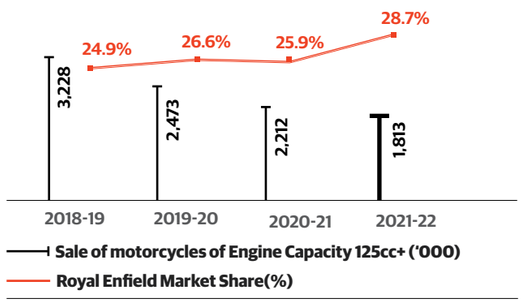
411 in domestic markets. Both the motorcycles received an excellent response from customers.

In 2021-22, 5,21,236 units of Royal Enfield were sold in India, registering a 9% decline year-on-year (from 5,73,728 units). The India business constitutes about 88% of total sales volumes. The market share for Royal Enfield in the motorcycles industry improved marginally to 5.8% in the current year (up from 5.7% in the previous year).

Royal Enfield's Market Share in India



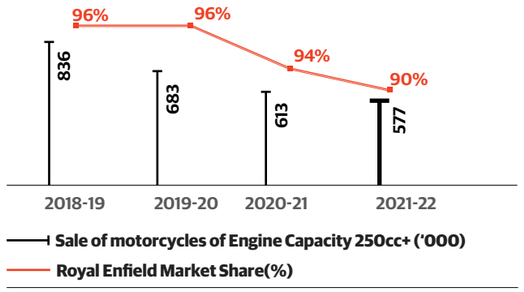
Royal Enfield's Market Share in 125cc+ Segment



In the motorcycles with engine capacity above 125cc segment, the market witnessed a drop of 18% year-on-year to 1.8 million units. However, your Company's market share in this segment increased to 28.7% in the current financial year marking an increase of 2.8% over previous financial year. The launch of Royal Enfield Classic 350 in September 2021 and Scram 411 in March 2022 boosted the Company's resilience in this segment.

The industry volumes for motorcycles with engine displacement above 250cc, declined by 6%, registering total sales of about 0.58 million units, reflecting the expansion of the category as more players entered the segment. While Royal Enfield continues to be the leader in this segment, its market share decreased marginally from 94% to 90%, partly impacted by supply constraints.

Royal Enfield 's Market Share in 250cc+ Segment



Your Company was able to partially offset the weakness in the domestic market by a strong focus on international business, which registered sales of 74,238 units, representing a growth of over 108% (35,675 units in 2020-21).

Enhancing Customer Experience and Satisfaction

Royal Enfield accords the highest importance to enhancing consumer experience and service excellence at all touchpoints. With the roll out of the Make it Yours (MiY) initiative across the complete range of motorcycles, along with a wide range of genuine motorcycle accessories, riding gear and apparel, Royal Enfield offers access to an unhindered, authentic pure motorcycling experience for our consumers. The Royal Enfield application (RE App) now provides a holistic platform for consumers to explore, personalize, accessorize and book their motorcycles. Moreover, the RE App features a configurator that provides buyers access to several thousand combinations of colourways, trims, graphics and accessories, to create uniquely customised motorcycles.

With the aim of enhancing consumer's experience and satisfaction, 'your Company rolled out numerous initiatives to ensure anxiety-free ownership experiences. your Company has launched The Ride Sure programme during the year with a wide range of packages including extended warranty, annual maintenance options and extended roadside assistance. The unique Service on Wheels (SoW) initiative which provides doorstep delivery of services and roadside assistance including motorcycle pick-up and drop-off after servicing, has significantly improved the ownership experience for Royal Enfield consumers. Moreover, Royal Enfield initiated the Service Care 24 program, which so far has been successful in returning over 170,000 erstwhile customers (~6% of the total) to the Royal Enfield fold. As a result, your Company has seen significant improvements in the overall consumer satisfaction score at the delivery stage as well as service stage, despite shortage of supply owing to production constraints.

Further, amidst a sharp inflationary backdrop for the two wheeler industry, 'your Company took several steps to uplift the demand such as - introducing accessible and innovative financing options, strengthening the retail network across the country and launching of new motorcycles (new Classic and Scram 411). Despite the tough market conditions, your Company bolstered its digital capabilities to enhance its reach to consumers. Moreover, Royal Enfield steadily expanded its sales and service network to 2,118 touch points across India – which includes 1,063 dealerships and 1,055 studio stores - and covers over 1,750 cities in India.

Financing options to drive growth

The aspiration to own a Royal Enfield remains strong among the motorcycle consumers across the country, further enhanced by an expanding product portfolio and multiple options for personalisation. The improved availability of finance can enable potential customers to fulfil their aspirations. Further, financing assumes greater importance with growing pressure on income sources and rising motorcycle prices. During the year your Company has worked with multiple leading financiers to roll out attractive financing schemes to prospective consumers. Not only were more financiers on-boarded to expand available options at dealerships, but your Company has also steadily worked towards exploring affordable options by 1) focusing on low down payment requirement (as low as 15%), 2) lower EMI payments by extending loan tenures (over 4 years), and 3) low interest schemes. As a result, finance penetration among consumers steadily improved to 52% by March 2022 as against 44% in April 2021. During the current financial year, your Company launched an industry-first digital finance marketplace (DFM) with two financiers currently on board. The Company aims to scale up the DFM model by adding more financiers in the coming year.

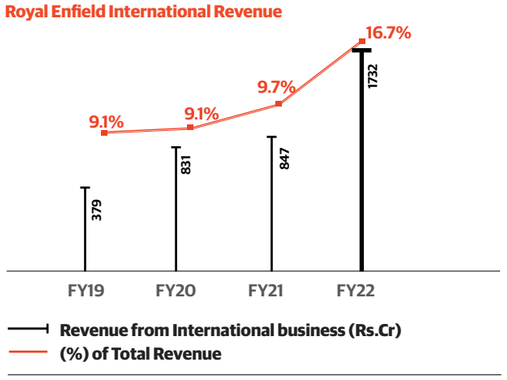
4. INTERNATIONAL BUSINESS REVIEW

Royal Enfield's Global Performance

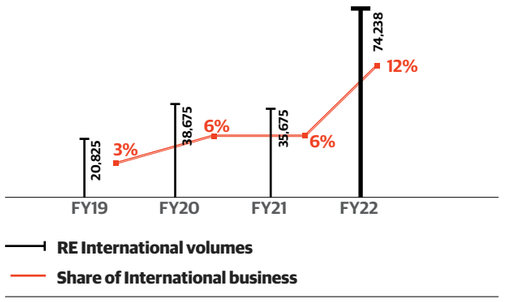
In 2021-22, your Company has made remarkable progress in its long term ambition of becoming a premium global consumer brand from India offering access to an unhindered, authentic pure motorcycling experience. During the current year, your Company has made significant strides towards unlocking newer opportunities in international markets led by expansion of our international footprint and commencement of operations in key markets such as Singapore and Netherlands. Royal Enfield has registered sales of 74,238 units in international markets during the year, which marks a stellar growth of over 108% year-on-year. Your Company's focus on growing its international business has resulted in an increase in the share of export volume to 13% in 2021-22 from 6% in 2020-21.

your Company's revenue from International business (Including non motorcycling overseas business) stood at Rs 1,732 crs for FY2021-22 implying a stellar 104% year on year growth and accounted for ~17% of overall revenue for this year, 7% higher share as compared to FY 2020-21, which underscores the in-roads Royal Enfield has managed to cover in its quest to become a global consumer brand.

Royal Enfield International Revenue



Royal Enfield International Volume



Your Company is committed to expanding and leading the middleweight motorcycles segment (350cc-750cc) globally. Royal Enfield is currently present in 60+ countries and operates via five subsidiaries across multiple continents. Its global retail network (outside of India) spans over 840 touchpoints with 165 exclusive stores and 678 multi brand outlets (MBOs). Moreover, your Company strengthened its global presence by adding two new local assembly units in Colombia and Thailand, in addition to an existing facility in Argentina.

Europe, Middle-East and Africa (EMEA) Market: Royal Enfield geared for faster strong growth

The EMEA markets – the largest market region for Royal Enfield this year - accounts for 41% of Royal Enfield's international volumes and reported a growth of over 185% year-on-year for the financial year 2021-22. Your Company has an expansive network of 46 exclusive stores and 400+ multi-brand outlets in the region. Your Company gained

around 7% market share in EMEA's middleweight segment in 2021-22 as against below 2% market share in 2018 (prior to the launch of Twins). In the EMEA markets, Royal Enfield has been growing at a rapid pace (~50% CAGR) over the last 5 years and has managed to expand the middle weight category in the region. In this region, the two-wheeler market grew nominally by 1.7%, the motorcycle market by 5.9% and the middleweight motorcycle segment by 11.1% in the same time frame. Royal Enfield's ranking in the middleweight motorcycles has improved by 2 positions to 5th rank in the current financial year, from 7th rank in 2020-21. Moreover, Royal Enfield was placed 2nd in the UK's middleweight motorcycle segment with over 18% market share. In France, brand Royal Enfield now ranks 4th in the segment.

Royal Enfield launched Meteor 350 in the EMEA markets in 2021 and it has won the prestigious MCN Best Retro motorcycle award. The model has received an extremely positive response from the consumers, especially from the mature riders, younger riders and women riders. Earlier, Royal Enfield Interceptor 650 has won the MCN Best Retro Motorcycle award consecutively for two years. The new variants of 650 Twins and Himalayan continue to attract positive response from consumers. The new Classic 350 has been recently made available in the region. The acceptance of Classic in the region has been extremely encouraging, reflecting the popularity of Classic in the region.

your Company has launched **The Riders Club of Europe** in April 2021, which has attracted over 9,000 members in its first year of inception. The Club has conducted over 500 rides in the region and enabled Royal Enfield to engage more with consumers and brand loyalists. Amidst uncertainties around COVID in the region, Royal Enfield has rolled out the **City Test Ride** Tour during April – October 2021. Under this initiative, over 2,300 test rides were undertaken from 47 locations across Europe.

Royal Enfield celebrated its 120th year anniversary at **EICMA 2021** at Milan, where it showcased its heritage (Project Origin), journey (one motorcycle from each decade) and product capabilities (SG650 concept). Moreover, 'your Company also launched 120 limited edition, premium variants of popular 650 Twins in the EMEA region, which were sold out in less than 120 seconds.

Royal Enfield's Tours and Experiential Partner base has expanded across Europe during the year to 16 partners, which offer an attractive Usership experience before ownership across the EMEA region. Moreover, as part of the entry strategy for Africa, Royal Enfield has collaborated with Tours and Rental partners in four countries for the **Wanderlust Initiative**, to build aspiration for the brand among the locals.









Americas – Emerging as largest market outside India

The Americas – Including North and South America – is among the fastest growing overseas markets for Royal Enfield. Sales of RE motorcycles have clocked a growth of 135% year-on-year in the American region, and accounted for around 35% of the international business volumes. your Company has an expansive network of 70 exclusive stores and 175 multi-brand outlets in the Americas region. Royal Enfield's market share in the middleweight segment in the Americas region climbed up-to 5% in the year 2021 from 1% in 2018. Within the region, Royal Enfield's market share stands at around 9% in Argentina, followed by 6% in Colombia, 4% in USA and 3% in Brazil.

Royal Enfield launched Meteor 350 in the Americas during the year and it has garnered immense response from consumers across all countries. In addition, new variants of popular models such as Himalayan, Interceptor 650 and Continental GT 650 have seen good traction in the region. Royal Enfield operates two Completely Knocked Down units (CKD) assembly facilities in the region. The first facility was launched in Argentina through its partner in September 2020. **This facility has already assembled over 5,000 units so far.** The second assembly unit based in Colombia, commenced operations in October 2021.

During the current financial year, Royal Enfield conducted and actively participated in multiple distinguished racing events such as the Mono Anatomy (American Flat Track), Build. Train.Race (BTR) Road race USA, BTR Flat track Brazil, and BTR Flat track USA. Your Company also participated in over 40 activation events across America and conducted many distinguished rides and events such as - Tour of Argentina, Tour of Colombia and Gladiadores Colombia.

Asia Pacific (APAC): The region with exceptional potential

Royal Enfield's presence in the Asia Pacific (APAC) markets has increased significantly over the last 4 years and 'your Company has started operations in Singapore during the year. The region accounts for 14% of overseas volumes and holds immense potential for middleweight motorcycles and in particular, Royal Enfield. The Royal Enfield footprint in the APAC markets is represented by 148 dealerships, comprising 48 exclusive stores and 100 multi-brand outlets. Australia & New Zealand account for 53 touchpoints, Thailand has 29, Japan houses 23 and South Korea makes up the balance with 12 stores. your Company has witnessed 2.5x volume growth in the region in the last 3 years with its market share rising from 2% in 2018-19 to 7% in 2021-22. Royal Enfield has now gained over 15% market share of the middleweight motorcycle segments in key markets of the region such as – Australia, New Zealand and South Korea and over 7% in Thailand from under 4% share in FY2018-19.

In the APAC markets, Royal Enfield motorcycles have elicited excellent customer responses over the last 3 years on the back of Himalayan and 650 Twins. Introduction of Meteor 350 in all key markets during the year opened up the easy cruising proposition in the region and the motorcycle won multiple awards in the region. your Company has also launched Classic 350 in the later part of the year in the APAC region, and the motorcycle has generated a massive appeal among the retro motorcycle enthusiasts owing to its timeless design, refinement levels and ease of riding.





Royal Enfield further strengthened its presence in the region with an exclusive local assembly unit and CKD facility in Thailand. This move boosts Royal Enfield's presence in South East Asia and reaffirms the brand's commitment to the Asia Pacific region. your Company has started operations from Thailand's CKD facility in FY2021-22 and plans to start exports from this facility in the coming year. In the region, your Company's strategy to enhance consumer experience and satisfaction with Royal Enfield is multi-pronged and comprises numerous initiatives including collaborations with leading apparel brands such as Saint Apparel in Australia and Eiger Clothing in Indonesia. Royal Enfield has curated engagements with GoPro, a leading sports electronics brand, for consumers and the community. In the current financial year, iconic marquee rides and community engagement activities like the Tour of Thailand and Tour of Indonesia were successfully organised to grow and strengthen an already vibrant Rides and Community culture.

SAARC: Resilient volume driver, led by Nepal

Within the SAARC nations - your Company has operations in Nepal, Bhutan and Sri Lanka. For FY 2021-22, volume contribution from SAARC nations stood at 10%, delivering stable volumes. Amidst the tough macroeconomic backdrop - COVID related challenges and economic fluctuations, 'your Company focussed on maintaining stability for its operations and channel partners.

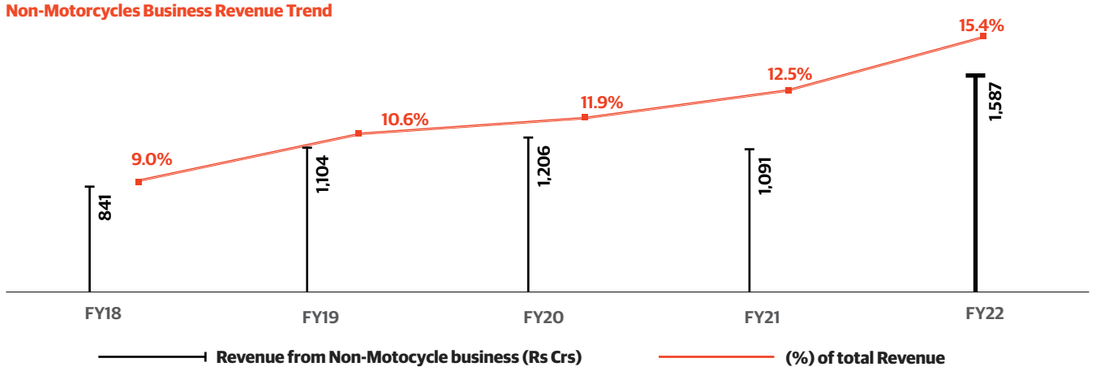


5. NON MOTORCYCLE BUSINESS: EXPANDING THE PURE MOTORCYCLING ECOSYSTEM

Royal Enfield offers the pure motorcycling experience which encapsulates rides, hassle free ownership, personalization, easy maintenance and holistic care for motorcycles. Over the years, 'your Company has worked towards enabling consumers to customize and personalize motorcycles that reflects their own personality, while offering consumers complete peace of mind by providing comprehensive and convenient maintenance options.

your Company has reported sharp 45% year on year growth from non-motorcycle businesses such as spare parts, accessories, apparels and services. The non-motorcycles revenue stood at Rs 1,587 cr for FY 2021-22 and the business accounted for 15% of overall revenue, ~3% higher share as compared to FY2018-19, which underscores the in-roads Royal Enfield has managed to cover in an attempt to provide its consumers a holistic platform to display their own personality.

Non-Motorcycles Business Revenue Trend



After Sales, Service, Genuine Parts

Your Company is committed towards ensuring smooth and hassle free ownership, and a fun riding experience for consumers. The segment has clocked a revenue growth of 40% year on year. With a focus on delivering best-in-class service experience and bolstering its digital capabilities, Royal Enfield took multiple initiatives during the year –

- **Spare parts availability:** Your Company worked towards building a resilient supply chain with a lean inventory and ensured parts availability at the retail counter and workshop. Royal Enfield has fully implemented the auto replenishment model for all channel partners and the availability of parts has improved to 98.4% including goods in transit.
- **Reducing turnaround time (TaT):** Royal Enfield is first in the industry to monitor turn around time (TaT) rather than reach time, when providing roadside assistance. The time taken for returning a vehicle back on road is a key determinant of customer satisfaction. Royal Enfield has implemented measures at the workshop level to improve the overall turnaround time, which has resulted in 90% of vehicles on average being readied for delivery within 8 hours.
- **Service Care 24:** The initiative was successful in returning over 1,70,000 erstwhile customers (~6% of the total) to the Royal Enfield fold. The Extended Service Warranty programme (designed to cushion customers against expensive repairs after the expiry of the manufacturer's warranty) witnessed increased penetration from 62% in FY 2020-21 to 72% in FY 2021-22.
- On the sales and service front, 3,045 new authorized mechanics and 1,980 new retailers for spares were added in FY 2021-22. Moreover, our 1,055 studio stores, in addition to 1,063 dealerships, expand RE's service coverage to over 1,750 cities.

Along with providing after-sale services, your Company understands the importance of end-of-life management of its vehicles. The scrappage policy announced by the Ministry of Road Transport and Highways, India in March 2021 encourages customers to scrap their vehicles at the end of life which will drive efforts towards maximising recycling. While your Company already uses recycled raw materials in its products, it would like to extend its initiatives to include reused / recycled vehicle scrappage. The after-sales team is planning to educate consumers and encourage them to assist your Company in its efforts to increase the percentage of recycled raw materials.

Genuine Motorcycle Accessories: Ease of personalization

Royal Enfield motorcycles are known for their ease of personalisation and customisation, and over the years, consumers have inspired your Company with their customised or personalised Royal Enfield motorcycles that reflect their own personality in a certain sense. Your Company's genuine motorcycle accessory (GMA) sales have experienced the strongest ever growth regardless of the industry-wide challenges. The portfolio of accessories now stands at 237 products from 180 products in 2020-21, and 'your Company is working towards increasing it further.

In terms of popularity, the protection category continues to be very strong with products such as engine guards, sump guards selling well. Cast alloy wheels are also proving a popular choice among the consumers, as are seats and seat covers. During the year, the team was also focussed on improving the distribution model for accessories. GMA Business has established 3 Supply units in India in FY21-22 where the GMA Mother Warehouse is in Jaipur plus the additional satellite Warehouses in Bangalore & Guwahati.



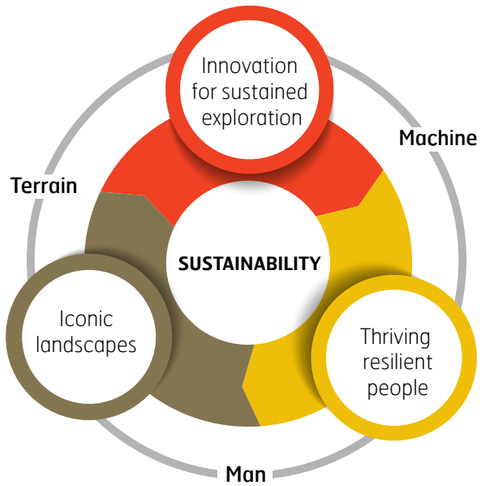
Apparel: A channel for expression for riders

Rider apparel and gear is a huge form of self-expression for motorcycle riders. The jacket, gloves, protective riding gear, the helmet and other safety guards on the rider, are all part of the motorcycling lifestyle that each rider aspires to lead. Strengthening its digital presence in the service domain, your Company introduced online features to offer frictionless after-sales experience to its customers. Inspired by the shared legacy of pure motorcycling and timeless design, Royal Enfield joined hands with Belstaff, a leading British heritage brand, to bring out an exclusive range of apparel that commemorate Royal Enfield's 120th anniversary. The exclusive collection includes a range of heritage-inspired t-shirts, zip-up sweatshirts, caps, enamel mugs as well as two masterpieces, the limited edition Royal Enfield x Belstaff waxed jackets - Trialmaster jacket and the Brooklands armoured motorcycle jacket.

The anniversary celebrations were also marked with the launch of 12 limited edition helmets. With hand painted designs by artists, each helmet represents a decade of Royal Enfield motorcycling and enables enthusiasts to own and wear a piece of Royal Enfield history. Always cognisant that the helmet is the most important piece of safety gear, this limited edition range incorporates classic design, history and technology to provide enthusiasts optimum safety, protection and comfort. In another tribute to the brand's emphasis on authenticity and safety, Royal Enfield and TCX collaborated to offer a range of CE Certified protective riding and lifestyle shoes. Royal Enfield also became a member of the Better Cotton Initiative (BCI), to contribute to improving cotton farming globally and to source cotton more sustainably for its apparel range. Your Company is committed to sourcing 100% of our cotton requirements through Better Cotton by 2023.

6. SUSTAINABILITY, ENVIRONMENT AND HEALTH & SAFETY: INTEGRATED PART OF EML'S MISSION

Eicher Motors Limited made concerted efforts during the year to deliver positive results towards its Environmental, Social and Governance (ESG) vision. your Company continues to work towards establishing more conscious ways of doing business by striving to minimise its emission footprint, making environment-friendly choices, and caring for its people and communities which help it grow. As an enabler of Pure Motorcycling, Royal Enfield takes responsibility for promoting a healthy balance between man, machine and terrain.



During the year, 'your Company has actively worked with Helmets for India, a not-for-profit creative initiative that aims to positively influence perceptions about wearing helmets and improve road safety in India. In addition, Royal Enfield's marquee ride – One Ride 2021 was focused on encouraging responsible travel practices amongst the global riding community in a bid to #LeaveEveryPlaceBetter.

your Company continues to make use of certified recycled raw material for its motorcycles, parts, accessories and apparel. Your Company is also working to raise awareness of these actions through eco-labelling and customer awareness campaigns. EML has also made progress in implementing principles of circular economy in its operations, which have helped to maximise resource utilisation while supporting efforts to achieve the goal of zero waste to landfills. The health and safety of your Company's employees and workforce is fundamental to its operations. The comprehensive Occupational Health & Safety (OHS) management system continues to be rigorously followed across all manufacturing units and includes the surrounding communities as well. Moreover, supply chain partners of 'your Company are being engaged actively, in our quest to make holistic improvement on ESG, with a long term perspective and vision of always being a responsible organisation in this context.

In recognition of these efforts, Dow Jones ranked EML as one among only ten global automotive companies to feature on its elite list of **Dow Jones Sustainability Indices 2021 (DJSI)** in the Emerging Markets category. your Company was ranked among the top 10 global automotive companies.

7. OPERATIONS REVIEW: AGILE, GLOBAL AND WORLD CLASS

Your Company's production facilities have navigated through multiple challenges during the year, ranging from onset of the second wave of COVID, to severe supply side constraints. Yet, Royal Enfield and its supply chain partners have delivered a resilient production for the year, while rolling out the All-New Classic - its most loved motorcycle - on an all new J-series platform. The resounding response to J-series underscores Royal Enfield's agile, global and world class product development capabilities, which are also focused towards in-house development and integration of emerging technologies.

your Company also expanded its global production footprint to three countries during the year, and plants in India played a crucial role in smooth ramp-up. The concerted endeavours of the complete value chain enabled Royal Enfield to continue to remain agile and deliver world class motorcycles as well as services seamlessly across all markets. your Company continues to consistently raise the bar with the launch of each new product and sets new benchmarks in terms of product quality, performance and service.

Inducting sustainable production methods amidst multiple challenges

The current financial year, similar to the previous year, continues to witness the impact of the pandemic – Initially in India, but later in many other overseas markets. With the second wave of COVID running through most of Q1 FY2021-22 in India, our manufacturing and retail operations were affected due to lockdown and restrictions. Resumption of production activities after the lockdown was enabled through proper coordination with the Company staff and government authorities while ensuring complete safety of employees and all immediate stakeholders. On the logistics front, particularly for shipments to overseas destinations, availability of containers, frequency of shipping lines etc. posed challenges to the industry. Your Company handled these constraints by taking both short-term and long-term measures which resulted in accomplishing international business plans and driving the global aspirations of your Company.

Your Company also acknowledges global climate change as a major environmental concern. It has prioritised its efforts in reducing energy and water use, waste generation, and GHG emissions associated with its manufacturing facilities to mitigate the negative effects and ensure a sustainable future. Royal Enfield's manufacturing prowess and focus on ESG was also recognised by Frost and Sullivan and TERI during the Sustainability 4.0 awards. Royal Enfield's Vallam Vadagal facility received the **'Frost and Sullivan Gold' Award for Manufacturing Excellence.**

In addition, your Company is also looking at extending its initiatives to its value chain partners including suppliers, dealers, consumers as well as end of vehicle life management. To this effect all of its manufacturing facilities are 'Zero Liquid Discharge' plants, two of which have been certified as water positive. In addition, improvements have been made in terms of efficient use of packaging with focus on Reduce, Reuse and Recycle. For example, your Company packages multiple kits into a single package for global shipments and have introduced the environment friendly recyclable poly packages. As your Company strives to become the industry leader in customer satisfaction, multiple steps have been taken to provide timely service – thereby reducing turnaround time, and to ensure spare parts availability across the network. During the year, the centralized spare parts facility at Oragadam plant aided the successful rollout of the auto replenishment model for spare parts across all channel partners enabling wider reach yet leaner channel inventory.

World class product development capabilities with focus on quality

Royal Enfield's J series platform made its mark globally this year as the Meteor 350 has been introduced across all major overseas markets, and it continues to win multiple accolades globally, including the prestigious MCN's Retro Motorcycle of the Year. Meteor has opened up a light cruiser segment in many markets with its ease of handling and ability to effortlessly cruise on highway speeds. Moreover, the motorcycle has garnered resounding reception and delivered consistent performance despite significant variation in operating conditions such as Brazil (E20 Gasoline) and Europe (Euro V compliant). Royal Enfield's new range of products - 650 Twins, Himalayan, Meteor 350, New Classic - and their global performance, are a testament to 'your Company's world class product development, production and quality control capabilities. The high standards of design and validation applied throughout the development of the motorcycle alongwith the state-of-the-art facilities at both the technical centres – India Tech Centre at Global Headquarters, Chennai and UK Tech Centre - are the enablers of the world class product range. Your Company has been working on continuous improvement of its development capabilities, and has a focused plan to develop and augment the future technologies.

The "Shoki Ryudo Kanri" (SRK) process continues to be the foundation for ensuring that initial product quality levels meet and exceed global expectations. Your Company and its supply chain partners continued to embrace this process and delivered yet another world class product in the form of the New Classic. Your Company is committed towards development of its supply partners to be future ready with required technologies and processes to offer best-in-class products and service, by concurrent development, early involvement and long term planning in all the areas of business to emerge stronger and better as it powers forward.

Electric vehicle development: Long term consumer focused strategy

The robust electric vehicle product and business strategy is at the core of 'your Company's long term sustainability plans. Globally, major two wheeler markets (Including India) are gradually shifting towards sustainable mobility options - which includes personal electric two wheelers. Currently, the EV offtake is supported by policy-led initiatives such as incentives or restrictions or both in many markets.
The potential electrification of the premium motorcycle space is in its nascent stage, and to meet key consumer requirements such as longer range, higher performance, extreme durability, charging network and cost effectiveness

(without incentives) further technological breakthroughs are required.

Royal Enfield has global ambitions of emerging as a premium consumer brand and 'your Company has forged a long term, global and consumer centric product as well as business strategy for electric vehicles. The development work is in progress with dedicated resources and a sharp focus on future technologies. The product(s) will follow Royal Enfield's world-class product development cycle and will undergo its well proven global testing and validation cycles before it is launched in the markets around the world.

Aligning for expanding International operations and CKD facilities

With a focus on expanding global presence, your Company has started setting up Completely Knocked Down (CKD) facilities in key export markets. These facilities include an assembly line for production of a motorcycle kit and a separate facility for its packaging. During the year, Royal Enfield has started two new CKD facilities in Colombia and Thailand – in addition to an existing facility in Argentina, with robust supporting facilities in India. With common backend facilities in India, Your Company achieved a great feat by successfully starting the three CKD operations even with uncertainties related to the pandemic with an entirely digital coordination plan. In addition to this, a lot of checks and balances have to be introduced in the processes and IT systems to ensure accuracy and safety in handling and shipping of parts to multiple countries.

All-New Classic - Seamless transition to new J-Series platform

Royal Enfield has launched an All-New Classic - Reborn with a new heart - while retaining the key characteristics of the legendary motorcycle such as comfortable riding dynamics, timeless retro design, and ease of personalization. your Company carried out the transition to a new platform without causing disruption to the production (or sales), and this was achieved through strong collaboration between the manufacturing and product strategy teams. The Classic has set the new benchmarks for quality, performance and ride comfort in the industry. The motorcycle has been exceptionally well received in India as well as overseas markets, and won several best motorcycle awards.

Supply Chain Management: Navigating through waves

Supply chain partners of your Company waded through the waves of the pandemic and the sporadic impact it created across the globe with persistence. Many of the system & aggregate suppliers depend upon global tier-2 & 3 supply partners for their production and deliveries. With an integrated & focused approach and collaborative efforts, 'your Company has been able to mitigate the impact and deliver steady volumes with the support of supply partners. Despite the continued global shortages of semiconductors, sharp increase in commodity prices, and few unexpected calamities in global industrial zones, your Company continued on the course of steady production improvement in the second half of the year.

In order to improve availability of components, your Company undertook several initiatives such as onboarding alternate suppliers to de-risk, strategic build-up of inventories, advance booking of commodities and services etc. The impact of steep increases in input costs were minimised by actively pursuing value engineering and cost reduction initiatives.

Your Company is committed to continue to develop its supply partners to be future ready with required technologies and processes to offer the best in class products & service as always, by concurrent development, early involvement and long term planning in all the areas of business to emerge stronger and better as we go forward.

8. INFORMATION TECHNOLOGY: STRONG INTEGRATION CAPABILITIES

Technology is one of the key pillars that support your Company to achieve its vision of becoming a global motorcycling brand. With its sights firmly on transforming into a technology-led business, your Company invests in technology for it to become the engine for all business activities. your Company's digital strategy has three key drivers -

Enhance Customer experience

Royal Enfield's focus is on enhancement of consumer interactions with the brand interfaces via multiple digital platforms. Our engagement with consumers is increasingly driven primarily via digital platforms, be it the interface(s) at the time of purchase, service requests, non motorcycle businesses or any other consumer related operations. your Company has put in place best in class IT infrastructure systems to drive global business activities.

Royal Enfield App

Our quest to improve overall digital consumer experience is backed by Royal Enfield App (RE App), which holistically integrates all major parts of the pure motorcycling experience. The launch of the RE App and a 3D configurator under the MiY initiative have opened up new dimensions for motorcycle personalization to suit varied preferences, and a seamless purchase experience integrating product selection, accessorization, maintenance plans, extended warranty options, and ease of delivery. Moreover, the App integrates effortlessly with Royal Enfield's Tripper navigation pod for Google Maps based route mapping and provides access to the world of Do-it-Yourself content on Royal Enfield Motorcycles.



Enable Digital Enterprise

your Company is making significant strides in digitizing the organisation's internal processes and activities such as Plant automation, SAP, DMS, PLM, HR Automation and other initiatives. The core operations of 'your Company are supported by robust, secure and global IT systems which facilitate a higher level of automation and free flow of information between multiple nodes. These systems back your companies key operations such as -

- **Coordination between CKD facilities and backend plant:** Royal Enfield operates three CKD facilities located in Argentina, Colombia and Thailand. Your Company achieved a great feat by successfully starting the three CKD operations even with uncertainties related to the pandemic with an entirely digital coordination plan. In addition to this, a lot of checks and balances have to be introduced in the processes and IT systems to ensure accuracy and safety in handling and shipping of parts to multiple countries.
- **Auto replenishment for spare parts:** During the year, Royal Enfield has fully implemented the auto replenishment model for all channel partners across the country. The system automated the spare parts replenishment at the retail outlet and resulted in an overall significant reduction in the channel inventory. Moreover, the availability of parts has improved to 98.4% including goods in transit.
- **Cloud based MSD:** Across all 2,000+ stores in India, Royal Enfield has transitioned from a Dealer Management System (DMS) to the cloud based Microsoft Dynamics (MSD). This has also been rolled out in international locations such as Thailand. The MSD is a useful tool in holistically monitoring customer requirements as well as activities on vehicles, and in managing the customer conversion funnel more effectively. A database of historical activity helps to enhance the delivery of superior service and elicit high levels of customer satisfaction.

Data Analytics, AI and Secure

A key pillar of Royal Enfield's digital transformation is to leverage the huge datasets developed over years and to generate insights for data driven actions to help the solutions business. Moreover, 'your Company is augmenting the power of Artificial Intelligence and Machine Learning across all segments to drive higher levels of automated and quick decisions. Mitigation and defense against potential cyber threats continues to be an important area for Royal Enfield, and during the year, 'your Company has been successful in averting any potential cyber attacks.

In addition, Royal Enfield's omni-channel apparel sales (Stores, website, e-tailers, other retailers), Robust consumer relationship management (CRM) programs, and Royal Enfield Mechanic App, which offers e-diagnosis and faster, smoother service delivery, are testament to 'your Company's digital capabilities.

9. HUMAN RESOURCES: STRENGTHENING OUR PEOPLE VISION

The Human Resources function is committed to strengthening the 'Being Eicher' values and the Royal Enfield culture, and acts as a trusted partner to the business, thus developing capabilities at all levels. During the year, 'your Company has continued to strengthen its people's vision to create a unique Royal Enfield culture powered by a passion for the brand that enabled businesses, teams, and individuals to realize their true potential in an empowered, collaborative, innovative, and transparent work environment globally.

your Company showcased strong resilience through the turbulence of the previous two years that was marked by multiple waves of COVID. We have carried forward the success of Operation 'REStart' to bring our operations back on track, working closely with local governments. your Company has always had a deep focus on the health and safety of its employees, and it was highlighted this year as well. COVID vaccination drives were conducted to provide vaccination to all the employees for which the cost was borne by 'your Company. Employees were also supported with curated COVID insurance, doctor consultations and hospitalization assistance.

Despite the disruptions during the last year, Royal Enfield and its people have played a pioneering role in carrying forward the Company's tradition of keeping consumer's interest at the forefront. The commitment of our people was on display through the launch of multiple new products – All-New Classic, Scram 411, and multiple activities – 120th year anniversary, 90 degree South, EICMA, One ride 2021, Art of motorcycling, Continental GT Cup, Flat Track racing etc.

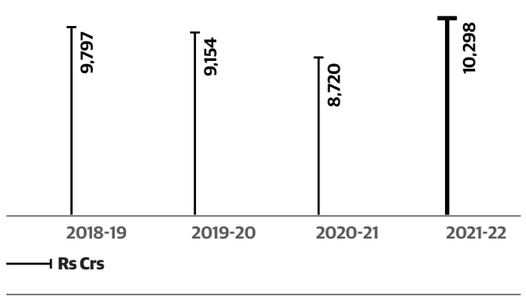
your Company has built robust processes around staffing, talent management and capability enhancement by putting the right framework in place and imparting skills across varied roles. The key objective is to drive people towards contributing to the overall success of the organisation while continuously augmenting new skills. A slew of learning programs and interventions have been rolled out to ensure the growth and career progression of all the employees. During the year, 'your Company restarted the feedback loop by kick-starting the Employee Engagement survey. 'Listen, Learn and Act' made a comeback after two years to gauge the pulse of the employees and create a positive workplace for all. your Company honours the dedication of its employees, as it looks back with pride at the effort and long-standing commitment of its workforce.

your Company, in order to gear up for its long term commitments, has charted a broader and more robust organization structure. This new organization structure has substantially widened the management bandwidth with focus on Brand, Design, Product Development, Project Management, Commercial operations, Technical operations, Information Technology, Human resources and Finance. Moreover, the Company has been actively adding depth in each of these verticals by investing in the future by focusing on learning and development of young leaders working at Royal Enfield.

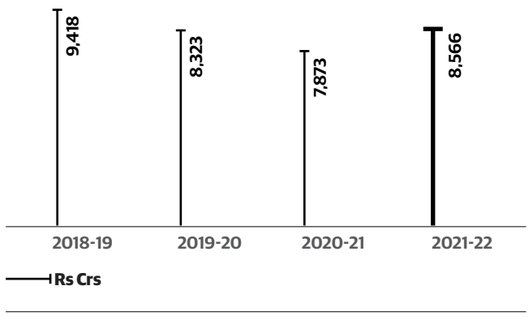
10. FINANCIAL REVIEW

Eicher Motors Ltd. registered its highest ever annual revenue in FY22 at Rs 10,298 crores backed by success for Royal Enfield in the international markets - a growth of over 104% YoY in revenue - and marked improvement in non-motorcycling business - 45% YoY increase in sales. The year 2021-22 began with pandemic induced uncertainties in India and other countries and was followed by severe supply chain constraints. Overall volume of Royal Enfield declined by 2% to 5,95,474 motorcycles in 2021-22. Your Company's revenue from operations increased by 18% to Rs. 10,298 crores in 2021-22 from Rs. 8,720 crores in 2020-21. Realisation improved on account of price hikes taken, primarily to offset the significant increase in input costs due to the surge in commodity prices, and on account of the improving share of international business as well as non motorcycle business.

Net Revenue CAGR 2% (Rs Crs)

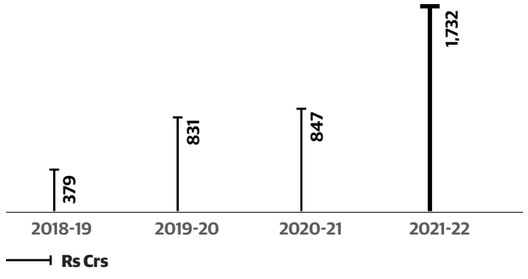


Net Revenue from India Business -CAGR-3%

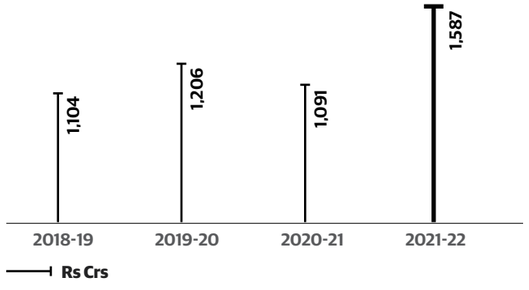


Revenue from the India business increased 9% to Rs. 8,566 crores in 2021-22 from Rs. 7,873 crores in 2020-21. An excellent performance in export markets resulted in a 104% increase in revenue to Rs. 1,732 crores from international business. In a bid to grow its non-motorcycle segment share, your Company undertook a slew of initiatives across after-sales, accessories, apparel and solutions businesses. Improvement in parts availability, doorstep consumer services (Service-on-Wheels), Ride sure program, expansion of accessory and apparel range, and retail distribution are steps in the right direction to enhance customer experience. A great acceptance and rising penetration of all such initiatives has underpinned a healthy performance of the non-motorcycle business. Total revenue from spares and services, apparel, accessories and others increased by 45% YoY to Rs. 1,587 crores in 2021-22 despite the pandemic-led disruption to the demand.

Net Revenue from International Business-CAGR 66%

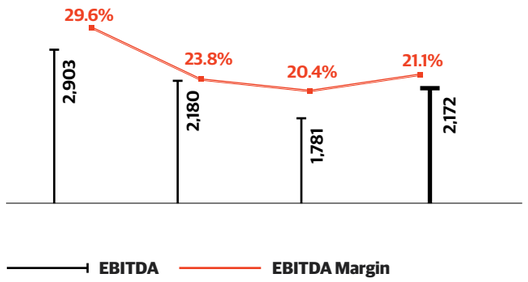


Net Revenue from Sale of Spares parts and Apprel and Services CAGR 15%

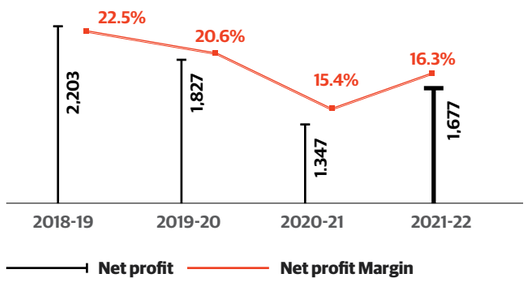


Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of your Company increased by 22% to Rs. 2,172 crores in 2021-22 from Rs. 1,781 crores in 2020-21. EBITDA margin also increased to 21.1% in 2021-22 from 20.4% in 2020-21. Amidst sharp increase in commodity prices and elevated costs of operations, due to shortage of components and higher freight expenses, 'your Company delivered improvement in the profitability. Successive pricing actions by your Company coupled with strong focus on cost reduction and value engineering helped offset the impact of higher costs.

Eicher Motors EBITDA



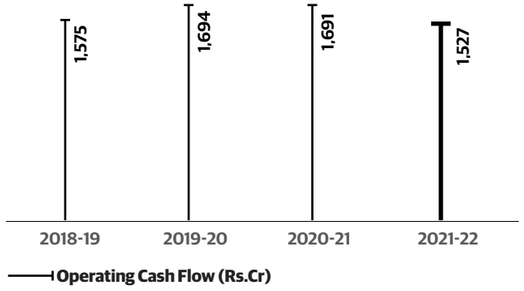
Net profit and Margin

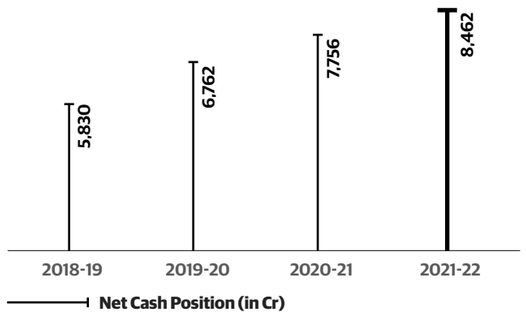


Consolidated Net Profit After Tax ("PAT") increased by 25% to Rs. 1,677 crores in 2021-22 from Rs. 1,347 crores in 2020-21. An increase in Revenue, EBITDA, and higher contribution from 'your Company's JV with Volvo AB - Volvo Eicher Commercial Vehicles have uplifted the profit growth over last year.

Your Company's financial position remains robust with total cash and cash equivalents, and investments (other than

in subsidiaries and Joint Ventures) of Rs8,462 Crores. It generated a healthy cash flow from operations at Rs. 1,527 crores and also provided support to its supply partners and dealers. Your Company continued to invest in its product development activities and setting up operation facilities along with a special focus on growing its digital capabilities. The total capital investment for the year stood at Rs. 641 crores.





Key Financial Ratios

In accordance with SEBI (Listing and Disclosure Requirements 2018) (Amendment) Regulation, 2018, a company is required to give details of significant changes (change of 25% or more as compared to the immediate previous financial year). Your Company has been reporting the following key financial ratios:

Particulars	UOM	Standalone		Consolidated	
		2021-22	2020-21	2021-22	2020-21
Inventory Turnover Ratio	Times	7.4	8.2	6.1	7.3
Current Ratio	Times	1.9	3.6	1.9	3.4
Trade Payables Turnover Ratio	Times	3.7	4.4	3.7	4.3
Net Capital Turnover Ratio	Times	3.9	1.4	3.9	1.4
Operating Profit Margin	%	16.5%	15.6%	16.7%	15.3%
Net Profit Margin	%	15.7%	15.4%	16.3%	15.4%
Return on Equity	%	15.4%	15.1%	13.8%	12.9%
Return on Capital Employed	%	19.2%	18.0%	16.8%	15.1%
Earnings per share (basic)	Rs.	58.0	48.7	61.3	49.3
Earnings per share (diluted)	Rs.	58.0	48.6	61.3	49.2

Ratios where there has been a significant change from 2020-21 to 2021-22:

Current Ratio: Calculated as Current Assets / Current Liabilities. The current ratio for EML consolidated decreased from 3.4x in FY 2020-21 to 1.9x in FY 2021-22. The same ratio for EML standalone decreased from 3.6x in FY 2020-21 to 1.9x in FY 2021-22. This has been driven by liquidation of fixed deposits in the current year and their subsequent placement in the non-current investments.

Net Capital turnover ratio: Calculated as Net sales (= Total sales - sales return) / Working capital (= Current assets – Current liabilities). The Net capital turnover ratio for EML (both consolidated as well as standalone) increased from 1.4x in FY 2020-21 to 3.9x in FY 2021-22. This change has been on the account of higher sales in the current year and lower working capital as compared to the previous year.

11. RISK MANAGEMENT

Eicher Motors constantly monitors its operating environments continuously for potential risks that may impact its businesses. your Company has put in place a robust risk management framework for identification and mitigation of key risks. The process of risk identification, prioritisation and mitigation is overseen by the Risk Management Committee of the Board and the senior management personnel. your Company has adopted a host of strategic measures in response to risks identified. Some of the key risks are discussed below.

1. Uncertainty around COVID and its variants and economic slowdown

Capital: Financial, Manufactured, Human, Social and Relationship

Material Issue: Economic Performance, Manufacturing Efficiency, Occupational Health and Safety, Responsible Supply Chain, Customer Centricity, Community Engagement

Economies worldwide are dealing with the uncertainties around COVID and its variants resulting in potential challenges on the supply chains as well as economic activity. As of the end FY-2021-22, while the COVID situation seems to be largely under control, normalcy in business activity and consumer expenditure are still lower than pre pandemic levels. your Company continues to take numerous initiatives not only to drive demand but also to enhance consumer experience. During the year, Royal Enfield launched All-New Classic – its most loved motorcycle, Scram 411 – a unique ADV crossover and new color variants for 650 Twins. While the uncertainty around the evolution of the pandemic continues to hover around multiple regions in the world, 'your Company is working towards enhancing the safety of its consumers, employees, dealers and workmen. Moreover, focus on a strong product pipeline, distribution network enhancement, digital campaigns for brand building, digitization of booking/sales and initiatives to enhance customer experience are oriented towards growing the customer interest in the brand and its products. Your Company introduced multiple initiatives to support services at the customer doorstep and to enhance the ownership experience.

2. Commodity Pricing and Availability

Capital: Financial, Manufactured, Natural, Social and Relationship

Material Issue: Economic Performance, Manufacturing Efficiency, Responsible Supply Chain, Customer Centricity, Responsible Use of Materials

The worldwide shortage of semiconductors and rise in the price of commodities such as precious metals, Aluminium, Crude oil, Steel, Copper etc not only resulted in supply chain disruptions and delayed production schedules but also led to an increase in the input cost of all motorcycles. your Company remained focused on ensuring availability of raw material and components to meet the consumer demand. Consequently, 'your Company has undertaken multiple initiatives to improve supplies such as alternate vendor sourcing, advance inventory build-up, and optimizing variant-feature mix. In order to offset the increase in input costs 'your Company has undertaken price increases, extensive cost reduction programs, and accelerated value engineering initiatives. As a result, 'your Company has reported the profitability improvement, during the year, despite a surge in input costs.

3. Availability of Financing

Capital: Financial, Manufactured, Social and Relationship

Material Issue: Economic Performance, Customer Centricity

Amidst a sharp increase in ownership cost of motorcycles along with the muted market sentiment, availability of attractive financing options remains crucial for improving accessibility to consumers. In view of recent increase in interest rates and tightening liquidity conditions, 'your Company is emphasizing on enhancing flexible financing options and collaborated with several leading financiers to roll out attractive financing schemes. During the year, Royal Enfield expanded the number of available financiers' options at the dealerships. Additionally, a three-pronged approach was taken to improve access to consumers – 1. Low down payment requirements, 2. Extended loan tenures, and 3. Exploring low interest schemes. Moreover, your Company also launched the industry's first digital finance marketplace (DFM), starting with 2 financiers on board. The Company has plans to expand the DFM model by increasing the number of financiers in the coming year.

4. Higher than expected tightening of Environmental Regulations and Compliances

Capital: Manufactured, Financial, Natural

Material Issue: Regulatory Compliance, Climate Change, Energy and Emissions, Water Management, Waste Management, Responsible Use of Materials

Royal Enfield is committed towards conservation of the environment, adapting sustainable practices and lowering its emission footprint. Your company now

has operations in over 60 countries and is compliant with the regulations around energy consumption, effluent treatment, waste management, governance and workforce management. However, unexpected change in local regulations around potential restriction of mobility options can hurt your company's business in those regions. Your Company has put in place a strong compliance monitoring and risk management framework that monitors and proactively assesses the potential business risks in all the regions where we have our operations.

For Example: Policy-led transition to EVs have picked up momentum in the last few years and multiple authorities have either incentivised or restricted consumer choices towards electric vehicles. Our major markets are no exception, with multiple countries (including India) incentivising the EV models, as of now. Royal Enfield believes that electrification of the premium motorcycle space is still in the nascent stages. Your Company has a long term, consumer-centric EV strategy in place to introduce product options. However, a faster than expected shift to EVs in premium segments, led possibly by local regulations and restrictions, or higher than expected fuel inflation could pose a key risk to our ICE portfolio.

5. Slower growth of middleweight segments and rise in competition

Capital: Manufactured, Financial

Material Issue: Customer Centricity, Economic Performance, Product Quality

The mid-size motorcycles segment is ripe for substantial growth in coming years supported by a large base of entry level commuter motorcycles in emerging markets and substantial share of large size motorcycle users in developed motorcycles. Middleweight motorcycles, which are relatively easy to ride, maintain and offer pure motorcycling experience, have potential to outgrow the other two wheeler segments globally. However, a slowdown in the growth of middleweight motorcycles pose a risk to our long term business plans. Moreover, multiple new players have entered or have plans for entry in the middleweight segments to capture a share of this booming market. Many established brands which had thus far abstained from offerings in this space are also joining in, thereby increasing the available options for the consumers.

Royal Enfield is well prepared to take on this challenge and has a long term, robust product pipeline to broaden its product portfolio to cater to a wider set of consumers across multiple geographies. Our product development capabilities are world class and the solid global performance of the Meteor 350, Himalayan, and the 650 Twins are a testament to the same. RE is committed to leading the global middleweight motorcycle segments through this flourishing phase. In addition, 'your Company operates an expansive premium distribution and manufacturing network catering to the customer bases in over 60 countries. Royal Enfield's consumer reach via physical or digital means is unparalleled in the middleweight segments, so far, and is significantly ahead of its closest competitors.

12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

During FY 2021-22, your Company assessed the effectiveness of Internal Control over Financial Reporting and found it to be adequate and effective. This has been further strengthened by creating a risk and control matrix for various critical processes through a special project named **Internal Control – Centre of Excellence (IC-CoE).** The IC-CoE is a centralized team of specialists who will provide ongoing support to colleagues while ensuring internal checks and controls over processes, with the aim of continuous improvement. Acting as the second line of defence to the management, this team will collaborate with project owners who will continue to have the primary responsibility of ensuring adherence. The team has prepared the risk control matrix and standard operating procedures covering Royal Enfield's India and Thailand operations in the current year. In addition, a robust SAP based Enterprise Resource Planning (ERP) system ensures that your Company achieves a high degree of system-based checks and controls to protect its assets. In addition, the organisation's governance risk and compliance frameworks ensure the effectiveness of internal controls and that they are complied with. An independent Internal Audit team keeps a vigil on the functions and processes in accordance with a schedule approved by the Audit committee. The adequacy and effectiveness of the internal financial controls with respect to financial reporting are reviewed by the statutory auditor. Your Company has a whistle blower policy / vigil mechanism that facilitates all employees, vendors, dealers and other stakeholders to report instances of fraud and wrongdoings, without fear of consequences such as victimisation and retaliation.

13. VECV: FRUGAL AND INNOVATIVE APPROACH

VE Commercial Vehicles Limited (VECV) is a joint venture between the Volvo Group and Eicher Motors Limited. In operation since July 2008, VECV is multi-brand, multi-division company comprising of a complete range of Eicher Trucks and Buses, Volvo Buses, exclusive distribution of Volvo Trucks in India, engine manufacturing and exports for Volvo Group, non-automotive engines and Eicher component business.

The Company made good progress across all segments backed by a frugal and innovative approach, despite supply chain challenges. The commercial vehicle industry has continued to improve steadily in FY2021-22 and should continue the growth path supported by pent up replacement demand and strong growth of infrastructure investments. With its strong product range as well as significant improvement in the distribution network, VECV will continue to strive to strengthen its position in the industry.

Key business initiatives and launches

In its efforts to be recognised as the industry leader driving modernization in commercial transportation in India and the developing world, VECV continues to introduce innovative and modern products as well as services. During the year, the Company launched My Eicher App - an industry-first digital platform, and expanded its range of fully connected commercial vehicles. The modern products not only enhanced the customer's experience and fleet productivity, but also aided VECV's solid resilient performance through the year.

Leading Digitization of commercial vehicle operations

VECV launched the My Eicher App - an industry-first digital platform - which integrates fleet owners, fleet managers, drivers, and VECV on the same platform in real-time. The App addresses the key aspects of transportation business such as - fleet management and uptime management, and also offers a set of value-added services. The customers can now stay in touch with VECV round the clock (24*7) for any assistance in their daily operations from any location, thus reducing the downtime. The App further compliments VECV's 100% connected trucks and buses with advanced telematics solutions, and establishes VECV as a leader in modernization of commercial vehicles in India and Emerging Markets.

VECV bus segment: World class new buses from Eicher

VECV announced the formation of a Bus division housing Volvo Buses India operations and people in 2020 to create an Industry leader. During the year, VECV has launched two world-class Eicher Intercity Buses - a coach and a sleeper - for overnight journeys. The new buses feature the best of both brands - Eicher and Volvo. The new products incorporate Eicher's expertise in value engineering and local know-how, and Volvo Buses India's competence in the premium bus segment.

Volvo Heavy Duty Trucks

Volvo Trucks India, a division of VECV, has launched 6 heavy-duty trucks under the FM and FMX range in India in September 2021. Building on its track-record of delivering industry leading solutions, the new trucks are loaded with features to boost productivity, improve safety and enhance driver comfort. These trucks are designed for demanding applications such as Mining, Road Construction & Infrastructure projects, e-Commerce and Over Dimensional Cargo transportation. Moreover, these trucks feature Volvo Connect telematics solution, which enables customers to track the performance parameters of the truck in a user-friendly platform. All the services are well monitored and analysed to get the maximum uptime through 12 Volvo Uptime Centres spread across India.





Multiple awards and accolades

During the year, VECV has won numerous awards for its world class products and services, including multiple awards at the prestigious Apollo CV of the year -

- **Eicher Pro2114XP CNG Truck:** Won CV of the Year and ICV Cargo carrier of the Year award
- **Eicher Skyline Pro Staff 3010 L CNG Bus:** ICV people mover of the year
- **Volvo 9400 B8R 13.5m 4x2 Coach:** Coach of the year

On the back of these initiatives and accolades, VECV has been able to gain the confidence of its customers and gain market-share. At the same time, multiple steps have been taken to offset the impact of commodity inflation and cash conservation, while not compromising on any of our long term initiatives.

Business and financial Review

VECV reported sales of 57,077 units in the financial year 2021-22 with a growth of 38.4% year on year on 41,253 units sold in the year 2020-21. VECV's market share in key segments such as Light and Medium duty (LMD), and Heavy duty (HD) remained steady during the year at 30.2% and 6.6% respectively. In the bus segment, VECV (Including Volvo buses) gained market share to 21.6% in 2021-22 as compared to 19.9% in 2020-21.

Revenue for 2021-22 stood at Rs 12,724 crores marking a growth of 47% from Rs. 8,676 crores last year. EBITDA for the year 2021-22 was Rs. 716 crores, 21.2% higher than Rs. 590 crores last year. Amidst sharp increase in input costs as well as sustained discounting levels in the industry, VECV reported an EBITDA margin of 5.6% for 2021-22, 2.2% lower than 6.8% for last year. Profit after tax for the year increased by 93% year on year to Rs 111 crores, as compared to Rs 57 crores last year.

Eicher Trucks and Buses (ETB)

Eicher Trucks and Buses (ETB) has achieved sales of 55,877 (including 53 units of Volvo buses sold in FY 2021-22) units in the financial year 2021-22 as compared to 40,203 units in the financial year 2020-21, a growth of 38.9%. On the exports front, ETB has sold 8,426 units in the financial year 2021-22, as compared to 5,025 units in the financial year 2020-21, a growth of 68%. Light Medium Duty (LMD) trucks (5 - 15T) market share remained steady at 30.2% in the financial year 2021-22 from 30.6% in the previous year. Heavy Duty trucks market share for VECV (Eicher and Volvo) remained at 7.3% in the financial year 2021-22, slightly lower as compared to an all-time high of 7.9% in the previous year. In the bus segment, market share for VECV (Eicher and Volvo) improved from 19.9% to 21.6%.

Models	Industry		Eicher		Market Share		Eicher	Industry
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	YoY %	YoY %
Domestic								
Cargo (3.5-5Ton)	9,551	8,957	1,904	2,341	19.9%	26.1%	-18.7%	6.6%
LMD (5-15Ton)	102,241	74,465	30,880	22,775	30.2%	30.6%	35.6%	37.3%
HD (16 Ton & above)	164,681	111,792	10,899	7,714	6.6%	6.9%	41.3%	47.3%
Buses	17,445	11,821	3,715	2,333	21.3%	19.7%	59.2%	47.6%
Total	**293,918**	**207,035**	**47,398**	**35,163**	**16.1%**	**17.0%**	**34.8%**	**42.0%**
Exports	49,443	27,408	8,426	5,025	17.0%	18.3%	67.7%	80.4%
Total	**343,361**	**234,443**	**55,824**	**40,188**	**16.3%**	**17.1%**	**38.9%**	**46.5%**
Volvo Trucks	1430	1208	1200	1065	83.9%	88.2%	12.7%	18.4%
Volvo Buses			53	15			253.3%	
Total	**343,361**	**234,443**	**57,077**	**41,253**	**16.6%**	**17.6%**	**38.4%**	**46.5%**

Volvo Trucks India (VTI)

VTI managed a solid performance in the financial year 2021-22. VTI sold 1,200 trucks, which is 12.7% higher than financial year 2020-21. The Company maintained its strong brand image and leadership position in the premium trucks segment with 84% market share. During the year, VTI delivered the 100th Tipper to a single customer in road construction.

VE Powertrain (VEPT)

VEPT delivered 43,191 engines in the financial year 2021-22 as compared to 28,901 engines in the financial year 2020-21, thus registering a growth of 49%. With this, VEPT has delivered 2,37,456 engines since its inception to customers across the world. Despite multiple disruptions in the automotive industry around the world, VEPT ensured on-time supplies and zero delivery loss globally. A positive surge in demand foreseen for customers all around, including Europe and Asia and especially with the migration to BSVI in India, there has been an increase in supply of engines for Eicher branded vehicles.

Bus Business

The CV industry has started growing; however, the bus industry remained significantly muted as compared to pre COVID volumes due to muted mobility demand from schools, offices and travel segments during the year. The significant improvement in volumes have been seen during the year, as the mobility segments are steadily climbing towards normalcy. In 2021-22, VECV dispatches 3,768 buses (including 53 Volvo buses), 60% higher than 2,348 buses in 2020-21.

International Business

The Company recorded exports of 8,426 units of trucks and buses during the financial year 2021-22 as against 5,025 vehicles in the financial year 2020-21 reporting a growth of 68% year on year. Introduction of new products and variants, opening of new markets and segment-focused digital marketing helped shore up volumes despite drop in industry. Key markets such as Africa and Middle East delivered solid growth.

Cautionary Statement

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

03

INTEGRATED REPORT

EML'S APPROACH TO VALUE CREATION

EML's purpose is to create value for itself as a business and for stakeholders who contribute to its sustained growth and continually expanding horizons. It believes that true value is created when each stakeholder group receives due emphasis that furthers their interests constructively.

Over the years, EML has worked to enhance the sustainability of its motorcycles by taking a multi-pronged approach to lowering its environmental impact. The Company operates water positive facilities and is making increasing use of clean energy in manufacturing processes, thereby progressing towards its ambition of carbon neutrality. EML's efforts to minimise its environmental footprint extend beyond production to the end-of-life management of vehicles. In this context, the Company practices tenets of circular economy; it has been using increasing quantities of recycled material in its motorcycles, thus lowering waste generated across the products' life cycle.

The Company's strong governance and financial management practices have enabled it to create economic value for investors as well as other stakeholders such as suppliers and distributors. The business has benefited from investments in global expansion and Royal Enfield is earning recognition as an iconic premium brand. R&D, innovation and technology play a strong role in designing and developing Royal Enfield motorcycles and investments in these areas enable the Company to manufacture products that address the requirements of ever changing regulatory, market and consumer contexts.

The professional development, wellbeing and workplace health and safety of employees is given primacy at EML. The organisation emphasises ongoing employee engagement which enables it to address their needs and build an agile talent base that propels the organisation to explore new boundaries. In turn, this opens up employment and financial opportunities, creating value for governments as well as society by supporting their agenda for economic growth.

EML has a strong tradition of supporting the communities among whom it operates. Its endeavours on this front have resulted in communities achieving better living standards and getting access to school education, skills training and healthcare. Importantly, EML's initiatives have helped communities, especially women, move towards greater self-sufficiency.

EML's value creation strategy and activities align with its core values, strategic objectives and the issues that are material to the business and its stakeholders. The value created also aligns with the United Nations Sustainable Development Goals (SDGs).





INPUTS

FINANCIAL CAPITAL

- Rs. 9,705 crores net worth as at March 31, 2021
- Zero net debt as of March 31, 2022
- Rs. 629 crores of capex

MANUFACTURED CAPITAL

- 3 world-class manufacturing sites located in Chennai, India
- 12 Lakh motorcycles per annum capacity
- Key raw material –
  - Aluminium: 20,945 MT
  - Steel: 88,989 MT
  - Rubber & Plastic: 6,739 MT
- Focus on innovation, improving efficiency, enhancing productivity and increase safety and reliability of operations

INTELLECTUAL CAPITAL

- 2 world-class research and development (R&D) centres located in Chennai, India and Bruntingthorpe, UK
- Industry leading innovations like Make it Yours (MiY) for customization and enhancing ownership experience
- 430+ dedicated employees for R&D
- Rs.243 crores spent on R&D (2.4% of revenue)
- Continued focus on innovation aligned to dynamic market trends – development of local parts for CKD markets

HUMAN CAPITAL

- 4,636 permanent employees
- 306 new hires
- Total 38,300 hours of training conducted
- Nurturing employee ability and skills to achieve shared organisational goals

SOCIAL AND RELATIONSHIP CAPITAL

- 6+ years of community engagement
- Partnerships with 9+ non-profit organisations and administrative authorities
- Approx. INR 28 crores spent on community development projects
- 1,055 studio stores & 1,063 dealerships
- Collaborated with several stakeholder associations
- Strong and continued engagement with internal & external stakeholders through strategic collaborations and partnerships

NATURAL CAPITAL

- 3,87,774 GJ of energy used in three manufacturing sites and HQ
- 1,32,890 m3 of water used in manufacturing
- Investment in 13 MW offisite-solar power plant
- Commitment towards efficient operations resulting in reduced environmental footprint

STRATEGIC OBJECTIVES

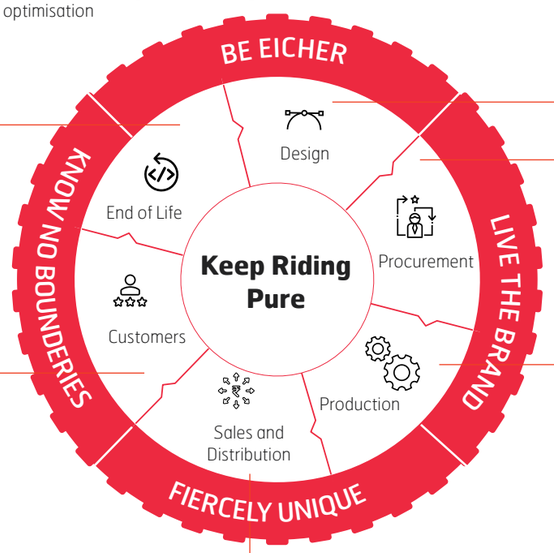
Promote safe, comfortable and environmentally friendly mobility

- Future-ready for End-of-Life Vehicles (ELVs) management
- Proactive measures striving for effective recoverability and recyclability
- Endeavour to design for enhancing ELV optimisation

Ensure a smooth transition to changing policy scenarios

- Innovation in products & processes
- Brand reputation and customer-centricity
- Vehicle safety & quality
- Raw material optimisation
- Environmental impacts

Support export growth and expand further in international markets



- Conscious selection of raw material aligned with the ESG factors
- Established collaboration and partnership across supply chain
- Supporting local economy
- Sustainability risk assessment through supplier audit frameworks

- technology - driven eco-efficient manufacturing facilities
- Focus on safe working conditions, human rights and freedom of association
- Expert workforce with ability to cater and contribute to brand reputation
- High quality of product

- Ensure customer safety & experience
- Enhance brand loyalty and reputation through customer engagement
- Customer satisfaction through after sales service
- Awareness for responsible travel
- Managing environmental footprint

- Strong global sales network
- Accelerated customer service through dealership collaborations
- Top-line growth
- Market expansion

Unique brand positioning | Customer value proposition | Motorcycling ecosystem | Innovation and technology | Operational excellence | Resource optimisation

OUTPUTS & OUTCOMES

FINANCIAL CAPITAL (STANDALONE)

- Rs. 10,795 crores net worth as at March 31, 2022
- Rs. 10,123 crores net revenue earned
- 20.9% EBITDA margin
- Rs.1,570 crores operating cash flows during FY 2021-22
- Delivering sound financial performance, creating sustained value for stakeholders

MANUFACTURED CAPITAL

- 6,00,441 motorcycles produced
- 6,02,268 motorcycles sold
- Zero Liquid Discharge units; 2 certified water positive
- Vallam Vadagal plant won the 'Frost & Sullivan Award for Manufacturing Excellence' in 2021-22
- Maintain highest product quality standards to meet customer expectations and also reducing the cost of ownership

INTELLECTUAL CAPITAL

- All New-Classic moved to J-Series engine for superior rider experience while retaining popular elements of the vehicle's deisgn
- 2 new vehicles launched
- Reduction in product development cycle
- All models upgraded to Euro 5 standards
- Improved quality resulting in reduced warranty costs & cost of ownership, while enhancing user experience

HUMAN CAPITAL

- 5% gender diversity in permanent employees
- Lost time injury frequency rate :
  Oragadam plant - Nil
  Vallam plant - 0.08
- Zero fatality
- Trained and skilled employees
- Fostering a happy and healthy working environment for our employees

SOCIAL AND RELATIONSHIP CAPITAL

- 68% procurement from local vendors
- Close to 46% consumers using MiY features
- Over 38,000 man-hours of training
- Pioneer enriching experiences while creating shared value for a positive impact on people and planet

NATURAL CAPITAL

- 64,683 tCO2e of Scope 1 and 2 emissions released
- 19,647 MT of recyclable product utilised
- 4,863 MT hazardous waste recycled
- 1,720 MWh of energy saved
- Integrated pillars of sustainability from design phase to the consumer phase with an objective to mitigate the negative impacts on ecosystem

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders contributes significantly to formulating the Company's business and ESG strategies. These conversations are invaluable to identifying topics that require emphasis, help determine actions to meet agreed goals and ultimately lend to creating value for the organisation and its many stakeholder groups.

With global operational and retail footprints and social initiatives that span the length and breadth of India, EML has a diverse stakeholder base.



Stakeholder engagement is an ongoing process, and over the years, EML has established accessible channels for communication on topics that are relevant to the different groups. Following are some of the key engagements:

Stakeholder Group	Engagement Channels	Areas of Engagement	Frequency
Employees	• Awareness training • Performance appraisals • Annual employee satisfaction survey • Grievance redressal mechanism	• Occupational health and safety • Rewards and recognition • Personal development and growth • Empowering work environment	Continuous
Consumers	• Customer satisfaction survey • Market surveys • Rides and events • Apps Including MiY	• Customization • Product and service quality • Complaint resolution • On-time delivery • Product safety	Continuous
Suppliers	• Supplier meets • Training and awareness programmes • Pre-onboarding • Supplier assessments	• Planning and execution of work orders • Innovation and product development • Sourcing plans • Co-creation of new technologies	Continuous
Dealers	• Dealer meets • Marketing communications	• Sales and marketing plan • Product quality • Incentives • Enhancing customer experience	Continuous
Investors	• Press releases and publications • Investor meets • Annual General Meeting • One-on-one meeting	• ESG and financial performance • Future approach and projects • Updates on new launches	Continuous
Bankers	• One-on-one meeting • Press releases • Emails and telephone calls	• Business expansion and diversification • Manufacturing efficiency • Risk management • Financial performance	Quarterly
Governments and Regulatory Authorities	• Mandatory compliance reports • Onsite inspections • One-on-one meeting	• Statutory compliance, including environmental and social compliance	Continuous
Local Communities	• Community outreach programmes • Press releases and publications	• Education • Skill training • Healthcare access • Community development	Continuous
Peers and Industry	• Industry associations • External conferences • Press releases	• Response to new regulations • Compliance including environmental and social compliances • Innovation and product development	Continuous

ESG FOCUS – MATERIALITY

Material issues are those that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large. EML carried out a comprehensive exercise in 2020-21 to determine topics that are material to the business and its stakeholders. This assessment is conducted periodically and material issues are updated based on an analysis of stakeholders' views, as well as the prevalent market, regulatory and environmental trends.

MATERIALITY ASSESSMENT

The process of determining material issues comprises 3 broad steps as depicted in the figure below.

1. **Stakeholder identification**
   - Internal: employees
   - External: customers, dealers, sector experts, experienced riders
2. **Identification of material issues**
   - Review of sectoral trends, EML's material issues of previous years, benchmarking vis a vis peers
     - A broad list of issues identified across Economic, Social and Environmental dimensions
3. **Prioritisation**
   - External ESG standards representing requirements of stakeholder groups
   - Internal and external stakeholder discussions
   - Mapping of stakeholder needs in a Materiality Matrix

ESG STANDARDS AND THE STAKEHOLDER GROUPS THEY REPRESENT

- Investor, supply partner, NGO requirements: Sustainability Accounting Standards Board (SASB), Dow Jones Sustainability Index (DJSI), MSCI
- Indian regulatory requirements: Business Responsibility and Sustainability Reporting (BRSR) - SEBI
- Overall stakeholder requirements: Sustainable Development Goals (SDGs)

In order to create meaningful impact, the material issues identified require sustained attention and inputs and hence hold good for a reasonable period of time. They may be periodically realigned, depending on the Company's performance, changing business contexts and stakeholders' views. The material issues are highlighted in EML's materiality matrix, in which they are plotted on 2 key dimensions, namely, Importance to Stakeholders and Importance to EML's Business. They are further mapped with the 6 capitals discussed in this report, which are in alignment with the International Integrated Reporting Council's guidelines. These capitals are: Financial, Manufactured, Intellectual, Human, Social and Relationship, Natural.





Material Topics	Reason for the topic being considered material
ENVIRONMENTAL	
Responsible use of materials	The use of extracted and other non-reusable materials puts considerable pressure on the environment. Mitigating this stress entails efficient material use, use of alternate material which reduces adverse environmental impacts and recycling/reuse. Responsible management of material also lends to sustainable Royal Enfield motorcycles.
Climate change	Dangerous climate change and rising global temperatures pose a serious risk to all industry sectors. EML strives to reduce emissions across its operations and works towards making our motor cycles more fuel efficient. We also take cognizance of the changing regulatory paradigms w.r.t emissions of our motorcycles and stay ahead of the curve.
Energy and emissions	Efficient energy management and reducing GHG emissions are key to EML achieving its objective of low carbon growth.
Water management	Water is a shared resource which must continue to be equitably available for businesses, communities and the natural ecosystem to thrive. Managing this resource responsibly is of paramount importance to EML.
Waste management	Effective waste management is integral to EML's transition from a linear to circular economy and to preserving the health and safety of communities and the environment.

SOCIAL

Customer centricity	Constant focus on customers represents EML's commitment to continue to deliver exceptional riding experiences and value to its customers across the world.
Attraction and retention of talent	EML believes in attracting, nurturing and retaining talent that share the Company's commitment to creating value for all stakeholders and to achieving its sustainable growth ambitions.
Training and education	The professional development of EML's people is crucial to its continued ability to compete globally and deliver iconic motorcycles built with modern technology.
Human rights	EML has a deep respect for every individual and rights of its stakeholders and is committed to ensuring these are upheld across its entire value chain.
Diversity and equal opportunity	The Company promotes diversity and equal opportunities for the professional and personal development of its workforce and strives to drive gender equality in the workplace and in its social initiatives.
Occupational health and safety	The workplace health and safety of its people is central to EML's functioning; a healthy and happy workforce is viewed as a pre-requisite to sustainable organisational growth.
Responsible supply chain	Our supply chain represents an opportunity for us to create lasting impact beyond our operating boundaries; driving sustainability in our supply chain also helps reduce reputational risks and increases operational efficiency.
Community engagement	EML has a strong culture of giving to the community and enabling better living for people in the vicinity of our operations and the destinations to which we ride. This dedication is expressed through numerous community initiatives in different parts of the country.

ECONOMIC & GOVERNANCE

Economic Performance	Sustained economic growth is the cornerstone of the Company's ability to create and deliver value for all stakeholders. Economic growth facilitates further investments and fuel our global ambitions.
Ethical business practices/ Corporate governance	A robust governance framework helps the Company steer its growth agenda towards enhanced sustainability, identification and management of risks and short & longer term business priorities.
Regulatory compliance	EML views regulatory compliance in the various geographies where we operate as being foundational, be it in terms of governance, operations or standards that are required of our motorcycles.
Innovation management	Constant innovation powers the development of motorcycles that address rapidly changing customer choices and market demands.
Manufacturing efficiency	Efficient manufacturing processes enable the timely production and delivery of motorcycles to EML's valued customers across global markets while also ensuring that our operations are sustainable in the long term.
Product quality	Our high quality products contribute to furthering the experience of Pure Motorcycling for enthusiasts while reducing cost of ownership.

SUSTAINABILITY@EML

While on the one hand EML grows its global footprint with expanded international operations and sales, on the other hand, it strives to minimize the environmental footprint of this growth by ensuring that sustainability is embedded in every touchpoint of the value chain. Sustainability is woven into everything that EML does whether in its everyday operations or designing and creating some of the world's most sustainable motorcycles or promoting responsible travel and community development. EML views sustainability as a path for continuing to unlock new growth opportunities as well as to enhance the experience of Pure Motorcycling for enthusiasts and riders across the world.

Enabling it to stay true to its promise of delivering authentic motorcycling experiences, EML is supported by strong R&D and innovation that make it possible to build motorcycles with increasing amounts of sustainable materials while ensuring rider comfort and enhancing the experience of owning a Royal Enfield motorcycle.

EML invests in technologies that bolster sustainable practices in multiple production touchpoints. The Company's manufacturing processes are continually optimised to steadily lower energy consumption and resultant emissions. EML pays significant attention to water consumption and management and runs water positive operations. The Company incorporates principles of circularity in its functioning and works to consistently lower the amount of waste generated and to manage it in ways that are safe for the natural and social ecosystems surrounding the organisation's facilities.

People are the bedrock of EML's growth trajectory. Their professional development, well-being and safety in the workplace are the Company's highest priorities. The focus on professional development extends to its business suppliers as EML consciously engages with those in the vicinity of its facilities to encourage local employment. The Company also requires its suppliers and other business partners to promote ESG considerations in their businesses, to ensure Royal Enfield motorcycles continue to be sustainably produced.

Going beyond the workplace, EML has a longstanding tradition of giving back to the communities among whom it works and rides. Skills training, education infrastructure, access to healthcare and community development are some of the areas that EML emphasises in supporting the progress of local community stakeholders. In 2021-22, the Royal Enfield Himalayan helped expand the horizons of sustainable motorcycling in an expedition to the geographic South Pole, which created a low environmental footprint and stayed true to EML's mission of ***leave every place better.***

SUSTAINABILITY GOVERNANCE

EML's approach to governance is shaped by a commitment to create and delivering value for all stakeholders. The Company's robust governance framework enables it to assess sustainability topics and to formulate strategies to strengthen the business and its relationships sustainably.

EML's Risk Management Committee oversees the assessment of risks to the business, including environmental risks. The identified risk, suitable mitigative action and controls are incorporated into the organisation's risk management framework and implemented diligently.

ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

EML's sustainability efforts align with the UN SDGs which are a set of 17 goals that provide a blueprint for governments, businesses and multiple other organisations to address and mitigate the world's most pressing problems and challenges.

SDG MAPPING

- Livelihood opportunities
- Infrastructure for better lives

- Poornama Aahar (nutrition) under Shikshak Pahel Programme

- Extensive focus on employee health & safety
- Occupational Health Centre for employees
- Infrastructure, monetary and equipment donations for pandemic relief

- Royal Enfield vocational skills training and access to education for children from underserved communities
- Digital classrooms for schools

- Fostering diversity and inclusion in our workforce
- Promoting women's empowerments

- Production plants are Zero Liquid Discharge facilities.
- Provision of safe drinking water and sanitation facilities to communities
- Signatory to the WASH pledge

- Enhancing renewable energy use in production;
- Solar powered street lights/ heaters for communities

- Right to freedom of association and collective bargaining for employees
- Promotion of human rights;
- Local employment opportunities for communities (via local supplier engagement and community development)

- Product development and process innovation to minimise environmental impact
- Creating employment through manufacturing activity

- Infrastructure, services and employment opportunities for sustainable community development

- Reuse and recycling with less resource intake
- Safe storage and handling of hazardous waste
- Less material consumption by reuse, recycling and use of renewable materials in production and packaging

- Initiatives to lower and offset emissions, save energy

- Plantations and afforestation for carbon sequestration

- Collaboration with NGOs and state governments for community development and greening initiatives

FINANCIAL CAPITAL

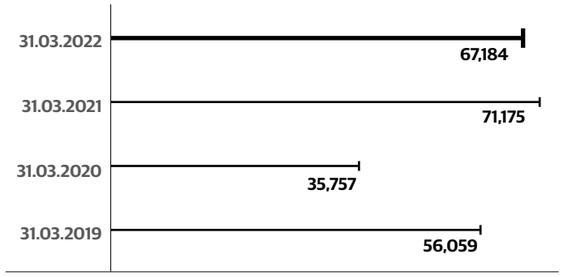
DELIVERING ROBUST FINANCIAL PERFORMANCE

In the face of a challenging year, EML has continued to ride strong and has turned in a robust business performance. The Company's expanding international footprint has given a fillip to its performance in 2021-22, as have the launches of new motorcycles, especially the All New Classic 350. EML continues to be fundamentally strong and is on course to further assert itself as a global premium brand in the mid-size motorcycle segment.



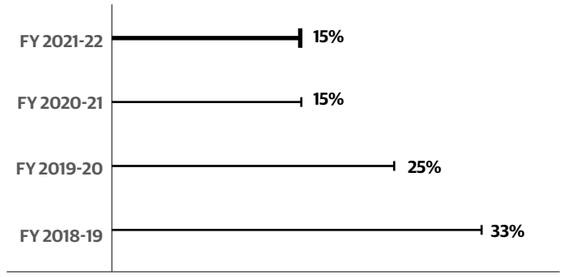
Market Capitalisation

(Rs. Crores)



Return on Equity

(%)



01

Revenue from operations

As at March 31, 2022
Rs 10,123 Crores

As at March 31, 2021
Rs 8,619 Crores

02

EBIT

As at March 31, 2022
Rs 1,668 Crores

As at March 31, 2021
Rs 1,340 Crores

03

Net Worth

As at March 31, 2022
Rs 10,795 Crores

As at March 31, 2021
Rs 9,705 Crores

04

Net Debt

As at March 31, 2022
NIL

As at March 31, 2021
NIL

KEY MATERIAL ISSUES

ECONOMIC PERFORMANCE

KEY MATERIAL ISSUES

ECONOMIC PERFORMANCE

05

Inventory Turnover Ratio

As at March 31, 2022
7.4 times

As at March 31, 2021
8.2 times

06

Market Share of the Business*

As at March 31, 2022
5.8%

As at March 31, 2021
5.7%

*represents market share in domestic motorcycle industry

07

Operating Cash Flows

As at March 31, 2022
Rs 1,570 Crores

As at March 31, 2021
Rs 1,674 Crores

FINANCIAL REVIEW

2021-22 was a challenging year for EML as it dealt with oscillating economic conditions and global supply chain disruptions. Nevertheless, the Company rode strong, powered by new launches and Royal Enfield's growth in international markets where sales volumes more than doubled. In India, however, the Company saw motorcycle sales decrease owing to the second wave of the pandemic, input shortages and rising costs.

India continues to be EML's largest market, contributing 87% of Royal Enfield sales with an expansive retail network that spans over 2,118 touch points across India – which includes 1,063 dealerships and 1,055 studio stores - and covers over 1,750 cities in India. Internationally, the Americas contribute to 40% of motorcycle sales.

In 2021-22, the Company's revenues stood at Rs 10,123 Crores in the reporting period, registering an increase of 17%, over the previous year. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) stood at 2,114 Crores, reflecting a growth of 18% year-on-year while EBITDA margin held steady at 21%. EML's growth has received a fillip from the launch of new motorcycles, strengthened digital capabilities and market measures that have boosted consumer demand.

FINANCIAL POSITION - STANDALONE

Rs. Crores

Balance Sheet	31.03.2019	31.03.2020	31.03.2021	31.03.2022
Net Fixed Assets (Property plant & equipment, Intangibles, CWIP and Investment Property) *	2,320.55	2,680.92	2,733.52	**2,904.81**
Investment in subsidiaries & Joint ventures	67.93	68.86	68.86	**187.31**
Investment in mutual funds, bonds & fixed deposits, bill discounting	5,896.60	6,747.70	8,157.03	**9,127.70**
Other non-current assets	194.71	148.41	177.49	**356.68**
Current assets				
Inventories	605.34	518.05	769.13	**898.37**
Debtors	106.61	133.97	256.18	**492.87**
Cash and Bank Balances (excluding fixed deposits)	22.07	35.40	76.93	**58.02**
Other current assets	263.60	245.70	385.77	**258.79**
Total assets	**9,477.41**	**10,579.01**	**12,624.91**	**14,284.55**
Equity share capital	27.28	27.30	27.33	**27.34**
Other equity	7,099.17	8,248.04	9,677.67	**10767.23**
Net Worth	**7,126.45**	**8,275.34**	**9,705.00**	**10,794.57**
Non-current liabilities	372.72	448.54	491.20	**611.11**
Current liabilities	1,978.24	1,855.13	2,428.71	**2,878.87**
Total equity and liabilities	**9,477.41**	**10,579.01**	**12,624.91**	**14,284.55**

* Net Fixed Assets as on 31.03.2022, 31.03.2021, 31.03.2020 includes Right of use assets as per Ind AS 116 effective April 1, 2019.

OPERATIONAL HIGHLIGHTS - STANDALONE

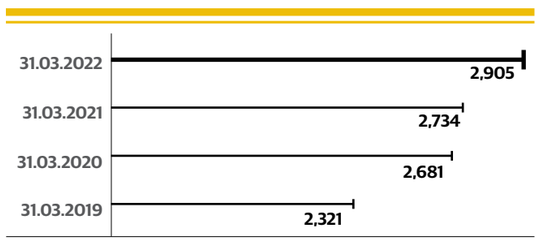
Rs. Crores

Profit and Loss Statement	2018-19	2019-20	2020-21	2021-22
Sales Volume :				
Motorcycles (Nos.)	8,23,828	6,98,216	6,12,350	6,02,268
Net Revenue from operations	9,794.48	9,077.47	8,619.04	10,122.86
Manufacturing and other expenses	6,850.10	6,873.69	6,832.53	8,009.30
Earnings before interest, tax, depreciation & amortisation (EBITDA)	**2,944.38**	**2,203.78**	**1,786.51**	**2,113.56**
EBITDA to Net Revenue (%)	**30.1%**	**24.3%**	**20.7%**	**20.9%**
Depreciation & amortisation expense	298.93	377.92	446.03	445.52
Earnings before interest & tax (EBIT)	**2,645.45**	**1,825.86**	**1,340.48**	**1,668.04**
EBIT to Net Revenue (%)	**27.0%**	**20.1%**	**15.6%**	**16.5%**
Finance Cost	2.99	10.86	9.20	10.25
Other Income	508.04	615.34	452.03	454.28
Profit before exceptional item and tax	3,150.50	2,430.34	1,783.31	2,112.07
Exceptional item (Discontinued operation-EPPL)*	-17.52	-	-	-
Profit before tax	3,132.98	2,430.34	1,783.31	2,112.07
Provision for taxation	1,078.54	526.52	453.61	525.85
Profit after taxation (PAT)	**2,054.44**	**1,903.82**	**1,329.70**	**1,586.22**
Other comprehensive income / (expense)	-5.77	7.02	24.05	-9.13
Total Comprehensive income	**2,048.67**	**1,910.84**	**1,353.75**	**1,577.09**
Total Comprehensive income excluding exceptional item to Net Revenue (%)	**21.1%**	**21.1%**	**15.7%**	**15.6%**
Dividend for FY 2018-19, paid in FY 2019-20	341.11	-	-	
Interim Dividend paid in FY 2019-20	-	341.32	-	
Dividend for FY 2020-21, paid in FY 2021-22	-	-	-	464.67
Basic Earnings per Share (Rs.)#	75.34	69.75	48.68	58.02
Diluted Earnings per Share (Rs.)#	75.25	69.72	48.61	57.96

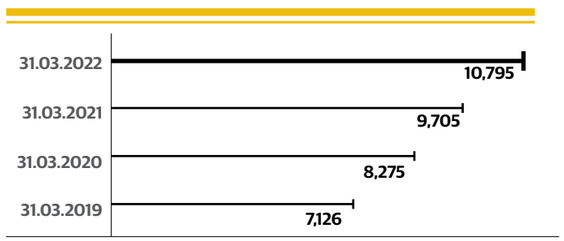
* The Operations of Eicher Polaris Private Limited was discontinued with effect from March 9, 2018

the basic and diluted earnings per share have been computed for all the periods on the basis of the new number of equity shares in accordance with Ind AS 33 - Earnings per Share.

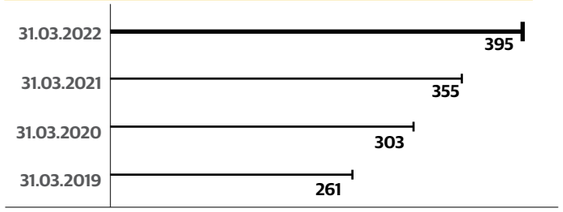
Net Fixed Assets (Rs. Crores)



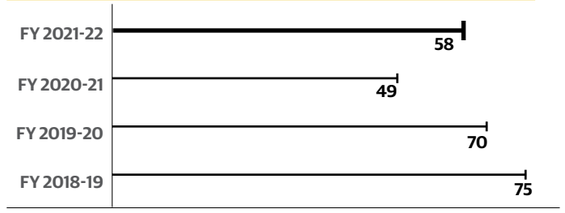
Net Worth (Rs. Crores)



Book Value per share of Re.1* (Rs. Crores)



Earnings per Share (Rs. Crores)



* The book value per share has been computed for all the periods after considering the shares split

EML continued to maintain its robust financial position with cash and cash equivalents of Rs 8,462 Crores (excluding investments in subsidiaries and joint ventures). The Company's operations generated cash flow of Rs 1,570 Crores and made increased investments in markets as well as in subsidiaries in the current year. New product development and digital capabilities are growth engines and continue to receive investments. The total capital investment for the year was Rs 629 Crores. The company continues to be net debt-free.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

EML believes that the best way to create economic value for its stakeholders is to ensure that the wealth it generates is transparently distributed, in the larger interest of the socio economic growth and development of the country. The wealth that EML generates in the course of its business is reinvested in the organisation as well as distributed among varied stakeholder groups, in adherence with its standards of ethical business as well as regulatory requirements.

The distribution of wealth takes different forms such as taxes to governments, financial returns to investors, investments in employee wellbeing initiatives and community development programmes, supplier payments etc.

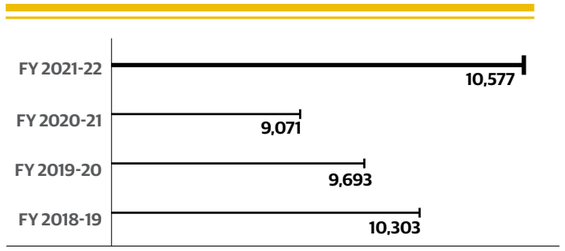
Direct Economic Value Distributed

Rs. Crores

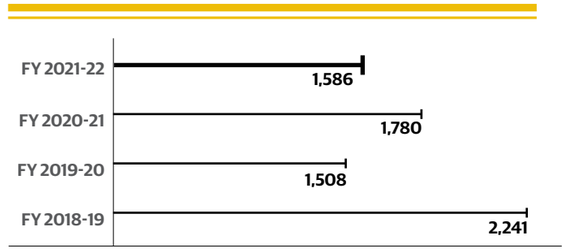
Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Operating Costs	6,125.18	6,053.18	5,972.21	7,179.76
Employee wages and benefits	679.53	765.12	803.95	776.83
Payment to providers of capital	302.92	683.3	1.89	468.14
Payments to governments by country	908.46	628.31	456.60	513.57
Community Investments	45.39	55.39	56.37	52.71

- Payments to governments represent the direct tax paid during the financial year
- Does not include deferred tax, depreciation and amortisation expense
- Payments to providers of funds represent the dividend distributed from the retained earnings of the Company

Economic Value Generation - Revenue (Rs. Crores)



Economic Value Retained (Rs. Crores)



MANUFACTURED CAPITAL

MANUFACTURING FOR PURE MOTORCYCLING



Continuous investments to produce motorcycles that enhance the experience of Pure Motorcycling for riders is fundamental to the way EML conducts business. The Company's manufacturing is geared to building products that encapsulate the heritage of Royal Enfield while addressing the needs of today's customers.
In 2021-22, the Company sold a total of 6,00,441 motorcycles (standalone) across domestic and international markets. Royal Enfield's international business surged by 109%, bolstered by steady inroads into the mid-size segment markets, as well as new CKD facilities, expanded retail ecosystem and other customer engagement initiatives.

KEY MATERIAL ISSUES

- INNOVATION MANAGEMENT
- CUSTOMER-CENTRICITY

Key Performance Indicators

01

Operational Efficiency

No. of manufacturing facilities: **3**

Installed capacity: **12 lakhs**

Motorcycles produced (Nos.)

6,00,441 in FY 2021-22

6,23,280 in FY 2020-21

02

Markets

No. of Motorcycles sold in domestic markets:

5,21,236 in FY 2021-22

5,73,728 in FY 2020-21

No. of Motorcycles sold in international markets:

81,032 in FY 2021-22

38,622 in FY 2020-21

03

Certifications

ISO 9001, ISO 14001, ISO 45001, Integrated Management System
certification for all 3 manufacturing locations, spare parts division & headquarters

ISO 9001
certification for Technical Centre in the UK

04

Initiatives

Capital expenditure:

Rs 629 Crores in 2021-22

Rs 521 Crores in 2020-21

No. of improvement initiatives / Kaizens implemented: **10,000 +**

EML'S APPROACH

Keeping its sights on growing Royal Enfield as a global premium brand from India, EML continues to augment its manufacturing facilities and processes in India and abroad. The Company has state-of-the-art manufacturing and technology facilities and ensures they operate in alignment with the holistic ESG approach it has adopted.

In 2021-22, the production capacity was augmented from 10 Lakhs to 12 Lakhs (including both Oragadam and Vallam plants) by adding plant's powder coating and packing facilities.

Internationally, the Company expanded its presence in key markets with an extended Royal Enfield assembly line in Buenos Aires, Argentina. It also established a new CKD unit in Colombia. Staying true to its commitment to the Asia Pacific region, EML set up the region's first Royal Enfield CKD facility in Thailand, which will serve as a hub for other countries in the region.

ROYAL ENFIELD PORTFOLIO

Royal Enfield continues to be a global leader in the mid-size motorcycle (250 cc-750 cc) segment. In 2021-22, Royal Enfield enhanced its portfolio with the launch of the All New Classic 350, the 120th Anniversary Limited Edition 650 Twins and the Scram 411, the brand's first ever ADV crossover.

All New Classic 350



Scram 411 ADV Crossover



Interceptor INT 650



Continental GT 650



Himalayan



Meteor 350



Bullet



KEY DRIVERS

OPERATIONAL EXCELLENCE

Royal Enfield motorcycles are characterised by the seamless coming together of timeless design, the latest technology and a deep understanding of riders' needs and contemporary contexts. While high standards of workmanship, a sound understanding of market trends and customer engagement make important contributions to the experience of Pure Motorcycling, the Company's manufacturing and assembly units are instrumental in delivering products that have customer safety embedded in them. Importantly, the manufacturing processes, use of certified recycled raw materials, together with continuous and forward looking R&D also play a significant role in the final products.

MOTORCYCLES SOLD IN DOMESTIC AND INTERNATIONAL MARKETS

Particulars	2018-19	2019-20	2020-21	2021-22
Standalone numbers	8,23,828	6,98,216	6,12,350	6,02,268

As required by law, all products are accompanied by warranty provisions that cover the cost of defect rectification that existed at the time of sale. The Company also offers extended warranty packages that make it convenient for customers to access repair services beyond the standard warranty duration.

The table below highlights warranty provisions made by the Company.

WARRANTY PROVISIONS

S.No.	Particulars	Rs. Crores			
1	Warranty balance at the beginning of the period and the warranty payments (costs) that were realised during the fiscal year period, in each of the last four years	2018-19	2019-20	2020-21	2021-22
A	Warranty provision balance at the beginning of the period	64.35	65.62	77.44	90.20
B	Warranty payments (costs) made during the period	43.66	44.92	41.25	48.86

CAPITAL EXPENDITURE

The augmentation and upgrading of manufacturing equipment and processes call for periodic investments. Regular assessments are carried out to gauge technology requirements and these lead to investments that address production needs for the immediate and longer term future. Over the years, EML has made increasing financial outlays on this front, ensuring that its facilities and processes adhere with the latest regulatory standards and that its products address market needs appropriately. The Company's investments are also directed towards enhancing the safety standards of the workplace for its people.

In 2021-22, the Company invested significantly in setting up CKD units in international markets as well as in augmenting its facilities and production capacity for all the motorcycles at the plants in India.

CAPITAL EXPENDITURE 2021-22

Particulars	2018-19	2019-20	2020-21	2021-22
Capital expenditure (Rs. Crores)	784	549	521	629

COMPETITIVE ADVANTAGE

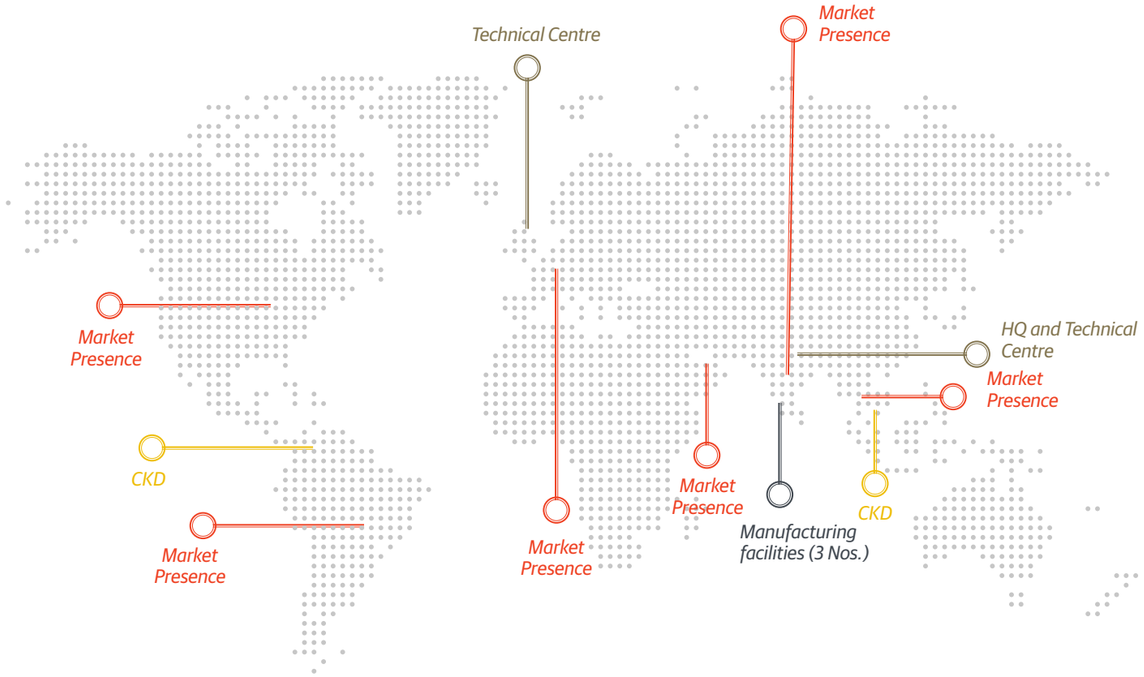
Premium quality combined with competitive pricing make EML products distinctive and have enabled them to establish and maintain a competitive edge in domestic and international markets. Purposefully built, Royal Enfield motorcycles stand out for their ageless design, and promise of an engaging and authentic riding experience, making the joy of motorcycling accessible to enthusiasts in different parts of the world. The opportunities for personalisation with accessories and access to world-class motorcycling gear too lend to the enduring appeal of Royal Enfield products.

BUSINESS PRESENCE

EML's 3 manufacturing facilities in the vicinity of Chennai in India are located at Oragadam, Vallam Vadagal and Tiruvottiyur. Equipped with the latest technology and infrastructure, these facilities contribute significantly to the production of Royal Enfield motorcycles for domestic and Indian markets. The Company also has two technical centres, which are the seat of R&D and design for the brand's motorcycles. One of these is located in Chennai, Tamil Nadu, and the other in Bruntingthorpe, United Kingdom.

Royal Enfield's international markets span several regions including North America, Latin America, Europe, the Middle East and Africa, South Asia, and Asia Pacific.

In 2021-22, the Company grew its presence in international markets with a second assembly line in Buenos Aires. EML also established a CKD facility in Colombia, its second such facility after Argentina, in the Latin America region. Leveraging Royal Enfield's potential in Asia Pacific markets, EML also set up its first CKD facility in the region in Thailand, a major hub for the automotive sector. This move reflects the brand's commitment to Asia Pacific markets and to its ongoing efforts to expand its international footprint.



CERTIFICATIONS

All of EML's manufacturing facilities are certified for ISO 9001-2015, ISO 14001-2015 and ISO 45001-2018 standards. Additionally, the three manufacturing locations, spare parts divisions and headquarters are certified for Integrated Management System (IMS). The Company's technical centre in the UK is also ISO 9001-2015 certified.

WAY FORWARD

Seeking to fulfil its global aspirations, EML is steadily augmenting its state -of- the -art manufacturing facilities and Technical Centres, ensuring that they align with the Company's commitment to sustainable growth. This means incorporating sustainability considerations at the design and production stages as well as maintaining a deep understanding of evolving motorcycling contexts and riders' needs and expectations.

In its efforts to achieve its sustainability goals, EML prioritises the use of recycled material in motorcycle production. The Company will continue to strive to lessen its environmental impact by way of material extraction and procurement and also in terms of generating and disposing lower quantities of waste. EML continuously experiments with new production processes that enable it to meet objectives of enhanced efficiency and sustainably produced motorcycles. Its commitment to sustainable growth also drives the Company to invest in improving workplace safety standards for its people.

INTELLECTUAL CAPITAL
INNOVATION @EML

Driven by a keen understanding of its markets, EML's approach to innovation rests on deep insights into their target audiences and the multi -faceted ecosystems in which they thrive. The view, which is wide ranging and encompasses a sound knowledge of regulatory requirements, is supported by robust product development and introduction systems, best in class technologies and well trained employees. Together these drive the continuous development of iconic motorcycles that are the hallmark of Royal Enfield.

KEY MATERIAL ISSUES

- INNOVATION MANAGEMENT

HIGHLIGHTS

01

R&D Centres

R&D centres: **2**

R&D Team Size (No.): **430+**

02

Innovation

Investments in R&D (excluding depreciation and amortisation expense): Rs. **184 Crores** in FY 2021-22 and Rs. **246 Crores** in FY 2020-21

03

New Product

Unveiled the Scram 411 - the brand's first ADV crossover and a new sub-category that is optimized for agility as well as challenging terrain. Launched its most awaited motorcycle - The All-New Classic 350. The new motorcycle takes forward the legacy of its legendary predecessor while significantly elevating the riding experience and is re-imagined to meet modern expectations.

It is EML's firm belief that innovation must comprehensively address the many contexts that its business and its consumers thrive in. Innovation at EML is underpinned by sustainability considerations as well as Royal Enfield's promise of unlocking new and authentic experiences for its riders. Thus, innovation is a way of life at EML, steadfastly focused on fulfilling market and consumer needs and demands as well as the strategic growth objectives of the business.

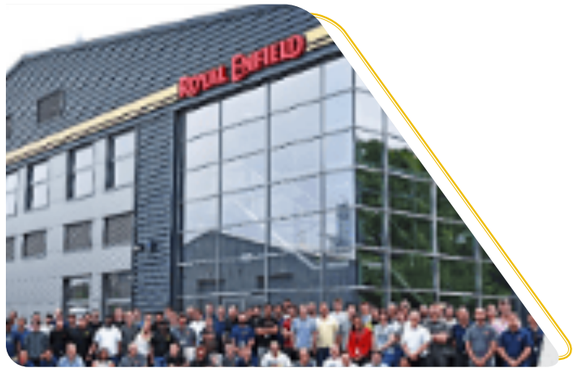
EML formulates and implements rolling 5 year product development plans and periodically amends these to reflect the changing market and other requirements. It also reviews its New Product Development and New Product Introduction processes to identify how these can be made more effective. In 2021-22, the Company revised both these processes for greater transparency, accountability and enhanced delivery of products to its consumers in different markets.

The Company continues to invest in understanding its target audiences as well as the environmental, regulatory and business contexts in which it operates. The resultant learnings are invaluable input in innovation, enabling EML's talented people to generate and transform cutting edge ideas into market-relevant products that uphold the promise of Pure Motorcycling.



INNOVATION @ EML

EML's approach to innovation takes into consideration key factors such as dynamic market contexts and consumer preferences and importantly, the question of how to retain and enhance the team who are key to the motorcycle's development process. The Company's technical centres in the UK and Chennai are home to the organisation's integrated global product development capabilities.





The teams in India & the UK co-create throughout the development process across multiple platforms. Between the India and UK Tech centres we have more than 430 designers and engineers who are highly experienced in all aspects of motorcycle design and development, from concept to pre-production. The UK centre comprises an industrial design studio, engineering design office, and engine and chassis testing and validation equipment. The facility in Chennai comprises an industrial design studio, world class prototyping & testing facility with state-of-the-art Engine, Vehicle &, component test equipment.

The two technical centres are fully integrated with one another and together they have enabled Royal Enfield to formulate a New Product Introduction (NPI) framework and plans to develop and introduce new motorcycles with a structured process fulfilling all business and customer requirements. The all new Classic 350 and the Scram 411 introduced in the last year stand testimony EML's innovation strengths and prowess.

PRODUCT INNOVATION

EML's focus on developing sustainable motorcycles and growing as a responsible business has led it to make sustainability central to innovation. The innovation process factors in legislative requirements such as new emission norms, the need to shift to bio-fuels as well as the ongoing transition to electric vehicles worldwide. In this context, EML's in-house Engine Management System team is actively involved in developing on-board diagnostics, which is a key requirement of the Euro V legislation.

Innovation also plays a key support role for local development in new CKD plants in certain overseas markets. EML employs the International Material Data System (IMDS), a global tool used by original equipment manufacturers (OEMs), which helps the Company to identify, source and use materials that comply with regulatory standards in the markets which it serves. Innovation also comes into play in EML's efforts to address consumers' demands for enhanced quality standards.

Looking ahead, innovation teams will continue to be actively involved in developing advanced concepts such as the SG 650 Concept motorcycle and building powertrains for electric motorcycles.

NEW PRODUCT DEVELOPMENT

At EML new product development is a continuous process that involves synergistic interactions between several teams to create motorcycles that embody design heritage and modern technology. The Company's new product development team comprises 6 functions who collaborate to ensure that Royal Enfield motorcycles meet high quality expectations, both internal and external, as well as all regulatory norms. The entire process is coordinated by the Programme Management team which makes sure that product specifications and delivery schedules are satisfactorily met.

Product Strategy

Identify opportunities, define products

Industrial Design

Visual design of the product

Product Development

Engineering analysis, design and validation of powertrain

Genuine Motorcycle Accessories

Define, design and develop

Sourcing / Quality / MSE / Production

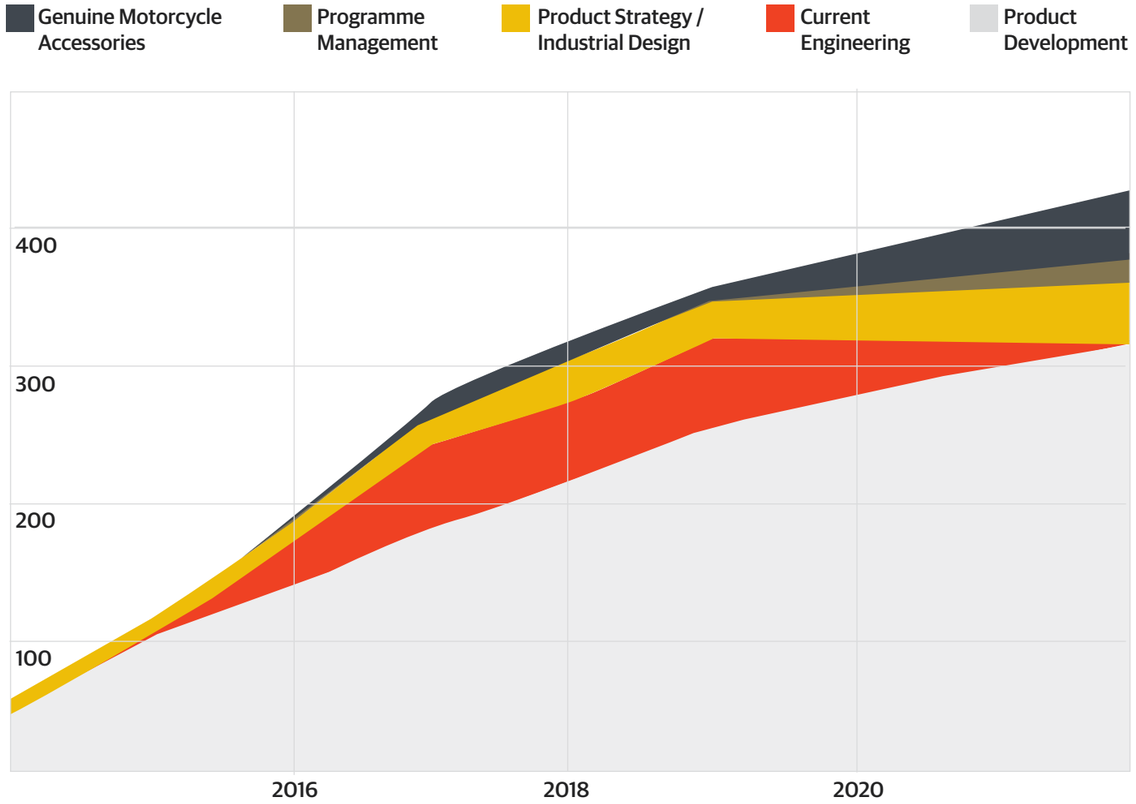
Develop and productionise

Programme Management

Coordinate and manage the entire development cycle

Given its ambition to expand its global footprint and be recognised as a premium global brand from India, EML invests significantly in growing its new product development capabilities. In a challenging year 2021-22, the new product development teams have been able to retain and grow to 430 people

Development Global Growth



NEW PRODUCT INTRODUCTION (NPI) PROCESS

Aligning with its current 5 year development plan, EML's NPI process has been amended to include 6 phases, of which the initial 2 phases are carried out before the project commences and aids in project and product definition and readiness. The remaining 4 phases come into play to help launch new products.



Strategy and Research

This stage comprises market research, insights about the target markets, voice of consumer led activities etc. The focus at this stage is on identifying and determining product requirements as well as production and market viability.



Project Target Definition

In this stage EML determines and defines what products it wants to develop. The activities carried out here include concept ideation, concept collaboration with Product Development, high level definition and articulating initial specifications.



Convergence

This phase brings together aesthetic and technical targets and attributes in one solution.



Engineering and Development

At this stage, the product is designed in detail, down to the components. This encompasses engineering/development builds, validation of parts, assemblies and systems.



Industrialisation

Preparation and execution of production readiness state at factory.



Launch and Post launch

At this stage, motorcycles are produced in volumes estimated for the intended markets and delivered according to pre-set schedules.

PROJECT CLASSES, GATE AND REVIEW MECHANISM

The projects were now divided into 6 classes, based on the complexity of the project and its time to completion. Each class of project incorporates gates, reviews and builds which are points at which data is recorded to ensure governance and control at key junctures. The mechanisms lend to transparency and allow all team members to have a comprehensive overview of project progress. They also assist the Programme Management teams with planning and coordinating the project from end to end.

Gates					PA	CR	PC			ED1			ED2				Alpha					S.O.P		PH
Builds									EDI			ED2				Alpha			Beta		Pilot		S.O.P	
Reviews	PI	PCP	SR	PCO				R1			R2			R3	R4			R5		R6				

A NPI Process Handbook, which is a digital document, supports the NPI teams to navigate the various steps of the overall process and provides guidance on documents, activities, deliverables and tools. This handbook is continuously reviewed and updated by the Project Assurance Function and incorporates pain point improvements/ lessons learnt into the process.

MAKE IT YOURS (MIY)

Royal Enfield's unique MiY initiative is integrated with the NPI process, continuing to enable enthusiasts to personalise their Classic, Himalayan, 650 Twins Scram and Meteor motorcycles at the time of booking. The initiative extends to Genuine Motorcycle Accessories fitted at the factory and at dealerships and encompasses apparel as well.



WAY FORWARD

EML remains committed to leveraging the power of innovation to conceptualise and develop motorcycles that align with evolving environmental, socio-economic and regulatory contexts and dynamic market demands. The Company continues to work on meeting the requirements of on-board diagnostics for EU/India markets and is on track to fulfil these to meet the regulatory deadline by 2024-25.

Having a constant pulse of the consumer and insight into what the markets need will continue to be prioritised. This will enable the Company to come up with innovative ideas and leverage advanced concepts to produce motorcycles that are as sustainable as they can be.

Technology is integral to innovation and new product development at EML. The internet today is indispensable to information gathering, decision making and in key aspects such as communication, personal health etc. This trend will only intensify and EML is working to harness the power of connectivity in motorcycle development to offer consumers greater convenience with respect to information and an enhanced riding experience.

EML has already set out on the path to enabling its ecosystem to conceptualise and develop powertrains for electric motorcycles. The Company is also planning to invest in additional testing infrastructure which is crucial to ensure the reliability of the product.



HUMAN CAPITAL
OUR PEOPLE POWER

People propel EML's sustained growth and are the bedrock of its many achievements in markets at home and abroad. The Company's commitment to the wellbeing of its people is reflected in endeavours that support employees' professional development and offer them avenues to contribute constructively to the success of the business. EML is proud to be an equal opportunities employer and emphasises inclusion and diversity in all facets of its people practices.

MATERIAL ISSUES

- TRAINING AND EDUCATION
- HUMAN RIGHTS
- DIVERSITY AND EQUAL OPPORTUNITY
- ATTRACTION AND RETENTION OF TALENT
- OCCUPATIONAL HEALTH AND SAFETY

Key Performance Indicators

01

Safety Management System

100% employees and workmen covered in FY 2021-22 and FY 2020-21

02

Lost Time Injury Frequency Rate

Oragadam plant : **NIL**

Vallam Plant: **0.08**

03

Training Hours

38,300 hours of training were imparted in FY 2021-22 compared to **13,215** hours in FY 2020-21

Key Performance Indicators

Gender Ratio

7.6% women in total workforce in FY 2021-22

Parental Leave

165 employees availed in FY 2021-22; compared to

120 employees in FY 2020-21

Employee Wages and Benefits

INR 734 crores



EML'S APPROACH

EML firmly believes that people are its strongest asset on which its success and sustained growth depend. They play a pivotal role in the social and environmental impacts that the organisation makes, enabling it to Leave Every Place Better in ways that have a positive influence on the lives of others. Its employees also make an invaluable contribution to the way the Company is perceived in the market by consumers, business partners and other stakeholders.

Empowering employees is central to Royal Enfield's efforts to achieve its global aspirations. Nurturing and growing the talents of employees is an area of high priority. Likewise, employee wellbeing, in terms of professional development and continual engagement to contribute meaningfully to the organisation's strategy, receives relentless emphasis. The Human Resources (HR) function plays an indispensable part in continual empowerment of the organisation's people.

The wellbeing of people also encompasses a sustained focus on maintaining occupational health and workplace safety. Occupational health and safety training is well entrenched, systemic practices and regular assessments help identify training need and minimise workplace hazards. EML also accords the highest importance to fostering a work culture that ensures each person is treated with respect and dignity. The Company's Human Rights policy offers guidance to ensure the absence of discrimination, human rights violations and sexual harassment in its business practices and well-established grievance mechanisms are in place to redress infractions.

EML wears the mantle of a good corporate citizen and industry leader with great responsibility. Compliance with regulations around employment, remuneration and benefits is accorded paramount importance. The Company employs a large contract workforce and adheres to regulatory requirements relating to employing and engaging with them. Regular audits are carried out across facilities to assess compliance and no instances of non-compliance with respect to social or human rights related requirements have been reported since FY 2018-19 till the end of the current financial year.

EMPLOYMENT

Aligning with its belief that people are key to its sustained success, the Company places significant emphasis on the professional development of its workforce, incentivising employees to develop their capabilities that strengthen their career pathways and the Company's ability to grow and compete in dynamic global markets. EML has also put in place a merit-based performance management system in order to motivate and facilitate employees to reach higher levels of professional performance.

The chart below shows the profile of the Company's employees by gender and age. EML continues to focus on achieving greater gender parity by increasing the representation of women both at the shopfloor and managerial levels. Currently women employees (993 in number) constitute about 7.6% of our workforce

EMPLOYEE COUNT BY CATEGORY AND AGE

Employee category		Total Number	Age Group (no.)				
			<30 yrs	30-50 yrs	>50 yrs	Male	Female
Permanent	Staff & Executives	2,532	378	2,060	94	2,389	143
	Workmen	18	0	0	18	18	0
	Associate Engineers	2,086	1,607	479	0	1,996	90
Contractual	Staff on Contract (SoC)	1,723	1,151	563	9	1,628	95
	NEEM	5,937	5,937	0	0	5,316	621
	NAPS	802	802	0	0	758	44
Total		**13,098**	**9,875**	**3,102**	**121**	**12,105**	**993**

EMPLOYEE COUNT BY MANAGEMENT CATEGORY

Management Level	Male	Female	Total
Junior Management	1,807	114	1,921
Middle Management	519	27	546
Senior Management	63	2	65
Total	2,389	143	2,532

EML hires on the basis of merit. It also enjoys one of the lowest rates of attrition in its industry, which can be attributed to an employee-oriented work environment and culture. The figure below illustrates the numbers hired and employee turnover.

EMPLOYEE HIRING AND TURNOVER

	Staff & Executives	Workmen	Associate Engineers	Staff on Contract	NEEM & NAPS
Male Hire	275	-	-	370	5,021
Female Hire	31	-	-	45	485
Male Turnover	433	11	13	688	3,611
Female Turnover	42	-	9	68	372

DIVERSITY AND EQUAL OPPORTUNITY

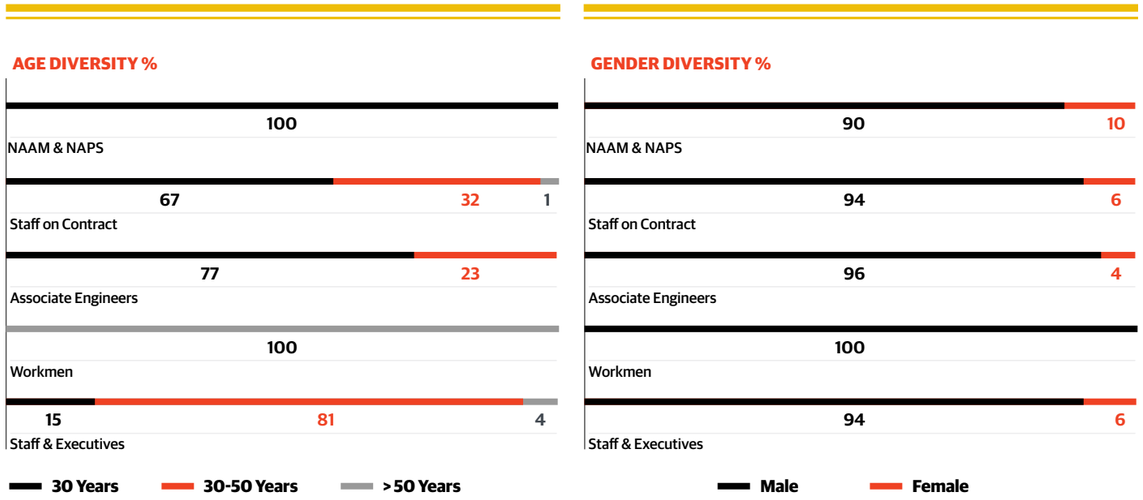
EML actively promotes a culture that celebrates diversity. It strives to provide all its employees similar opportunities that enable professional development and supports them to adapt and thrive in a context characterised by rapidly changing external and internal demands.

Being an Equal Opportunities Employer is a matter of great pride for EML. The Company fosters an environment of non-discrimination, regardless of employees' age, gender or other socio-economic and demographic factors.

It invites the participation of women and encourages gender based inclusion and diversity at all levels of the organisation. In 2021-22, EML has one woman on its Board as an Independent Director.

The compensation standards in the Company are best-in-class and reflect its focus on hiring and remunerating employees on the basis of education, talent and expertise as well as experience. All promotions and increments are based upon an appraisal of employees' annual performance and align with the Company's stated practice of equal pay for genders. As of 2021-22, the Company has 6% women in management roles in revenue generating functions.





The table below illustrates the comparative remuneration paid to employees across various levels

Employee Category	Average Basic Salary of Men (Rs)	Average Basic Salary of Women (Rs.)	Average Remuneration of Men (Rs)	Average Remuneration of Women (Rs)	Ratio of Basic Salary of Women to Men	Ratio of Basic Remuneration of Women to Men
NEEM						
1st Year	147,528	147,528	149,028	149,028	1.00	1.00
2nd Year	171,000	171,000	172,500	172,500	1.00	1.00
3rd Year	195,000	195,000	196,500	196,500	1.00	1.00
NAPS						
1st Year	147,528	147,528	149,028	149,028	1.00	1.00
2nd Year	171,000	171,000	172,500	172,500	1.00	1.00
SoC	182,812	171,994	291,484	279,955	0.94	0.96
Associate Engineers*	117,015	117,357	492,693	494,136	1.00	1.00
Staff & Executive*	669,011	873,440	1,771,271	1,756,254	1.31	0.99

** Associate engineers and staff & executives are permanent employees.*

LEARNING AND DEVELOPMENT

EML's training objectives are designed to promote futuristic skill development programs and competencies for its staff and executives. The Company's Learning and Development function draws up and executes an annual calendar offering customized and open format external nominations. The function based on various business needs also collaborates and co creates modules and topics with designated learning partners to create new and extremely engaging learning journeys.

Some of the key internal training courses conducted in 2021-22 include

The Emerging Leader Programme, especially created for High performing Team Managers, Co Created and delivered with Great Lakes Institute of Management, Chennai, Selected candidates from the program were nominated for a promotion in the 22/23 cycle.

Campus Talent Program that incubates Multidisciplinary Graduate Engineers / Management Graduates to become the knowledge workforce of the future.

REFresh, a skills development training for supervisors, held at all the Royal Enfield locations (REHQ / Oragadam/Vallam)

New Classic Product Launch training session delivered to teams across the organisation ; for renewed product knowledge

The training agenda is gender inclusive. Details of employee training in the reporting year by hours of training, including internal and external courses for skills upgradation are presented below.



TRAINING HOURS BY EMPLOYEE CATEGORY, 2021-22

Employee categories	Number of participants	Number of hours
Senior management	138	1,691
Middle management	359	5,040
Junior management	1,603	30,794
Consultant	29	786

TRAINING HOURS BY GENDER, 2021- 22

Gender	Number of participants	Number of hours
Male	2,004	34,911
Female	125	3,400

TRAINING HOURS BY INTERNAL AND EXTERNAL COURSES, 2021-22

Type of course	Number of participants	Number of hours
Internal courses for skill upgradation	1,930	34,287
External courses for skill upgradation	199	4,024

Innovations in training delivery:

EML has introduced the DOJO laboratory for practical skill development and to shorten the learning curve for certain critical processes and to reduce re-work and improve efficiency. A cross-functional team has helped identify such critical processes which are man-dependent and repetitive, namely - deburring, painting, loading / unloading, bowl sub assembly, clutch assembly and tappet assembly among others. These have been included under this platform to begin with.

As part of its digitalization journey, the Company has introduced an Augmented Reality (AR) based learning methodology to upskill new hires on critical processes. Halolens technology has been used to create an AR experience, which helps to train existing employees in the stickering process in the paint shop, which would result in reduction in scrap / rework.

In the reporting year, a total of 2,319 employees received a career development review. Variable compensation is dispensed based on the development review. Employees who have completed at least 6 months in the organization as of March 31, 2022 were eligible for appraisals.

	Number of participants	
Employee categories	Male	Female
Senior management	57	2
Middle management	508	30
Junior management	1,629	93
Total	2,194	125

EMPLOYEE ENGAGEMENT AND LEADERSHIP

Employee engagement is key to gauging the pulse of employees as well as to offering them opportunities to contribute meaningfully to the organisation's success and long-term strategies. EML offers avenues for employees to engage with the Company's leadership team as well as amongst themselves, to strengthen the spirit of teamwork and to foster camaraderie.

REImagine, an employee engagement initiative offers employees an avenue to express themselves without inviting bias or judgement. The platform encourages employees to share valuable insights with the organisation, irrespective of the teams they represent.

This initiative opens up doors to a truly collaborative environment for innovation. Inputs are received from across functions and seek to address what and how in terms of process improvements. In turn, this can create a positive impact on key pillars of the Strategic Business Plan on People process, Brand, Product, Digital initiatives, Quality and Sustainability among others.

RED Talks, a virtual platform, facilitates the sharing of experiences and thoughts between teams and stakeholders. The sessions include talks on an eclectic range of subjects, for targeted audiences, by internal and external experts.

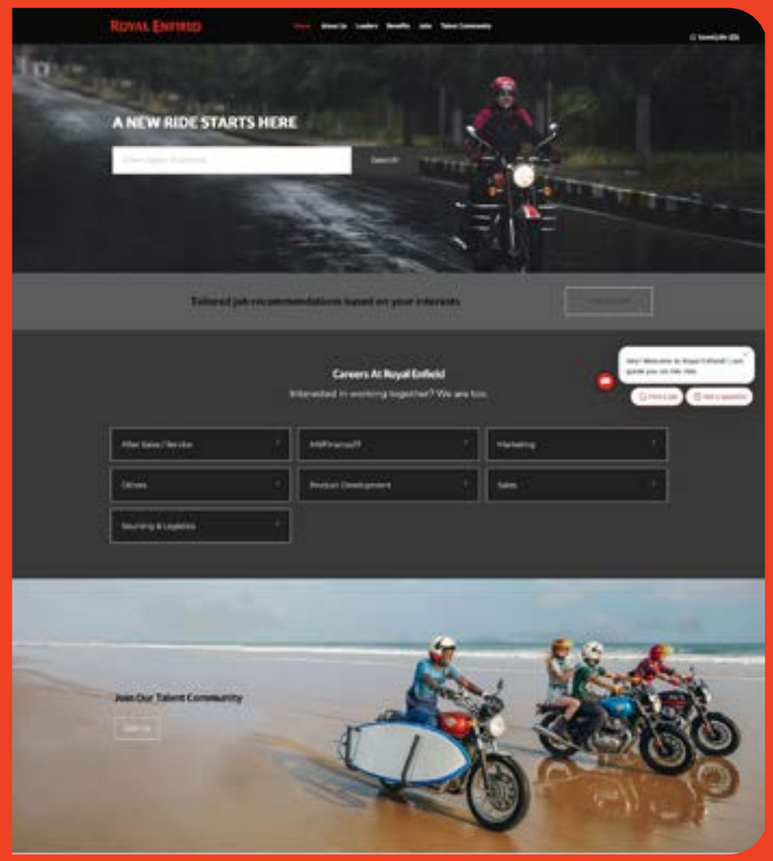
The pulse of the people is assessed through an annual engagement survey which serves as one of several indicators of the organisation's workforce health. REConnect is one such platform that enables employees to express their opinions, expectations, and suggestions openly. Conducted by an external agency, Willis Towers Watson, the survey had participation from over 95% of EML's employees. The results of this survey highlight valuable insights such as employees opinions about the organisation on a variety of topics such as Leadership, Values, Brand, Goals, Learning and Development, Performance Management, Communication, Innovation, Customer Focus, Safety and Workplace Conditions etc. For 3 successive years, the Company has achieved a score of over 90% for Sustainable Engagement, indicating that EML continues to be an Employer of Choice.

The feedback provided on REConnect has contributed some elements that are critical to shaping the future of the organisation. Some of the ideas and inputs have been inspirational and have helped to design significant people programmes.



CASE STUDY

ROYAL ENFIELD CAREER PORTAL



Introduced in 2021-22, the Royal Enfield Career Portal is developed from ideas and feedback that emanated from REConnect and immensely supports employer branding. It ensures that the jobs posted by our recruitment teams get maximum mileage and are visible to a large pool of candidates. Each month, over 18,000 applicants visit the portal, speaking clearly for the pull of the Royal Enfield brand.

At a time when the recruitment of desired talent has become extremely competitive, the portal helps EML's Talent Acquisition team deal with the challenges of attracting talent and sustaining the process in a seamless fashion. Recently, EML has also introduced digital tools like Smart Hire (an application tracking system) that bring in elements of artificial intelligence in the recruitment process. An AI interface tool called PHENOM helps systematise candidates' application process. It supports hiring managers and their supporting recruiters to make the best hiring decisions while also improving candidates' experience of the recruitment process.

EMPLOYEE BENEFITS

EML's compensation and benefits related practices go beyond the statutory requirements and set industry benchmarks. The compensation including benefits paid reflect the Company's commitment to the continuous wellbeing of its employees, within the organisation and in their personal contexts. The Company prioritises Healthcare and the benefits provided in this respect are intended to help employees address their own healthcare needs as well as those of their families.

The following benefits are provided to full-time employees of the Company.

- Life insurance
- Health care
- Disability support
- Parental leave
- Retirement provision Long service award
- Stock Ownership (ESOPs for specific full-time employees) & Performance based Incentives
- Transportation
- Other perquistes (Food, Car etc.)
- Annual health check-ups and health camps

Temporary and part-time employees are not entitled to Group Personal Accident benefit, Group health Insurance, Joint Group Personal Accident benefits, Stock Ownership and Retirement Provisions.



EXPENSE INCURRED TOWARDS DEFINED BENEFIT AND CONTRIBUTION SCHEMES

INR (crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Contribution to Provident Fund	13.84	13.70	9.89	8.97
Contribution to Superannuation Fund	0.40	1.14	1.19	2.29
Contribution to Gratuity Fund	4.35	4.70	4.31	8.04
Contribution to State Insurance Corporation	4.67	1.08	0.06	0.12
Contribution to Other Funds	10.45	11.26	12.43	14.47

EMPLOYEE WAGES AND BENEFITS

INR (crores)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Salaries, wages, bonus and allowances	585.67	666.99	699.45	734.11
Contribution to provident and other funds*	29.45	27.18	23.57	24.39
Employee welfare expenses	50.20	45.93	43.52	47.67
Share based payments	14.21	25.02	37.41	(29.34)

* excludes contribution to Gratuity Fund

Parental leave

EML offers parental leave in accordance with regulatory requirements for all regular employees. Women employees are provided paid maternity leave for 26 weeks as well as other support they may require to manage their personal and professional responsibilities when they return to work. Likewise, male employees are offered 10 days of paternity leave to bond with their new-borns.

Indicator	Male	Female
Total employees entitled for parental leave	1,653	59
Total employees that took parental leave in FY 2021-22	157	8
Total employees returned to work in the reporting period after parental leave ended	157	8
No. of employees returned to work after parental leave ended (in FY 2021-22), who were still employed twelve months after their return to work	157	8

EML facilitates employees to access information and services relevant to them in a simple and convenient manner. The Royal Enfield Assistant (REA) supports employees in this regard.

CASE STUDY

ROYAL ENFIELD ASSISTANT, (REA)

REA is a chatbot enhanced with artificial intelligence, to provide employees a superior, interactive experience to access information relevant to them. It can be accessed via web and mobile interfaces. REA helps users to get answers to FAQs on HR policies, processes, administration, performance, bike flow and other frequently used functionalities. It helps employees access payslips, income tax documents such as Form 16, and other finance related information all in one place, in a seamless manner.

REA also supports employees to draft written communication for varied purposes such as appraisal, address proof, employment, visa letters etc. Additionally, the Ride More functionality enables employees to book 10 days of a motorcycle, without having to repeat filling a form each time. Several new features are in the pipeline and will be made available in the coming months. In 2021-22, employees used REA for the following functions:

Functionality	Employee Count
Appraisal letter	2,505
Certificate of Appreciation (started from 17th Apr 2021)	1,946
Leave balance	1,214
Letters (address proof and employment letter)	590
Bike booking	198

KAIZEN AND TOTAL EMPLOYEE INVOLVEMENT

Introduced six years ago to EML, Kaizen offers a channel to employees to solve business problems collaboratively and in innovative ways, with the aim of ensuring success at the workplace. This initiative has played a significant role in propelling EML's employees to improve constantly and make meaningful contributions to the business.

The Company's Kaizen programme is executed across its manufacturing units and recognises the best implemented Kaizens with monetary incentives.

In 2021-22, a milestone of 10,000 Kaizens was crossed as 95% of eligible employees contributed 11,151 Kaizens across Productivity, Quality, Cost, Delivery, Safety, Morale (PGCDSM) parameters. To encourage this contribution, EML recognised the contributors with sustainable seed pens.

Small Group Activities (SGA) are designed to build problem solving capabilities among staff and executives through Quality Circle (QC) projects. In 2021-22, 30 SGA projects were initiated and completed. The best among these was selected for the national level quiz and received silver and consolation awards at the state level competition. The team was also shortlisted to participate in the international convention held in Indonesia in September 2022.

HUMAN RIGHTS

EML has an unwavering commitment to upholding the human rights of all its stakeholders, including employees (including employees in subsidiaries), those who comprise its value chain and the communities it engages with. The Company's Human Rights policy is informed by international standards such as the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Further, the policy is formulated to adhere with the labour laws and applicable regulations of each country where EML operates.

Through the Human Rights policy, EML articulates its position of zero tolerance to discrimination and sexual harassment at the workplace.

The Company continues to train employees and the contract workforce on human rights, non-discrimination and sexual harassment at the workplace. In the current fiscal year, no cases of discrimination or sexual harassment were registered. There were also no instances of sexual harassment and discrimination that are required to be addressed by the Internal Complaints Committee which has been set up in accordance with the Protection of Women from Sexual Harassment (POSH) Act, 2013.

EML also emphasises that child and forced labour cannot be employed in any aspect of its value chain. This position in turn is reflected in the Company's Supplier Code of Conduct, which requires suppliers to uphold human rights in their businesses, prioritising the absence of child and forced labour.

Instances of violations can be raised and addressed via a grievance redressal mechanism as well as the Company's whistle blower policy. These avenues ensure protection against retribution for the complainant and are handled with transparency and fairness. Issues raised by whistleblowers are escalated to the Audit Committee to be appropriately addressed. In the reporting year, no instances of human rights violations in EML's value chain were registered.





FREEDOM OF ASSOCIATION

EML not only recognises employees' right to assemble, bargain collectively and voice their opinions, concerns and demands, it also embraces listening and dialogue as a means to resolving conflicts and differences that may arise between the Company and its workforce.

Prior to 2021-22 the well-established Tiruvottiyur plant and the relatively new Oragadam and Vallam facilities had recognised workers' unions, with elected leaders who represented the larger group in engaging with the Company' s representatives. In 2021-22, these unions merged into a single internal union for all plants, comprising over 2,400 persons and covering 100% of applicable associate engineers. This merger is a testimony to the strong trust reposed in the organisation by its workforce and vice-versa.

In accordance with statutory requirements, wage settlement meetings are held every three years. In a significant move, the wage settlement discussions in the reporting year not only saw the bonus payments agreed for 2021-22, but also for the following year. This is not only a symbol of the organisation and workers' commitment to efficiency but is yet another reflection of the sound relationship between EML and its people

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of its employees is of paramount importance to EML. The Company implements a robust Occupational Health and Safety (OHS) management system based on ISO 45001 to continually ensure that its people work in safe conditions. This system is deployed in all of EML's manufacturing facilities and covers all employees and the workforce within the organisation's premises. It also extends to the members of communities in the vicinity of the facilities. Safety is an integral part of our Integrated Management System (IMS) and incorporates suitable tools like Hazard Identification & Risk Assessment (HIRA) for effective safety management.

For a new employee at EML, the emphasis on safety begins at the time of joining the Company. Every fresh hire and new contact worker undergoes mandatory safety training. The importance given to OHS and the efforts to ensure a safe workplace are reflected in zero fatalities and recorded work related injuries and no health issues related to identified health hazards in 2021-22. We aim to ensure zero harm across all facilities each year i.e. zero fatalities and zero reportable safety incidents across all operations. The lost time injury and frequency rate (LTIFR) for employees and contract workers too is limited to 0.05 combined, in this period.

OHS is overseen by a central safety committee which comprises members from the Company's management as well as from manufacturing units. This committee reviews safety standards each quarter and amends them as necessary. At the plants, a high-level safety committee and additional committees for each shop floor assume responsibility for ensuring that the OHS protocols for different processes are diligently followed and complied with without exception. Additionally, routine mock drills are conducted to instil awareness of steps to be observed during emergencies. The various OHS practices in the Company are also regularly bolstered with Kaizen to enhance safety levels as well as their implementation efficiency.

EML also runs a 24/7 occupational health centre (OHC) that delivers medical care to its people's workplace health requirements. The OHC is operated by a roster of doctors, nurses and pharmacists who, apart from providing workplace healthcare, also conduct regular health checks for all EML employees.

WAY FORWARD

As it progresses in its global aspirations, EML will pursue avenues for the growth and development of its human capital. The Company looks ahead to increased use of technology that will help deliver greater efficiencies for its employees across functions.

EML encourages its people to contribute to making improvements in different aspects of the business. In this context, it foresees reinforcing ways that encourage total employee involvement and exploring new avenues that facilitate employees to voice concerns, suggestions and ideas that contribute to bettering working conditions and foster the spirit of collaboration.

Employees' health and safety will continue to be prioritised. EML foresees investing in best-in-class safety management systems to provide its employees a safe professional environment and ensure zero workplace incidents.

The Company acknowledges the indispensable role of its people in its growth trajectory and remains unwavering in its commitment to ensuring their sustained progress and wellbeing.

SOCIAL AND RELATIONSHIP CAPITAL
CREATING SHARED VALUE



MATERIAL ISSUES

- RESPONSIBLE SUPPLY CHAIN
- CUSTOMER CENTRICITY
- ETHICAL BUSINESS PRACTICES/ CORPORATE GOVERNANCE
- COMMUNITY ENGAGEMENT
- REGULATORY COMPLIANCE

EML's endeavours to create value touches stakeholders across its entire value chain. Thus, the Comptany works to create and deliver value to employees, suppliers, dealers, customers, investors, communities and regulatory bodies, as well as others. The touchpoints and channels of communication for each are necessarily different and EML leverages these to the fullest to ensure comprehensive and transparent communication, both ways.

KEY PERFORMANCE INDICATORS

01

CSR Guiding principles

Local Area Development, Responsible Travel, Road Safety and Covid Relief

02

Customer-Centric Initiatives

STORES Project aimed to revamp the motorcycle parts operations, from suppliers at one end to the retail counter at the other

03

Local Suppliers

68%

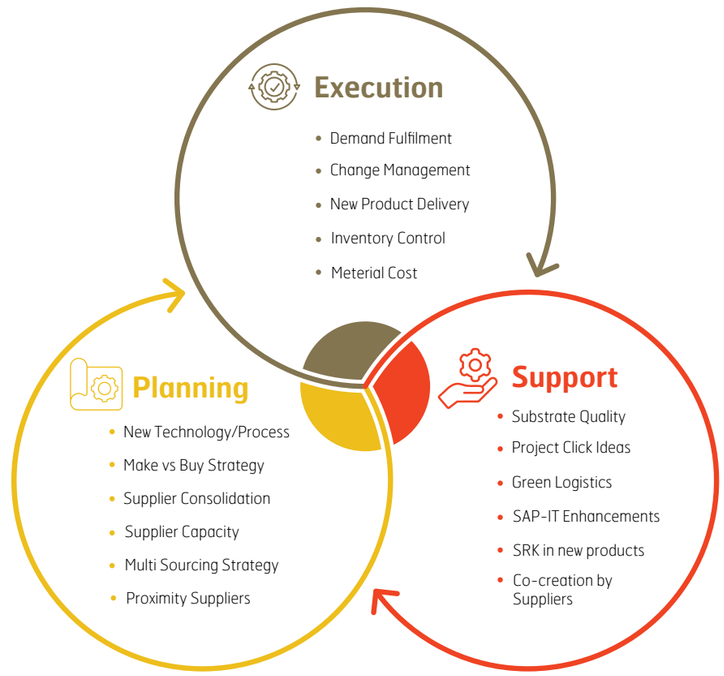
of total requirements from suppliers based in and around area of operations, mainly Chennai

SUSTAINABILITY IN PROCUREMENT

We believe that sustainable procurement is critical to ensure that while our production needs are met, the adverse impact of our operations on the environment and society is minimised. Sustainable or local procurement also enables us to contribute to a sustainable local economy in the areas where we operate. We work with our suppliers through a plethora of initiatives and enable them to contribute to our sustainability performance.

At Eicher, we have a well-defined supply chain framework which enables us to integrate innovation and sustainability in our procurement practices. Our framework includes three integral components namely: Planning, Execution and Support. During the planning phase, we take into consideration aspects like adoption of new technology and processes, proximity to suppliers, capacity of suppliers and look at adopting a multi-sourcing strategy. Our execution pillar focuses on demand fulfilment, product delivery and material cost while through the support pillar, we focus on green logistics and work with our suppliers on joint initiatives for creating value.

SUPPLY CHAIN



Supplier Engagement

In line with our sustainable procurement practices , we work very closely with our suppliers to improve and enhance our sustainability performance. We periodically communicate with our suppliers through multiple channels. Supplier meets are organised to provide suppliers an opportunity for knowledge sharing and facilitate exchange of ideas on pertinent issues such as maintaining quality, inventory management, production among others. During these meetings , they are also provided an overview of our business performance, plans and priorities, new initiatives and supplier efforts. We encourage key personnel and the senior management from our supplier organisations to attend these meetings.

In line with our capacity building efforts, we also facilitate sessions at our

manufacturing sites, for suppliers to visit and understand how their materials are used in the production process. They are also provided relevant training that enables them to enhance their sustainability performance as well as ours.

We involve our suppliers in the new product development process to help them gather an understanding of our material requirements and to also gauge their potential to contribute to our processes.

Supplier tech-shows are also conducted wherein our suppliers are provided an opportunity to demonstrate their strengths and new technologies that they have been working on. Through such events, our product development teams identify opportunities to co-create with our suppliers.

Minimising Impact

At Eicher , we strive to minimise the environmental impact of our business operations. In line with this, we focus on local procurement in order to reduce the adverse impacts related to transportation of raw materials. During the year, we procured 68% of our total requirements from Proximity suppliers or suppliers based in and around our area of operations, mainly Chennai. Through our local procurement policy, we ensure uninterrupted supply of raw materials and also contribute to the local economy. Over the years, we have also been consistently trying to reduce the waste generated by our activities and strive to increase the use of green packaging.

We categorise our suppliers based on the criticality of the parts supplied. Factors taken into consideration for categorising them as critical include the following:

- Parts with few suppliers and long production time
- Consistency in performance of suppliers in terms of quality, cost and delivery
- Risk assessment of select suppliers on predetermined financial and environmental parameters
- Involvement of suppliers in joint initiatives with the product development team

Broad categories of suppliers and spend share %

Broad Category	Number of Suppliers	Spend Share (in %)	Geographies/Countries where suppliers are based
Direct materials	235	85%	India, USA, Japan, China, Thailand, Malaysia, Brazil, France, Spain, etc.
Indirect materials	464	3%	India, Japan, Singapore, China, Malaysia, Thailand, USA, Germany, etc.
One Time Purchases	1,955	12%	India

Supplier Assessments

Periodic supplier assessments are conducted to ensure that suppliers adhere to the latest quality standards. Assessments are conducted pre and post onboarding. Aspects taken into considerations during the assessments include legal compliance, health and safety, environmental aspects, production design capabilities among others.Periodic audits are conducted to monitor and evaluate the performance of the suppliers. Systems are in place to ensure that the findings from the audits are addressed.

CUSTOMER CENTRICITY

Every Royal Enfield motorcycle is created with the promise to unlock an exceptional experience for its riders. This promise also runs through the accessories and events that the brand curates for its enthusiasts as well as through every touch point including retail and after sales service. To honour this commitment, EML's marketing strategy comprises 4 key dimensions, depicted in the figure below.





The Company accords the highest importance to consumers' health and safety and this consideration is incorporated into every stage of the product development process. EML continuously monitors regulatory requirements and environmental norms in its various markets and ensures these are considered in the design and manufacture of its products. It employs the latest technologies not only to ensure its motorcycles conform to prevalent safety standards, but also to enhance motorcycle ergonomics and improve levels of rider comfort. At the retail touchpoint, EML ensures that its dealerships are equipped with requisite fire safety equipment and have the necessary environmental clearances.

With growing consciousness of the climate crisis and the many ways to mitigate it, there is also a corresponding awareness and growing demand for sustainably produced products. Sustainability features high among EML's priorities and the Company believes that increasing levels of sustainability can only be achieved with collaborative effort. Not only are Royal Enfield's motorcycles among the most sustainable in the world, this dimension is also integrated into the retail experience as EML partnered with select dealerships to help them operate Zero Waste to Landfill businesses. The Company has also collaborated with retail outlets to build rainwater harvesting systems.

In order to deliver the promise of exceptional experiences at the post-purchase stage, EML initiated the STORES Project which aimed to revamp the motorcycle parts operations, from suppliers at one end to the retail counter at the other. This has resulted in a resilient supply chain and lean inventory, without adversely affecting the availability of parts at the workshop and retail store ensuring 99% of Parts Availability at our Channel Partners. Central Warehouse TAT for order execution at 100% within 24 hours and Customer complaints raised by channel partners at 0.03% against plan of 0.04%.

Service Excellence Initiatives

Carrying forward its commitment to providing exceptional experiences, EML strives to deliver high levels of retail and service excellence to customers. In the light of the pandemic last year, the Company introduced several initiatives to make the purchase and after sales service processes safe for consumers as well as its own people.

These initiatives make it possible for consumers to digitally book and accessorise motorcycles, test-ride them at the nearest dealer, benefit from doorstep delivery, schedule servicing and make digital payments. With three warranty packages, the Ride Sure programme lends to anxiety-free ownership experiences. The unique Service on Wheels initiative provides convenient doorstep and roadside servicing including motorcycle pick up and drop off after servicing in all metros and state capitals. For consumers in upcountry markets, EML runs mobile vans to extend the reach of its servicing capabilities.

The Royal Enfield Mobile App for Android and iOS platforms continues to support Royal Enfield owners to identify the nearest workshop and book servicing slots. This has helped to optimise repair activities as well as reduce time taken for servicing. The MECHANIC App has contributed in enhancing the experience of motorcycle servicing for mechanics across Royal Enfield's authorised network.

Riders' Accessories

The experience of Pure Motorcycling derives not only from riding but also from the apparel and gear that enable enthusiasts to express themselves. Commemorating its 120th anniversary, Royal Enfield and Belstaff collaborated to present the exclusive Capsule range of apparel comprising heritage inspired t-shirts, zip-up sweatshirts, caps, enamel mugs and two limited edition Royal Enfield x Belstaff waxed jackets, Trialmaster jacket and the Brooklands armoured motorcycle jacket.

Underlining its deep concern for riders' safety, Royal Enfield also released a limited edition range of helmets, commemorating 120 years of the Company.

Riding boots are a key component of motorcycling apparel and require to be comfortable as well as protect riders against injuries. Placing the safety of its riders in the forefront, in partnership with TCX. The Company made available a range of CE Certified protective riding and lifestyle shoes. This exclusive range meets global safety norms to provide riders a safe and enhanced riding experience.



Customer Feedback

- **Overall Satisfaction scores at the Delivery Stage of new Motorcycles sustained at Top 2 score of 96% in spite of so many challenges at Supply**
- **Overall Satisfaction scores at Service stage improved marginally from Top 2 Score of 93% LY to 94.2% TY**
- **REX scores improved across locations and at PAN India level - improved from M/C- 84% to 86.9 and for Workshop from 78.4% to 88.9% in TY**
- **Google reviews improved by around 25% over LY across Sales and Service - Top 2 scores as of now stands at 86% levels**

INVESTOR RELATIONS

EML prioritises transparent and ongoing dialogue with its investors and works to maintain open communication with this important community. Putting investors' need for comprehensive and authentic information first, EML engages with them periodically to inform them of the organisation's challenges, progress and plans. This approach not only enables this stakeholder group to make informed decisions, it also strengthens and fosters EML's connection with them, enabling long term relationships based on trust. It also helps the organisation to receive timely feedback and communication from the investor community.

Communication with investors takes place through a variety of channels such as conferences, meetings, presentations, one-to-one interactions and feedback surveys. The Company also has a dedicated investor relations team that can be reached year round via email and telephone (investors@eichermotors.com; +91-124-4445070) to address shareholders' requests for information and services. All information that requires to be mandatorily disclosed and details of EML's business, strategy, and financial performance are made available in the Company's Integrated Annual Report, financial reports and press releases and on its corporate website (www.eicher.in).

EML places high importance on addressing investors' needs and grievances. In 2021-22, all applications including requests for share transfer, transmission, transposition, issuing of duplicate shares, the payment of overdue dividend etc. were processed within the stipulated time frame. There are no outstanding investor complaints for the reporting period.

ETHICAL BUSINESS PRACTICES

Business ethics and integrity are integral to EML's operations and over the years, the Company has put in place systems that support it to conduct business to high ethical standards. The Company's Code of Conduct requires Directors and Senior Management to annually affirm compliance to it. In the reporting year, no breaches of this Code were registered.

Working to the high standards of integrity is a requirement not only for EML' s employees, it also extends to all its stakeholders, who are made aware of its commitment to ethical and legal business practices through various touchpoints. All new employees are asked to commit to complying with the Company's policies and legal requirements. New employees also undergo training on anti-corruption policies and procedures as part of the induction process.

REGULATORY COMPLIANCE

EML emphasises adherence with regulatory requirements in the markets of its operations and ensures that relevant considerations are incorporated in the motorcycle design and production processes. All EML's facilities meet key state requirements and at the corporate level, the Company complies with applicable laws and regulations.



COMMUNITIES

EML's longstanding efforts in social development stem from a firm belief in progress for all and in making it a reality for underserved populations. Supporting the development of areas in which it works, and lives is thus integral to EML's own strategy for sustainable growth.

EML's initiatives in social development are largely implemented through the Eicher Group Foundation (EGF). The programmes align with broad themes identified by the Company and its CSR Committee. EML's CSR efforts in 2021-22 focused on three umbrella themes as follows

During the reporting year, EML continued to direct its efforts and CSR resources towards areas it has committed to under each theme. The Company's total outlay on CSR programmes totalled Rs 27.74 crores.

Local Area Development Programmes

- Holistic village development
- Maternal and child health
- Education reforms and infrastructure
- Technical skill development

Social Mission

- Responsible travel
- Waste managementwater and sanitation, sustainable infrastructure
- Supporting sports, education
- Promoting sustainable livelihoods

Disaster Relief

- Reinforcing infrastructure for COVID-19

A. LOCAL AREA DEVELOPMENT: BETTERING THE QUALITY OF LIFE IN COMMUNITIES

Holistic Rural Community Development

The company implements rural development projects in Tamil Nadu, across Vallam and Oragadam villages in the district of Kancheepuram and Appur village located in Chengalpattu district. These projects focus on expanding access to safe water, sanitation, education and affordable energy among rural residents.

Through EML's interventions in Vallam, Oragadam and Appur, the following activities were undertaken:

- Construction of household toilets
- Building a new sanitation facility in the local school
- Reconstruction of a school kitchen unit (Vallam)
- Renovation of an Anganwadi under the Integrated Child development Scheme (Oragadam/ Appur)
- Establishment of a community toilet block for shared use
- Installation of RO drinking water units
- Improvement of ground water storage by implementing rooftop rain water harvesting
- Introduction of behaviour change communication campaigns to influence a positive change in attitudes, information and behaviours towards safe WASH practices
- Provision of renewable energy resources by installing solar street lights

Through these interventions by EML and its NGO partner, Habitat for Humanity India, 55 families in Vallam now have access to adequate health and sanitation facilities and over 570 individuals have been sensitized to the importance of safe WASH and health practices.

"We did not have a toilet in our house and hence we used to go to the open fields in the morning. However, now with old age I cannot walk long distances. Thank you for building a toilet in our household. Now we do not have to defecate in the open." – Muniyamma, Vallam



Community sanitation unit, Vallam



SSHE unit , Vallam



Community RO plant, Vallam



Handwash unit, Vallam

In Oragadam and Appur, while the project is still in progress, 100 household toilets have been constructed and over 270 roof top rain water harvesting systems have been put in place, giving families improved access to clean water for their everyday use.



Community meeting, Appur



Rain water harvesting system, Oragadam



Save a Child

The activities implemented and the outcomes are highlighted below :

EKAM's pledge is that no child should be denied the right to health care, under any circumstance. In keeping with this, the EGF provided financial support so that 8 children received appropriate medical care including surgery in a couple of cases, drugs and medical apparatus.

Feminine hygiene and sanitation awareness for women staff of Mumbai Police

Sanitation and personal hygiene studies conducted in India have highlighted that the need for appropriate facilities is very high among women, especially those from marginalised communities and living in rural areas.

In line with our efforts to address the hygiene and sanitation issues among women, EGF supported an initiative by Habitat for Humanity India to provide standing urination devices and menstrual cups to women in the Mumbai Police Force. Through this initiative, 250 women were trained and provided devices in the reporting year, making personal hygiene practices more convenient for them.



Mumbai Police women staff with hygiene kits

Maternal and Child Health

Implemented a project in 4 panchayats - Chennakuppam, Nattarasampattu, Vallam and Valayakaranai - of Kancheepuram and Chengalpattu districts. The project also set out to create model labour rooms in the Primary Health Care Centres, following the Government's LaQshya (Labour Room Quality Improvement Initiative) guidelines, designed to improve intra-partum and immediate post-partum care.

Commmunity Mobilisation

To empower women with information and to develop local knowledge resource persons, EKAM conducted awareness sessions on maternal and child health and adolescent care. In 2021-22, 10 such programmes were conducted with 174 women to raise awareness of safe motherhood, prenatal development, labour and delivery, importance of nutrition and diversity in the diet.



Mother and child health awareness session, Panrutti PHC

In addition, 207 adolescent girls participated in 10 Adolescent Care sessions which focused on subjects of prevalence and management of anaemia, understanding and handling of gender-based violence, rights and entitlements, sex and growth etc.



Adolescent training session, Nattarapattu

Other initiatives include family counselling, follow up and tracking of high risk pregnant women, post-natal mothers and neonates.

110 antenatal mothers, 103 post-natal mothers and 193 new born babies have benefitted from our initiatives



Ante-natal follow up, Valayakaranai

Education Reforms and Technical Skills Development

Systemic Education Reforms in Partnership with the Government of Tamil Nadu

iEML supports The Education Alliance (TEA) and works with the Commissioner of School Education in Tamil Nadu to create a vision document outlining plans for school education reform in 15 priority domains that align with the state's development agenda. The project includes spelling out the resources and partnerships required as well as identifying metrics to track progress and fulfilment of objectives. Further, TEA extends help to get the approvals necessary to implement the suggested reforms. The reforms will benefit 52.75 lakh students (classes 1-12) in 37,554 government schools.

The project has made considerable progress, established several significant milestones and has benefited 94,750 + teachers and over 20,50, 000 students so far. The milestones are summarised below:



Industry visit

"After we started implementing the Spoken English program in our school, our daily attendance has gone up and we are seeing children eager to come to school to learn to speak in English" – Rekha Rayen, Teacher, Government Higher Secondary School, Okkiam Thoraipakkam.

Royal Enfield Academy for Technical Skills

The Royal Enfield Academy for Technical Skills is an initiative of the EGF, in partnership with the Centre for Entrepreneurship Development (Tamil Nadu). The theme of the project is Empowering Educated Unemployed Youth through Sector Specific Technical Training and Placement in the Automobile Sector. The aim is to train 1,000 youth who have relevant diplomas in engineering, each year, to be placed in employment in the automobile sector.

During 2021-22, the second year of the project, 861 youth were trained and 100% of them were placed in employment. 39 different organisations have recruited the trainees prepared for the industry through this initiative.



Technical assessment



Guest lecture

Royal Enfield Academy for Skills, Gurgaon

Implemented in partnership with Aide-et-Action, the Royal Enfield Academy for Skills, Gurgaon was launched in 2018 and completed its run in May 2021. In the 3½ years of its implementation, 2, 063 persons from Gurgaon, Pataudi and Sohna in Haryana have been trained for employment or entrepreneurship in diverse areas such as Fashion Designing, Customer Relations & Retail, Automobile, Electrician, Hospitality, IT Enabled Services. Of those trained, 79% have been placed in wage based or self-employment, exceeding the target of 75% for this activity.

This initiative has enabled trainees to increase their average monthly household incomes by 90% (from Rs 10,543 to Rs 20,034), thus increasing the scope to access amenities and services for a better quality of life for their families and themselves.

Indicator	Name of Centre			Overall	
	Gurgaon	Pataudi	Sohna		Total
Trained	885	535	643	Trained	2,063
Wage employed	511	382	435	Wage employed	1,328
Self employed	178	42	90	Self employed	310
Total placed	689	424	525	Total placed	1,638

Shikshak Pehal Programme, Alwar, Rajasthan

The project is supported by the Goodearth Education Foundation (GEF), the EGF and the MM Lal Charitable Trust. Its objective is to reach out to the communities of Thanagazi and Umrain blocks of Alwar to ensure equitable quality education.

The target audience for this initiative comprises children from socio-economically disadvantaged families, most of whom are employed in daily wage labour or marginal farming. Many of the students are first generation learners with parents and family members who have low levels of literacy and formal schooling.

- As a result of the intervention, the programme has seen student enrolments of 5,446 as against the target of 5,600 enrolments
- Teachers have started developing and experimenting with teaching-learning practices and processes relevant to the learning needs and interests of children
- Principal Teachers and teachers of all bodhshalas have established student attendance goals of more than 80%
- As an extension of its Poornama (nutrition) programme, the project now also tracks the health and nutrition status of students and has recorded parameters such as height, weight and body mass index (BMI) of 4,500 students



Shiksha-ghar learning



Shiksha-ghar learning



School teaching



Online workshop for teachers



Training teachers to teach in smart classes



Bal-utsav celebrations



Community participation

B. SOCIAL MISSION – RESPONSIBLE TRAVEL

EML strives to preserve the natural and socio-cultural ecosystems of the destinations that it rides to. Responsible Travel includes inculcating a culture of sensitivity, respect and care among rider communities as well as other travellers, partners and local communities to fulfil EML's mission to leave every place better.

Cause Based Ride: One Ride 2021

The Royal Enfield One Ride is an annual international event where Royal Enfield enthusiasts across the world come together to mark the day as ONE with their motorcycles and to promote and develop and attitude of responsible travel.

In India, 405 Royal Enfield distributors participated in One Ride 2021 on 26th September across 9 cities. EML's lead partner, Waste Warriors Society, and 5 other NGOs organised awareness activities and behaviour change campaign to introduce riders and other stakeholders to many methods of responsible travel.

Across these 9 cities, the ride had 799 Royal Enfield motorcycles and 868 riders who took the pledge to leave every place better.



Cleaning drive

It is notable that 868 riders generated only 65.6 kgs of waste which is 86% less than the global average in similar sized events abroad. Of the total, 90% of waste was processed (54.7 kgs were composted, 4.5 kgs forwarded for recycling) resulting in a near zero-waste event .



Riders take the pledge to leave every place better



Awareness generation activity, Dehradun

Protecting Eco-Sensitive Areas

Jim Corbett National Park

The project is implemented in partnership with Waste Warriors Society and has three main objectives:

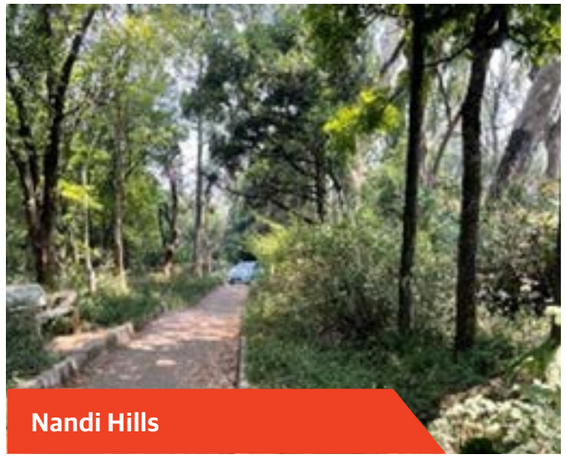
- Raise awareness in villages and activate solid waste management practices amongst households, schools, shops etc. along with collection, segregation (sorting / grading), and processing of recyclables, thereby keeping waste out of the eco-sensitive area
- Empower women-led self-help group (SHG) members by providing them livelihood opportunities including waste collection, segregation, upcycling, and other non-waste related opportunities
- Promote responsible travel such that all tourists traveling to the national park are sensitized towards and receive an opportunity to #KeepCorbettClean
- The project reaches out to 4, 774 beneficiary units (4,340 households, 400, businesses and 34 institutions) in 14 villages and aims to connect at least 60% (2,864) units to a regular waste collection system.

In 2021-22, the project made considerable headway as it expanded its scope with 4 new villages, incorporated solid waste management rules in the panchayat bylaws of 5 villages and fixed budgets for waste management activities in the Gram Panchayat Development Plans. Additionally, new SHGs have been formed which will take responsibility for solid waste management in their villages.

The efforts of the project team have resulted in 17.45 MT of waste collected and processed, Rs 61,765 collected in user fees among other achievements.



Door to door solid waste collection



Nandi Hills



Training on solid waste management

"Finally, my village is part of Swachh Bharat Abhiyan! I am grateful to Waste Warriors for starting solid waste management work in my village during my tenure. SHG ladies, also known as Pariyavaran Sakhis will regularly collect plastic waste from the houses in the village. Now this plastic waste will not be littered, dumped or burnt."



Solid waste segregation



Children's Day programme at ESTA Public School, Kaniya

Preserving the Environment and Sustainable Development in Ladakh

Solid Waste Management in Tsangda

Royal Enfield has collaborated with the District Administration in Leh to address the growing waste problem in the region. As a result, two waste collection and segregation centers were set up and made functional in Kharu and Pangong. In addition, the local population was sensitised to the need for appropriate waste management practices, the areas cleaned up, workers trained in waste segregation and public bins were put in place.



Public bins for waste disposal

Reuse and Recycle: *As of September 2021*

- The Pangong centre had collected more than 8,000 kgs of waste, of which about 2,000 kgs were sold for reuse and 300 kgs for recycling respectively
- The Kharu centre, collected 15,000 kgs of waste of which 724 kgs were sold for recycling and 6,050 kgs are to be further recycled /upcycled.

Employment and revenue:

- The project has provided employment to 6 locals under the project at Pangong and Kharu



Segregated waste being sent for processing

Addressing Learning Gaps among Young Students



Students who underwent ice skating coaching

Creating Alternative Learning Opportunities

parts of Ladakh adversely, more so in remote villages of the region. Royal Enfield committed to address this key issue by taking learning to students in different formats, such as village based education camps.The Company also discovered that the school curricula lacked information about local biodiversity and the environment and partnered with the Snow Leopard Conservancy-India Trust (SLC-IT) and rZamba to roll out initiatives in different parts of Ladakh. A project was devised to equip students with skills that are not taught in schools but that are important to holistic development. The project was planned in 4 regions of Ladakh - Mann, Phobrang, Korzok and Nubra, and month-long education camps were organised to engage with students.

Overall, 3 out of 4 education camps were conducted for 200 participating students. Additionally, 16 trainers underwent training and benefited from enhanced confidence and skills.

"My kid never used to talk and was always busy playing games. Since the camp had started, he comes to us asking for Ladakhi riddles and shares about his day's account at the camp." - ***Parent from Phobrang***

"The expectation and the actual outcome of the programme was very different yet beautiful. I would have regretted not joining this training programme." - ***Trainer from Nubra***

C. DISASTER RELIEF PROGRAMMES: COVID-19 RELIEF PROJECT

The second wave of COVID-19 found the country in a state of inadequate preparedness and had a devastating effect on lakhs of families. Frontline personnel were at risk of not only contracting the virus but also unwittingly spreading it owing to insufficient access to safety equipment.

IEGF collaborated with EKAM to provide PPE Kits and other safety essentials such as gloves, masks and sanitizers to health care providers in Tamil Nadu. 28 healthcare centres in 10 districts of Tamil Nadu benefitted from this intervention.

SUPPORTED

- 2 Government Hospitals
- 12 Urban Primary Health Care Centres,
- 14 Primary Health Centres

DONATED

- 11,270 N95 masks
- 41,000 3 ply masks
- 700 PPE kits
- 414 litres of sanitizer
- 250 face shields
- 552 boxes of gloves
- 117 litres of hand wash

Eicher Group Foundation (EGF) in association with its partner Native Medicare Charitable Trust (NMCT) provided medical equipment, and consumables to 29 Primary Health Care Centres (PHCs) and 1 government hospital in the rural parts of Coimbatore, Tirupur and Palakkad districts of Tamil Nadu. Additional PHCs received oxygen concentrators while ambulance services were also made available for rural residents to reach Covid Care Centres (CCCs), when required .

The partnership of EGF and NMCT provided medical equipment and consumables to the following government CCCs :

- Coimbatore Medical College Hospital
- Bharathiar Covid Care Centre
- CODISSIA Covid Care Centre
- Karunya Covid Care Centre

Relief and Rehabilitation

The national lockdown announced during the first wave of the pandemic resulted in a massive migration of migrants workers from cities to rural India.. EGF supported Goonj, which under its RAHAT initiative provided ration kits to 7,042 households in several districts and cities of Uttar Pradesh, Madhya Pradesh, Jammu and Kashmir.

State	Number of Households
Uttar Pradesh	2,795
Madhya Pradesh	3,317
Jammu and Kashmir	930
TOTAL	7,042

D. OTHER INITIATIVES

Women's Empowerment

Promoting women's economic empowerment through entrepreneurship

The residents of Sriperumbudur block in Kancheepuram district of Tamil Nadu have low levels of financial literacy and women in the area need opportunities for entrepreneurship and better employment. CARE, supported by EGF promoted entrepreneurship opportunities for 200 women by building their capacities through a Self-Employment and Entrepreneurship Development (SEED) Centre.

The SEED Centre serves as a nodal point to train and provide technical assistance to participants. In this project, the centre supported training on collectivization and capacity building for enterprise development and enterprise promotion.

The outcomes and impacts of this initiative in 2021-22 are as follows:

- Training on financial literacy improved the knowledge of participants on the importance of savings, insurance and credit, and budgeting at the family level
- 60% of women who attended the training on digital literacy, improved their knowledge of using the internet and smartphones,
- 40 women were supported with 4 goats each for breeding purposes. A 3-day training on goat rearing was organized through which participants learned about their care and management
- 7 women were supported to start non-farm enterprises such as textile retail shop, digital payment centre, tea and tiffin centre, small restaurant, idli batter machine and push carts for retail food business
- 5 women's collectives, each with 5 to 6 women were promoted, of which 4 collectives are engaged in the production and marketing of wood pressed oil . Plans have been made to get additional support from One District One Product Scheme Prime Ministers Formalization of Micro-Food Processing Industries (PM-FME). They commenced business by 15th March 2022 and have produced more than 500 litres of oil, all of which has sold in the villages.
- 1 women's collective has established a Xerox, printing, stationery, lamination and e-service centre at Sennakuppam and are confident of doing good business
- A total of 75 women entrepreneurs were promoted in the reporting year against a target of 55.



WAY FORWARD

EML's investors, suppliers, dealers, customers and communities are integral to it attaining its business goals. Creating value for its stakeholders is fundamental to EML's business and the Company will always emphasise supporting its different stakeholder groups in ways to make their lives and work better.

Partnering with its suppliers and dealers, EML continues to support them by building capacity to enhance the sustainability of their operations, keeping environmental preservation and social wellbeing in the forefront.

As the audience of EML's focus on unlocking exceptional motorcycling experiences, customers will always be prioritised by the Company as it seeks to implement innovative measures that will enhance the Royal Enfield experience via multiple touch points.

The communities that surround EML's operations have for long been the recipients of its commitment to giving back to society. EML pursues the aim of bringing about meaningful change in the lives of communities with its focus on making key services like health care sanitation and education available to them, as also ensuring that they are empowered towards greater self-sufficiency.

Following the regulatory requirements of SEBI, EML will also deepen its engagement with the investor community in the near future, through the mandatory Business Responsibility and Sustainability Reporting (BRSR), in addition to its Integrated Annual Report and other financial performance disclosures.

NATURAL CAPITAL
ENVIRONMENTAL STEWARDSHIP





EML'S APPROACH

EML maintains an unwavering focus on minimising the impacts of its operations on the wider ecosystem including the natural environment, its people, and the communities it works in. Keenly conscious of the context in which it operates, EML continuously explores new ways to reduce the environmental footprint of the motorcycles the Company produces and sells. This involves innovation in vehicle design, material sourcing and in its operations, so as to ensure reduced environmental impacts across its products' life cycle. The Company has also made significant investments to increase the share of renewable energy in operations.

All plant locations have implemented ISO 14001 Environmental Management Systems. The Plant Heads and the Heads of Departments are responsible for the implementation of the EMS and adherence to our environmental policies in all our operations. The EHS policy of the company is clearly communicated to all stakeholders and is also prominently displayed at plant locations. The roles and responsibilities towards effective environmental management are clearly defined by our management systems and the same is continually monitored and reported to the management. Also, the Quality Management Office (QMO) is responsible for identification of training needs relating to the EMS; number of persons trained and training hours on EMS are also monitored on an ongoing basis.

EML ensures that the vehicles produced meet environmental standards across domestic and international geographies, where the Company's products are sold.

Significant investments have been made to increase the share of renewable energy in operations. The Company focuses on enhancing energy efficiency in manufacturing and use of renewable energy to progress on its ambitions of net-zero Carbon emissions. The Company recognizes water as a key resource businesses share with the larger communities and focuses on using it responsibly. Zero Liquid Discharge (ZLD) systems and recycled effluent use are integral to its manufacturing processes while rainwater harvesting systems have enabled reduced dependence on fresh water. Further, the Company has actively embraced the principles of circularity to minimize the use of all resources. It uses significant proportions of renewable and recycled material, thereby reducing the need for virgin material.

MATERIAL ISSUES UNDER NATURAL CAPITAL

- ETHICAL BUSINESS PRACTICES
- GHG EMISSIONS AND EMISSION TO AIR
- REGULATORY COMPLIANCES
- RESPONSIBLE USE OF MATERIALS
- ENERGY MANAGEMENT
- WASTE MANAGEMENT
- WATER MANAGEMENT

KEY PERFORMANCE INDICATORS

01

Energy

3,87,774 GJ
of energy consumed in FY 2021-22

6,192 GJ of Energy saved in FY 2021-22, Energy Intensity in FY 2021-22

0.62 GJ per motorcycle

02

Emissions

9,381 tCO2e
of Scope 1 emission in FY 2021-22

49,569 tCO2e
Scope 2 emission in FY 2021-22

03

Water

1,32,890 kl
of freshwater consumed in FY 2021-22

3,44,943 kl
of effluent Recycled in FY 2021-22,

Water Intensity in FY 2021-22 is
0.22KL / motorcycle

04

Waste

5,154 MT of
Hazardous waste generated in FY 2021-22

4,946 MT
of waste recycled and co-processed

357 MT
of waste sent to authorized recyclers.

05

Material

1,20,260 MT
of renewable material procured i.e. 98% of total procurement in FY 2021-22

19,647 MT
of recyclable products procured i.e. 16% of total procurement in FY 2021-22

06

Green Cover

10,650
trees planted across Royal Enfield's three plants and global headquarters

10,500
trees in Vallam

6,230
trees in Oragadam maintained in Open Space Reservation (OSR) land agreement with State Industries Promotion Corporation of Tamil Nadu (SIPCOT)

MATERIALS

The extraction and use of materials in manufacturing processes exerts considerable stress on the environment. Royal Enfield motorcycles are built with a significant proportion of recycled material, which helps extending the life of materials (prevents material from being sent to landfills), reducing the use of virgin material and minimising waste in the production process. Comprising over 90% of recycled aluminium and steel, Royal Enfield motorcycles are among the world's most sustainably designed two-wheelers today.

There is extensive focus on reducing the amount of process material consumed. Catalytic converters used in the exhaust systems of motorcycles contain rare-earth metals like Platinum, Palladium etc. Although used only in small quantities, the process of extraction of such raw materials causes considerable environmental stress; furthermore, even small quantities of such metals used in Royal Enfield's motorcycles will have a significant impact on the cost. Constant improvements in design engineering have helped reduce the amount of such metals used.

CASE STUDY

LASER WELDING FOR IMPROVED RESOURCE EFFICIENCY AND PRODUCTIVITY

Laser technology is quite versatile with application in several aspects of automobile production. In welding, it offers multiple advantages like joining thin or delicate metal parts to achieve precise weld joints while delivering on productivity, quality and cost. The Company's manufacturing process have taken to Laser welding technology to the maximum extent possible, doing away with the traditional metal inert gas (MIG) welding process that would consume brass as filling material. This has resulted in cost and quality optimization.

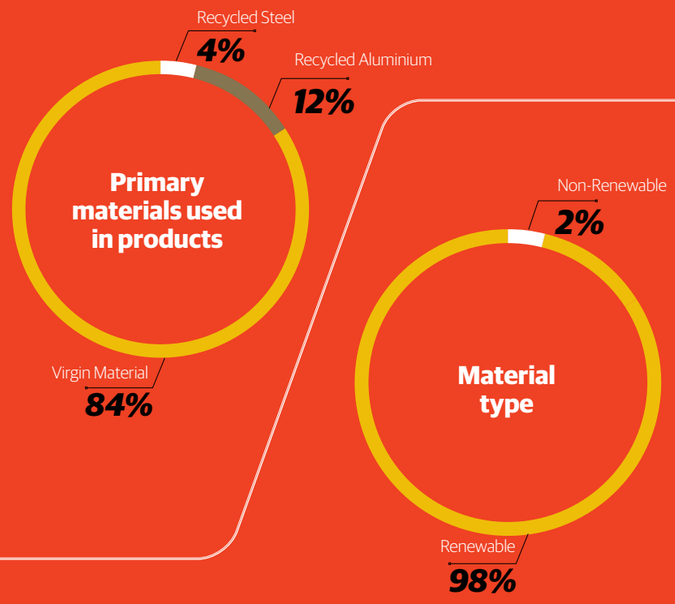
Some of the other advantages of laser welding over MIG welding include:

- → 4 times higher welding speed
- → Higher output with precision weld quality using lesser manpower and reduced weld cell
- → Weld approach to inaccessible joints through large working distance owing to non-contact welding
- → Deeper penetration in narrow bead width which results in superior aesthetic finish
- → Less distortion due to duration of the heat input
- → Lower manufacturing cost: 12% less than MIG brazing and 30% less than MIG welding

Royal Enfield introduced LASER technology into its motorcycle manufacturing process, as much to enhance the sustainability of its processes as to improve productivity and deliver on its promise of high quality motorcycles made with best-in-class technology.

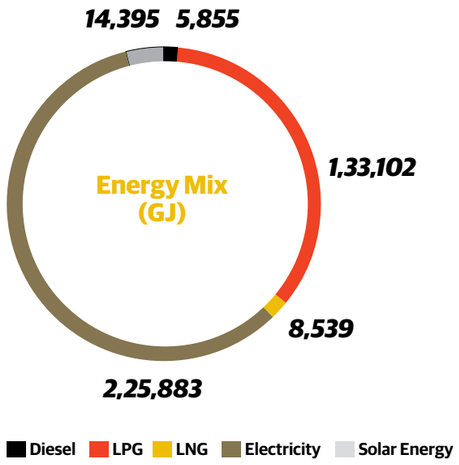
The fuel tank manufacturing was among the most significant processes that was identified for Laser welding use. The success of the technology in this process has encouraged extension to other processes as well. While the capital cost of the technology may seem to be high, it is observed to be recoverable in as low as 1.5 years, depending on the processes for which it is used.

The Company continues to make progress in increasing the use of recycled material in packaging.



ENERGY MANAGEMENT

The efficient use of energy is key to EML's objective of walking the path of low carbon growth. While grid purchased electricity comprises the maximum share in the Company's energy mix, it is steadily transitioning to the use of cleaner energy sources such as solar. The Company continues to invest in the latest technologies that support its aspirations for continued improvement in energy efficiency. Numerous steps have been implemented in the manufacturing facilities and processes in order to reduce energy consumption and enhance the sustainability of processes for each motorcycle that is produced.



SOME OF THE SIGNIFICANT ENERGY SAVINGS INITIATIVES THAT HAVE BEEN UNDERTAKEN IN 2021-22 ARE LISTED BELOW:



01 Waste heat recovery from paint shop oven through heat exchanger

02 Installation of VFD in process pumps for energy optimization

03 Integration of VFD in paint shop liquid line cooling zones

04 Power saving mode enabled in crankshaft grinding

05 AMS panel cooler ideal mode cut off in 42 machines

06 Installation of VFD in paint shop CED oven cooling zones

07 Optimization of dust collector usage through re-engineering the ducting

08 Reduction of transfer pump running hours by interlocking the secondary coolant tank in MAKINO PS65

09 Optimization of LP compressor in SPM machines

10 Integration of pre-cleaning exhaust duct in plating shop

11 Power consumption optimization and efficient utilization through a variety of measures

12 Implementation of VFD in 2 air compressors in the paint shop

13 Conversion of continuous power pack to intermediate power pack in Makino PS65

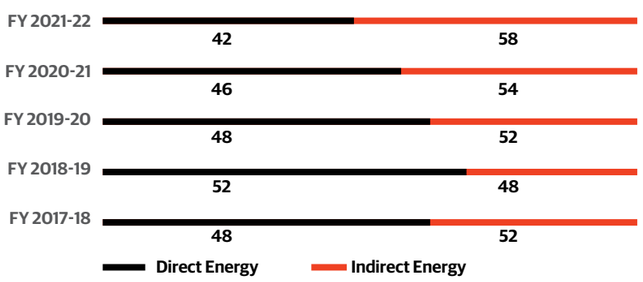
14 Switching to LNG (a cleaner fuel) from LPG in certain manufacturing operations (e.g., Paint shops)

ENERGY CONSUMPTION AND SAVINGS

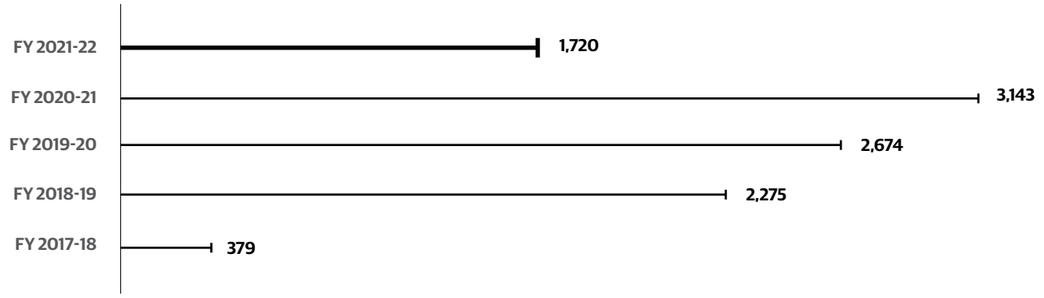
EML has been implementing a host of energy efficiency and energy re-use projects to reduce the energy consumption across its plant locations and the Head-office in Chennai. These span a wide range of touchpoints in the manufacturing process such as waste heat recovery from the paint shop oven, installation of VFD in different process lines, cooling optimisation, lowered duration of the running of pumps, conversion of continuous power packs to intermediate types etc.

These steps, among others, have resulted in substantial energy savings of approx. 1,720,061 kWh in 2021-22.

Energy Consumption (%)



Energy Savings (MWh)



CASE STUDY

WASTE HEAT RECOVERY

A waste heat recovery unit (WHRU) is an energy recovery heat exchanger that transfers heat from process outputs at high temperature to another part of the process, usually to increase efficiency. At EML, exhaust heat from the paint shop oven is utilized to preheat fresh air from the atmosphere, raising its ambient temperature of 32 deg C up to 72 deg C.

This action has resulted in reducing fuel consumption by about 105 tonnes per year and has caused carbon emissions to decrease to the tune of 331.3 tCO2e/annum.

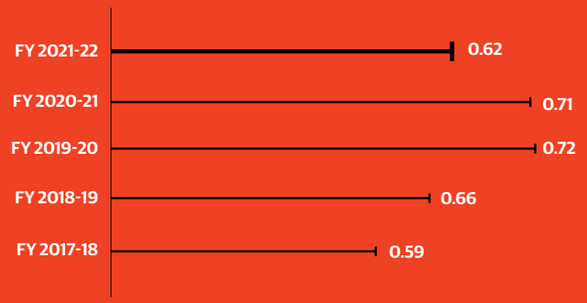


CED Heat Recovery System

ENERGY INTENSITY

EML's efforts to lower energy consumption across its operations have led to a decrease in the energy intensity of motorcycle production. In 2021-22, the combined energy intensity for all three plants and the head office in Chennai stands at 0.62 GJ/ motorcycle.

Energy intensity (Manufacturing Units) (GJ/Motorcycle)



Note: Intensity has been calculated taking into account the total energy consumption in plant locations only.

EMISSIONS

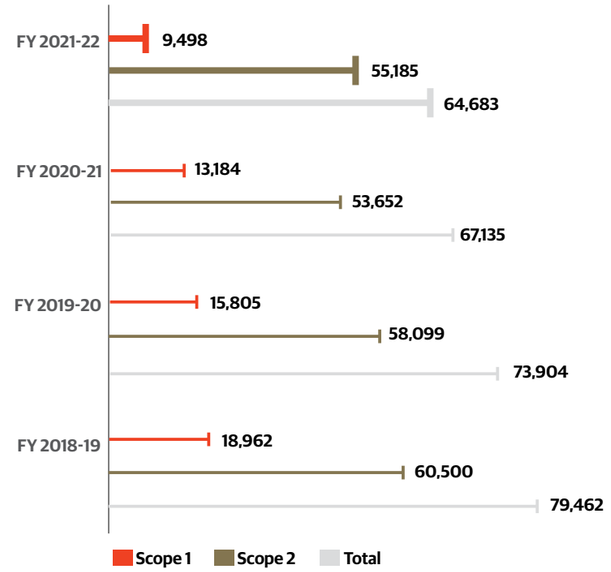
EML has adopted a multi-pronged approach to ensure a continuous pathway to low carbon growth. This approach rests on the twin goals of enhancing energy efficiency and reducing emissions by adopting alternative energy in its operations.

The Company has aligned its manufacturing as well as assembly/CKD processes with Indian and international emissions regulations for the automotive industry. Therefore, in India, Royal Enfield motorcycles adhere with BS-VI emission requirements, while those for international markets meet geography specific norms.

In accordance with the Greenhouse Gas (GHG) Protocol, EML tracks and reports Scope 1 or direct emissions and indirect or Scope 2 emissions for its operations from three manufacturing plants in India. In 2021-22, EML's total emissions reduced by 12% compared to the previous year. This is the outcome of measures to improve energy efficiency as well as initiatives such as the use of liquefied natural gas in paint shops and replacing gas welding with laser welding to lower emissions.

EML continues to replace the use of LPG with LNG (which is a cleaner fuel source from emissions stand-point) and is also moving ahead with its efforts to increase the use of solar power. A 13 MW offsite group captive solar plant has been commissioned and the power generated feeds the electricity needs of the factory in Vallam. In 2021-22, generation from this unit was to the tune of 26,45,112 KWh, which has resulting in offsetting potential Carbon emissions of approx. 2090 tons. In a move to offset its carbon emissions, the Company has signed an agreement with State Industries Promotion Corporation of Tamil Nadu (SIPCOT) to maintain plantations of 16,730 trees (10,500 in Vallam and 6,230 in Oragadam). Internally, the Company has been conducting business meetings virtually, thus reducing emissions associated with travel.

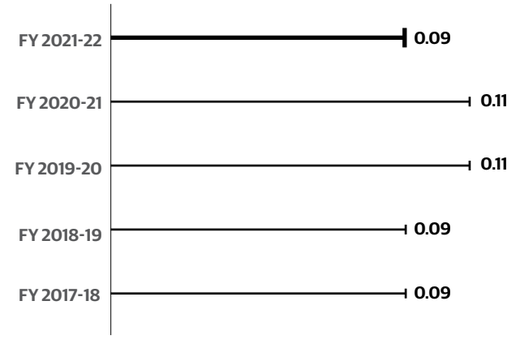
Emission (tCO2e)



EMISSION INTENSITY

With decreasing energy consumption, EML has seen a corresponding dip in emissions intensity as well, relative to the previous years, lending to the sustainability of Royal Enfield motorcycles.

GHG Emissions Intensity (tCO2e/Motorcycle)



AIR EMISSIONS

EML consistently tracks the release of particulate matter (PM) and emissions such as SOx and NOx, which emanate from the production processes like painting, fossil fuel based electricity generation, heating etc. and ensures that these remain within the limits prescribed by the Tamil Nadu Pollution Control Board (TNPCB). The services of accredited third-party agencies are also regularly taken to test the quality of air surrounding EML operations as well as the levels of noise produced. The Company also tests for volatile organic compounds (VOCs) in the environment.

Greening the Environment

EML has an active volunteering programme through which employees are encouraged to participate in environment preservation initiatives such as tree plantation drives.

WATER MANAGEMENT

India is the third largest user of ground water, a resource that is fast depleting owing to inefficient use by various economic sectors as well as the country's citizens. The hazards of water pollution, salination of water bodies owing to the climate crisis and urban development are some of the factors that prevent adequate access to water, among social as well as natural ecosystems.[1]

EML has a deep sense of responsibility for the efficient use of water. It ensures that its water management practices enable the surrounding communities and natural environment to access and receive water that is crucial for them to thrive. Its steadfast focus on managing water responsibly has seen all of EML's plants and global headquarters continue to be certified as water positive in a third-party assessment. The Company has achieved a water positive index of 1.98 in 2021-22 i.e., the quantity of fresh water that is withdrawn by the company is recycled.

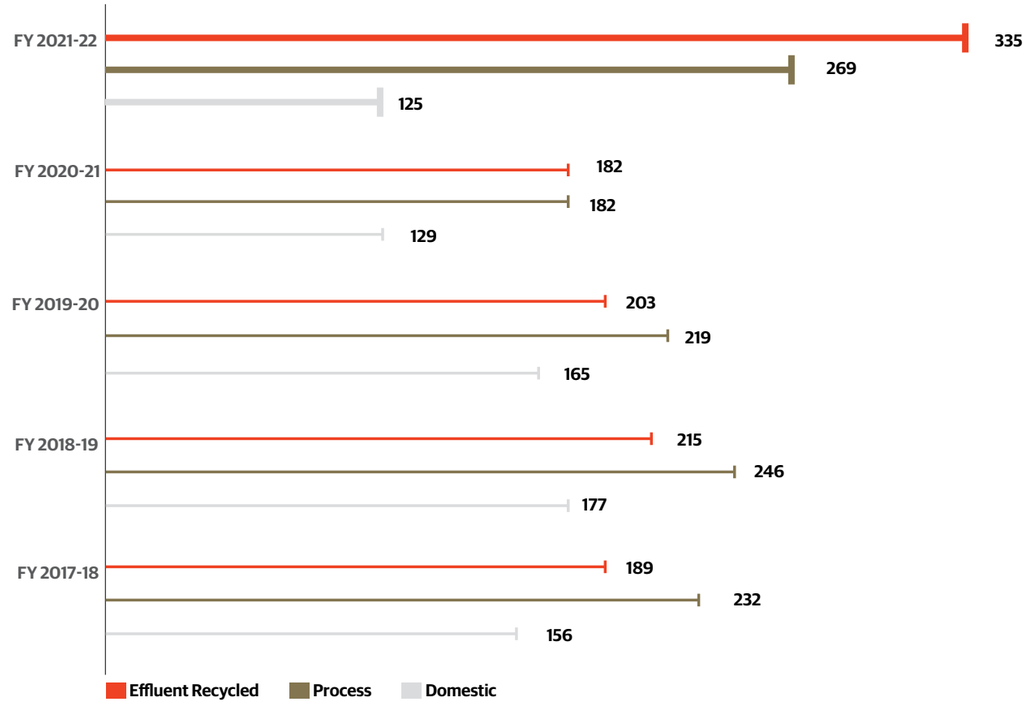
1 - Here is a look at the state of access to drinking water in India (news18.com)

The Company procures tertiary treated reverse osmosis (TTRO) water from SIPCOT for its manufacturing requirements and buys water from tankers for domestic usage. All of its manufacturing plants are equipped with state of art treatment effluent and sewage treatment plants (ETP and STP) and systems have been put in place to ensure zero discharge of wastewater. Water recycled through the ETPs and STPs is reused for domestic purposes such as landscaping and flushing of toilets.

3,34,772 KL
TOTAL WATER RECYCLED

3,44,943 KL
TOTAL WATER REUSED

Water Consumption and Effluent Recycled (Megalitres)





Measure implemented	Savings per day
Reuse of STP treated RO for process top-up at Tiruvottiyur	12 KL
Paint shop2 coagulation water changed from IRO to STP RO at Oragadam	15 KL
STP UF permeate usage for toilet flush instead of STP RO water at Oragadam	15 KL
TTRO water reduction by various improvements in STP RO at Oragadam	15 KL
Fab shop cooling tower & AHU make up changed from IRO to STP RO at Oragadam	8 KL
VA1 AHU(3nos) changed from Fresh water to STP RO at Oragadam	5 KL
Push type tap implementation for all the wash basins	10 KL
STP Treated water utilized for toilet flushing	6 KL
Overflow water controlled and awareness provided to the team at Canteen washing area at Vallam	15 KL

Water Intensity

The steps taken to enhance the efficiency of water use have resulted in a notable decline in water intensity relative to preceding years. The table below depicts EML's water intensity, for its manufacturing plants only.

Water intensity, 2021-22

PROFIT AND LOSS ACCOUNT	KILOLITRES PER MOTORCYCLE
2021-22	0.22
2020-21	0.29
2019-20	0.33
2018-19	0.36
2017-18	0.33

The Vallam plant has made significant investments in rainwater harvesting. Collected rainwater is stored in storage structures (wells) and used in operations, resulting in the reduction of freshwater requirement and water intensity.

WASTE WATER MANAGEMENT

EML's Zero Liquid Discharge plants employ cutting edge technology to ensure that waste water does not contaminate the external environment and that treated wastewater is channelled back into the organisation's processes such as heating, cooling, ventilation and cleaning of RO membranes.
Further, the Company has installed systems that prevent an excessive content of chemicals in treated effluent and also boost the quantity of recovered water by 10%. Smart solutions also enable optimised retrieval of water from the RO process.

Water quality is monitored regularly to ensure that it adheres with the limits prescribed by the pollution control board. The parameters tested for include Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Potential of Hydrogen (pH), Total Dissolved Solids (TDS) etc.

CASE STUDY

COVERTING SEWAGE SLUDGE TO VERMICOMPOST

The sewage treatment plants at EML's Oragadam and Vallam plants generate biological sludge which is dried and forwarded for use in the vermicomposting process. The sludge serves as food for earthworms which are used in vermicomposting. After 60 days, the sludge is ready to be used as good bio-fertilizer which is rich in nutrients. This is used in the plantations and greenery in EML's premises.







WASTE MANAGEMENT

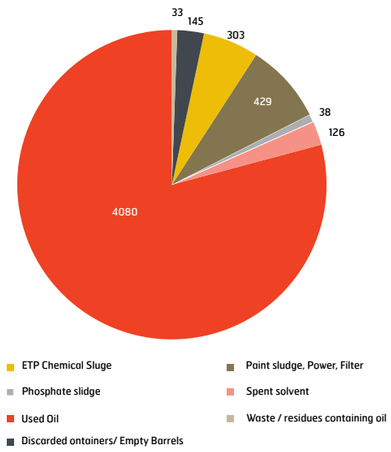
EML's practice of the principles of circular economy, Reduce, Re-use and Recycle ensure dual benefits of optimal resource utilisation and minimal environmental impact from the waste generated in the different stages of its operations. The Company makes continuous efforts to steadily reduce the quantity of waste that reaches landfills and is working to achieve Zero Waste to Landfill status.

Among other initiatives, EML runs paperless operations in a bid to decrease its footprint on the environment. Employees are also encouraged to identify ways in which waste generation can be reduced across the Company's facilities.

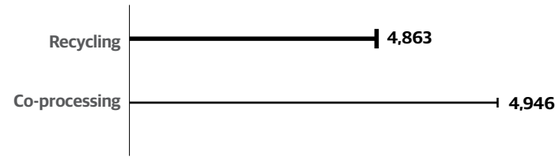
MANAGEMENT OF HAZARDOUS WASTE

In managing waste effectively, EML ensures that hazardous waste is treated with great care, in adherence with prescribed guidelines and that every effort is made to minimise it reaching landfills. ETP waste such as chemical and phosphate sludge is disposed of in permitted landfills through authorised agencies. Waste material like paint sludge, powder, residues containing oil and filter waste are co-processed in cement kilns. Used oil, empty containers and spent solvent are recycled through government authorised vendors.

Hazardous Waste Generated (MT) in FY 2021-22



Hazardous Waste Disposal (MT)

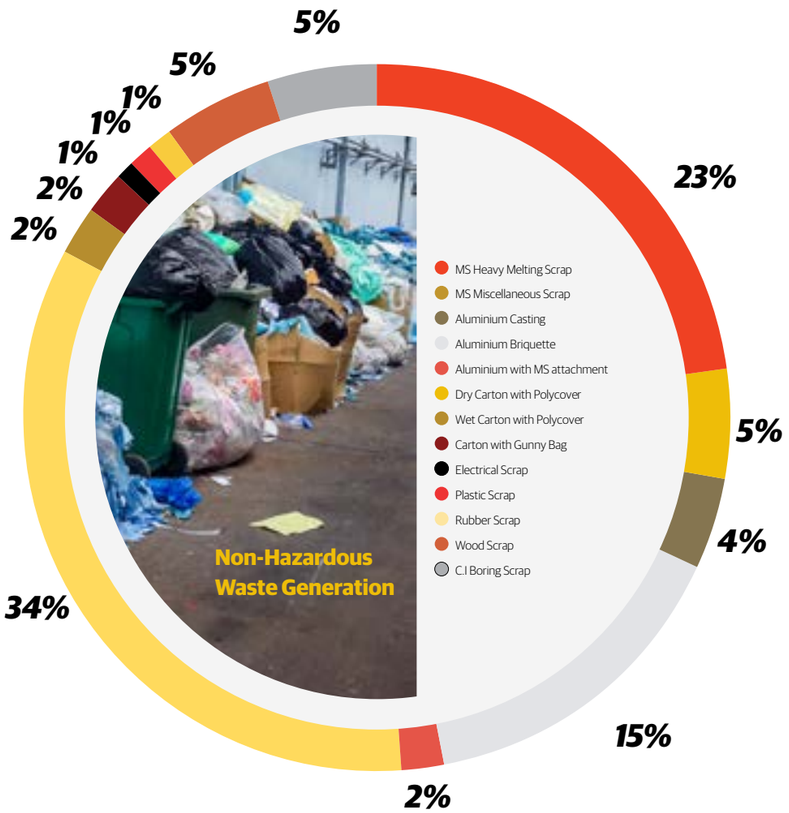


MANAGEMENT OF NON-HAZARDOUS WASTE

Non-hazardous waste generated on EML's premises is appropriately segregated and disposed of; waste that can be recycled and sold is given to authorised dealers.

The STPs produce about 3 million tonnes of sludge each month which is converted into vermicompost in the Company's premises and is used as fertilizer for landscaping and greening activities in and around the facilities.

The Company tracks waste generation and disposal to identify ways of managing it with increasing responsibility. In 2021-22, EML generated and disposed of 4,610 MT of non-hazardous waste.



ENVIRONMENTAL COMPLIANCE

EML conforms to the requirements of Consent to Establish and Consent to Operate. It also abides by all regulatory requirements pertaining to zero discharge of wastewater, air emission, safe transportation and disposal of hazardous waste. All Royal Enfield products adhere to vehicle emission norms of the Indian and international markets where they are sold. In 2021-22, there were no instances of non-compliance with environmental regulations.

WAY FORWARD

For EML, doing business is as much about preserving and generating environmental value as it is about meeting its business goals. The Company's use of materials is strongly influenced by a commitment to protect the natural environment. This dedication has seen EML steadily reduce its use of virgin material, a trend that it continues to support by experimenting with sustainable alternatives.

Deeply conscious of the need to manage water responsibly, EML ensures that the surrounding communities receive access to clean and safe water and that the natural environment is not contaminated with waste water. Its water management principles are subjected to principles of circular economy which have resulted in the Company actively recycling and reusing waste water in its manufacturing processes. EML's manufacturing facilities and global headquarters are water positive and the Company looks forward to maintaining this status in the future.

EML's approach to low carbon growth rests on enhancing energy efficiency, reducing emissions and adopting alternative energy in its operations. Energy emissions have reduced and are estimated to maintain a downward trend, supported by the adoption of low emission manufacturing processes and use of cleaner energy. EML is moving ahead with efforts to increase its use of solar and wind energy to further offset emissions with carbon sequestration activities such as maintaining large green areas.

The Company aims for Zero Waste to Landfill and is working towards this by using resources optimally as well as by employing appropriate waste management processes such as reduced waste generation, segregation and reuse.

Looking ahead, EML will continue to emphasise environmental preservation and actively explore technologies and processes that enable it continue to reduce its environmental impact while meeting its growth objectives sustainably.

PURE SPORT



04

STATUTORY REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L34102DL1982PLC129877
2. Name of the Listed Entity: EICHER MOTORS LIMITED
3. Year of incorporation:1982
4. Registered office address: 3rd Floor-Select City walk A-3 District Centre, Saket New Delhi – 110017
5. Corporate Address: #96, Sector 32, Gurugram- 122 001, Haryana, India
6. E-mail: investors@eichermotors.com
7. Telephone: 0124-4415600
8. Website: http://www.eichermotors.com /
9. Financial year for which reporting is being done: April 1, 2021- March 31, 2022
10. Name of the Stock Exchange(s) where shares are listed: Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India (NSE) Ltd.
11. Paid-up Capital: Rs. 27,34,23,102
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
    Email: investors@eichermotors.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): Standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
I.	Automobile company	Engaged in the manufacturing and selling of motor-cycles, spare parts and related products. 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.	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
I	Manufacture of motorcycles	3091	100%

III. Products/services

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	The Company operates 2 major manufacturing plants in Oragadam and Vallam Vadagal and one adjunct facility in Thiruvottriyur (all 3 located in Chennai, TamilNadu)	1. Registered office: New Delhi. 2. Significant office: Gurugram, Haryana and Chennai, TamilNadu. 3. Technical centre at Chennai, TamilNadu	6
International	The Company, in association with local partners, operates 3 Completely Knocked Down (CKD) assembly facilities that assemble our products for local markets in Argentina, Colombia and Thailand.	EML has subsidiaries in North America, Brazil, Thailand, United Kingdom and Canada and also a technology centre in Bruntingthorpe, United Kingdom. The Company has 165 exclusive stores across the UK, USA, Mexico, Colombia, Brazil, Argentina, France, Spain, Indonesia, Thailand, Philippines, Vietnam, Austria, Portugal, Australia, New Zealand and UAE.	9

17. Markets served by the entity:

a. Number of locations

Location	Number of plants
National (No. of States)	All over India
International (No. of Countries)	Our products are sold in over 60 countries across the world. Please refer the section on Business Presence under 'Manufacturing Capital' in the Integrated Report

b. What is the contribution of exports as a percentage of the total turnover of the entity?

15%

c. A brief on types of customers

Royal Enfield caters to customers in the middle-weight motorcycle segment (350 CC to 750 CC). It is a market leader in India and has also been expanding its foot-print in other geographies across the globe. Our motorcycles differ in many ways as each offers a different experience, while providing the signature Royal Enfield riding pleasure to our customers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	4,618	4,385	95%	233	5%
2.	Other than Permanent (E)	8,462	7,702	91%	760	9%
3.	**Total employees (D + E)**	13,080	12,087	92%	990	8%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C/A)
WORKERS						
4.	Permanent (F)	18	18	100%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	**Total workers (F + G)**	18	18	100%	0	0%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	4	4	100%	-	-
2.	Other than Permanent (E)	1	-	-	1	100%
3.	**Total differently abled employees (D + E)**	5	4	80%	1	20%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C/A)
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	-	-	-	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (Includs 3 Independent and 3 non-Independent Director)	6	1	17
Key Management Personnel (Excluding KMP already covered under BoD)	1	0	0

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2021-22 (Turnover rate)			FY 2020-21 (Turnover rate)			FY 2019-20 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	446	51	497	178	27	205	251	20	271
Permanent Workers (contract)	11	0	11	30	0	30	16	0	16

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding/subsidiary/ associate companies/joint ventures	Indicate whether it is a holding/ Subsidiary/Associate/ or Joint Venture	% of shares held by isted entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Royal Enfield North America Ltd (RENA)	Subsidiary company	100%	No
2	Royal Enfield (Thailand) Ltd.	Subsidiary company	99.99%	No
3	Royal Enfield Brasil Comercio de Motocicletas Ltda	Subsidiary company	99.99%	No
4	Royal Enfield UK Ltd.	Subsidiary company	100%	No
5	VE Commercial Vehicles Ltd (VECV)	Subsidiary company	54.40%	No
6	Eicher Polaris Private Limited	Joint venture company	50%	No
7	Eicher Group Foundation	Subsidiary company	50%	Yes
8	Royal Enfield Canada Ltd.	Subsidiary company of RENA	100% subsidiary company of RENA	No
9	VECV Lanka (Private) Ltd.	Subsidiary of VECV	NA	No
10	VECV South Africa (PTY) Ltd.	Subsidiary of VECV	NA	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013?: Yes

(ii) Turnover (in Rs. Crores): 10,122.86

(iii) Net worth (in Rs. Crores): 10,794.57

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of com-plaints pending resolution at close of the year	Remarks
Investors (other than shareholder)	Yes	Nil	Nil		Nil	Nil	
Shareholders	Yes	105	Nil		54	Nil	
Communities	Yes	The company has established robust mechanisms for engagement with all its stakeholders. Codes of Conduct for our workforce and value chain partners specific expectations from each such stakeholders and provide ample avenues for reporting and resolving grievances. No grievances others than those that may occur in normal course of business (e.g., clarifications on payment status by vendors etc) were reported in the last two years.					
Employees and workers	Yes						
Customers	Yes						
Value Chain Partners	Yes						
Other (please specify)	Yes						

Reporting channel	Country	Contact information
Phone	India	+91-124-4445070
Email		investors@eichermotors.com
Web Portal		http://www.eicher.in/shareholders-grievances
Fax		N.A
Post Box		N.A

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk/opportunity (Indicate positive or negative implications)
1	Responsible use of materials	Opportunity	Please refer the section on 'Materiality' under the Integrated Report for details regarding material issues and risks and opportunities associated with them.		Financial Implications for material issues have not been quantified on an individual basis
2	Climate change	Risk			
3	Energy and emissions	Risk & Opportunity			
4	Water management	Risk & Opportunity			
5	Waste management	Risk & Opportunity			
6	Customer centricity	Opportunity			
7	Attraction and retention of talent	Risk & Opportunity			
8	Training and education	Opportunity			
9	Human rights	Risk			
10	Diversity and equal opportunity	Opportunity			
11	Occupational health and safety	Risk			
12	Responsible supply chain	Risk & opportunity			
13	Community engagement	Opportunity			
14	Economic Performance	Risk & opportunity			
15	Ethical business practices/ Corporate governance	Risk & Opportunity			
16	Regulatory compliance	Risk			
17	Innovation management	Risk & Opportunity			
18	Manufacturing efficiency	Opportunity			
19	Product Quality	Risk & Opportunity			

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	As per note 1 below
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	As per note 1 below
c. Web Link of the Policies, if available	P1: https://www.eicher.in/codes-and-policies P2: Published in the intranet and to all contractors P3: Published in the intranet P4:https://www.eicher.in/uploads/1623138899_eicher-corporate-socialresponsibility-policy.pdf P5: Published in the intranet P6: Published in the intranet P7: http://www.eicher.in/codes-and-policies P8: http://www.eicher.in/codes-and-policies								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	As per note 1 below
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	As per note 1 below
4. Name of the national and international codes/certifications/ labels/standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO 9001-2015 • ISO 14001-2015 • ISO 45001-2018								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any	EML is in the process of defining an overall ESG strategy with goals and targets on material issues.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	N.A								
Governance, leadership, and oversight									
7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): Please refer the 'Managing Director's letter to Shareholders'									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). The Corporate Social Responsibility (CSR) committee of the Board is responsible for implementation of the responsible business policies									
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. Yes; The Corporate Social Responsibility (CSR) committee is responsible for decision making on sustainability related issues. Please refer the Directors' Report for details.									

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

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes								As per note below	At regular intervals as required								As per note 1 below
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes								As per note below	At regular intervals as required								As per note 1 below

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes ISO 9001-2015, 14001-2015, 45001-2018								

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

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)	P9: At EML, customer satisfaction is of the utmost priority. Detailed systems and processes have been implemented by the Company for handling customer grievances and improving customer experience.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

   Trainings are offered to employees on Codes of Conduct, Human rights related aspects (such as POSH) and safety among others. Please refer the section on 'Learning and Development' under Human Capital.

2. Details of fines/penalties/punishment/ award/compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NA	NA	NA
Settlement	NIL	NIL	NA	NA	NA
Compounding Fee	NIL	NIL	NA	NA	NA
Non-Monetary					
Imprisonment	NIL	NIL	NA	NA	NA
Punishment	NIL	NIL	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

   Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes, https://www.eicher.in/uploads/1630932958_EML_code_of_conduct.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22	FY 2020-21
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to /penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

   Nil

PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2021-22	FY 2020-21	Details of Improvements in environmental and social impacts
R&D	Rs. 70.10 crores	Rs. 103.40 crores	Please refer the note below this table.
Capex	Rs. 172.44 crores	Rs. 195.70 crores	

Note: Our R&D efforts are largely focused on development of new products/ modifications that serve to enhance customer experience, quality, safety, reliability (reduced cost of ownership) among others. Currently, R&D expenses that specifically focus on environmental/ social impacts are not tracked separately.

2. a. Does the entity have procedures in place for sustainable sourcing?

      Yes; please refer section on 'Sustainable Sourcing' under Social and Relationship Capital

   b. If yes, what percentage of inputs were sourced sustainably?

      All major suppliers are required to adhere to our Supplier Code of Conduct, which encompasses aspects such as labour conditions & human rights, occupational health & safety, environmental protection and ethical business among others. EML's suppliers are expected to adhere to all applicable laws and comply with the code.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   Please refer the section on 'Waste management' under Natural Capital for details on management of wastes. Reclaiming and reuse of products – not applicable.

5. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   No

PRINCIPLE 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	4,385	4,385	100%	4,385	100%	0	0%	4,385	100%	1,767	40%
Female	233	233	100%	233	100%	233	100%	0	0%	108	46%
Total	4,618	4,618	100%	4,618	100%	233	100%	4,385	100%	1,875	41%
Other than Permanent employees											
Male	7,702	0	0%	0	0%	0	0%	0	0%	2,562	33%
Female	760	0	0%	0	0%	0	0%	0	0%	345	46%
Total	8,462	0	0%	0	0%	0	0%	0	0%	2,907	34%

Note: All contractual employees are included in 'Other than Permanent employees' category. They are covered by the ESIC Act, details of which are described in the subsequent sections.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as % of total employee	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as % of total employee	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100% of the applicable employees, as per the Act.	100% of the applicable workers, as per the Act.	Yes	100% of the applicable employees, as per the Act.	100% of the applicable workers, as per the Act.	Yes
Gratuity	100% of the applicable employees, as per the Act.	100% of the applicable workers, as per the Act.	Yes	100% of the applicable employees, as per the Act.	100% of the applicable workers, as per the Act.	Yes
ESI	100% of the applicable employees, as per the Act.	100% of the applicable workers as per the Act.	Yes	100% of the applicable employees, as per the Act.	100% of the applicable workers as per the Act.	Yes

3. Accessibility of workplaces

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Yes, EML operating locations are accessible to differently abled employees, workers and visitors. Corporate office locations and plants have Ramps, elevators and all the necessary infrastructure to support differentially abled. Wheelchairs are available in Occupational Health centres in all major facilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   EML is an Equal Opportunities employer. We do not discriminate on the basis of any disabilities. Employment opportunities are provided at plants/ office locations depending on the nature of disabilities.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

3. Accessibility of workplaces

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Yes, EML operating locations are accessible to differently abled employees, workers and visitors. Corporate office locations and plants have Ramps, elevators and all the necessary infrastructure to support differentially abled. Wheelchairs are available in Occupational Health centres in all major facilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   EML is an Equal Opportunities employer. We do not discriminate on the basis of any disabilities. Employment opportunities are provided at plants/ office locations depending on the nature of disabilities.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees	
Gender	Return to work rate	Retention rate
Male	100%	100%
Female	100%	100%
Total	100%	100%

Please refer the 'Human Capital' section of the Integrated Report for further details.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Whistle-blower, POSH- (Prevention of Sexual Harassment Act), CoC (Code of Conduct), - for all categories of permanent employees and workers are available. Dedicated channels for raising such grievances have been put in case and communicated to all the concerned stakeholders.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7.

8. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No.of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	4,618	2,086	45%	4,976	2,108	42%
Male	4,385	1,996	46%	4,705	2,010	43%
Female	233	90	39%	271	98	36%
Total Permanent Workers	18	18	100%	29	292	100%
Male	18	18	100%	29	29	100%
Female	0	0	0%	0	0	0%

Note:

In 2021-22, these unions merged into a single internal union for all plants, comprising over 2,100 persons and covering 100% of applicable associate engineers. This merger is a testimony to the strong trust reposed in the organisation by its workforce and vice-versa.

9. Details of training given to employees and workers:

Category	FY 2021-22			FY 2020-21		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who received Skill Training (B)	% (B/A)	Total employees/ workers in respective category (C)	No.of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	4,385	2,293	52%	4,705	1,956	42%
Female	233	104	45%	271	81	30%
Others	0	0	0%	0	0	0%
Total	4,618	2,397	52%	4,976	2,037	41%
Permanent Workers						
Male	18	0	0%	29	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	18	0	0%	29	0	0%

Note:

Over 38,300 hours of training were imparted in FY 2021-22 compared to 13,215 hours in FY 2020-21. For a new employee at EML, the emphasis on safety begins at the time of joining of the Company. Every fresh hire and new contact worker undergoes mandatory safety training.

Please refer the section on 'Learning & Development' under Human Capital for more details on training.

10. Details of performance and career development reviews of employees and worker:

    All promotions and increments are based upon an appraisal of employees' annual performance and align with the Company's stated practice of equal pay for genders. Please refer the section on 'Learning & Development' under Human capital for more details.

11. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity?

  Yes

- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? Please refer the section on 'Occupation health and safety' under Human capital for more details.

  Please refer the section on 'Occupation health and safety' under Human capital for details.

- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N

  Yes

- Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

  Yes; please refer the section on Employee Benefits under the Human Capital section of the Integrated Report

12. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.05	0.02
	Workers		
Total recordable work related injuries	Employees	0	0
	Workers	2	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

13. Describe the measures taken by the entity to ensure a safe and healthy workplace.

    Please refer the section on 'Occupation health and safety' under Human capital for details.

14. Number of Complaints on the following made by employees and workers:

Category	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NA	-	-	NA
Health & Safety	-	-	NA	-	-	NA

15. Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

16. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

    Nil.

PRINCIPLE 4 : Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   Our organization has identified stakeholders as a person, a group of people or a company that are impacted by our company's actions and inversely, have the potential to impact our company as well.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement

Please refer the section on 'Stakeholder Engagement' under the Integrated Report for details on stakeholders, modes of engagement and topics of concerns.

PRINCIPLE 5 : Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)
Employees			
Permanent	All the employees are given trainings on human rights, safety and Code of Conduct on a periodic basis		
Other than permanent			
Total Employees			
Workers			
Permanent	All the workers are given trainings on human rights, safety and Code of Conduct on a periodic basis		
Other than permanent			
Total Workers			

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No.(B)	% (B/A)
Employees					
Permanent	NA				
Male					
Female					
Other than Permanent					
Male					
Female					

Category	FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No.(B)	% (B/A)
Workers					
Permanent					
Male	18	-	-	18	100%
Female	-	-	-	-	-
Other than Permanent					
Male	-	-	-	-	-
Female	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format :

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in INR)	Number	Median remuneration/ salary/ wages of respective category (in INR)
Board of Directors (BoD)	Please refer to "Corporate Governance Report", "Directors Report" and "Human Capital" sections under the Integrated Report			
Key Managerial Personnel				
Employees other than BoD and KMP				
Permanent Workers				

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes, Internal Complaints Committee (w.r.t POSH) and the human resources departments are responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Please refer the section on "Human Capital" under the Integrated Report for details on grievance redressal related to human rights issues.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2021-22	
	Filed during the year	Pending resolution at the end of year
Sexual Harassment	NIL	
Discrimination at workplace		
Child Labour		
Forced Labour/Involuntary Labour		
Wages		
Other human rights related issues		

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   Please refer the section on "Human Capital" under the Integrated Report for details on discrimination and harassment.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   Yes, Company's Supplier Code of Conduct requires suppliers to uphold human rights in their businesses, prioritising the absence of child and forced labour and upholding the laws of the land relating to human rights related aspects.

9. Assessments for the year:

Category	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   Not Applicable

2. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes, EML operating locations are accessible to differently abled employees, workers and visitors.

   Corporate office locations and plants have Ramps, sidewalks and elevators and all the necessary infrastructure to support differentially abled. Sign-boards are placed at every location to assist employees/workers with hearing aids. Wheel-chairs are available in Occupational Health Centres in all major facilities.

3. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   NIL

PRINCIPLE 6 : Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A) (GJ)	2,51,478	2,53,677
Total fuel consumption (B) (GJ)	1,49,934	2,08,491
Energy consumption through other sources (C) (GJ)	14,395 (Solar energy)	4,786 (Solar Energy)
Total energy consumption (A+B+C) (GJ)	4,15,806	4,66,954
Energy intensity per rupee of turnover (GJ/Rs Cr) (calculated as per revenue from operations in Rs Cr)	38.31*	46.13
Energy intensity (optional) – the relevant metric may be selected by the entity	--	--

**Intensity has been calculated taking into account the total energy consumption in plant locations only..*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

No

2. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	1,47,570	1,66,426
(iv) Seawater / desalinated water		
(v) Others (Rainwater)	8,507	8,198
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,56,077	1,74,624
Total volume of water consumption (in kilolitres)	4,77,347	3,11,000
Water intensity per rupee of turnover (Water consumed / turnover in Rs Cr) (calculated as per revenue from operations in Rs Cr)	47.16	30.72
Water intensity (optional) – the relevant metric may be selected by the entity	1,47,570	1,66,426

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, DNVGL

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Both Vallam and ORG plants are Zero Liquid Discharge.

3. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
NOx	MT	EML consistently tracks the release of particulate matter (PM) and emissions such as SOx and NOx, which emanate from the production processes like painting, fossil fuel-based electricity generation, heating etc. and ensures that these remain within the limits prescribed by the Tamil Nadu Pollution Control Board (TNPCB).	
Sox	MT		
Particulate matter (PM)	MT		
Persistent organic pollutants (POP)	NA		
Volatile organic compounds (VOC)	NA		
Hazardous air pollutants (HAP)	NA		
Others – please Specify	NA		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, METEXLAB

4. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	9,381	13,484
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	49,569	53,652
Total Scope 1 and Scope 2 emissions per rupee of Turnover (calculated as per revenue from operations in Rs. Cr)	tCO2e/INR Cr	5.8	6.6
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		---	---

*For the purpose of calculating emission intensity only emission relation to plants have been taken into account

Note: Indicate if any working of its / evaluation/assurance has been carried out by an external agency?

No

5. Does the entity have any project related to reducing Green House Gas emission?

   If yes, then provide details.

   Yes, on site Group Captive Solar project for Vallam site - 13 MW capacity and several energy savings initiatives. More details are provided in Natural capital section of the Integrated Annual Report 2021-22.

6. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022 (Current Financial Year)	FY 2021 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	36	27
E-waste **(B)**	40	7
Bio-medical waste **(C)**	NA	NA
Construction and demolition waste **(D)**	NA	NA
Battery waste **(E)**	18	14
Radioactive waste **(F)**	NA	NA
Other Hazardous waste. Please specify, if any. **(G)**	5,154 (ETP Sludge, Spent solvent, Used oil, Empty barrels, etc.)	986
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e.by materials relevant to the sector)	4,534 (Metal scrap, carton, rubber scrap, wood scrap, gunny bags, etc.)	3,462 (Metal scrap, carton, rubber scrap, wood scrap, gunny bags, etc.)
Total (A+B + C + D + E + F + G + H)	9,782	4,488
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	All the hazardous and non-hazardous waste generated by company have been recycled through authorized agencies or sold to authorized dealers for its safe disposal. No waste is sent to landfills.	
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

7. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Please refer to "Natural Capital" section under the Integrated Report.

8. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations / offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA			

9. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

10. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

    Yes

S.No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA				

PRINCIPLE 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   The list of major affiliations are as below.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Society of Automotive Fitness and Environment (SAFE)	National
2	Society of Indian Automobile Manufacturers (SIAM)	National
3	Confederation of Indian Industry (CII)	National
4	Bureau of Indian Standards (BIS)	National
5	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
6	Employers' Federation of Southern India (EFSI)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA		

PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

   EML conducts needs assessment studies and accordingly focuses its efforts on community development projects in the vicinities of its operating locations. Please refer the section on 'Communities' in the Integrated Report for details.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22
Directly sourced from MSMEs/ small producers	~ 9%
Sourced directly from within the district and neighbouring districts	~68%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount spent (In INR)
The CSR projects undertaken by us in localities close to our operating locations, none of which happen to be in aspirational districts.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   NA

   (b) From which marginalized /vulnerable groups do you procure?

   NA

   (c) What percentage of total procurement (by value) does it constitute?

   NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge :

S.No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Amount spent (In INR)	Benefitshared (Yes / No)
NA				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

6. Details of beneficiaries of CSR Projects:

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Please refer to "Communities" section under the Integrated Report			

PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company reach out to customers through the Royal Enfield app in order to understand Customers' feedback related to sales and services. Customer complaints are monitored and resolved by the respective service / sales team in order to facilitate faster resolution.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

Category	FY 22 (Current Financial Year)		Remarks	FY 21 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising			EML focusses on delivering exceptional experiences for its customers through various customer centric initiatives such as MiY. The Company also reached out to thousands of customers through the Royal Enfield app in order to understand Customers' feedback related to sales and services. Customer complaints are monitored and resolved by the respective service / sales team in order to facilitate faster resolution. Following are the percentages of customer complaints that are outstanding as of: FY 2022: 1% FY 2021: 1.2% As on end of FY 2022, company has 351 consumer cases pending (FY 2021: 312 open cases). New cases received during the FY 2021-22 are 61 cases			
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

   Royal Enfield recalled certain batches of Meteor, Classic and Bullet model motorcycles sold in India, Thailand, Indonesia, Philippines, Australia, New Zealand and Malaysia due to defects in the ignition coil which may cause misfiring. The defect was discovered during routine internal testing and the issue was isolated to specific batches of material sourced from external suppliers between December 2020 and April 2021. The issue was rare and did not impact all motorcycles manufactured during that period. The Company has defined adequate steps and is currently the recall actions are in progress.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?

   No

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Please refer point 4 above

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Details on products and services of the company can be accessed on

   Motorcycles | Latest Bikes in India | Two Wheelers | Royal Enfield

2. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

   Yes, adequate information is provided in the user manuals/website regarding the safe and appropriate use of our motorcycles.

3. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, please refer to "Stakeholder Engagement" & "Customer Centricity" sections under the Integrated Report.

4. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact:

   NIL

   b. Percentage of data breaches involving personally identifiable information of customers:

   NIL

DIRECTORS' REPORT

To the Members of Eicher Motors Limited

The Directors have pleasure in presenting the 40th Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2022.

FINANCIAL RESULTS

Your Company has earned a total revenue of Rs. 10,122.86 crores during the financial year 2021-22. The profit before depreciation and interest amounted to Rs. 2,113.56 crores, which is 20.9% of the total revenue. After accounting for other income of Rs. 454.28 crores, interest expense of Rs. 10.25 crores and depreciation of Rs. 445.52 crores, profit before tax amounted to Rs. 2,112.07 crores.

Profit after tax amounted to Rs. 1,586.22 crores after an income tax provision of Rs. 525.85 crores. Total Comprehensive income for the year, net of tax amounted to Rs. 1,577.09 crores.

The financial results are summarized below:

Rs. in Crores

Particulars	For the financial year ended March 31, 2022	For the financial year ended March 31, 2021
Net Revenue from operations	**10,122.86**	8,619.04
Profit before depreciation and interest	**2,113.56**	1,786.51
Interest	**10.25**	9.20
Depreciation	**445.52**	446.03
Profit before other income and tax	**1,657.79**	1,331.28
Other income	**454.28**	452.03
Profit before tax	**2,112.07**	1,783.31
Provision for tax (including Deferred tax)	**525.85**	453.61
Net profit after tax	**1,586.22**	1,329.70
Other comprehensive income	**(9.13)**	24.05
Other comprehensive income, net of tax	**1,577.09**	1,353.75
Balance in statement of profit and loss brought forward from previous year	**8,993.44**	7,663.16
Amount available for appropriation: (Excluding exchange difference in translation of foreign operations)	**10,577.28**	8,993.44
Dividend for FY 2020-21, paid in FY 2021-22	**464.67**	-
Dividend proposed for FY 2021-22, to be paid in FY 2022-23	**574.19**	-
Earnings per share		
- Basic (Rs.)	**58.02**	48.68
- Diluted (Rs.)	**57.96**	48.61

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, 2022 TILL THE DATE OF THIS REPORT

There have been no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2022 till the date of this report.

DIVIDEND

The Board of Directors at its meeting held on May 13, 2022, has recommended for approval of the shareholders, payment of dividend of Rs. 21/- per equity share of face value of Re. 1/- each (@2100%) out of the profits for the financial year 2021-22 in accordance with the Dividend Distribution Policy of the Company.

The dividend, if approved by the shareholders in the ensuing Annual General Meeting, 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 17, 2022 (record date);

b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests properly lodged with the Company on or before the close of business hours on August 17, 2022 (record date).

AMOUNTS TRANSFERRED TO RESERVES

During the financial year 2021-22, no amount was transferred to the General Reserve of the Company.

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

Your Company has sold 6,02,268 motorcycles in the financial year 2021-22, 1.6% lower when compared to 2020-21 sales of 6,12,350 motorcycles. Out of 6,02,268 motorcycles sold in 2021-22, 81,032 motorcycles were exported, an increase of 109.8% over previous year export volume of 38,622 motorcycles in 2020-21.

Net Revenue from operations for 2021-22 year was Rs. 10,122.86 crores, 17.4% higher when compared with previous year Rs. 8,619.04 crores. Net Sales of spare parts, gears and services increased to Rs. 1,395.07 crores in 2021-22 from Rs. 991.44 crores in the previous year, with a growth of 40.7%.

Your Company's profit before depreciation, interest, exceptional item and tax was Rs. 2,113.56 crores in 2021-22, higher by 18.3% over Rs. 1,786.51 crores recorded in 2020-21.

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 2021-22.

CHANGES IN SHARE CAPITAL & THE COMPANY'S EMPLOYEE STOCK OPTION PLAN, 2006 AND RESTRICTED STOCK UNITS PLAN, 2019

The paid up Equity Share Capital of the Company as on March 31, 2022, was Rs. 27,34,23,102/-. During the year under review, the Company has issued 37,180 Equity Shares (Face value Re. 1/- each) pursuant to its Employees Stock Option Plan, 2006 ("ESOP, 2006") and 50,000 Equity Shares (Face value Re. 1/- each) pursuant to its Restricted Stock Units Plan, 2019 ("RSU Plan, 2019").

A Statement giving complete details as at March 31, 2022, pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 is available on the website of the Company and the weblink for the same is **https://www.eicher.in/uploads/1658479599_eicher-motors-esop-statement-2021-22_final.pdf**.

ESOP, 2006 and RSU Plan, 2019, for grant of stock options have been implemented in accordance with the aforesaid SEBI Regulations. A certificate from M/s. AGSB & Associates (Formerly M/s. Shweta Banerjee & Associates), Secretarial Auditors, in this regard will be available for inspection on the website of the Company under "Investors" Section on the date of Annual General Meeting. The Company has not changed its ESOP, 2006 and RSU Plan, 2019 during the year under review.

Further, details of options granted and exercised are included in Note no. 49 in the notes to accounts forming part of standalone financial statements.

DEPOSITS

The Company has not accepted any deposits from the public/

members under Section 73 of the Act read with the 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 and Regulation 25(8) of SEBI (LODR) Regulations, 2015 Independent Directors of the Company have given written declarations to the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of SEBI (LODR) Regulations, 2015. As on March 31, 2022, all Independent Directors of the Company have valid registrations with the Independent Directors' databank maintained by Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Director liable to retire by rotation

In accordance with the provisions of Section 152 and other applicable provisions of the Act, Mr. Vinod K. Aggarwal, Non-Executive Director, retires by rotation at the ensuing 40th Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his reappointment.

Change in the Board and Key Managerial Personnel

The Board of Directors of the Company at its meeting held on August 12, 2021 appointed Mr. Govindarajan Balakrishnan, as Additional Director (Whole-time) of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from August 18, 2021, after taking into consideration recommendations of the Nomination & Remuneration Committee of the Company and subject to requisite approval of the shareholders at the ensuing 40th Annual General Meeting. In the opinion of the Board, Mr. Govindarajan Balakrishnan possesses requisite skills & expertise in the context of business of the Company. For details of skills/expertise/competencies of Mr. Govindarajan Balakrishnan, please refer Corporate Governance Report forming part of this Annual Report. Further, the Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on May 13, 2022 appointed Mr. Govindarajan Balakrishnan as Chief Executive Officer of Royal Enfield. With said appointment, Mr. Govindarajan Balakrishnan becomes the CEO - Royal Enfield, and Whole-time Director on the Board of Eicher Motors Limited.

During the year under review, the shareholders of the Company through Postal Ballot concluded on October 24, 2021 had approved the re-appointment of Mr. Siddhartha Lal as Managing Director of the Company for a term of 5 (five) years with effect from May 1, 2021. Mr. Siddhartha Lal, being a non-resident Indian, his reappointment required approval of Central Government and the same was obtained vide Central Government approval letter dated December 31, 2021.

Mr. Vinod K. Dasari, Whole-time Director and CEO-Royal Enfield, resigned w.e.f. August 13, 2021 and Mr. Manhar Kapoor, Chief Legal Counsel & Company Secretary, resigned w.e.f. March 11, 2022.

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

THE COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The 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

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 fulfill the fiduciary duties of a Director for the Company
iv. Acting in any other manner which is against the interests of the Company

The Company's Remuneration Policy:

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

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

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

Loans/advances may be extended to employees for various personal purposes or to aid business functions, from time to time, on a case to case basis, in accordance with the relevant Human Resource guidelines/policies in force or as may be approved by the Chief Financial Officer, the Chief Human Resource Officer of the Company, or any person authorized by them, including for relocation viz. school deposits/expenses, travel/logistics expenses, housing advance, housing deposits/ brokerage, any other expenses towards relocation; advance submission of tax deducted at source by the Company on behalf of employee; advance towards medical insurance premiums; loans granted to enable grantees exercise ESOPs and towards deposit of perquisite tax thereon; loans/advances covered under Employees Union recognized by the Company as per Union Agreement; medical emergency advances etc.

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

Remuneration by way of commission to the Non-Executive Directors shall be decided by the Board of Directors within the ceiling of a sum, not exceeding 1% of the annual net profits of the Company in each of the financial year, calculated in accordance with the provisions of the Act.

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, 2006 and Restricted Stock Units Plan, 2019 of the Company. The components of remuneration vary for different employee levels and are governed by industry patterns, qualifications and experience of the employee and his/ her responsibility areas, employee performance assessment etc.

The said Policy is also available on the website of the Company at https://www.eicher.in/uploads/15617826 97_remuneration-policy.pdf

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

During the financial year under review, formal annual evaluation of the Board, its Committees and Individual Directors was carried out pursuant to the Board Performance Evaluation Policy of the Company and provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 by the Board at its meeting held on March 30, 2022.

The Nomination and Remuneration Committee specified the criteria for effective performance evaluation of the Board, its Committees and Individual Directors of the Company. The performance of the Board and Committees was evaluated after seeking inputs from all the Directors on the basis of the criteria such as Board/ Committee constitution, frequency of meetings, effectiveness of processes etc. The performance of individual Directors (including Independent Directors) was evaluated by the Board (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. Once the evaluation process is complete, the Nomination & Remuneration Committee reviews the implementation of the manner specified by it for performance evaluation & effectiveness of the process.

Separate meetings of Independent Directors were also held on February 14, 2022 and March 30, 2022, to review the performance of the Non-Independent Directors, 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 Directors and Non-Executive Directors (excluding the Chairperson being evaluated).

MEETINGS OF BOARD OF DIRECTORS

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

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

The details of loans, guarantees and investments made by the Company during the financial year under review which are covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

PARTICULARS OF RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered into by the Company during the financial year with related parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Requisite approval of the Audit Committee and the Board (wherever required) was obtained by the Company for all Related Party Transactions.

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

The Company has a Policy on materiality of and dealing with Related Party Transactions, as approved by the Board, which is available on its website www.eichermotors.com.

AUDIT COMMITTEE

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

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors, employees, dealers and vendors of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy or to report genuine concerns or grievances including instances of leak or suspected leak of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Whistle Blower Policy of the Company is available at https://www.eicher.in/uploads/1652950270_eicher-whistle-blower-policy.pdf

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 7,305 motorcycles (including 576 motorcycles sold to Royal Enfield Canada Limited, 100% subsidiary of RENA) during the year 2021-22 and achieved revenue of Rs. 257.48 crores (including revenue of Rs. 20.22 crores from sales to Royal Enfield Canada Limited). As of March 2022, RENA had contracted with 125 multi brand outlets in USA. The company participated in multiple race events and won the American Flat Track (AFT) Lima Half Mile for the first time in June 2021 along with six top 5 finishes in other AFT events with custom Twin FT.

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 2021-22, the company sold 576 motorcycles and achieved revenue of Rs. 21.57 crores. As of March 2022, RECA had contracted with 13 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 Motocicleta Ltda in 2016. During the year 2021-22, there was a capital infusion of Rs. 111.19 crores in Royal Enfield Brasil Comercio De Motocicletas Ltda and the company sold 7,874 motorcycles and achieved a revenue of Rs. 132.24 crores.

Royal Enfield (Thailand) Ltd

Royal Enfield (Thailand) Ltd. was incorporated on September 18, 2018 and commenced sales operations from September 2019. The Company's footprints have been 12 exclusive stores, 3 studio stores and 14 authorized sales and service points. The company has commenced its manufacturing operations through CKD and started selling motorcycles assembled in Thailand in 2021-22. During the year 2021-22, the company received three awards from the coveted Grand Prix group for Classic 350 being the "Best Modern Classic Light weight", Meteor being the "Best Modern Classic over 250cc" and Himalayan being "Best Lightweight Tourer" motorcycle. The company has sold 2,021 motorcycles and achieved revenue of Rs. 75.04 crores and there was a capital infusion of Rs. 7.26 crores.

Royal Enfield UK Ltd

Royal Enfield UK Ltd, was incorporated in August, 2019 and commenced sales operations from June 2020. The company reflected steady growth in its footprints from 8 to 11 exclusive stores and 52 to 61 Authorized Sales & Service Points. During the year 2021-22, the company sold 7,083 motorcycles against the plan of 5,760 motorcycles, reflecting a rise in the mid-size market share in the UK from 14.3% in 2020-21 to 18.6% in 2021-22, and achieved a revenue of Rs. 182.63 crores.

Eicher Polaris Private Limited (EPPL)

Eicher Polaris Private Limited, a joint venture company, was involved in manufacturing and sales of personal utility vehicles.

The Board of Directors and Shareholders of EPPL at their respective meetings held on February 18, 2020 approved voluntary liquidation (solvent liquidation) of EPPL and appointed an insolvency professional as the liquidator. The liquidation process is currently under progress.

VE Commercial Vehicles Limited and its step-down subsidiaries

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 the Company's subsidiaries and joint venture Company in Form AOC-1 is attached as ***Annexure-2.***

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

No Company has become or ceased to be the Company's subsidiary, joint venture or associate company during the financial year 2021-22.

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

There are no significant and 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 Local Area Development, Social Mission (Responsible Travel) and Road safety, as themes which will be given preference while formulating Annual Actions Plans. The Company will continue to support social projects that are consistent with the Policy.

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

1. Mr. S. Sandilya – Chairman
2. Mr. Siddhartha Lal
3. Mr. Inder Mohan Singh
4. Ms. Manvi Sinha

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

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Indian Accounting Standard ("Ind AS")-110 "Consolidated Financial Statements" and Ind AS 28 "Investment in Associates and Joint ventures", prescribed under Section 133 of the Companies Act, 2013, read with the rules issued thereunder. The consolidated financial statements are provided in the Annual Report. A

statement containing the salient features of the financial statements of each of the subsidiary and joint venture in the prescribed Form AOC-1 is attached.

Pursuant to Section 136 of the Act, the financial statements, consolidated financial statements and separate accounts of the subsidiaries are available on the website of the Company at **www.eicher.in**. 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. 1,657.44 crores for the financial year 2021-22 as compared to Rs. 1,381.24 crores for the previous year 2020-21.

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 ensuing 40th AGM and are eligible for re-appointment.

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2022 pursuant to the provisions of the Act. The reports of Statutory Auditors form part of the Annual Report. The reports are self-explanatory and do not contain any qualifications, reservations or adverse remarks.

The Company has received a confirmation from the Auditors to the effect that if they are reappointed, it will be in accordance with the limits specified under the Companies Act, 2013 and that they satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

The Board is of the opinion that continuation of M/s S.R. Batliboi & Co., LLP, as Statutory Auditors will be in the best interests of the Company and therefore, the members are requested to consider their re-appointment as Statutory Auditors of the Company, for a term of five years, from the conclusion of the ensuing 40th Annual General Meeting, till the conclusion of 45th Annual General Meeting to be held in the year 2027.

(b) Secretarial Auditors and their report

The Board of Directors has appointed M/s. AGSB & Associates (Formerly M/s. Shweta Banerjee & Associates), Company Secretaries, to conduct Secretarial Audit for the financial year ended March 31, 2022. As required under Section 204 of the Companies Act, 2013, the Secretarial Audit Report is annexed as ***Annexure-4*** to this Report. The Secretarial Auditors' Report is self-explanatory and does not contain any qualifications or adverse remarks which require any clarification or explanation.

Further, pursuant to provisions of Regulation 24A of the SEBI (LODR) Regulations, 2015, VE Commercial Vehicles Limited (VECV) is a Material subsidiary of the Company in terms of Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015. The Secretarial Audit Report submitted by the Secretarial Auditors of VECV is also annexed as ***Annexure-5*** to this Report.

(c) Cost Auditors

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

M/s. Jyothi Satish & Co, a qualified Cost Accountant Firm (Firm registration No. 101197), has been appointed as the Cost Auditors to carry out audit of the cost records of the Company for the financial year 2021-22 pursuant to the provisions of the Companies Act, 2013. The Cost Auditor shall submit its report to the Board of Directors within the time prescribed under the Companies Act, 2013 and the rules made thereunder.

DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors, the Secretarial Auditors and the Cost Auditors have not reported any incident of fraud to the Audit Committee or Board during the financial year under review.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS RESPONSIBILITY & SUSTAINABILITY 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 & Sustainability Report form part of the Annual Report.

INTEGRATED REPORT

The Company has voluntarily prepared an Integrated Report which will help stakeholders to understand the Company's economic, environmental, social and governance performance more effectively and analyzing the financial and non-financial performance of the Company. With this, stakeholders shall also have a better understanding of the Company's long term perspective. The report is available on the website of the Company at www.eichermotors.com.

ANNUAL RETURN

The Annual Return as required under Section 92 (3) and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company and the weblink for the same is **https://www.eicher.in/uploads/1658479740_annual-return-mgt-7-fy-2021-22.pdf.**

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, 2022, 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 judgment 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, 2022 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 DIRECTORS & 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 Directors to Median Remuneration of Employees	Percentage Increase in Remuneration for FY 2021-22 over FY 2020-21
1	Mr. S Sandilya	Chairman & Non-Executive Independent Director	6.8	(33.9)#
2	Mr. Siddhartha Lal	Managing Director	357.7	8.9
3	Mr. Govindarajan Balakrishnan	Additional Director (Whole-time) (w.e.f. August 18, 2021)	49.8	N.A.*
4	Mr. Vinod K Dasari	Whole-time Director (till August 13, 2021)	366.4	N.A.*
5	Mr. Inder Mohan Singh	Non-Executive Independent Director	3.8	43.1
6	Ms. Manvi Sinha	Non-Executive Independent Director	3.8	45.6
7	Mr. Kaleeswaran Arunachalam	Chief Financial Officer (w.e.f. May 6, 2020)	-	N.A.*
8	Mr. Manhar Kapoor	Chief Legal Counsel & Company Secretary (till March 11, 2022)	-	N.A.*

*The % change in remuneration is not comparable as the said Directors/Key Managerial Personnel held their respective positions for a part of the year in either FY 2020-21 or in FY 2021-2

Figures in bracket represent percentage decrease in remuneration

Note: 1) Mr. Vinod K. Aggarwal, Non-Executive Director, is not drawing any remuneration by way of sitting fees or commission or otherwise, from the Company.

2) Percentage increase in the median remuneration of the employees in the financial year: 8%

3) Number of permanent employees on the rolls of Company as at March 31, 2022: 4,739 employees.

4) The average increase in median remuneration of the employees (other than managerial personnel) was 8% as compared to the increase in the managerial remuneration by 8%.

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 the 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 at investors@eichermotors.com. The said information is also available for inspection at the Registered Office of the Company during working hours till the date of Annual General Meeting.

RISK MANAGEMENT

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

COMPLIANCE OF SECRETARIAL STANDARDS

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

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

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

PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings initiated/ pending against your Company under the Insolvency and Bankruptcy Code, 2016.

ONE-TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the year under review, there was no one-time settlement with any Bank or Financial Institution. Hence, no valuation was required to be undertaken.

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 the Company's employees for the growth of the Company and look forward to their continued involvement and support.

For **Eicher Motors Limited**

Siddhartha Lal
Managing Director
DIN: 00037645
Place: London, UK

S. Sandilya
Chairman
DIN: 00037542
Place: Chennai, Tamil Nadu

Date: May 13, 2022

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. Waste heat recovery from paint shop oven through heat exchanger resulting in saving of 54,622 Kwh.
2. Installation of VFD in process pumps for energy optimization resulted in saving of 1,18,047 Kwh.
3. Integration of VFD in paint shop liquid line cooling zones resulting in saving of 52,785 Kwh.
4. Power saving mode enabled in crankshaft grinding resulting in saving of 52,917 Kwh.
5. AMS Panel cooler ideal mode cut off in 42 machines resulting in saving of 1,66,988 Kwh.
6. Installation of VFD in Paint shop CED oven cooling zones resulted in saving of 85,264 Kwh.
7. Optimization of dust collector usage through re-engineering the ducting resulting in saving of 93,806 Kwh.
8. Reduction of transfer pump running hours by interlocking the secondary coolant tank in MAKINO PS65 resulted in saving of 87,384 Kwh.
9. Optimization of LP compressor in SPM machines resulting in saving of 57,755 Kwh.
10. Integration of pre-cleaning exhaust duct in plating shop resulting in saving of 68,448 Kwh.
11. Power consumption optimization and efficient utilization by following activities resulting in saving of 3,68,107 Kwh
    - i. Elimination of additional power consumption from the machining cell.
    - ii. Heat recovery system by pump cut off in circulation pump.
    - iii. Auto cut off of Laser marking mist collector during the idle time.
    - iv. Cut off of Himalayan Balancer gear shaft pressing machine in idle time.
    - v. Combining Hydraulic power pack liner press and Leak testing machine.
    - vi. Power cut off of valve seating pressing machine in idle time.
    - vii. Elimination of one power pack motor by combining the hydraulic power pack of Balancer and crankshaft pressing machine.
    - viii. Centralising the lighting of engine assembly through BMS.
    - ix. VFD for hydraulic power pack motors in leak testing machines.
    - x. Reduction of VFD frequency in the blower
    - xi. Elimination of one pump by combining the usage of pump through DC valve changeover function.
    - xii. Indigenous ON / OFF control for all main coolers.
    - xiii. Auto cut off of the lightning system in shop floors.
    - xiv. Saving compressed air through valve cut off ON/OFF.
    - xv. VFD implementation in Air agitation blower.
12. Implementation of VFD in Paint shop 2 Air compressor resulting in saving of 34,835Kwh.
13. Conversion of continuous power pack to Intermediate power pack in Makino PS65 resulting in saving of 47,608 Kwh.

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

1. 13 MW Offsite Group Captive solar that has the capacity to generate approximately 1.95 crores Kwh of power, to be utilized for plant operations.
2. Use of LNG, as an alternate fuel for LPG reduces 1,825 tonnes of Co2e emission.

(iii) The capital investment on energy conservation equipment

Rs. 864.28 lakhs.

(B) *TECHNOLOGY ABSORPTION*

J Engine

i. Aluminium coated multi layered gasket for better heat transfer and durability.

ii. Viscosity modifiers added in engine oil to withstand high temperature for better durability.

iii. Oil pump drive system optimised to run without chain

tensioner.

iv. Piston profile optimisation for sub-zero conditions and to improve durability.

v. Sprag clutch outer ring through forging instead of machining from bar stock.

vi. Secondary Air Injection system eliminated by optimizing Engine Management System (EMS) calibration.

D Engine

i. Main catalytic converter in the silencer optimised for BS VI & Euro V regulations.

ii. Sealant three bond 1217H is introduced in the cylinder head cover.

iii. New calibration is implemented to improve the time delay between repeated starting and also idling stability.

iv. Piston skirt linear profile modified to improve the durability.

v. New calibration update is done for Brazil market to improve driveability.

vi. Machining cycle time improvement from cylinder head box assembly to separate machining of head and cover.

vii. Himalayan oil filler cap material changed from aluminium to nylon for weight & cost savings.

Twins 650 Engine

i. Main catalytic converter in the silencer optimised for BS VI regulations.

ii. Manufacturing process changed from hot forging process to cold forging for counter shaft & drive shaft.

iii. Heat resistant black textured engine & exhaust systems developed for 120th year edition.

iv. Carbonitrided process implemented in center pin rocker arm to prevent the pin wear.

v. New calibration is implemented to improve the time delay between repeated starting and also idling stability.

vi. New calibration update is done for Brazil market to improve driveability.

UCE Engine

i. Improvement in silicone beading in barrel gasket for better sealing efficiency.

ii. Reduction in kick start effort is done by optimizing cam lift pin.

iii. Sealant application optimization is done on crankcase joint surfaces.

iv. Main catalytic converter in the silencer optimised for BS VI regulations.

v. New EMS calibration done to reduce the tendency of ignition spark during reversal.

vi. Intake bellow design change & improvement to avoid dust & water entry.

Electrical Design

i. Bluetooth based e-diagnostics tool for RE technicians extended for new Classic 350.

ii. Multi-source ABS systems with Controller Area Network Unified Diagnostic Services implemented for J models.

iii. Multi-point IC implemented in gear position sensor for increased accuracy of calibration points.

iv. New fuel logic implemented in New classic 350 with increased filtering rate.

v. Integrated reflex reflector with tail lamp introduced.

vi. Introduction of Third Point mounting on UCE models Ignition Switch to avoid field issues.

vii. Introduction of improved cluster with increased air volume and improved breathing sticker to avoid fog issues.

viii. Introduction double sleeve on Himalayan model stator coil phase wire.

CAE

i. NVH director process automation implemented.

ii. Battery electrochemical modelling using GT-Autolion implemented.

iii. Motor design and performance optimization methodology developed.

iv. Battery management system model developed with ISO26262 functional safety targets.

v. Multi-time scale modelling to reduce the computational time in CFD analysis.

vi. Fogging simulation in speedometer.

vii. Battery CHT simulation to predict the temperature distribution.

viii. Alternative fuel combustion analysis (Ethanol blended gasoline fuel).

ix. Electromagnetic Interference study for Ignition coil system.

x. Shaker test with measured damping simulation methodology completed and implemented .

xi. Crate structure simulation methodology created and verified the test results on Twins.

xii. Exhaust orifice noise measurement analysis for 650 Engine.

xiii. Seat strap simulation completed as per IS14495 standard and implemented.

Vehicle Design (Meteor & New Classic).

i. Introduced anodised callipers in brake system to enhance durability.

ii. Catalytic converter optimised to meet BSVI / Euro V emission regulations & CAT box removed.

iii. Optimisation of front wheel damper material to EPDM grade rubber.

iv. Optimisation of rear mud flap material to PP40GF.

v. Introduced cable operated version on rear brake in new classic models.

vi. Introduction of HPDC Aluminium casting nacelle on new classic models.

Vehicle Design (Himalayan, Scram & Twins models)

i. Introduction of localised anodisation process for brake calliper.

ii. Introduction of localised seat vinyl cover for Himalayan.

iii. Introduction of the GEN 10 Brake system for the Twins model as a technology advancement.

iv. Introduction of abrasion resistant sticker on the frame head tube of Himalayan models to avoid paint fading.

v. Introduction of zinc iron white passivation instead of zinc iron yellow passivation on wheel spokes & nipple for better aesthetics.

vi. Brass fuel tank badge developed for fuel tank on Twins 120th year edition models.

vii. Introduction of LPDC aluminium casting headlamp cowl on Scram 411 models .

The expenditure incurred on Research and Development:

a. Revenue: Rs. 70.10 crores

b. Capital: Rs. 172.44 crores

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, total exports (FOB value) were Rs. 1,475.92 crores (Previous year Rs. 682.82 crores). Foreign Exchange amounting to Rs. 458.92 crores (Previous year Rs. 337.27 crores) was used on account of import of components, spare parts, capital goods, salaries & wages, advertisement, business travel and consulting fees during the year under review.

ANNEXURE-2

FORM AOC-1
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

[Pursuant to First Proviso to Sub-Section (3) of Section 129 read with Rule 5 of the 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 (Thailand) Limited	Royal Enfield North America Limited (RENA)	Royal Enfield Canada Limited	Royal Enfield UK Limited	Eicher Group Foundation (Licence under Section8(1) of the Companies Act, 2013
		Subsidiary of the Company u/s 2(87) and accounted for as JV as per the Accounting Standards	Subsidiary of VECV	Subsidiary of VECV	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of RENA	Subsidiary of the company	Subsidiary of the company(50% held by the Company and remaining 50% held by VECV)
1	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period.**	-	-	-	-	-	-	-	-	-
2	The date since when subsidiary was acquired	March 07, 2008	April 09, 2013	January 22, 2016	August 18, 2014	September 18, 2018	March 23, 2015	April 19, 2016	August 20, 2019	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. 0.255	ZAR 1 ZAR = Rs. 5.208	BRL 1 BRL = Rs. 15.86	THB 1 THB = Rs. 2.27	USD 1 USD = Rs. 75.52	CAD 1 CAD = Rs. 60.38	GBP 1 GBP = Rs. 99.18	INR
4	Share Capital	10.00	5.43	11.50	125.40	26.01	39.59	0.11	0.99	0.05
5	Other Equity	3,593.84	(5.20)	2.20	(94.65)	(9.06)	(31.44)	1.39	(1.32)	43.27
6	Total Assets	8,989.77	0.57	40.38	101.94	35.16	172.41	2.25	48.29	45.58
7	Total Liabilities	5,385.93	0.34	26.68	71.19	18.22	164.26	0.76	48.62	2.26
8	Investments	17.07	-	-	-	-	0.10	-	-	-
9	Turnover (Gross)	12,712.74	1.19	58.15	132.24	75.04	257.48	21.57	182.63	-
10	Contribution received	-	-	-	-	-	-	-	-	37.82
11	Profit before Taxation	171.33	0.41	5.42	5.83	(1.80)	47.92	0.95	3.62	(30.16)
12	Provision for Taxation	64.11	-	1.13	-	-	0.15	0.24	(0.32)	-
13	Profit after Taxation	107.22	0.41	4.29	5.83	(1.80)	47.77	0.71	3.93	(30.16)
14	Proposed Dividend	75.00	-		-	-	-	-	-	
15	% of Shareholding ***	54.40%	54.40%	54.40%	99.99%	99.99%	100.00%	100.00%	100.00%	50.00%

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

*** EML holds 54.4% in VECV. VECV holds 100% in V E C V Lanka (Private) Limited and VECV South Africa (PTY) Ltd.

PART B-JOINT VENTURE

Sl. No.	Name of Joint Venture	Eicher Polaris Private Limited (EPPL)
1	Latest audited Balance sheet	March 31, 2022
2	Date on which joint venture was associated/acquired	October 10, 2012
3	Shares of Joint Venture held by the company on the year end	
	No. as on March 31, 2022	32,54,89,000 Shares
	Amount of Investment in Joint Venture - Rs. Crores	325.49
	Extend of Holding %	50%
4	Description of how there is significant influence	There is no significant influence by Eicher Motors Limited since EPPL is a joint venture company with 50% shareholding
5	Reason why joint venture is not consolidated	Not Applicable
6	Net worth attributable to Shareholding as per latest audited Balance Sheet - Rs. Crores	5.45
7	Profit/Loss for the year	
	(i) Considered in Consolidation - Rs. Crores	Refer Note below
	(ii) Not Considered in Consolidation - Rs. Crores	Refer Note below

Note:

1. During the year under consideration the Company has not considered any impairment loss (Rs. Nil for year ended March 31, 2021 and year ended March 31, 2020, Rs. 17.52 crores and Rs. 311.98 crores year ended March 31, 2019 and year ended March 31, 2018 respectively). The cumulative impairment till March 31, 2022 is Rs. 329.50 crores, including an amount of Rs. 4.01 crores towards the Company share of cost to wind down the operations.
2. EPPL incurred a loss of Rs. 2.96 crores during the year under consideration of which the Company's share of loss is Rs. 1.48 crores.

ANNEXURE-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR policy of the company

The Board of Directors of the Company 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 formulating Annual Action Plans:

(i) Local Area Development

(ii) Social Mission - Responsible Travel

(iii) Road Safety

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:

i. Clearly defined objectives consistent with the Policy

ii. A system for monitoring actual spending by the grantees

iii. Impact assessment, wherever required

iv. A reporting framework/ system

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

All CSR programmes 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 collaborates 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.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee which the members were eligible to attend during the year	Number of meetings of CSR Committee attended during the year
1	Mr. S. Sandilya	Chairman, Non-Executive Independent Director	3	3
2	Mr. Siddhartha Lal	Member, Managing Director	3	3
3	Mr. Inder Mohan Singh	Member, Non-Executive Independent Director	3	3
4	Ms. Manvi Sinha	Member, Non-Executive Independent Director	3	3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company

Composition of the CSR committee is mentioned above and is available on the Company's website at https://www.eicher.in/consitution-of-board-committee

CSR Policy of the Company is available at https://www.eicher.in/uploads/1623138899_eicher-corporate-social-responsibility-policy.pdf

CSR Projects approved by the Board are available at https://www.eicher.in/details-of-csr-projects

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

Impact assessment for relevant projects is being carried out by the Company. Relevant details can be shared only after completion of the assesement.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set- off for the financial year, if any (in Rs.)
NIL			

6. Average net profit of the Company as per Section 135(5): Rs. 2555.92 crore

7.

a) **Two percent of average net profit of the Company as per section 135(5):** Rs. 51.12 crore

b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Rs. 1.59 crore

c) **Amount required to be set off for the financial year, if any:** NIL

d) **Total CSR obligation for the financial year (7a+7b-7c):** Rs. 52.71 crore

8.

a) **CSR amount spent or unspent for the financial year:**

Total amount Spent for the financial year (Rs. in crore)	Amount Unspent (in Rs.)				
	Total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount. (Rs. in crore)	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
27.74	24.97	22/04/2022 & 27/04/2022	Not Applicable		

b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project.		Project duration	Amount allocated for the project (Rs. in lakh)	Amount spent in the current financial year (Rs. in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in lakh)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Improve employment opportunities for school dropouts unemployed youth by skill building	Cl. (ii) Employment enhancing vocational skills.	Yes	Tamil Nadu & Haryana	Chennai & Gurgaon	3 Years excluding the financial year in which the project is approved	3.8	3.8	-	No	Eicher Group Foundation	CSR00005785
2	Eradication of blindness and deafness	Cl.(i) Promoting healthcare	No	Delhi	Delhi	Same as above	445.0	110.0	335.00	No	Eicher Group Foundation	CSR00005785

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project.		Project duration	Amount allocated for the project (Rs. in lakh)	Amount spent in the current financial year (Rs. in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in lakh)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
3	Infrastructure development and operational expenses for School	Cl.(ii) Promoting education	No	Rajasthan	Alwar	Same as above	2,070	308.2	1,761.8	No	Eicher Group Foundation	CSR00005785
4	Upgrade education in the Government Schools in Tamil Nadu	Cl.(ii) Promoting education	Yes	Tamil Nadu	Chennai	Same as above	27.5	27.5	-	No	Eicher Group Foundation	CSR00005785
5	Empower Ladakh	Cl.(x) rural development projects	No	UT Ladakh	Leh & Kargil	Same as above	103.1	103.1	-	No	Eicher Group Foundation	CSR00005785
6	Greening of highways	Cl.(iv) Environmental sustainability	Yes	Tamil Nadu	Chennai	Same as above	20.3	20.3	-	No	Eicher Group Foundation	CSR00005785
7	Holistic maternal and child well-being	Cl.(i) Promoting healthcare	Yes	Tamil Nadu	Chennai	Same as above	3.1	3.1	-	No	Eicher Group Foundation	CSR00005785
8	Royal Enfield Centre for Skill Development	Cl.(ii) promoting education, enhancing vocational skills	Yes	Tamil Nadu	Chennai	Same as above	179.7	179.7	-	No	Eicher Group Foundation	CSR00005785
			No	Uttar Pradesh	Lucknow							
9	Holistic Village Development of community	Cl. (x) Rural Development	Yes	Tamil Nadu	Vallam	Same as above	36.6	36.6	-	No	Eicher Group Foundation	CSR00005785
10	Responsible Travel	Cl. (iv) Ensuring environmental sustainability	No	Uttarkhand, MP, Goa, Karnataka, Tamil Nadu, Haryana, Maharashtra	Dehradun, Indore, Goa, Bangalore, Chennai, Gurgaon, Pune, Guwahati and Leh	Same as above	446.0	135.4	220.0	No	Eicher Group Foundation	CSR00005785
								90.6		Yes	N.A.	
11	Support under covid-19	Cl.(i) Promoting health care eradicating hunger, poverty and malnutrition.	Yes	Tamil Nadu, Delhi, Ladakh, Himachal Pradesh	Chennai, Delhi, Ladakh, Kullu	Same as above	1,692.8	1,312.8	180.0	No	Eicher Group Foundation	CSR00005785
			N.A.	N.A.	N.A.			200.0		Yes	N.A.	
12	Helmets for India	Cl (i) Promoting healthcare and road safety	Yes	Tamil Nadu	Chennai	Same as above	3.3	3.3	-	Yes	N.A.	
	TOTAL						**5,031.2**	**2,534.4**	**2,496.8**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (Rs. in lakh)	Mode of implementation – Direct (Yes / No)	Mode of implementation – Through implementing agency	
				State.	District.			Name	CSR registration number
Nil									

d) Amount spent in Administrative Overheads : Rs. 223 lakh

e) Amount spent on Impact Assessment, if applicable: Rs. 16.5 lakh

f) Total amount spent for the financial year(8b+8c+8d+8e): Rs. 2774 lakh

g) Excess amount for set off, if any

Sl.No.	Particular	Amount (Rs. in Crore)
i	Two percent of average net profit of the company as per section 135(5)	51.12
ii	Total amount spent for the financial year	27.74
iii	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	1.59
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. in lakh)	Amount spent in the reporting financial year (Rs. in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs. in lakh)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
i	2020-21	2,491.8	816.9	NIL			1,674.9

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (Rs. in lakh)	Amount spent on the project in the reporting Financial year(Rs. in lakh)	Cumulative amount spent at the end of reporting financial year (Rs. in lakh)	Status of the project - Completed / Ongoing
1	E1006	Infrastructure development and operational expenses for School	2020-21	3 Years excluding the financial year in which the project is approved	713.8	588.8	588.8	Ongoing
2	E1013	Holistic maternal and child well-being	2020-21	Same as above	124.5	9.5	9.5	Completed
3	E1018	Royal Enfield Centre for Skill Development	2020-21	Same as above	478.0	70.0	70.0	Ongoing

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (Rs. in lakh)	Amount spent on the project in the reporting Financial year(Rs. in lakh)	Cumulative amount spent at the end of reporting financial year(Rs. in lakh)	Status of the project - Completed / Ongoing
4	E1023	Holistic Village Development of community	2020-21	Same as above	358.9	76.9	76.9	Ongoing
5	E1024	Responsible Travel	2020-21	Same as above	752.9	54.9	54.9	Ongoing
6	E1022	Support under Covid-19	2020-21	Same as above	57.8	16.8	16.8	Ongoing
7	E1012	Greening of highways	2020-21	Same as above	5.9	-	-	Ongoing
	TOTAL				**2,491.8**	**816.9**	**816.9**	

10. *In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)*

(a)	Date of creation or acquisition of the capital asset(s).	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Nil

Note**:** The Company or Eicher Group Foundation (Implementing Agency) do not have any capital assets registered in their names which are created/ acquired from the CSR funds.

11. *Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5)*

Eicher Group Foundation, a Section 8 Company incorporated by the Company and its unlisted subsidiary VE Commercial Vehicles Limited, executes the CSR programs as long term/ continuous programs, and the planning of spending is done as per the requirement of the programs. The unspent CSR amount for financial year 2021-22, as mentioned under Para 8, is transferred to a separate unspent CSR account pursuant to the provisions of Section 135 of the Act read with Schedule VII and relevant rules prescribed thereunder.

Siddhartha Lal
Managing Director
DIN: 00037645
Place: London, UK

S. Sandilya
Chairman, CSR Committee
DIN: 00037542
Place: Chennai, Tamil Nadu

Date: May 13, 2022

ANNEXURE-4

FORM MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended on March 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Eicher Motors Limited,
(CIN: L34102DL1982PLC129877)
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 the Company'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 March 31, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, 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 ('FEMA') and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - There was no reportable event requiring compliance during the Audit Period;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 16th August 2021) - There was no reportable event requiring compliance during the Audit Period;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 /the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - There was no reportable event requiring compliance during the Audit Period;

(i) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Redeemable Preference Shares) Regulations, 2013 (up to 16th August 2021) - There was no reportable event requiring compliance during the Audit Period;

(j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August 2021)- There was no reportable event requiring compliance during the Audit Period;

(k) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - There was no reportable event requiring compliance during the Audit Period; and

vi) Other laws as may be applicable specifically to the Company shall include all the laws which are applicable to 'automobile products and components' industry i.e. The Motor Vehicles Act, 1988 and rules made thereunder, primarily in respect of vehicles manufactured by the Company.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India, and

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the Audit Period, save as otherwise provided elsewhere in this report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs and such other regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time and issued for compliances during the pandemic situation.

We further report that during the Audit Period, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including an Independent Woman Director. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice was 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 and for meaningful participation at the meeting(s).

All the decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and therefore, no dissenting views were required to be captured and recorded as part of minutes.

We further report that, during the Audit Period, we are of the opinion that the Company has in place adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that, during the Audit Period, the Company had allotted equity shares to its employees and officers of the Company pursuant to Employee Stock Option Plan, 2006 and Restricted Stock Unit Plan, 2019 and necessary compliances of the Act and FEMA were made.

For **AGSB & Associates**
(Formerly known as Shweta Banerjee & Associates)
Company Secretaries

Shweta Banerjee
Partner
ACS No.: 54680,
CP No.: 20179
PR: 1891/2022
UDIN: A054680D000146860

Place: New Delhi
Date: April 18, 2022

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

ANNEXURE

To,
The Members,
Eicher Motors Limited,
(CIN: L34102DL1982PLC129877)
3rd Floor, Select Citywalk,
A-3, District Centre, Saket,
New Delhi - 110017

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2022 is to be read along with this letter.

1. Maintenance of secretarial records 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 the secretarial records. We believe that the process 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 are the responsibility of the management. Our examination was limited to the verification of procedures 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.
7. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.

For **AGSB & Associates**
(Formerly known as Shweta Banerjee & Associates)
Company Secretaries

Shweta Banerjee
Partner
ACS No.: 54680,
CP No.: 20179
PR: 1891/2022
UDIN: A054680D000146860

Place: New Delhi
Date: April 18, 2022

ANNEXURE-5

FORM MR-3

SECRETARIAL AUDIT REPORT OF VE COMMERCIAL VEHICLES LIMITED

For the financial year ended on March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
VE Commercial Vehicles Limited
CIN: U74900DL2008PLC175032
Registered Office:
3rd Floor Select City Walk
A-3, District Centre, Saket
New Delhi - 110 017

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VE Commercial Vehicles 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 the Company'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 March 31, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, 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 ('FEMA') and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings-Applicable only 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'), to the extent applicable:

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

vi) Other laws as may be applicable specifically to the Company shall include all the laws which are applicable to 'automobile products and components' industry i.e. The Motor Vehicles Act, 1988 and rules made thereunder, primarily in respect of vehicles manufactured by the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and the codes and policies adopted by the Company.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs and such other regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time and issued for compliances during the pandemic situation.

We further report that during the Audit Period, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director, and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice was 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 and for meaningful participation at the meeting(s).

All the decisions at Board Meetings and committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and therefore, no dissenting views were required to be captured and recorded as part of minutes.

We further report that during the Audit Period, based on the review of compliance mechanism established by the Company and on the basis of compliance certificate(s) issued by the company secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Company has in place adequate systems and processes which commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company did not have any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **AGSB & Associates**
(Formerly known as Shweta Banerjee & Associates)
Company Secretaries

Shweta Banerjee
Partner
ACS No.: 54680,
CP No.: 20179
PR: 1891/2022
UDIN: A054680D000146948

Place: New Delhi
Date: April 18, 2022

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

ANNEXURE

To,
The Members,
VE Commercial Vehicles Limited
CIN: U74900DL2008PLC175032
Registered Office:
3rd Floor Select City Walk
A-3, District Centre, Saket
New Delhi - 110 017

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2022 is to be read along with this letter..

1. Maintenance of secretarial records 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.
3. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of the events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
7. 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.
8. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

For **AGSB & Associates**
(Formerly known as Shweta Banerjee & Associates)
Company Secretaries

Shweta Banerjee
Partner
ACS No.: 54680,
CP No.: 20179
PR: 1891/2022
UDIN: A054680D000146948

Place: New Delhi
Date: April 18, 2022

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 Independent Directors, which meet and deliberate regularly to discharge their obligations.

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

2. BOARD OF DIRECTORS

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

The Board is responsible for the management of the affairs of the Company. As on March 31, 2022, the Board consists of six Directors comprising three Non-Executive Independent Directors of which one is a woman Director, one Non-executive Non-Independent Director and two Executive Directors. Six Board meetings were held during the financial year ended March 31, 2022, on May 27, 2021, August 12, 2021, August 23, 2021, November 03, 2021, February 14, 2022 and March 30, 2022. In the wake of COVID-19 pandemic and to adhere to the social distancing norms, the Directors participated in the meetings of the Board and Committees through video conferencing/ other audio visual means.

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 39th AGM held on August 17, 2021	Number of Directorship held in other Companies#	Number of Committee Memberships /Chairpersonships held in other Companies#	
						Memberships*	Chairpersonship*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr. S. Sandilya^ DIN: 00037542	Chairman-Non-Executive Independent Director	6	Yes	3	3	3
2.	Mr. Siddhartha Lal@ DIN: 00037645	Promoter–Managing Director	6	Yes	1	1	1
3.	Mr. Govindarajan Balakrishnan% DIN: 03093035	Additional Director (Whole-time)	4	NA	-	-	-
4.	Mr. Vinod K. Aggarwal DIN:00038906	Non-Executive Non-Independent Director	6	Yes	1	-	-
5.	Ms. Manvi Sinha DIN: 07038675	Non-Executive Independent Director	6	Yes	-	-	-
6.	Mr. Inder Mohan Singh DIN: 07114750	Non-Executive Independent Director	6	Yes	2	2	-

Notes:

Mr. Vinod Dasari, Whole-time Director & CEO- Royal Enfield (DIN:00345657), resigned from the Board w.e.f. August 13, 2021. He attended 2 Board Meetings during the financial year ended March 31, 2022.

^Mr. S. Sandilya is also an Independent Director on the Board of Mastek Enterprise Solutions Private Limited (deemed public company) and is acting as the Chairman of its Audit Committee.

@Mr. Siddhartha Lal has been re-appointed as the Managing Director of the Company, w.e.f. May 1, 2021, for a period of 5 consecutive years, with requisite approval of the shareholders obtained through Postal Ballot concluded on October 24, 2021.

% Mr.Govindarajan Balakrishnan has been appointed as Additional Director (Whole-time) of the Company, for a period of 5 consecutive years w.e.f. August 18, 2021 by the Board at its Meeting held on August 12, 2021 on the recommendation of the Nomination and Remuneration Committee, subject to requisite approval of the shareholders at the forthcoming 40th AGM.

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

*For the purpose of reckoning the limit, chairpersonship(s)/ membership(s) of the Audit Committee and the Stakeholders' Relationship Committee alone are considered. Number of membership of a Director in a Committee under column no. 7 of the table above also includes his/ her membership held through chairpersonship position in Committees.

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

Mr. Sandilya is a Non-Executive Independent Director in Mastek Limited (Chairman), Rane Brake Lining Limited and Rane (Madras) Limited. Mr. Inder Mohan Singh is a Non-Executive Independent Director in JTEKT India Limited. All of the above are listed companies. All Independent Directors of the Company have valid registrations with the Independent Director's databank maintained by the Indian Institute of Corporate Affairs.

No Independent Director serves as a Whole-time Director/ Managing Director in any other listed Company. Further, none of the Non-Executive Director of the Company, holds Directorship/Independent Directorship in more than seven listed companies and the Executive Directors of the Company does not hold Independent Directorship in more than three listed companies as provided under Regulation 17A of SEBI (LODR) Regulations, 2015.

Your Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors with one Independent Woman Director, as per the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015. The composition of the Board is as per the requirements of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. In the opinion of the Board, the Independent Directors of the Company meet all the criteria and conditions specified by SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and are Independent of the management of the Company. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI or the Ministry of Corporate Affairs or any other such authority. The Company has also obtained a certificate of the Practicing Company Secretary in this regard and a copy of the same is enclosed with this report as ***Annexure-1.***

The Company has appointed separate persons to the post of the Chairman and the Chief Executive Officer. Mr. S. Sandilya is the Chairman of the Board of Directors and Mr. Siddhartha Lal is the Managing Director and Chief Executive Officer of the Company. Mr. Sandilya is not related to Mr. Siddhartha Lal as per the definition of the term "relative" under the Companies Act, 2013.

2.2 Appointment of Directors

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

While appointing Directors and other senior officers, 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, separate meetings of the Independent Directors of the Company were held on February 14, 2022 and March 30, 2022, without the attendance of Non-Independent Directors and members of management to:

a) review the performance of Non-Independent Directors and the Board as a whole;

b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

c) assess the quality, quantity and timeliness of flow of information between the Company'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, 2022, Mr. S. Sandilya, Chairman and Non-Executive Independent Director of the Company holds 1,19,860 equity shares of face value of Re. 1 each, Mr. Vinod Kumar Aggarwal, Non-Executive Director holds 37,000 equity shares of face value of Re. 1 each and Mr. Inder Mohan Singh, Non-Executive Independent Director holds 50 equity shares of face value of Re. 1 each in the Company. Ms. Manvi Sinha, Non-Executive Independent Director, does not hold any shares in the Company. The Company has not issued any convertible instruments.

2.6 Familiarization Programme for Independent Directors

The Company familiarizes 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 details are available on the weblink http://www.eicher.in/familiarization-program

2.7 Skills/expertise/competencies of the Board

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

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

Amongst the above listed competencies, our Directors possess the relevant skills/expertise as mentioned below:

Name of the Director	Corporate Governance	Finance & Accounts	Corporate Strategy	Engineering-technical Skills	Experience/ knowledge of Automobile Industry	Media	Legal	General Management	Public Relations	Information Technology
Mr. S. Sandilya	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes
Mr. Siddhartha Lal	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes
Mr. Govindarajan Balakrishnan	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes
Ms. Manvi Sinha	Yes	Yes	Yes	-	-	Yes	-	Yes	Yes	Yes
Mr. Vinod K. Aggarwal	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Inder Mohan Singh	Yes	Yes	Yes	-	Yes	-	Yes	-	-	Yes

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, 2022, the 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/limited review report thereon before submission to the Board for approval;

iv. Reviewing the Company's financial and risk management policies;

v. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;

vi. Approval or any subsequent modification of transactions of the Company with related parties;

vii. Scrutiny of inter-corporate loans and investments;

viii. Valuation of assets of the Company, whenever it is necessary;

ix. Evaluation of internal financial controls and risk management systems;

x. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xi. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xii. Discussion with internal auditors of any significant findings and follow up thereon;

xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xiv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xv. To review the functioning of the whistle blower mechanism;

xvi. Reviewing the utilization of loans and/ or advances to / investment in the subsidiary company exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower;

xvii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc, on the Company and the shareholders;

xviii. 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 information as required under SEBI (LODR) Regulations, 2015, including the following:

i) Management discussion and analysis of financial condition and results of operations;

ii) Internal audit reports relating to internal control weaknesses;

iii) Management letters/ letters of internal control weaknesses issued by the statutory auditors, if any;

iv) Statement of related party transactions submitted by management;

v) The appointment, removal and terms of remuneration of the chief internal auditor.

3.2 Meetings and Attendance

Four Meetings of the Audit Committee of Directors of the Company were held during the financial year ended March 31, 2022 on May 27, 2021, August 12, 2021, November 03, 2021 and February 14, 2022. The name of the Members, Chairperson of the Committee and their attendance details are as under:

Sl. No.	Name of Members	Chairperson/ Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1.	Mr. S. Sandilya	Chairman	4	4
2.	Mr. Siddhartha Lal	Member	4	4
3.	Ms. Manvi Sinha	Member	4	4
4.	Mr. Inder Mohan Singh	Member	4	4

Mr. S. Sandilya, Chairman of the Audit Committee was present at the last Annual General Meeting for answering the shareholder's queries.

Whole-time Director, Non-Executive Director, Chief Financial Officer, the Head of Internal Audit and the Statutory Auditors are invited for the Audit Committee meetings as required. The Company Secretary acts as the Secretary to the Audit Committee.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of Regulation 20 of the SEBI (LODR) Regulations, 2015, the Company has a Stakeholders' Relationship Committee which, as on March 31, 2022, consists of three Non-Executive Independent Directors. The Committee looks into the redressal of shareholders' complaints relating to transmission of shares, transfer of shares, Non-receipt of Annual Report, Non-receipt of dividends, issue of new/ duplicate certificates, general meetings, review of measures

taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices, if any, by the shareholders of the Company.

4.1 Meetings and Attendance

Four Meetings of the Stakeholders' Relationship Committee of Directors of the Company were held during the financial year ended March 31, 2022, on May 27, 2021, August 12, 2021, November 03, 2021 and February 14, 2022. The name of the Members and Chairperson of the Committee and attendance details are as under:

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

Ms. Manvi Sinha, Chairperson of the Committee was present at the last Annual General Meeting.

The Managing Director and the Chief Financial Officer are invited to the Stakeholders' Relationship Committee meetings as required. The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

4.2 Status of Complaints

Sl.No.	Particulars	Numbers
1.	Complaints received	105
2.	Complaints resolved	105
3.	Pending complaints	NIL

5. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee comprising three Directors as at March 31, 2022, all being Non-Executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

5.1 Major terms of Reference

(i) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment, removal and all remuneration, in whatever form, payable to senior management;

(ii) With respect to every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.

(iii) Laying down the evaluation criteria for performance evaluation of Individual Directors, Board as whole and its Committees;

(iv) Review the implementation and compliance of the performance evaluation process in the Company;

(v) To decide 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;

(vi) Devising a policy on diversity of Board of Directors;

(vii) 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;

(viii) To undertake and perform all such functions, powers of administration and superintendence of Employee Stock Option Plan – 2006 (ESOP, 2006) and Restricted Stock Units Plan, 2019 (RSU Plan, 2019), as contained under SEBI (Share Based Employee Benefits) Regulations, 2014 including any amendments thereof;

(ix) To review and approve any other matter relating to the aforesaid ESOP, 2006 and RSU Plan, 2019 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, 2022 on May 27, 2021, August 12, 2021, August 23, 2021 and November 03, 2021. The name of the Members, Chairperson of the Committee and attendance details are as under:

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

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

5.3 Performance Evaluation Criteria for Independent Directors

The Company has adopted an Evaluation policy to evaluate performance of Individual Directors, the Board as a whole and its committees. Nomination and Remuneration Committee of the Company has specified the manner for effective evaluation of performance of Board, its committees and Individual Directors. Amongst others, evaluation of Individual Directors including Independent Directors is carried out by the entire Board in accordance with the applicable provisions. Evaluation factors include 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 including Independent Directors was carried out at the Board Meeting held on March 30, 2022.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility Committee of Directors comprising three Non-Executive Independent Directors and one Executive Director as on March 31, 2022. The composition and the role of the Committee are in conformity with the provisions of Section 135 of Companies Act, 2013 and the Rules made thereunder.

6.1 Major terms of Reference

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

ii. Recommending the amount of expenditure to be incurred on the activities referred to in Company's CSR policy;

iii. Monitoring the CSR Policy of the Company from time to time;

iv. Formulating and recommending to the Board, an annual action plan in pursuance of Company's CSR policy.

6.2 Meetings and Attendance

Three Meetings of the Corporate Social Responsibility Committee of Directors of the Company were held during the financial year ended March 31, 2022, on May 27, 2021, November 03, 2021 and February 14, 2022. The name of the Members, Chairperson of the Committee and their attendance details are as under:

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

The 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 which, as on March 31, 2022, consists of three Directors and the Chief Financial Officer. The composition and the role of the Committee are in conformity with the above provisions.

7.1 Major terms of Reference

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

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

iii. To monitor and review the risks & measures related to cyber security;

iv. To formulate a detailed risk management policy which shall include:

   a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

   b. Measures for risk mitigation including systems and processes for internal control of identified risks;

   c. Business continuity plan.

v. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

vi. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

vii. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

viii. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

ix. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

7.2 Meetings and Attendance

Two Meetings of the Risk Management Committee of the Company were held during the financial year ended March 31, 2022 on February 14, 2022 and March 30, 2022. The name of the Members and Chairperson of the Committee and attendance details are as under:

Sl. No.	Name of Members	Chairperson/ Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1	Mr. Siddhartha Lal	Chairman	2	2
2	Mr. S. Sandilya	Member	2	2
3	Mr. Govindarajan Balakrishnan*	Member	1	1
4	Mr. Kaleeswaran Arunachalam (CFO)	Member	2	2

*The Board at its meeting held on February 14, 2022, appointed Mr. Govindarajan Balakrishnan, Additional Director (Whole-time) as Member of the Risk Management Committee.

The process of risk prioritization and mitigation is presented, discussed and reviewed at the Board level regularly at meetings attended by the Committee members. Various measures have been adopted as an outcome of such discussions, a comprehensive risk inventory has been drawn and mitigation framework has been designed. Members of the Risk Management Committee have been actively involved in fulfilling the terms of reference.

8. SHARES COMMITTEE

As at March 31, 2022, the Shares Committee of the Company consists of two members i.e. Mr. Kaleeswaran Arunachalam, Chief Financial Officer, Mr. M.N.V. Krishna Mohankumar, Financial Controller. During the year under review, all valid requests for transfer & transmission of shares in physical form, issue of duplicate share certificate were processed within prescribed time.

During the financial year ended March 31, 2022, 7 meetings of the Committee were held to approve:

i. transfer of 2,700 shares,

ii. name deletion for 8,500 shares,

iii. issue of duplicate share certificates for 75,250 shares,

iv. transmission of 55,150 shares, and

v. dematerialization of 1,53,380 shares.

The above also includes duplicate share certificates issued for 48,400 equity shares of face value of Re. 1 each which were subsequently 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 60 equity shares of face value of Re. 1 each held in demat accounts of the shareholders to the IEPF Authority in terms of Section 124 and 125 of the aforesaid Act and Rules.

Note: Mr. Manhar Kapoor, Chief Legal Counsel & Company Secretary resigned with effect from the close of the working hours of March 11, 2022. The Company is in the process of appointing a Company Secretary.

9. REMUNERATION OF DIRECTORS

9.1 Remuneration to Executive Directors

The remuneration of the Executive Directors is fixed by the Board of Directors and approved by shareholders in the Annual General Meeting. The details of remuneration for the financial year ended March 31, 2022 is as under:

(Rs. in crores)

Name of the Director	Salary (including perquisites)	Statutory contributions	Commission	Service Contract	
				Tenure	Notice period
Mr. Siddhartha Lal, Managing Director	13.00	2.81**	8.19	5 years (Members approved re-appointment of Mr. Siddhartha Lal as Managing Director w.e.f. May 1, 2021 up to April 30, 2026, by way of an Ordinary Resolution passed through the Postal Ballot concluded on October 24, 2021)	3 months' notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months
Mr. Vinod K. Dasari, Whole-time Diretor and CEO-Royal Enfield(#)	24.58	0.00	0.00	Not Applicable	Not Applicable
Mr. Govindarajan Balakrishnan, Additional Director (Whole-time) and CEO-Royal Enfield (*)	3.34	0.00	0.00	5 years w.e.f August 18, 2021 (Subject to requisite approval of the members at the forthcoming AGM)	3 months' notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months

(**)Represents National Insurance payable to HMRC UK on fixed salary and commission, as per UK laws.

(#) Mr. Vinod K. Dasari resigned from the Board w.e.f. August 13, 2021.

(*)Appointed as Additional Director (Whole-time) of the Company, for a period of 5 consecutive years w.e.f. August 18, 2021 by the Board at its Meeting held on August 12, 2021 on the recommendation of the Nomination and Remuneration Committee, subject to requisite approval of the shareholders at the forthcoming 40th AGM.

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

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

No sitting fees has been paid to Mr. Siddhartha Lal and Mr. Govindarajan Balakrishnan.

A grant of 15,000 stock options pursuant to Company's Restricted Stock Unit Plan, 2019 (RSU Plan) was made to Mr. Govindarajan on May 12, 2022, with vesting period of 3 years and exercise price of Rs. 1 per stock option. Prior to the appointment of Mr. Govindarajan as Director, following stock options were granted to him under Company's Employees Stock Option Plan, 2006 (ESOP Plan) which are unvested as on date: (i) 100,000 Stock options on May 27, 2021 which shall vest and become exercisable in equal proportion at the end of 3rd and 4th years, and (ii) 50,000 Stock options on May 6, 2020 which shall vest and become exercisable at the end of 3rd year. Vesting of above stock options shall be contingent upon continuous employment with the Company and terms of Company's RSU Plan and ESOP Plan. All stock options shall be exercised within a period of seven years from the date of vesting. No stock options have been granted to Mr. Siddhartha Lal under the Company's RSU Plan and ESOP Plan.

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, 2022 is as under:

(Rs. in Lakh)

Name of the Director	Remuneration	
	Sitting fees	Commission
Mr. S. Sandilya – Chairman and Non Executive Independent Director	4.50	41.00
Ms. Manvi Sinha – Non-Executive Independent Director	4.30	21.00
Mr. Inder Mohan Singh – Non-Executive Independent Director	4.30	21.00
Total	**13.10**	**83.00**

Criteria of making payment to Non-Executive Directors as on March 31,2022: 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, Corporate Social Responsibility Committee and Risk Management Committee. Amount of sitting fees as above is fixed by the Board of Directors of the Company.

Shareholders at their 37th Annual General Meeting held on August 1, 2019, approved payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding 1% of the annual net profits of the Company for each financial year, calculated in accordance with the provisions of the Companies Act, 2013, 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 Directors of the Company.

10. SUBSIDIARY COMPANIES

Subsidiary companies of the Company are managed by their respective Boards / 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) Utilization of loans and/or advances from/investment by the Company in the subsidiary companies as per the threshold specified under SEBI (LODR) Regulations, 2015, are periodically reviewed by the Audit Committee;

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

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

(v) Mr. Inder Mohan Singh, a Non-Executive Independent Director of the Company is an Independent Director on the Board of VE Commercial Vehicles Limited ("VECV")*, 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/1554285869_policy-for-determining-material-subsidiaries.pdf

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

11. OTHER DISCLOSURES

11.1 Related Party Transactions

In terms of Indian Accounting Standard-24 on "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013, the Company has identified the related parties and suitable disclosures relating to details of transactions with such related parties have been disclosed in Note No. 46 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 at the Audit Committee Meeting(s) for its prior approval. The Audit Committee also reviews related party transactions entered into by the Company on a quarterly basis. There are no materially significant related party transactions entered into during the financial year ended March 31, 2022.

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 https://www.eicher.in/uploads/1645688812_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, strictures 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 **https://www.eicher.in/uploads/1458646029_eicher-code-of-conduct-directors-and-senior-management.pdf**. 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 attached as ***Annexure-2.***

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

11.4 Code on Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company, inter alia, adopted a Code of Conduct for Regulating, Monitoring and Reporting trading by an Insider (Code). All Designated Persons of the Company, its material subsidiary and their immediate relatives, as per the Code, who could have access to the unpublished price sensitive information of the Company, are governed by this code. Amongst others, the trading window for dealing in securities of the Company is closed and opened as per the provisions of the said 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 this report as ***Annexure-3.***

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 Statutory Auditors have expressed no qualification in their reports on financial statements of the Company.
3. The Internal Auditor reports directly to the Audit Committee on a quarterly basis.
4. The Chairman of the Company is a Non-Executive & Independent Director and his position is separate from that of the Managing Director & CEO.

11.7 Accounting treatment in preparation of the financial statements

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

11.8 Vigil Mechanism/ Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy to establish a vigil mechanism for the Directors, employees, vendors and dealers of the Company, to report genuine concerns or grievances including instances of leak or suspected leak of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is available on Company's website at https://www.eicher.in/uploads/1652950270_eicher-whistle-blower-policy.pdf.

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 said Policy is available on the Company's website www.eicher.in/uploads/1491545619_dividend-distribution-policy.pdf.

11.10 Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act") and the Rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up, in accordance with the aforesaid Act, to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaint of sexual harassment.

The Company also conducts various programs in the organization on a continuous basis in order to build awareness in this area. During the year under review, approximately 5,763 employees / trainees were given awareness training on prevention of sexual harassment at workplace. The training structure included training through workshops, e-learning modules and as part of new hires induction programme.

11.11 Commodity price risk or foreign exchange risk and hedging activities:

The Company procures the Components & Services from the Suppliers who in turn procure input Raw Materials from the Raw Material Suppliers. Hence direct purchase of Raw Materials by the Company is marginal. However, to facilitate Suppliers for procuring right Quality of Raw Materials at competitive prices, Company adopts Group Buying strategy to consolidate the Raw Materials requirements, with Steel Mills and Aluminium Alloy

Suppliers, on behalf of Suppliers and administers the prices by settling on Quarterly / Half yearly basis with forecasted quantum of supplies with appropriate communication to Suppliers.

Component Suppliers avail the price negotiated by the Company to procure the Raw material either from the recommended Raw Material suppliers or from their own Raw Material Suppliers. However, supplier's own Raw Material sources require pre-approval from the Company involving quality audits. In this way, both quality standards and price control are adhered to, as per the Company's norms. The order for raw material scheduled quantity is placed by the component suppliers with the Raw material suppliers and physical transaction takes place between them. The adjustment in the Raw Material Prices by the component suppliers are done in accordance with the prices settled by the Company. The Raw Material prices are settled by the Company, periodically, based on domestic market price movements and international price data. Commodity Price fluctuation impact is managed by VAVE initiatives, continuous cost optimization and process improvement initiatives. The Company has not entered into any commodity derivatives with any of the bankers and hence the disclosure of exposure in commodity risks faced by the Company is not applicable.

In addition, the Company manages majority foreign currency collections and payments through EEFC (Exchange Earners' Foreign Currency Account). Further, hedging activities (by way of Foreign Exchange derivatives) have been undertaken by the Company to manage the FX risk on net open positions.

11.12 The Company and its subsidiaries have paid a total fees of Rs. 3.35 crores (includes Rs. 1.66 crores towards audit and certification services by the Company and its subsidiaries, including VE Commercial Vehicles Limited, a material subsidiary of the Company), excluding GST on a consolidated basis during the financial year 2021-22 to M/s. S.R. Batliboi & Co., LLP, Statutory Auditors of the Company and to its network firm.

11.13 The Company & its subsidiaries has not granted any loans or advances to firms/companies in which their respective Directors are interested.

12. MEANS OF COMMUNICATION

(i) The consolidated quarterly and annual results are generally published in the Business Standard (English) - All editions and Business Standard (Hindi), Delhi edition, having wide circulation. The Standalone and Consolidated quarterly and annual results of the Company along with limited review reports of the Auditors thereon and/or Auditors' Report are available on the Company's website at **www.eichermotors.com.** In addition, the Company sends standalone and consolidated quarterly and annual results to all shareholders whose email ids are registered with the Company.

(ii) The Standalone and Consolidated quarterly and annual results along with limited review reports/ Audit Reports of the Auditors thereon, are promptly filed with the Stock Exchanges in terms of Regulation 30 and 33 of SEBI (LODR) Regulations, 2015.

(iii) Public releases are also available on the Company's website. Schedule of Analyst or Institutional investor meetings and/or conference call information, presentations made to them, if any, and the transcripts of quarterly results calls are promptly posted on the website of the Company.

(iv) The Company also disseminate on its website all disclosures filed with the stock exchanges under Regulation 30 of SEBI (LODR) Regulations, 2015 and all other information and documents that are required to be placed on the website of the Company.

(v) The following are displayed on the Website of the Company i.e. www.eichermotors.com

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

13. GENERAL SHAREHOLDER INFORMATION

13.1 Day, date, time and venue of the Annual General Meeting

Wednesday, August 24, 2022 at 1.00 P.M. Indian Standard Time (IST) through Video Conferencing/Other Audio Visual Means.

13.2 Financial year

The financial year under review is of 12 (twelve) months from April 1, 2021 to March 31, 2022.

13.3 General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
April 1, 2020 – March 31, 2021	17.08.2021 (39th AGM)	Tuesday	1:00 P.M.	Video conferencing (VC)/Other Audio Visual Means (Deemed venue of the meeting: 3rd Floor- Select Citywalk, A-3 District Centre, Saket, New Delhi- 110 017)	Yes-1
April 1, 2019 – March 31, 2020	10.08.2020 (38th AGM)	Monday	1:00 P.M.	Video conferencing (VC)/Other Audio Visual Means (Deemed venue of the meeting: 3rd Floor- Select Citywalk, A-3 District Centre, Saket, New Delhi- 110 017)	Yes-4
April 1, 2018 – March 31, 2019	1.08.2019 (37th AGM)	Thursday	10:00 A.M	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	Yes-4

Notes:

1. One Special Resolution was passed at the 39th AGM held on August 17, 2021 related to payment of remuneration to Mr. S. Sandilya, Chairman (Non-Executive & Independent Director) for the financial year 2020-21, which exceeds fifty per cent of the total remuneration payable to all the Non-Executive Directors of the Company.
2. Four Special Resolutions were passed at the 38th AGM held on August 10, 2020 related to (i) re-appointment of Ms. Manvi Sinha as an Independent Director of the Company for an another term of 5 consecutive years with effect from February 13, 2020 (ii) re-appointment of Mr. S. Sandilya as an Independent Director of the Company for an another term of 5 consecutive years with effect from February 13, 2020 (iii) payment of remuneration to Mr. S. Sandilya, Chairman (Non-Executive & Independent Director) for the financial year 2019-20, which exceeds fifty per cent of the total remuneration payable to all the Non-Executive Directors of the Company and; (iv) adoption of new set of Articles of Association of the Company.
3. Four Special Resolutions were passed at the 37th AGM held on August 1, 2019 related to (i) payment of remuneration by way of commission to Non-Executive Directors (NEDs) (ii) payment of remuneration to Mr. S. Sandilya, Chairman, (Non-Executive & Independent Director) for the financial year 2018-19, which exceed 50% of the total remuneration payable to all NEDs (iii) approval of Company's Restricted Stock Unit Plan, 2019 ("RSU 2019") and;(iv) extension of benefits under RSU, 2019 to employees of subsidiary companies.
4. No Special Resolution was passed through postal ballot last year. Also, no Special Resolutions are proposed to be conducted through postal ballot.

During the year under review, the Company sought the approval of shareholders through postal ballot notice dated August 23, 2021 for re-appointment of Mr. Siddhartha Lal as Managing Director of the Company and payment of remuneration for a period of 5 years with effect from May 1, 2021 by way of Ordinary Resolutions. The said Postal Ballot concluded on October 24, 2021. The aforesaid resolutions were duly passed and the results of the postal ballot were announced on October 25, 2021. Mr. Vijay Gupta, Chartered Accountant, Managing Partner of VKGN & Associates, was appointed as the Scrutinizer for conducting Postal Ballot process through remote e-voting, in a fair and transparent manner.

A summary of the voting pattern is as follows:

Resolution	Votes cast in favor (in %)	Votes cast against (in %)
To consider and approve re-appointment of Mr. Siddhartha Lal as Managing Director of the Company for a period of 5 years with effect from May 1, 2021	93.75	6.25
To approve Payment of Remuneration to Mr. Siddhartha Lal as Managing Director of the Company for a period of 5 years with effect from May 1, 2021	98.56	1.44

Procedure for Postal Ballot:

The Company followed the postal ballot process in compliance with SEBI (LODR) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules framed thereunder. E-voting facility was provided to all the shareholders, to enable them to cast their votes electronically. The Company engaged the services of National Securities Depository Limited for the purpose of providing an e-voting facility.

13.4 Financial Calendar – 2021-2022

Adoption of Quarterly/ Annual Results for the quarter/year ended	Date of Board Meetings	Date of publication	Name of Newspapers
June 30, 2021 (Quarterly Results)	12/08/2021	13/08/2021	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
September 30, 2021 (Quarterly Results)	03/11/2021	04/11/2021	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
December 31, 2021 (Quarterly Results)	14/02/2022	15/02/2022	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
March 31, 2022 (Quarterly & Annual Results)	13/05/2022	14/05/2022	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition (Proposed)

Tentative Financial Calendar – for the financial year ending March 31, 2023

Quarterly results for the quarters ending June 30, 2022, September 30, 2022, December 31, 2022 and quarterly/annual results for the quarter/year ending March 31, 2023 will be approved in the Board Meetings which will be tentatively held in the month of August 2022, November 2022, February 2023 and May 2023 respectively (subject to the finalization of dates by the Board of Directors). Annual General Meeting for the financial year 2022-23 will be tentatively held in between July-August 2023. 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 the Company's website at www.eichermotors.com.

13.5 Book Closure & Dividend Payment Date:

As mentioned in the Notice of the 40th AGM

13.6 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 2022-2023.

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

Name of the depository	ISIN No.
National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL)	INE066A01021

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

13.8 Registrar and Share Transfer Agent / Address for correspondence:

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

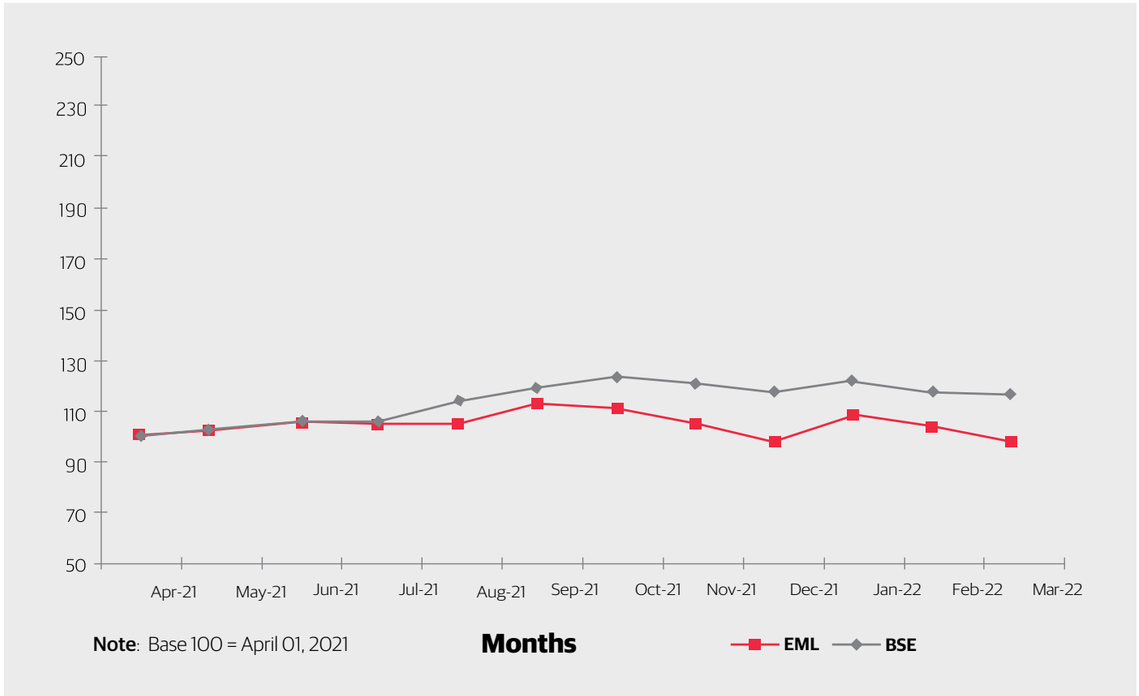
Link Intime India Pvt. Ltd.
Registrar and Share Transfer Agent
C-101, 247 Park
LBS Marg, Vikhroli (West),
Mumbai 400083
Tel No.: +91-22-49186270
Email: rnt.helpdesk@linkintime.co.in

Members may write for any queries/information 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.

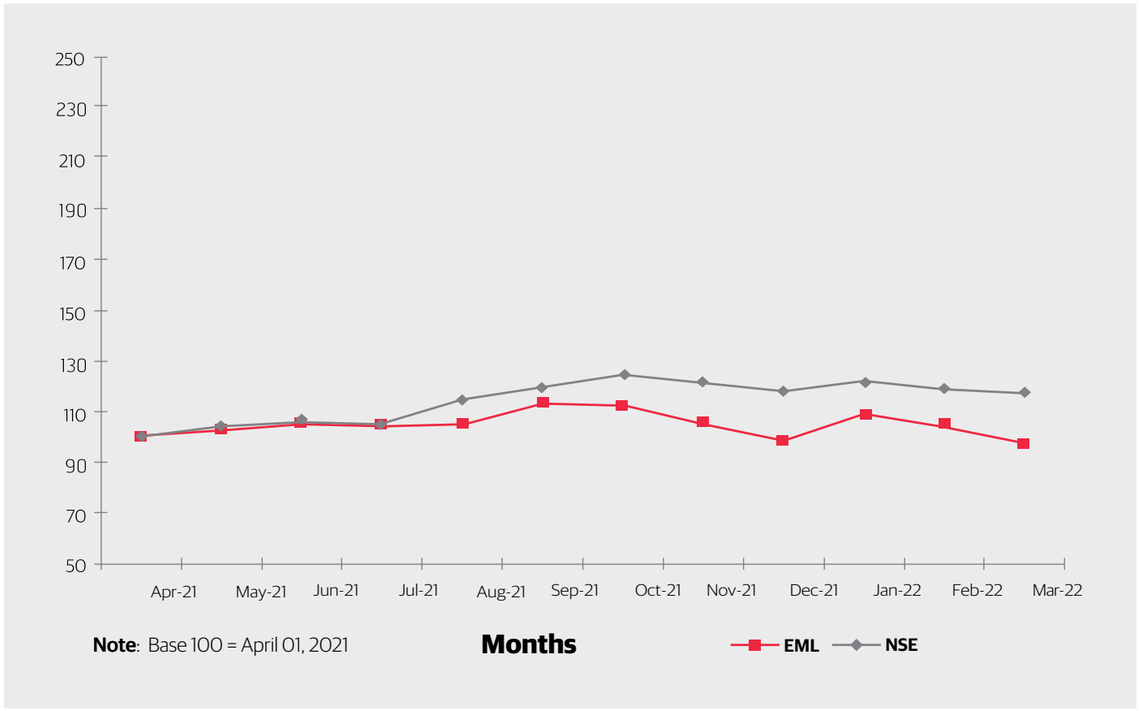
13.9 Market Price Data at BSE and NSE:

April 2021 to March 2022	BSE			NSE		
	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)
April 2021	2,649.20	2,303.75	8,58,504	2,649.00	2,303.70	1,86,45,271
May 2021	2,709.20	2,356.05	5,97,812	2,710.00	2,356.10	1,56,37,873
June 2021	2,796.95	2,630.00	9,56,731	2,797.90	2,610.00	1,24,16,545
July 2021	2,764.75	2,510.00	5,39,463	2,765.00	2,509.00	1,25,51,691
August 2021	2,767.95	2,471.85	14,04,598	2,768.75	2,471.20	2,68,56,512
September 2021	2,995.35	2,674.25	12,98,677	2,994.00	2,662.05	1,82,24,000
October 2021	2,958.00	2,471.20	12,11,370	2,959.75	2,471.55	1,47,71,948
November 2021	2,773.85	2,360.90	6,55,465	2,777.00	2,360.00	1,83,28,374
December 2021	2,602.08	2,362.00	4,03,087	2,604.20	2,360.40	1,24,43,022
January 2022	2,878.00	2,570.90	6,13,948	2,880.00	2,570.25	1,48,01,210
February 2022	2,760.35	2,493.00	5,95,486	2,762.75	2,488.45	1,35,76,421
March 2022	2,590.50	2,110.00	7,12,782	2,579.00	2,159.55	1,82,41,899

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



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



13.10 Share transfer system

During the financial year ended March 31, 2022, due process was followed for effecting the transfer of shares of the Company. All valid requests for transfer/transmission, if any, of Equity shares are processed and wherever applicable, confirmation is given to the respective depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, within the statutory timelines.

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

In terms of amended provisions of Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfer of shares held in physical form is not permitted. Accordingly, the Company has not been accepting requests for transfer of shares held in physical form since the said cut-off date of April 1, 2019 in terms of aforesaid provisions except those already lodged with the Company before the said date and returned due to deficiency in the documentation. Further, SEBI has vide its circular dated September 7, 2020, notified March 31, 2021 as the cut-off date for re-lodgment of transfer deeds originally lodged prior to April 1, 2019 with the Company. In addition, the shares that are re-lodged for transfer are being issued to the transferee only in demat mode. SEBI has vide its circular dated January 25, 2022 has also mandated to issue the securities in dematerialized form only while processing the service request received in the nature of issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In terms of provisions of SEBI circular SEBI/HO/MIRSD/ DOP1/CIR/P/2018/73 dated April 20, 2018, members holding shares in physical form are requested to register and/or update their PAN/ Bank account details with the Company's Registrar & Share Transfer Agent and those holding shares in electronic form shall register/update such details with their Depository Participants (DPs).

With effect from January 1, 2022, the Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, specimen signature, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of physical securities. In this regard, the Company has sent a communication dated February 4, 2022 to all its members holding shares in physical form (weblink https://www.eicher.in/uploads/1644209194_intimation-to-shareholders-holding-shares-in-physical-mode.pdf). Further, on and after 1st April 2023, in case any of the above cited documents/ details is not provided/ updated by the shareholder, Registrar & Share Transfer Agent shall freeze such Folio of the shareholder. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company also at https://www.eicher.in/investor-service-request.Members holding shares in electronic form are requested to submit the PAN, KYC details to their Depository Participants with whom they are maintaining their demat accounts.

13.11 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 rematerialisation of shares, transfers/transmissions, dividends, change of address, change in bank mandate, updation of email id, mobile number, nominations, etc. to the concerned DPs with whom they have opened Demat Account.

As on March 31, 2022, 27,10,37,592 shares constituting 99.13% of the total paid up equity share capital of the Company are in dematerialized form with NSDL and CDSL.

13.12 Distribution of shareholding as on March 31, 2022

Category	No. of shareholders	% holders	No. of shares of face value of Re. 1/- each	% Shareholding
1-500	2,62,138	96.91	75,74,835	2.77
501-1,000	4,000	1.48	33,07,326	1.21
1,001-2,000	2,200	0.81	36,23,920	1.32
2,001-3,000	627	0.23	15,46,157	0.57
3,001-4,000	296	0.11	10,64,920	0.39

Category	No. of shareholders	% holders	No. of shares of face value of Re. 1/- each	% Shareholding
4,001-5,000	188	0.07	8,67,815	0.32
5,001-10,000	286	0.11	20,90,530	0.76
10,001-50,000	409	0.15	94,50,801	3.46
50,001-1,00,000	105	0.04	76,46,209	2.80
1,00,001 and above	232	0.09	23,62,50,589	86.40
Total	**2,70,481**	**100.00**	**27,34,23,102**	**100.00**

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

13.13 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
2015-16 (January to March)*	April 18, 2023
2016-17 (April to March)	September 12, 2024
2017-18 (April to March)	September 14, 2025
2018-19 (April to March)	August 30, 2026
2019-20 (April to March)*	April 12, 2027
2020-21 (April to March)	September 21, 2028

**Interim Dividend declared by the Board of Directors on March 12, 2016 and March 11, 2020, respectively.*

Members who have not encashed their Dividend Warrants for the above Financial years/period may approach the Company's Registrar & Share Transfer Agent for encashment of their unclaimed dividend.

13.14 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, as amended ("the Rules"), as on date the Company has transferred 22,17,880 (0.81%) equity shares of face value of Re. 1 each, on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, belonging to 2,969 shareholders, to the Investor Education and Protection Fund Authority (IEPF Authority).

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

Any person whose share(s)/ unpaid dividend has been transferred to the IEPF Authority may claim the share(s)/ dividend from it pursuant to the said Act and the Rules by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in. Simultaneously, claimant shall be required to submit a copy of Form IEPF-5 submitted with IEPF Authority duly signed and accompanied by all requisite original 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 the 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.

13.15 Unclaimed Shares Suspense Account

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

The details with respect to the unclaimed shares of the Company for the financial year ended March 31, 2022 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	9	3680
(ii)	Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	5	2550
(iii)	Number of shareholders to whom shares were transferred from the Suspense Account during the year	5	2550
(iv)	Number of shareholders whose shares were transferred to Investor Education and Protection Fund Authority in compliance with the provisions of Section 124 & 125 of the Companies Act, 2013 and the rules framed thereunder	Nil	Nil
(v)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	4	1130

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

13.16 Nomination facility

Your Company is pleased to offer the facility of nomination to members. Pursuant to Section 72 of the Companies Act, 2013, the members, who hold shares in the physical form and wish to avail nomination facility, are requested to send the duly complete nomination form, 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.

13.17 Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Share Transfer Agent at the address given at Para 13.8, indicating the folio numbers to be consolidated.

13.18 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.

13.19 Registered Office

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

13.20 Corporate Office

#96, Sector 32,
Gurugram- 122 001, Haryana, India.
Tel. No. (0124)- 4415600

Headquarters

Royal Enfield Global Headquarters
#296, Rajiv Gandhi Salai,
Sholinganallur, Chennai-600119,
Tamil Nadu, India

13.21 Plant locations

i. Thiruvottiyur High Road,
Thiruvottiyur, Chennai - 600 019
(Tamil Nadu)

ii. A-19/1, SIPCOT Industrial Growth Centre,
Oragadam, Kanchipuram - 602 105
(Tamil Nadu)

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, 2022 is in compliance with the requirements of Corporate Governance under SEBI (LODR) Regulations, 2015. Further, save as otherwise provided in this report, the Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) 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
Place: London, UK
Date: May 13, 2022

S. Sandilya
Chairman
DIN:00037542
Place: Chennai, Tamil Nadu

INDEPENDENT AUDITOR'S 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, as amended

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

1. The Corporate Governance Report prepared by Eicher Motors Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022 as required by the Company for annual submission to the Stock exchange.

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 provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

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 ICAI.

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 judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood 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 with respect to executive and non-executive directors has been met throughout the reporting period;

iii. Obtained and read the Register of Directors as on March 31, 2022 and verified that at least one independent woman director was on the Board of Directors throughout the year;

iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 1, 2021 to March 31, 2022:

a. Board of Directors;
b. Audit Committee;
c. Annual General Meeting (AGM);
d. Nomination and Remuneration Committee;
e. Stakeholders Relationship Committee;
f. Risk Management Committee

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. 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

9. 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 specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. 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.

11. 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
UDIN: 22095169AIXOTP8394

Place of Signature: Gurugram
Date: May 13, 2022

ANNEXURE-1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

a. That Eicher Motors Limited (CIN: L34102DL1982PLC129877) is having its registered office at 3rd floor, Select Citywalk, A-3 District Centre, Saket, New Delhi- 110017 (hereinafter referred as "Company"). The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.

b. That I have examined the relevant disclosures (DIR-8 and MBP-1), registers, records, forms and returns maintained by the company and produced before me for the purpose of issuing this certificate in accordance with regulation 34(3) read together with clause 10(i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under Sections 149, 164, 170, 184, 189 of the Companies Act, 2013 (the Act) and DIN status at the portal, www.mca.gov.in, as considered necessary and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

Sl.No.	Name of the Directors	Director Identification Number (DIN)	Designation	Date of appointment*
1.	Siddhartha Vikram Lal	00037645	Managing Director	01-05-2006
2.	Vinod Kumar Aggarwal	00038906	Director	01-04-2019
3.	Srinivasan Sandilya	00037542	Director	26-10-1999
4.	Manvi Sinha	07038675	Director	13-02-2015
5.	Inder Mohan Singh	07114750	Director	12-11-2018
6.	Govindarajan Balakrishnan	03093035	Additional Director (Whole-time)	18-08-2021

* the date of appointment is as per the MCA Portal.

d. Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

e. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

Malavika Bansal
Company Secretary in Practice
FCS- 8231
CoP No.- 9159
UDIN: F008231D000226713

Place: New Delhi
Date: April 28, 2022

ANNEXURE-2

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, 2022.

For **Eicher Motors Limited**

Siddhartha Lal
Managing Director &
Chief Executive Officer
DIN: 00037645

Place: London, UK
Date: May 13, 2022

ANNEXURE-3

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

(a) We have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2022 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, 2022 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, 2022;

  (ii) there have not been any significant changes in accounting policies during the year ended March 31, 2022; and

  (iii) there has not been any instance during the financial year ended March 31, 2022 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

Place: London, UK
Date: May 13, 2022

Kaleeswaran Arunachalam
Chief Financial Officer

Place: Chennai, Tamil Nadu

05

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Eicher Motors Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Intangible assets capitalized or under development (Refer to the accounting estimates and judgements in Note 3 and Note 8 to the Consolidated Ind AS Financial Statements)	
The Group has various internally generated intangible projects under development or capitalized. Initial recognition of the expenditure under these projects are based on assessing each project in relation to specific recognition criteria that needs to be met for capitalization. In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments. Due to the materiality of the assets capitalized or under development and the level of management judgement involved, initial recognition and measurement and valuation of internally generated intangible assets has been considered as a key audit matter.	• Our audit procedures included reading the Group's research and development expenditure accounting policies to assess compliance with Ind AS 38 "Intangible Assets". • We performed test of control over management process of identifying and capitalizing the development expenditure in accordance with the accounting principles of capitalization of expenditure on internally generated intangible assets as per Ind AS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably. • We performed test of details of development expenditure capitalized by reviewing the key assumptions including the authorization of the stage of the project in the development phase and the accuracy of costs included and assessing the useful economic life attributed to the asset. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. • We tested the disclosure relating to research and development expenditure in the Consolidated Financial Statements
Revenue Recognition (Refer to the accounting policies in Note 3 to the Consolidated Financial Statements)	
Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Group uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end and therefore revenue recognition has been considered as a key audit matter.	• Our audit procedures included reading the Group's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". • We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers. • We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to ensure that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms. • We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation including dealers' confirmations, where necessary, to establish that sales and corresponding trade receivables are properly recorded in the correct period.

Other Information

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

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

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these Standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   g. In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer note 41 to the Standalone 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.
      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or

kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatemen.

v) The dividend declared or paid during the year / subsequent to the year-end by the Company is in compliance with section 123 of the Act.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169
UDIN: 22095169AIXNSV3696

Place of Signature: Gurugram
Date: May 13, 2022

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')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. a. i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

ii) The Company has maintained proper records showing full particulars of intangibles assets.

b. Property, Plant and Equipment were physically verified by the management during the year in accordance with a planned programme of verifying them over three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

c. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the financial statements are held in the name of the Company except two immovable properties as indicated in the below mentioned cases as at March 31, 2022 for which title deeds were not available with the Company and hence we are unable to comment on the same.

Description of the properties	Carrying value as at March 31, 2022 (Rs. Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
Freehold land located at Alwar, Rajasthan and Jhajjar, Haryana	0.74	Eicher Tractors Ltd.	No	02-08-2004	The properties were acquired through Group restructuring and management has informed us that they are taking necessary steps to get the property registered in the name of the Company.

d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

2. a. The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure

for such verification is appropriate. Discrepancies of 10% or more in aggregate were not noted for each class of inventory.

Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

b. As disclosed in note 21 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from one bank during the year on the basis of security of current assets of the Company. The requirements to file quarterly returns/statements by the Company is not stipulated by the bank.

3. a. During the year the Company has provided guarantees for its subsidiary companies, bill discounting facility on behalf of its Joint venture Company and loans to employees as detailed in table below. There are no loans, advances in the nature of loans to any other companies, firms, Limited Liability Partnerships or any other parties.

	Guarantees	Security	Bill discounting	Loans to employees	Advances in nature of loans
Aggregate amount granted/ provided during the year	-	-	-	-	-
• Subsidiaries	17.45 Cr	-	-	-	-
• Joint Ventures	-	-	-	-	
• Associates	-	-	-	-	
• Others	-	-	676.75 Cr*	2.97 Cr	
Balance outstanding as at balance sheet date in respect of above cases					
• Subsidiaries	244.53 Cr	-	-	-	-
• Joint Ventures	-		676.75 Cr	-	
• Associates	-		-	-	
• Others	-		-	1.33 Cr	

*Represents the maximum value of facility used at any point in time during the current year by the Joint venture Company. The individual transactions under the bill discounting facility provided to its Joint Venture Company is in the range of 30-120 days period and balances at any point of time have remained within the overall sanction limit of the facility provided to Joint Venture Company.

b. During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies are not prejudicial to the Company's interest.

c. The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

d. There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

e. There were no loans or advance in the nature of loan granted to companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies.

Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

4. Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

5. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable.

Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of certain products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

7. a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities through there has been a slight delay in a few cases.

b. The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statue	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	Sales Tax	Commissioner of Sales Tax (Appeals)	1986-87 to 1987-88, 1994-95 to 2002-03, 2004-05 to 2005-06, 2008-09 to 2010-11, 2013-14 to 2015-16	1.56	0.52
		Sales Tax Appellate Tribunal	1988-89, 1991-92 to 1995-96, 1997-98 to 1999-00, 2002-03 to 2004-05, 2006-07 to 2007-08, 2014-15	1.94	0.85
		Allahabad High Court, Rajasthan High Court, Patna High Court, Madhya Pradesh High Court	1984-85, 1985-86, 2000-01, 2004-05	0.83	0.39
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Commissioner of Sales Tax (Appeals)	2010-11, 2013-14	0.76	0.48
Bihar Finance Act, 1981	Sales Tax	Commissioner of Sales Tax (Appeals)	2000-01	0.78	0.30
		Patna High Court	2001-02	0.46	0.44
Uttar Pradesh Sales Tax Act, 1948, Uttar Pradesh VAT Act, 2008	Sales Tax / Value added Tax	Appellate Tribunal	1991-92, 1993-94 to 1995-96, 1999-00, 2001-02	0.22	0.19
		Allahabad High Court	2000-01	0.43	0.29
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	1990-2000	0.05	0.05
		Rajasthan High Court	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

Name of Statue	Nature of Dues	Forum where it is pending	Period to which it relates	Amount involved (Rs. crores)	Amount unpaid (Rs. crores)
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 Odisha Sales Tax Act, 1947	Value Added Tax	Commissioner of Sales Tax (Appeals)	2000-01	0.01	0.00
The Kerala Value Added Tax 2003	Value Added Tax	Commissioner of Sales Tax (Appeals)	2012-13	0.03	0.03
The Telangana Value Added Tax 2005	Value Added Tax	Commissioner of Sales Tax (Appeals)	2005-06	0.12	0.00
Goods and Service Tax Act 2017	GST	Commissioner of GST (Appeals)	2017-18 to 2018-19	0.31	0.27
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)	2015-16, 2016-17, 2018-19, 2019-20, 2020-21, 2022-23	5.46	-
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2013-14 and 2014-15	0.99	-

8. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

9.a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

d. The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

10. a.The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

b. The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

11. a. No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

12. The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.

13. 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.

14.a. The Company has an internal audit system commensurate with the size and nature of its business.

b. The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

15. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

16.a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

d. There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

17. The Company has not incurred cash losses in the current or preceding financial year.

18. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3 (xviii) of the Order is not applicable to the Company.

19. On the basis of the financial ratios disclosed in note 55 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20.a. In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 51 to the financial statements.

b. All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 51 to the financial statements.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169
UDIN: 22095169AIXNSV3696

Place of Signature: Gurugram
Date: May 13, 2022

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

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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2022, 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
UDIN: 22095169AIXNSV3696

Place of Signature: Gurugram
Date: May 13, 2022

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**1,891.49**	1,888.30
(b) Capital work-in-progress	5	**133.38**	59.78
(c) Intangible assets	7	**327.34**	338.89
(d) Right of use assets	52	**181.80**	196.17
(e) Intangible assets under development	8	**370.80**	250.38
(f) Financial assets			
(i) Investments in subsidiaries & joint ventures	9	**187.31**	68.86
(ii) Other investments	10	**5,337.95**	899.85
(iii) Other financial assets	12	**72.90**	22.75
(g) Non-current tax assets	25	**144.85**	51.33
(h) Other non-current assets	17	**138.93**	103.41
Total non-current assets		**8,786.75**	**3,879.72**
Current assets			
(a) Inventories	13	**898.37**	769.13
(b) Financial assets			
(i) Investments	10	**424.70**	1,076.08
(ii) Loans / Bill discounting	11	**676.79**	459.16
(iii) Trade receivables	14	**492.87**	256.18
(iv) Cash and cash equivalents	15	**26.62**	62.67
(v) Bank balances other than (iv) above	16	**2,671.94**	5,736.24
(vi) Other financial assets	12	**65.70**	214.91
(c) Other current assets	17	**240.81**	170.82
Total current assets		**5,497.80**	**8,745.19**
Total assets		**14,284.55**	**12,624.91**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	**27.34**	27.33
(b) Other equity	19	**10,767.23**	9,677.67
Total equity		**10,794.57**	**9,705.00**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	52	**34.64**	45.97
(ii) Other financial liabilities	20	**14.81**	14.62
(b) Provisions	23	**38.50**	22.56
(c) Deferred tax liabilities (net)	24	**222.86**	221.13
(d) Government grant	26	**63.76**	63.42
(e) Other non-current liabilities	28	**236.54**	123.50
Total non-current liabilities		**611.11**	**491.20**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	**5.98**	-
(ii) Lease liability	52	**12.34**	14.23
(iii) Trade payables	22		
Total outstanding dues of micro and small enterprises		**37.78**	45.83
Total outstanding dues of creditors other than micro and small enterprises		**1,726.68**	1,448.96
(iv) Other financial liabilities	20	**245.77**	197.34
(b) Provisions	23	**149.87**	89.73
(c) Current tax liabilities	25	**231.86**	130.88
(d) Government grant	26	**19.38**	15.61
(e) Contract liability	27	**168.08**	227.24
(f) Other current liabilities	28	**281.13**	258.89
Total current liabilities		**2,878.87**	**2,428.71**
Total liabilities		**3,489.98**	**2,919.91**
Total equity and liabilities		**14,284.55**	**12,624.91**

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 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906

STANDALONE PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from contract with customers		**9,983.10**	8,571.64
Other operating income		**139.76**	47.40
Revenue from operations	29	**10,122.86**	**8,619.04**
Other income	30	**454.28**	452.03
Total Income		**10,577.14**	**9,071.07**
Expenses			
Cost of raw material and components consumed	31	**5,759.44**	5,052.57
Purchases of traded goods	32	**226.18**	204.58
Change in inventories of finished goods, work-in-progress and traded goods	33	**(23.76)**	(154.76)
Employee benefits expense	34	**776.83**	803.95
Finance costs	35	**10.25**	9.20
Depreciation and amortisation expense	36	**445.52**	446.03
Other expenses	37	**1,270.61**	926.19
Total expenses		**8,465.07**	**7,287.76**
Profit before tax		**2,112.07**	1,783.31
Tax expense			
Current tax	38	**521.04**	492.61
Deferred tax	38	**4.81**	(39.00)
Total tax expense		**525.85**	**453.61**
Net profit after tax		**1,586.22**	**1,329.70**
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		**(9.07)**	31.37
Gains/(losses) in cash flow hedges		**0.04**	-
Income tax effect	38	**2.28**	(7.90)
		(6.75)	**23.47**
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		**(3.18)**	0.77
Income tax effect	38	**0.80**	(0.19)
		(2.38)	**0.58**
Total Comprehensive income for the year		**1,577.09**	**1,353.75**
Earnings per equity share of Re. 1 each (in Rs.)			
(a) Basic	44	**58.02**	48.68
(b) Diluted	44	**57.96**	48.61

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 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

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Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A. Equity share capital	Number of Shares	Amount
Balance as at March 31, 2020	**2,73,04,570**	27.30
Changes in equity share capital during the year		
Adjustment for Sub-Division of Equity Shares*	**24,57,41,130**	-
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	**2,90,222**	0.03
Balance as at March 31, 2021	**27,33,35,922**	27.33
Changes in equity share capital during the year		
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	**87,180**	0.01
Balance as at March 31, 2022	**27,34,23,102**	27.34

* Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020.

B. Other equity	Reserves and surplus						Items of OCI		Total equity
Particulars	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserve	Retained earnings	Hedge reserve	Foreign currency translation reserve	Total
Balance as at March 31, 2020	**0.25**	**1.41**	**159.00**	**339.89**	**69.99**	**7,663.16**	**-**	**14.34**	8,248.04
Profit for the year	-	-	-	-	-	1,329.70	-	-	1,329.70
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	0.58	-	23.47	24.05
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,330.28**	**-**	**23.47**	**1,353.75**
Share-based payments (refer note 49)	-	-	-	-	37.49	-	-	-	37.49
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	38.33	-	-	-	-	-	38.33
ESOP expense transferred to subsidiary company	-	-	-	-	0.06	-	-	-	0.06
Transfer to securities premium on issue of shares	-	-	27.67	-	(27.67)	-	-	-	-
Balance as at March 31, 2021	**0.25**	**1.41**	**225.00**	**339.89**	**79.87**	**8,993.44**	**-**	**37.81**	**9,677.67**
Profit for the year	-	-	-	-	-	1,586.22		-	1,586.22
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	(2.38)	0.04	(6.79)	(9.13)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,583.84**	**0.04**	**(6.79)**	**1,577.09**
Share-based payments (refer note 49)	-	-	-	-	(29.34)	-	-	-	(29.34)
Payment of dividend	-	-	-	-	-	(464.67)	-	-	(464.67)
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	6.48	-	-	-	-	-	6.48
Transfer to securities premium on issue of shares	-	-	9.57	-	(9.57)	-	-	-	-
Balance as at March 31, 2022	**0.25**	**1.41**	**241.05**	**339.89**	**40.96**	**10,112.61**	**0.04**	**31.02**	**10,767.23**

See accompanying notes forming part of the financial statements

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	**2,112.07**	1,783.31
Adjustments for:		
Depreciation and amortisation expense	**445.52**	446.03
Gain on disposal of property, plant and equipment	**(0.90)**	(0.40)
Loss on sale of property, plant and equipment	**4.76**	1.92
Dividend from joint venture company	**(27.20)**	-
Net gain on financial instruments at fair value through profit or loss	**(155.30)**	(106.69)
Interest income recognised in profit or loss	**(244.24)**	(310.19)
Expenses recognised in respect of equity-settled share-based payments	**(29.34)**	37.41
Exchange difference on conversion of foreign branch	**(9.07)**	31.37
Gains/(losses) in cash flow hedges	**0.04**	-
Exchange difference on reinstatement of property, plant and equipment	**3.29**	(0.74)
Unrealised foreign exchange difference	**1.18**	2.53
Finance income on lease	**(1.63)**	(1.24)
Gain on exercise of termination option of leases	**-**	(3.25)
Bad debts / advances written off	**1.38**	-
Provision for doubtful debts and advances	**-**	18.12
Finance costs recognized in profit or loss	**10.25**	9.20
Amortisation of premium on bonds	**19.27**	-
Operating profit before changes in working capital	**2,130.08**	**1,907.38**
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	**(2.63)**	8.14
Other assets	**(14.23)**	(21.00)
Adjustments for (increase) / decrease in current assets:		
Inventories	**(129.24)**	(251.08)
Trade receivables	**(239.38)**	(124.14)
Loans	**-**	0.08
Other financial assets	**(8.32)**	(1.88)
Other assets	**(69.99)**	(36.09)
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	**0.19**	1.96
Provisions	**13.53**	0.59
Government grant	**0.34**	3.40
Other liabilities	**113.04**	97.11
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	**278.32**	493.13
Other financial liabilities	**(11.95)**	33.14
Provisions	**56.96**	16.82
Government grant	**3.77**	2.09
Contract liability	**(59.16)**	(122.57)
Other liabilities	**22.24**	123.83
Cash generated from operating activities	**2,083.57**	**2,130.91**
Direct taxes paid	**(513.57)**	(456.61)
Net cash flow from / (used in) operating activities (A)	**1,570.00**	**1,674.31**
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment	**(628.72)**	(520.98)
Proceeds from disposal of property, plant and equipment	**1.61**	16.91
Investment in subsidiary company	**(118.45)**	-
Proceeds from sale of investments	**-**	0.09
Investment in equity shares of a company	**(4.16)**	-
Proceeds from sale of debt mutual funds and bonds	**3,500.29**	5,970.50
Purchases of debt mutual funds and bonds	**(7,130.14)**	(3,983.10)
Investments in fixed deposits	**(3,593.29)**	(4,976.87)
Maturity proceeds from fixed deposits	**6,626.97**	2,145.87
Bill discounting on behalf of a related party (refer note 46)	**(217.63)**	(459.12)
Dividend from joint venture company	**27.20**	-
Interest received	**398.64**	192.17
Net cash flow from / (used in) investing activities (B)	**(1,137.68)**	**(1,614.53)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Interest paid	**(3.47)**	(1.89)
"Proceeds from issue of equity share capital under employee stock option plan / restricted stock units plan (refer note 19C and 49) (including security premium)"	**6.49**	40.36
Lease receivables	**5.06**	(10.83)
Interest on lease liability paid	**(4.37)**	(6.54)
Repayment of lease liabilities	**(13.39)**	(37.21)
Dividend paid	**(464.67)**	-
Net cash flow from / (used in) financing activities (C)	**(474.35)**	**(16.11)**
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**(42.03)**	43.67
Cash and cash equivalents at the beginning of the year	**62.67**	19.00
Cash and cash equivalents at the end of the year	**20.64**	**62.67**

Particulars	As at March 31, 2022	As at March 31, 2021
Components of cash and cash equivalents		
Cash on hand	**0.02**	0.05
Cheques/ drafts on hand	**-**	-
Balances with banks:		
In current accounts	**26.60**	62.62
In deposit accounts with original maturity of less than three months	**-**	-
Cash and cash equivalents as per balance sheet (refer note 15)	**26.62**	**62.67**
Bank overdrafts (refer note 21)	**5.98**	-
Cash and cash equivalents as per balance sheet (refer note 15)	**20.64**	**62.67**

See accompanying notes forming part of the financial statements

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

1. Corporate Information

Eicher Motors Limited ("the Company") is a public company domiciled and incorporated in India under the provisions of the Companies Act, 1956. The Company is engaged in the manufacturing and selling of motorcycles, spare parts and related services. The Company has its registered office at New Delhi, India and its corporate office at Gurugram,

Haryana, India. The Company has its equity shares listed on the BSE Limited and National Stock Exchange of India Limited. The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 13, 2022.

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 from time to time) and the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

2.2 Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. The financial statements are presented in Indian Rupees and all values are rounded to the nearest two decimals of crore, except otherwise indicated.

2.3 Operating cycle

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

3. Significant Accounting Policies

3.1 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

3.2 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

The fair value of an asset or a liability is measured using the assumptions, that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

3.3 Revenue from contract with customers

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

Sale of goods

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

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance (RSA), Free Service Coupons (FSC), etc.). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

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

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section 3.16 Provisions.

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

Agency services

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.17 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Leases

The Company assesses at the contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less

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any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Buildings	2 to 25 years
Land	99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.13 Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset are classified as finance leases.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

In case of finance lease, as a lessor, the company recognises, at the commencement date, assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Interest rate implicit is used to measure the net investment in the lease. Initial direct costs, other than those incurred by the company, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is arrived in such a way that the initial direct costs are included automatically in the net investment in the lease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

(a) fixed payments less any lease incentives payable, (b) variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date; (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee, (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

At the commencement date, as a manufacturer or dealer the Company recognises the following for each of its finance leases:

(a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest; (b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and (c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which Ind AS 115 applies. The company also recognise selling profit or loss on a finance lease at the commencement date, regardless of whether the company transfers the underlying asset as described in Ind AS 115.

The company as a manufacturer or dealer lessor recognises as an expense costs incurred in connection with obtaining a finance lease at the commencement date because they are mainly related to earning the manufacturer or dealer's selling profit. Costs incurred by the company in connection with obtaining a finance lease are excluded from the definition of initial direct costs and, thus, are excluded from the net investment in the lease.

Subsequent measurement:

The company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The finance income is allocated over the lease term on a systematic and rational basis. The company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The company applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The company reviews regularly estimated unguaranteed residual values used in computing the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, the company revises the income allocation over the lease term and recognises immediately any reduction in respect of amounts accrued.

3.5 Foreign currencies

The financial statements are presented in Indian Rupees, which is also the functional currency of the Company. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Transactions in foreign currencies are initially recorded by the foreign operation at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operation, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for practical reasons, the Company uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

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

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are initially recognised in the financial statements of the Company in the other comprehensive income.

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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 Other Comprehensive Income (OCI).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Government grants

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

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

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.

3.8 Retirement and other employee benefits

Provident fund

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

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

(ii) The employees, who are not covered under the scheme stated in 3.8 (i) above, are covered in a defined contribution scheme wherein their portion of provident fund is contributed to the government administered provident fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

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

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement

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

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

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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.

3.9 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. 49.

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.

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (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.

3.11 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Freehold land is not depreciated.

Capital work in progress is stated at cost, net of impairment loss, if any. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act as provided below and except in respect of moulds and dies which are depreciated over their estimated useful life of 1 to 7 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The useful lives for various property, plant and equipment are given below:

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

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

3.12 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately and intangible assets not yet available for use are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Internally-generated intangible assets - research and development expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

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- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 5 to 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 3 years or less depending on the estimated useful life of asset. The useful lives for intangible assets are given below:

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

3.13 Impairment of non-financial assets

At the end of each reporting period, the Company assesses, whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash- generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments

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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.

3.14 Investment property

Investment property is a property held to earn rentals and capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model. The Company depreciates building component of investment property over 30 years from the date of capitalisation.

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

3.15 Inventories

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

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

3.16 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 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.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

3.17 Financial instruments

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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3.18 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss or fair value through other comprehensive income, depending on the classification of the financial assets.

Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

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

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

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

Investments in subsidiaries and joint ventures are carried at cost in the separate financial statements.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

3.19 Financial liabilities and equity instruments

Classification as financial liability or equity

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

Equity instruments

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

Financial liabilities

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in the other comprehensive income. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.20 Derivative instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to

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profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability."

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, , the hedged item, the nature of the risk being hedged, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Company designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

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 Company'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 Company are segregated based on the available information.

3.23 Cash dividend

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India a distribution is authorised when it is approved by the shareholders, However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

3.24 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 equipments	Vehicles	Total
Cost							
At March 31, 2020	**85.95**	**778.13**	**1,926.54**	**33.92**	**186.61**	**76.09**	**3,087.24**
Additions	-	22.58	171.17	3.67	31.29	17.55	246.26
Disposals	-	2.12	15.77	0.47	16.32	4.62	39.30
Transfer from Investment property (refer note 6)	-	10.12	-	-	-	-	10.12
Adjustments (Exchange difference)	-	4.80	4.78	0.12	1.57	1.08	12.35
At March 31, 2021	**85.95**	**813.51**	**2,086.72**	**37.24**	**203.15**	**90.10**	**3,316.67**
Additions	-	15.72	286.64	1.29	29.23	29.82	362.70
Disposals	-	1.45	48.54	2.24	7.96	11.33	71.52
Adjustments (Exchange difference)	-	(1.01)	(1.02)	(0.03)	(0.32)	(0.29)	(2.67)
At March 31, 2022	**85.95**	**826.77**	**2,323.80**	**36.26**	**224.10**	**108.30**	**3,605.18**
Accumulated depreciation							
At March 31, 2020	**-**	**102.79**	**839.85**	**15.36**	**99.30**	**33.34**	**1,090.64**
Charge for the year	-	35.77	259.83	4.66	33.15	15.18	348.59
Disposals	-	1.78	14.17	0.26	1.89	2.78	20.88
Transfer from Investment property (refer note 6)	-	6.96	-	-	-	-	6.96
Adjustments (Exchange difference)	-	0.50	1.01	0.05	0.97	0.53	3.06
At March 31, 2021	**-**	**144.24**	**1,086.52**	**19.81**	**131.53**	**46.27**	**1,428.37**
Charge for the year	-	34.86	259.36	4.39	35.74	18.07	352.42
Disposals	-	1.30	47.12	1.60	7.73	8.30	66.05
Adjustments (Exchange difference)	-	(0.18)	(0.28)	(0.02)	(0.32)	(0.25)	(1.05)
At March 31, 2022	**-**	**177.62**	**1,298.48**	**22.58**	**159.22**	**55.79**	**1,713.69**
Carrying amount							
At March 31, 2021	85.95	669.27	1,000.20	17.43	71.62	43.83	1,888.30
At March 31, 2022	**85.95**	**649.15**	**1,025.32**	**13.68**	**64.88**	**52.51**	**1,891.49**

Immovable property not held in the name of the Company

Description of item of property	Property location	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold land	Alwar, Rajasthan and Jhajjar, Haryana	0.74	Eicher Tractors Ltd.	No	August 2, 2004	The properties were acquired through Group restructuring and the Company is taking necessary steps to get the properties registered in its name.

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5. Capital work-in-progress

Particulars				As at March 31, 2022	As at March 31, 2021
Capital work-in-progress*				**133.38**	59.78
				133.38	59.78

As at March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	**110.14**	**18.34**	**0.12**	**-**	**128.60**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Other Capital work-in-progress	**3.41**	**1.13**	**0.24**	**-**	**4.78**
Total	**113.55**	**19.47**	**0.36**	**-**	**133.38**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022

As at March 31, 2021

Particulars	<1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	54.87	0.51	0.92	**-**	56.30
Projects temporarily suspended	-	-	-	**-**	-
Other Capital work-in-progress	3.13	0.35	-	**-**	3.48
Total	**58.00**	**0.86**	**0.92**	**-**	**59.78**

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021

* Capital work in progress as at March 31, 2022 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed.

6. Investment property

Particulars	Building	Total
Cost		
At March 31, 2020	**10.12**	10.12
Additions	**-**	-
Disposals	**-**	-
Transfer to self occupied property (refer note 4)	**(10.12)**	(10.12)
At March 31, 2021	**-**	**-**
Additions	**-**	-
Disposals	**-**	-
At March 31, 2022	**-**	**-**
Accumulated depreciation		
At March 31, 2020	**6.96**	6.96
Charge for the year	**-**	-
Disposals	**-**	-
Transfer to self occupied property (refer note 4)	**(6.96)**	(6.96)
At March 31, 2021	**-**	-
Charge for the year	**-**	-
Disposals	**-**	-
At March 31, 2022	**-**	**-**
Carrying amount		
At March 31, 2021	**-**	-
At March 31, 2022	**-**	**-**

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7. Intangible assets

Particulars	Product designs, prototypes etc.	Computer softwares	Total
Cost			
At March 31, 2020	198.08	92.90	290.98
Additions	178.48	42.29	220.77
Disposals / write off	-	0.29	0.29
Adjustments (Exchange difference)	8.38	0.62	9.00
At March 31, 2021	**384.94**	**135.52**	**520.46**
Additions	36.35	30.98	67.33
Disposals / write off	-	0.06	0.06
Adjustments (Exchange difference)	(2.95)	(0.14)	(3.09)
At March 31, 2022	**418.34**	**166.30**	**584.64**
Accumulated amortisation			
At March 31, 2020	44.63	61.52	106.15
Charge for the year	49.51	23.29	72.80
Disposals / write off	-	0.27	0.27
Adjustments (Exchange difference)	2.30	0.59	2.89
At March 31, 2021	**96.44**	**85.13**	**181.57**
Charge for the year	46.46	30.76	77.22
Disposals / write off	-	0.06	0.06
Adjustments (Exchange difference)	(1.29)	(0.14)	(1.43)
At March 31, 2022	**141.61**	**115.69**	**257.30**
Carrying amount			
At March 31, 2021	288.50	50.39	338.89
At March 31, 2022	**276.73**	**50.61**	**327.34**

8. Intangible assets under development

Particulars				As at March 31, 2022	As at March 31, 2021
Intangible assets under development*				**370.80**	250.38
				370.80	**250.38**
As at March 31, 2022					
Particulars	**<1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Projects in progress	132.13	86.65	65.93	86.09	**370.80**
Projects temporarily suspended	-	-	-	-	**-**
Other Intangible assets under development	-	-	-	-	**-**
Total	**132.13**	**86.65**	**65.93**	**86.09**	**370.80**
There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022					
As at March 31, 2021					
Particulars	**<1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Projects in progress	94.27	68.09	42.07	45.95	**250.38**
Projects temporarily suspended	-	-	-	-	**-**
Other Intangible assets under development	-	-	-	-	**-**
Total	**94.27**	**68.09**	**42.07**	**45.95**	**250.38**
There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021					

* 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, 2022 Non-Current	As at March 31, 2021 Non-Current
Unquoted Investments		
(a) Investment in equity instruments of subsidiary companies (at cost)		
7,90,41,569 (March 31, 2021 : 47,13,569) shares of Brasilian Real 1 each fully paid up of Royal Enfield Brasil Comércio de Motocicletas Ltda	**121.01**	9.82
1,00,000 (March 31, 2021 : 1,00,000) shares of Royal Enfield North America Limited (no face value)	**34.17**	34.17
2,29,50,000 (March 31, 2021 : 1,67,50,000) shares of Thai Bhat 5 each fully paid up of Royal Enfield (Thailand) Limited	**25.76**	18.50
10,000 (March 31, 2021 : 10,000) shares of GBP 10 each fully paid up of Royal Enfield UK Limited	**0.93**	0.93
Sub-total (A)	**181.87**	**63.42**
(b) Investment in equity instruments of joint venture companies (at cost)		
54,40,000 (March 31, 2021 : 54,40,000) Equity shares of Rs.10 each fully paid up of VE Commercial Vehicles Limited	**5.44**	5.44
32,54,89,000 (March 31, 2021 : 32,54,89,000) Equity shares of Rs.10 each fully paid up of Eicher Polaris Private Limited	**325.49**	325.49
Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013)*	**-**	-
Sub-total	**330.93**	**330.93**
Less: Impairment in value of investments in Eicher Polaris Private Limited	**(325.49)**	(325.49)
Sub-total (B)	**5.44**	**5.44**
Total (A+B)	**187.31**	**68.86**

* 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.

Financial Assets :

10. Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-Current	**Current**	**Non-Current**	**Current**
Unquoted Investments				
(a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL)				
16,80,000 (March 31, 2021 : 16,80,000) Equity shares of Rs. 10 per share fully paid up of Suryadev Alloys and Power Private Limited	**5.04**	**-**	5.04	-
(b) Investment in equity instruments of companies at fair value through profit or loss (FVTPL)				
5,20,000 (March 31, 2021 : Nil) Equity shares of Rs. 10 per share fully paid up of Flamesun Solar Private Limited	**4.16**	**-**	-	-
Sub-total (A)	**9.20**	**-**	**5.04**	**-**
Quoted Investments				
(c) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	5,058.06	331.50	827.33	1,065.74
Sub-total (B)	**5,058.06**	**331.50**	**827.33**	**1,065.74**
(d) Investment in bonds carried at amortized cost	270.69	93.20	67.48	10.34
Sub-total (C)	**270.69**	**93.20**	**67.48**	**10.34**
Total (A+B+C)	**5,337.95**	**424.70**	**899.85**	**1,076.08**
Aggregate carrying value of quoted investments	**5,328.75**	**424.70**	894.81	1,076.08
Aggregate market value of quoted investments	**5,337.57**	**426.04**	900.59	1,076.01
Aggregate carrying value of unquoted investments	**9.20**	**-**	5.04	-
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	**9.20**	**-**	5.04	-
Quoted				
Investment in mutual funds	**5,058.06**	331.50	827.33	1,065.74
Financial assets carried at amortized cost				
Quoted				
Investment in bonds	**270.69**	93.20	67.48	10.34

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11. Loans / Bill discounting

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good		
Loans to employees	**0.04**	0.04
Bill discounting on behalf of a related party# (refer note 46)	**676.75**	459.12
Total	**676.79**	**459.16**

Disclosure required under Sec 186(4) of the Companies Act, 2013

Represents bills discounted to vendors of VECV at 6.65% to 10.5% per annum and the credit period is 30 to 120 days. The balances at any point in time have remained within the overall sanction limit.

12. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Security deposits	**18.39**	15.76
Bank deposits with remaining maturity greater than twelve months	**47.76**	-
Lease receivables (refer note 52)	**6.75**	6.99
Total	**72.90**	**22.75**
Current		
Unsecured, considered good		
Insurance claim receivable	**8.76**	2.40
Interest accrued on fixed deposits and bonds	**50.23**	204.63
Lease receivables (refer note 52)	**1.89**	5.08
Derivative asset	**0.06**	-
Others	**4.76**	2.80
Total	**65.70**	**214.91**

13. Inventories (At lower of cost and net realizable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials [includes in transit Rs. 48.57 crores (previous year Rs. 24.43 crores)]	**381.32**	280.88
Work in progress	**41.62**	39.42
Finished goods	**369.52**	345.08
Traded goods	**78.81**	81.69
Stores and spares	**17.47**	17.38
Loose tools	**9.63**	4.68
Total	**898.37**	**769.13**

Inventories are net of non-moving/slow-moving provisions amounting to Rs. 50.61 crores (March 31, 2021 : Rs. 5.33 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 3.15.

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14. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	**294.52**	150.18
Receivables from related parties (refer note 46)	**198.35**	106.00
Total	**492.87**	**256.18**
Current		
Considered good - secured	**116.04**	54.31
Considered good - unsecured	**376.83**	201.87
Receivables - credit impaired	**2.10**	0.74
Trade receivables	**494.97**	256.92
Less: Provision for doubtful receivables	**(2.10)**	(0.74)
Total	**492.87**	**256.18**

Trade receivables ageing **As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment						
	Not due	> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	Total
Undisputed trade receivables - considered good	**417.02**	**65.33**	**4.91**	**2.49**	**1.40**	**1.72**	**492.87**
Undisputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undisputed trade receivables - credit impaired	**-**	**0.70**	**0.02**	**0.05**	**0.21**	**0.35**	**1.33**
Disputed trade receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - credit impaired	**-**	**-**	**0.02**	**-**	**0.67**	**0.08**	**0.77**
Total	**417.02**	**66.03**	**4.95**	**2.54**	**2.28**	**2.15**	**494.97**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	Total
Undisputed trade receivables - considered good	217.90	33.34	0.90	1.57	0.43	1.37	255.51
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	0.09	0.17	0.05	0.18	0.17	0.66
Disputed trade receivables - considered good	-	-	-	0.67	-	-	0.67
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	0.08	0.08
Total	**217.90**	**33.43**	**1.07**	**2.29**	**0.61**	**1.62**	**256.92**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule

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

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

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

For terms and condition for related party sales refer note 46.

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15. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	**0.02**	0.05
Balances with banks:		
In current accounts	**26.60**	62.62
Total	**26.62**	**62.67**

At March 31 2022, the Company had available Rs. 94.02 crores (March 31, 2021: Rs. 100 crores) of undrawn borrowing facilities. The Company has pledged a part of its fixed deposits to fulfil collateral requirements.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	**0.02**	0.05
Balances with banks:		
In current accounts	**26.60**	62.62
Total	**26.62**	**62.67**
Bank overdrafts (refer note 21)	**5.98**	-
Cash and cash equivalents as per statement of cash flows Total	**20.64**	**62.67**

Changes in liabilities arising from financing activities

Particulars	April 1, 2021	Net cash flows	Others	March 31, 2022
Lease receivables	**12.07**	**(5.06)**	**1.34**	**8.35**
Obligation under finance lease	**60.20**	**(17.76)**	**4.54**	**46.98**
Total liabilities from financing activities	**72.27**	**(22.83)**	**5.88**	**55.33**

Particulars	April 1, 2020	Net cash flows	Others	March 31, 2021
Lease receivables	-	10.83	1.24	12.07
Obligation under finance lease	100.66	(43.75)	3.29	60.20
Total liabilities from financing activities	**100.66**	**(32.92)**	**4.53**	**72.27**

16. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
In unpaid dividend accounts	**14.65**	14.26
Unspent CSR accounts	**16.75**	-
On deposit accounts		
- Original maturity between three and twelve months	**617.91**	755.75
- Original maturity greater than twelve months	**2,022.63**	4,966.23
Total	**2,671.94**	**5,736.24**

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17. Other assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Capital advances	**97.41**	76.12
Prepaid expenses	**30.60**	20.40
Balance with government authorities	**10.92**	6.89
Total	**138.93**	**103.41**
Current		
Unsecured, considered good		
Other advances		
Advance to suppliers		
Considered good	**133.78**	94.34
Considered doubtful	**18.00**	18.00
	151.78	112.34
Less: Provision for doubtful balance	**(18.00)**	(18.00)
	133.78	94.34
Advance to employees	**4.33**	4.44
Prepaid expenses	**37.51**	28.11
Balance with government authorities		
Considered good	**46.98**	41.67
Considered doubtful	**1.11**	1.11
	48.09	42.78
Less: Provision for doubtful balance	**(1.11)**	(1.11)
	46.98	41.67
Government grant receivable	**18.21**	2.26
Total	**240.81**	**170.82**

18. Share capital

(a) Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized Equity share capital		
30,00,00,000 Equity shares of Re. 1 each (March 31, 2021 : 30,00,00,000 Equity shares of Re. 1 each)	**30.00**	30.00
Total	**30.00**	**30.00**
Issued, subscribed and fully paid up		
27,34,23,102 Equity shares of Re. 1 each (March 31, 2021 : 27,33,35,922 Equity shares of Re. 1 each)	**27.34**	27.33
Total	**27.34**	**27.33**

The Company has only one class of equity shares having a par value of Re. 1 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.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020.

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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, 2022		For the year ended March 31, 2021	
	Nos.	Rs. in crores	Nos.	Rs. in crores
At the beginning of the year	**27,33,35,922**	**27.33**	2,73,04,570	27.30
Adjustment for Sub-Division of Equity Shares	**-**	**-**	24,57,41,130	-
Issued during the year - ESOP (refer note 49)	**87,180**	**0.01**	2,90,222	0.03
Outstanding at the end of the year	**27,34,23,102**	**27.34**	27,33,35,922	27.33

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

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust				
At the beginning of the year	**12,03,06,480**	**44.00%**	1,20,30,648	4.40%
Adjustment for Sub-Division of Equity Shares	**-**	**-**	10,82,75,832	39.61%
Outstanding at the end of the year	**12,03,06,480**	**44.00%**	12,03,06,480	44.01%

(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 49.

(b) Preference share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized Preference share capital		
1,01,000 (March 31, 2021 : 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.

(c) Details of shares held by promoters

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 1 each fully paid					
Ms. Simran Lal	**31,52,410**	**-**	**31,52,410**	**1.15%**	**0.00%**
Ms. Tara Lal	**31,49,940**	**-**	**31,49,940**	**1.15%**	**0.00%**
Mr. Siddhartha Lal	**29,46,940**	**-**	**29,46,940**	**1.08%**	**0.00%**
The Simran Siddhartha Tara Benefit Trust (Trustee- Vikram Lal)	**12,03,06,480**	**-**	**12,03,06,480**	**44.00%**	**(0.01%)***
The Brinda Lal Trust, Trustee- Vikram Lal	**48,57,070**	**-**	**48,57,070**	**1.78%**	**0.00%**
Karvansarai Investments Private Limited	**1,51,430**	**-**	**1,51,430**	**0.06%**	**0.00%**
Total	**13,45,64,270**	**-**	**13,45,64,270**	**49.22%**	**0.00%**

*Change in shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan 2006 and Restricted Stock Unit Plan 2019, during the FY 2021-22.

As at March 31, 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 1 each fully paid					
Ms. Simran Lal	31,52,410	-	31,52,410	1.15%	0.00%
Ms. Tara Lal	31,49,940	-	31,49,940	1.15%	0.00%
Mr. Siddhartha Lal	29,46,940	-	29,46,940	1.08%	0.00%
The Simran Siddhartha Tara Benefit Trust (Trustee- Vikram Lal)	12,03,06,480	-	12,03,06,480	44.01%	(0.05%)*
The Brinda Lal Trust, Trustee- Vikram Lal	48,57,070	-	48,57,070	1.78%	0.00%
Karvansarai Investments Private Limited	1,51,430	-	1,51,430	0.06%	0.00%
Total	**13,45,64,270**	**-**	**13,45,64,270**	**49.23%**	**0.00%**

*Change in shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan 2006 and Restricted Stock Unit Plan 2019, during the FY 2020-21.

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19. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserves	**0.25**	0.25
Capital redemption reserve	**1.41**	1.41
Securities premium	**241.05**	225.00
General reserves	**339.89**	339.89
Share based payments reserve	**40.96**	79.87
Foreign currency translation reserve	**31.02**	37.81
Hedge reserve	**0.04**	0.00
Retained earnings	**10,112.61**	8,993.44
Total	**10,767.23**	**9,677.67**

Particulars	As at March 31, 2022	As at March 31, 2021
A Capital reserve		
Opening balance	**0.25**	0.25
Add / Less: Movement during the year	**-**	-
Closing balance	**0.25**	**0.25**

Particulars	As at March 31, 2022	As at March 31, 2021
B Capital redemption reserve		
Opening balance	**1.41**	1.41
Add / Less: Movement during the year	**-**	-
Closing balance	**1.41**	**1.41**

The Capital redemption reserve was created at the time of buy back of shares. The Company can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	As at March 31, 2022	As at March 31, 2021
C Securities premium		
Opening balance	**225.00**	159.00
Add : Proceeds from issue of equity shares	**6.48**	38.33
Add : Transferred from share options outstanding account	**9.57**	27.67
Closing balance	**241.05**	**225.00**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2022	As at March 31, 2021
D General reserves		
Opening balance	**339.89**	339.89
Add: Amount transferred from retained earnings	**-**	-
Closing balance	**339.89**	**339.89**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

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Particulars	As at March 31, 2022	As at March 31, 2021
E Share based payments reserve		
Opening balance	**79.87**	69.99
Add : ESOP expense during the year	**(29.34)**	37.49
Add : ESOP expense transferred to subsidiary company	**-**	0.06
Less : Transferred to securities premium on issue of shares	**9.57**	27.67
Closing balance	**40.96**	**79.87**

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 49.

Particulars	As at March 31, 2022	As at March 31, 2021
F Foreign currency translation reserve		
Opening balance	**37.81**	14.34
Add : Exchange differences in translation of foreign operations	**(6.79)**	23.47
Closing balance	**31.02**	**37.81**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Particulars	As at March 31, 2022	As at March 31, 2021
G Hedge reserve		
Opening balance	**-**	-
Add: Gain/(loss) recognised on cash flow hedges	**0.04**	-
Closing balance	**0.04**	**-**

The Company uses hedging instruments as part of its management of foreign currency risk associated with trade receivables. For hedging foreign currency risk, the Company uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges are reclassified to the statement of profit and loss when the hedged item affects profit or loss.

Particulars	As at March 31, 2022	As at March 31, 2021
H Retained earnings		
Opening balance	**8,993.44**	7,663.16
Add: Profit for the year	**1,586.22**	1,329.70
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	**(2.38)**	0.58
Less: Dividend for FY 2020-21 paid in FY 2021-22 (amount per share Rs. 17)	**464.67**	-
Total appropriations	**464.67**	-
Balance at end of year	**10,112.61**	**8,993.44**

Financial Liabilities :

20. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits received	**14.81**	14.62
Total	**14.81**	**14.62**
Current		
Employee dues	**112.40**	117.73
Capital creditors	**72.97**	54.72
Unpaid dividend *	**14.65**	14.26
Unspent CSR liabilities (refer note 51)	**41.72**	-
Provision for constructive obligation towards the discontinued operations of a joint venture	**4.01**	4.01
Derivative liabilities	**0.02**	-
Others	**-**	6.62
Total	**245.77**	**197.34**

* 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, 2022	As at March 31, 2021
Secured		
- From bank		
Overdraft facility	**5.98**	**-**
Total	**5.98**	**-**

Secured overdraft facility carries interest @ 5.40% per annum as at March 31, 2022

22. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 42)	**37.78**	45.83
Sub-total (A)	**37.78**	**45.83**
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances		
Other trade payables	**1,651.82**	1,392.22
Trade payables to related parties (refer note 46)	**74.86**	56.74
Sub-total (B)	**1,726.68**	**1,448.96**
Total (A+B)	**1,764.46**	**1,494.79**

For terms and conditions pertaining to related party dues, refer note 46

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	<1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	**-**	**37.78**	**-**	**-**	**-**	**37.78**
Total outstanding dues of creditors other than micro enterprises and small enterprises	**699.09**	**1,027.55**	**-**	**-**	**-**	**1,726.64**
Disputed dues of micro enterprises and small enterprises	**-**	**-**	**-**	**-**	**-**	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	**-**	**0.04**	**-**	**-**	**-**	**0.04**
Total	**699.09**	**1,065.37**	**-**	**-**	**-**	**1,764.46**

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As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	<1 year	1 - 2 years	2 - 3 years	>3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	45.83	-	-	-	45.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	598.15	846.78	-	-	-	1,444.93
Disputed dues of micro enterprises and small enterprises		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	4.03	-	-	-	4.03
Total	**598.15**	**896.64**	**0.00**	**0.00**	**0.00**	**1,494.79**

Terms and conditions of the above financial liabilities:

For terms and conditions pertaining to related party dues, refer note 46

23. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Employee benefits - refer note (i) below	**7.35**	6.07
Warranties - refer note (ii) below	**31.15**	16.49
Total	**38.50**	**22.56**
Current		
Employee benefits - refer note (i) below		
Compensated absences	**18.42**	15.93
Other employee benefits	**0.22**	0.09
Sub-total (A)	**18.64**	**16.02**
Warranties - refer note (ii) below	**105.36**	73.71
Onerous contract - refer note (ii) below	**25.87**	-
Sub-total (B)	**131.23**	**73.71**
Total (A+B)	**149.87**	**89.73**

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.

(ii) Movement in warranties and onerous contract provisions

As at March 31, 2022

Particulars	Warranties	Onerous contract
Opening balance	**90.20**	**-**
Arising during the year	**92.76**	**25.87**
Amount utilized during the year	**48.86**	**-**
Unwinding of discount and changes in the discount rate	**2.41**	**-**
Closing balance	**136.51**	**25.87**

As at March 31, 2021

Particulars	Warranties	Onerous contract
Opening balance	77.44	-
Arising during the year	53.24	-
Amount utilized during the year	41.25	-
Unwinding of discount and changes in the discount rate	0.77	-
Closing balance	90.20	-

The provision for warranty claims represents the present value of the management's best estimate of the future economic costs that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

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24. Deferred tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	**228.15**	205.33
Investments measured at FVTPL	**41.66**	36.12
Others	**8.17**	8.04
Sub-total (A)	**277.98**	**249.49**
Less: Deferred tax assets on		
Accrued expenses deductible on payment	**1.23**	1.18
Deferred revenue	**33.35**	11.90
Provision for compensated absences and other employee benefits	**4.64**	4.01
Provision for doubtful debts and advances	**6.39**	5.40
Lease	**2.41**	3.18
Others	**7.10**	2.69
Sub-total (B)	**55.12**	**28.36**
Total (A-B)	**222.86**	**221.13**

As at March 31, 2022

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	**205.33**	**22.82**	**-**	**228.15**
Investments measured at FVTPL	**36.12**	**5.54**	**-**	**41.66**
Others	**8.04**	**0.13**	**-**	**8.17**
Sub-total (A)	**249.49**	**28.49**	**-**	**277.98**
Less: Deferred tax assets on				
Accrued expenses deductible on payment	**1.18**	**0.05**	**-**	**1.23**
Deferred revenue	**11.90**	**21.45**	**-**	**33.35**
Provision for compensated absences and other employee benefits	**4.01**	**0.63**	**-**	**4.64**
Exchange differences in translating the financial statements of foreign operations	**-**	**(2.28)**	**2.28**	**-**
Remeasurement of defined benefit obligation	**-**	**(0.80)**	**0.80**	**-**
Provision for doubtful debts and advances	**5.40**	**0.99**	**-**	**6.39**
Lease	**3.18**	**(0.77)**		**2.41**
Others	**2.69**	**4.41**	**-**	**7.10**
Sub-total (B)	**28.36**	**23.68**	**3.08**	**55.12**
Total (A-B)	**221.13**	**4.81**	**(3.08)**	**222.86**

Movement of deferred tax liabilities/assets

As at March 31, 2021

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	193.63	11.70	-	205.33
Investments measured at FVTPL	75.17	(39.05)	-	36.12
Others	2.66	5.38	-	8.04
Sub-total (A)	**271.46**	**(21.97)**	**-**	**249.49**
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.11	0.07	-	1.18
Deferred revenue	8.50	3.40	-	11.90
Provision for compensated absences and other employee benefits	3.10	0.91	-	4.01
Exchange differences in translating the financial statements of foreign operations	-	7.90	(7.90)	-
Remeasurement of defined benefit obligation	-	0.19	(0.19)	-
Provision for doubtful debts and advances	0.43	4.97	-	5.40
Lease	3.81	(0.63)	-	3.18
Others	2.47	0.22	-	2.69
Sub-total (B)	**19.42**	**17.03**	**(8.09)**	**28.36**
Total (A-B)	**252.04**	**(39.00)**	**8.09**	**221.13**

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25. Current tax liabilities / Non-current tax assets

Particulars	As at March 31, 2022	As at March 31, 2021
Tax liabilities		
Provision for current tax (net)	**231.86**	130.88
Total	**231.86**	**130.88**
Tax assets		
Advance income tax (net)	**144.85**	51.33
Total	**144.85**	**51.33**

26. Government grant

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	**63.76**	63.42
Total	**63.76**	**63.42**
Current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	**19.38**	15.61
Total	**19.38**	**15.61**

(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 and Department for Her Majesty's Revenue & Customs.

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 recognized in statement of profit and loss on a systematic basis over the useful life of the related fixed assets.

(ii) Movement in Government grant

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**79.03**	73.54
Additions during the year	**80.16**	31.57
Amount recognised as income during the year	**76.05**	26.08
Closing balance	**83.14**	79.03

27. Contract liability

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Contract liability	**168.08**	227.24
Total	**168.08**	**227.24**

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28. Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred revenue	**236.54**	123.50
Total	**236.54**	**123.50**
Current		
Advance from customers	**147.64**	136.99
Deferred revenue	**49.38**	47.29
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	**74.86**	65.16
Others	**9.25**	9.45
Total	**281.13**	**258.89**

29. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations		
Revenue from contract with customers (Goods transferred at a point in time)		
Manufactured goods	**9,329.98**	8,079.09
Traded goods	**594.56**	440.78
Revenue from contract with customers (Services transferred over time)		
Others	**58.56**	51.77
Sub-total (A)	**9,983.10**	**8,571.64**
Other operating revenue		
Government grant (Export incentives)	**76.05**	26.08
Scrap sale	**25.76**	17.82
Income from other operating revenues	**37.95**	3.50
Sub-total (B)	**139.76**	47.40
Total (A+B)	**10,122.86**	**8,619.04**

Also refer accounting policy 3.3 on Revenue from contract with customers

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Details of products sold		
Manufactured goods		
Two wheelers	**8,567.42**	7,531.93
Spare parts and other components	**762.56**	547.16
Total	**9,329.98**	**8,079.09**
Traded goods		
Accessories and other allied products	**594.56**	440.78
Total	**594.56**	**440.78**
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	**10,148.04**	8,731.74
Adjustments:		
- Trade Discount	**53.50**	34.28
- Incentives	**42.66**	56.43
- Deferral of revenue (FSC, RSA) and others	**68.78**	69.39
Total	**9,983.10**	**8,571.64**

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Contract Balances

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	**492.87**	256.18
Contract liabilities	**168.08**	227.24
Amount of Revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	**227.24**	349.81

30. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on financial assets carried at amortized cost		
Bank deposits and bonds	**208.11**	299.97
Discount on bills (refer note 46)	**34.28**	9.52
Others	**1.85**	0.70
	244.24	**310.19**
Dividend income		
Dividend from joint venture company	**27.20**	-
	27.20	**-**
Other non-operating income		
Gain on financial instruments at fair value through profit or loss (mutual funds)	**155.30**	106.69
Other income	**25.30**	28.26
Profit on sale of property, plant and equipment	**0.90**	0.40
Finance income on lease	**1.34**	1.24
Gain on exercise of termination option of leases	**-**	3.25
Exchange gain (net)	**-**	2.00
	182.84	**141.84**
Total	**454.28**	**452.03**

31. Cost of raw material and components consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	**280.88**	185.94
Add: Purchases	**6,023.28**	5,445.39
	6,304.16	**5,631.33**
Less: Inventory at the end of the year	**381.32**	280.88
Less: Material cost of vehicles capitalized	**3.01**	1.68
	5,919.83	**5,348.77**
Less: Sale of raw materials to suppliers on cost to cost basis	**160.39**	296.20
Total	**5,759.44**	**5,052.57**

32. Purchases of traded goods

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accessories and other allied products	**226.18**	204.58
Total	**226.18**	**204.58**

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33. Change in inventories of finished goods, work-in-progress and traded goods

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Finished goods	**369.52**	345.08
Work-in-progress	**41.62**	39.42
Traded goods	**78.81**	81.69
A	**489.95**	**466.19**
Inventories at the beginning of the year		
Finished goods	**345.08**	225.66
Work-in-progress	**39.42**	42.29
Traded goods	**81.69**	43.48
B	**466.19**	**311.43**
Net change (B-A)	**(23.76)**	**(154.76)**

34. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	**734.11**	699.45
Contribution to provident and other funds (refer note 43)	**24.39**	23.57
Share-based payments (refer note 49)	**(29.34)**	37.41
Staff welfare expenses	**47.67**	43.52
Total	**776.83**	**803.95**

35. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
On other borrowings	**3.47**	1.89
Unwinding of discount on provisions	**2.41**	0.77
Interest on lease liabilities (refer note 52)	**4.37**	6.54
Total	**10.25**	**9.20**

36. Depreciation and amortization expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 4)	**352.88**	348.59
Amortization of intangible assets (refer note 7)	**76.76**	72.80
Amortization of right of use assets (refer note 52)	**15.88**	24.64
Total	**445.52**	**446.03**

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37. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of Stores and machinery spares (including loose tools and packing material)	**198.30**	139.31
Loss on sale of property, plant and equipment and intangible assets	**4.76**	1.92
Power and fuel	**55.71**	52.94
Insurance	**28.91**	23.82
Repairs and maintenance		
Buildings	**3.28**	3.76
Plant and equipment	**48.28**	43.80
Others	**81.19**	63.18
Rates and taxes	**3.75**	3.99
Advertisement	**16.63**	8.74
Freight and handling charges	**149.25**	104.87
Provision for warranty and onerous contract	**118.54**	53.87
Other selling and distribution expenses	**274.82**	175.42
Expense related to short term leases	**22.97**	11.43
Legal and professional charges*	**64.02**	53.28
Travelling expenses	**46.72**	31.52
Development expenses	**11.53**	8.75
Corporate social responsibility expenditure (refer note 51)	**52.71**	56.37
Provision for doubtful debts and advances (including write off)	**1.38**	18.29
Exchange loss (net)	**6.07**	-
Miscellaneous expenses	**81.79**	70.93
Total	**1,270.61**	**926.19**

*** Including payment to auditors as below (excluding GST) :-**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditors:		
a) For audit	**0.40**	0.35
b) For limited reviews of unaudited financial results	**0.23**	0.23
c) For other services	**0.09**	0.18
d) For reimbursement of expenses	**-**	0.00
Total	**0.72**	**0.76**
In other capacity:		
a) For other services	**0.12**	0.12
Total	**0.12**	**0.12**

38. Income tax recognized in Statement of profit and loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	**521.04**	492.61
Sub-total (A)	**521.04**	**492.61**
Deferred tax		
Relating to origination and reversal of temporary differences	**4.81**	(39.00)
Sub-total (B)	**4.81**	**(39.00)**
Total income tax expense recognized in the current year		
Total (A+B)	**525.85**	**453.61**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**2,112.07**	1,783.31
Income tax expense calculated at 25.168% (previous year @ 25.168%)	**531.57**	448.82
Effect on long-term capital gain from investment in mutual funds	**(16.81)**	18.71
Effect of ESOP expenses not deductible in determining taxable profits	**(7.38)**	9.42
Effect of income exempt from taxation	**(6.46)**	(0.78)
Effect of mark to market on mutual funds	**11.43**	(39.49)
Effect of CSR Expenses	**13.27**	14.19
Others	**0.23**	2.74
	525.85	453.61
Income tax expense recognized in statement of profit and loss	**525.85**	453.61
Income tax rate :		
Basic rate	**22.000%**	22.000%
Surcharge - 10% (applied on basic rate)	**2.200%**	2.200%
Cess - 4% (applied on basic plus surcharge)	**0.968%**	0.968%
	25.168%	**25.168%**

Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax charge/(benefit)		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	**(2.28)**	7.90
Remeasurement of defined benefit obligation	**(0.80)**	0.19
Total income tax recognized in other comprehensive income	**(3.08)**	**8.09**
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that may be reclassified to profit or loss	**(2.28)**	7.90
Items that will not be reclassified to profit or loss	**(0.80)**	0.19
Total	**(3.08)**	**8.09**

39. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

Recoverability of intangible assets and intangible assets under development

The Company has various internally generated intangible assets either capitalised or under development. Initial recognition of the expenditure under these assets are based on assessing each asset in relation to the specific recognition criteria to be met for capitalisation, for e.g. technological and economic feasibility and the ability of the asset to generate economic benefits in the future.

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In addition, the management also assesses any indications of impairment of the carrying value of the assets. This requires the management's judgement and assumptions, which are affected by future market or economic developments. The management has analysed the recognition criteria and future market conditions and is confident that these assets do not require any adjustments to their carrying value at the year end.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2022 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.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

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 discounted cash flow model.

40. 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. 70.10 crores (March 31, 2021 : Rs. 103.40 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 172.44 crores (March 31, 2021 : Rs. 195.70 crores).

41. Contingent liabilities not provided for :-

Particulars	As at March 31, 2022	As at March 31, 2021
a) In respect of following:		
- Excise duty matters	**18.97**	18.97
- Sales tax matters	**7.29**	7.29
- Service tax matters	**0.39**	0.39
- Customs duty matters	**3.48**	3.48
b) Claims against the Company not acknowledged as debts	**10.84**	10.44
c) Guarantees given:-	**252.82**	229.61
to bank/others for credit facility granted to 100% subsidiary Company		
- Dues outstanding	**52.86**	157.41

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

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42. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars		As at March 31, 2022	As at March 31, 2021
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	**37.78**	45.60
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	**0.01**	0.02
(iii)	The amount of payment made to the supplier beyond the appointed day	**4.40**	24.10
(iv)	The amount of interest due and payable for the year	**0.06**	0.21
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**0.07**	0.23
(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.	**-**	-

43. 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, 2022	For the year ended March 31, 2021
Detail of amount recognized as expense for defined contribution plans is given below:-			
a)	Provident fund*	**17.08**	17.38
b)	Superannuation fund	**2.29**	1.19
c)	Employee State Insurance Corporation	**0.12**	0.06
d)	Other funds	**14.47**	12.43
Total		**33.96**	31.06

*includes Rs. 0.58 crores (March 31, 2021: Rs. 1.58 crores) capitalized during the year and Rs. 7.53 crores (March 31, 2021: Rs. 5.91 crores) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 6.55 crores (March 31, 2021: Rs. 6.80 crores) is made to Eicher Executive Provident Fund Trust, while the remaining contribution has been made to government administered provident fund.

B. Defined Benefit Plans

The Defined benefit plan of the Company includes entitlement of gratuity and provident fund scheme.

This plan typically expose the Company to actuarial risks such as: investment risk, interest rate risk , longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022 by Mr. K.K.Dharni (FIAI M.No. 00051), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

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Provident fund :-

The provident fund is governed by the Provident Fund Act, 1952. Under the defined benefit plan, the Company contributes to the "Eicher Executive Provident Fund Trust", for certain designation. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Company does not have additional obligation as at March 31, 2022.

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

Principal assumptions:	Provident fund	
	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.25%**	6.85%
Retirement age	**58 years**	58 years
Rate of withdrawal	**2.00%**	3.00%
In service mortality	**IALM (2012 - 14)**	IALM (2012-14)

Gratuity :-

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.

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

Principal assumptions:	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.25%**	6.85%
Future salary increase	**7.00%**	6.50%
Retirement age	**58 years**	58 years
Rate of withdrawal	**2.00%**	2.00%
In service mortality	**IALM (2012 - 14)**	IALM (2012-14)

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

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:		
Current service cost	**4.86**	5.08
Net Interest expense	**-**	-
Components of defined benefit costs recognized in profit or loss	**4.86**	**5.08**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	**0.32**	(0.10)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	**0.50**	-
Actuarial (gains)/ losses arising from experience adjustments	**2.36**	(0.67)
Components of defined benefit costs recognized in other comprehensive income	**3.18**	**(0.77)**
Total	**8.04**	**4.31**

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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, 2022	As at March 31, 2021
Present Value of funded defined benefit obligation	**35.33**	29.20
Fair value of plan assets	**35.33**	29.20
Net liability arising from defined benefit obligation	**-**	**-**

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

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined obligation	**29.20**	25.65
Current service cost	**4.86**	5.08
Interest cost	**2.00**	1.75
Actuarial (gains)/ losses	**2.86**	(0.67)
Benefits paid	**(3.59)**	(2.61)
Closing defined benefit obligation	**35.33**	29.20

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

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets@	**29.20**	25.65
Interest income	**2.00**	1.75
Actuarial gains/ (losses)	**(0.32)**	0.10
Contribution	**8.04**	4.31
Benefit paid	**(3.59)**	(2.61)
Closing fair value of plan assets@	**35.33**	29.20

@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, 2022	As at March 31, 2021
Government securities	**15.28**	13.19
Debt instruments categorized by issuers' credit rating:		
AAA	**15.27**	12.03
AA+	**1.09**	1.50
AA	**1.09**	1.07
Cash, deposits, Equity, etc.,	**2.60**	1.41
Total	**35.33**	**29.20**

The fair values of the above instruments are determined based on quoted market prices in active market. The actual return on plan assets was Rs. 1.68 crores for the year ended March 31, 2022.

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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. 2.39 crores (increase by Rs. 2.65 crores) [as at March 31, 2021: Decrease by Rs. 1.87 crores (increase by Rs. 2.06 crores)].
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 2.64 crores (decrease by Rs. 2.41 crores) [as at March 31, 2021: Increase by Rs. 2.06 crores (decrease by Rs. 1.88 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 recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Average duration of the defined benefit obligation (in years)	**19.80**	20.08

The estimated contribution during next year is Rs. 5.57 crores (March 31, 2021 : Rs. 5.74 crores) to the defined benefit plan.

44. Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share (in Rs.)	**58.02**	48.68
Diluted earnings per share (in Rs.)	**57.96**	48.61
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)	**1,586.22**	1,329.70
Weighted average number of equity shares for the purposes of basic earnings per share	**27,33,93,761**	27,31,78,699
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)	**1,586.22**	1,329.70
Weighted average number of equity shares for the purposes of basic earnings per share	**27,33,93,761**	27,31,78,699
Shares deemed to be issued for no consideration in respect of :		
- employee stock option plan / restricted stock units plan	**2,76,259**	3,48,741
Weighted average number of equity shares for the purposes of diluted earnings per share	**27,36,70,020**	27,35,27,440

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45. Segment Reporting Disclosure

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Particulars	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2022	**8,566.08**	**1,556.78**	**10,122.86**
For the year ended March 31, 2021	7,873.08	745.96	8,619.04
Revenue from operations - External			
For the year ended March 31, 2022	**8,530.19**	**1,083.02**	**9,613.21**
For the year ended March 31, 2021	7,842.56	512.95	8,355.51
Non-current segment assets			
As at March 31, 2022	**2,661.87**	**714.03**	**3,375.90**
As at March 31, 2021	2,402.79	554.33	2,957.12

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 represents total non current assets excluding non current financial 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.

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46. Related party disclosures under Ind AS 24

a. Related party disclosures

Name of related parties and their relationship:

Name of related party		Nature of Relationship
Royal Enfield North America Ltd.	(RENA)	Subsidiary company
Royal Enfield Canada Ltd.	(RECA)	100% subsidiary company of RENA
Royal Enfield Brasil Comercio de Motocicletas Ltda	(RE Brasil)	Subsidiary company
Royal Enfield (Thailand) Ltd.	(RET)	Subsidiary company
Royal Enfield (UK) Ltd	(REUK)	Subsidiary company
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
VECV Lanka (Private) Limited	(VECV Lanka)	Subsidiary company of VECVL
VECV South Africa (PTY) Ltd.	(VECV Africa)	Subsidiary company of VECVL
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation	(EGF)	Joint venture company
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
Eicher Goodearth India Private Limited	(EGIPL)	Entity under the control of the key management personnel
Nicobar Design Private Limited	(NDPL)	Entity under the control of the key management personnel
Eicher Executive Provident Fund	(EEPF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETESSF)	Post employment benefit plan
Eicher Motors Limited Employees Gratuity Trust	(EMLEGT)	Post employment benefit plan
The Simran Siddhartha Tara Benefit Trust	(SSTBT)	Managing Director is a trustee
Sunshine Automobiles		Directors' relative is a partner
Ms. Natasha Jamal		Relative of KMP

b. Key management personnel

Mr. Siddhartha Lal	Managing Director
Mr. Vinod K. Dasari	Whole-time Director (up to August 13, 2021) & Chief Executive Officer of Royal Enfield
Mr. B Govindarajan	Whole-time Director (from August 18, 2021) & Chief Executive Officer of Royal Enfield
Mr. S. Sandilya	Chairman
Ms. Manvi Sinha	Independent director
Mr. Inder Mohan Singh	Independent director
Mr. Vinod Aggarwal	Non-executive director
Mr. Lalit Malik	Chief Financial Officer (up to May 06, 2020)
Mr. Kaleeswaran Arunachalam	Chief Financial Officer
Mr. Manhar Kapoor	Company Secretary (up to March 11, 2022)

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

Particulars	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Siddhartha Lal	**Managerial remuneration**		
	Short-term benefits		
	Salary (including perquisites)	13.00	13.53
	Statutory contributions*	2.81	1.81
	Commission	8.19	6.70
		24.00	**22.04**
Mr. Vinod K. Dasari	**Managerial remuneration**		
	Short-term benefits	11.80	15.00
	Share based payments	12.78	10.37
	Post-employment benefits	-	0.40
	Other long-term benefits	-	0.16
		24.58	**25.93**
Mr. B Govindarajan	**Managerial remuneration**		
	Short-term benefits	3.34	-
	Post-employment benefits	0.39	-
	Other long-term benefits	0.31	-
		4.04	**-**
Mr. S. Sandilya	Sitting fees	0.05	0.06
	Commission	0.41	0.63
Ms. Manvi Sinha	Sitting fees	0.04	0.05
	Commission	0.21	0.12
Mr. Inder Mohan Singh	Sitting fees	0.04	0.06
	Commission	0.21	0.12
Mr. Lalit Malik	**Remuneration**		
	Short-term benefits	-	0.28
Mr. Kaleeswaran Arunachalam	**Remuneration**		
	Short-term benefits	2.32	1.85
	Post-employment benefits	0.04	0.02
	Other long-term benefits	0.05	0.02
		2.41	**1.89**
Mr. Manhar Kapoor	**Remuneration**		
	Short-term benefits	1.24	1.38
	Post-employment benefits	0.10	0.02
	Other long-term benefits	0.08	0.02
		1.42	**1.42**

*represents National Insurance payable to HMRC UK on fixed salary and commission

Post-employment benefits and other long-term benefits mentioned above were accrued and not paid as on March 31, 2022

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d. Transactions with the related parties

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
VE Commercial Vehicles Limited	Purchase of raw materials and components / services	**150.51**	127.37
	Expenses reimbursed	**-**	0.22
	Expenses recovered	**0.62**	-
	Corporate service charges paid	**1.80**	1.69
	Dividend income	**27.20**	-
	Discount on bills	**34.28**	9.52
Eicher Polaris Private Limited	Investment in equity share capital - Allotted	**-**	0.99
	Expenses reimbursed	**0.25**	-
Eicher Goodearth Private Limited	Corporate service charges paid	**0.99**	0.73
	Rent	**4.72**	4.72
Eicher Goodearth India Private Limited	Brand fees	**25.10**	21.54
Royal Enfield North America Ltd	Guarantee given / forex revaluation	**0.26**	4.23
	Sale of products	**202.42**	102.82
	Expenses recovered	**-**	0.06
	Expenses reimbursed	**18.51**	9.56
Royal Enfield Brasil Comercio de Motocicletas Ltda	Guarantee given / forex revaluation	**(2.29)**	2.16
	Sale of products	**91.22**	34.72
	Expenses reimbursed	**2.32**	1.93
	Investment in shares capital of subsidiary company	**111.19**	-
Royal Enfield (Thailand) Ltd	Guarantee given / forex revaluation	**15.64**	9.89
	Sale of products	**24.85**	48.23
	Expenses reimbursed	**0.33**	0.06
	Royalty income	**0.40**	-
	Investment in shares capital of subsidiary company	**7.26**	-
Royal Enfield UK Limited	Sale of products	**154.87**	47.24
	Expenses recovered	**1.78**	0.08
	Sales and marketing service expense	**1.06**	0.43
Eicher Group Foundation	Corporate social responsibility expenditure	**52.71**	56.37
Eicher Executive Provident Fund	Contribution to provident fund	**6.55**	6.80
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	**0.28**	0.30
Eicher Motors Limited Employees Gratuity Trust	Contribution to gratuity fund	**8.04**	4.31
	Benefits paid	**(3.59)**	(2.61)
Sunshine Automobiles	Sale of motorcycles, spares, apparel and accessories	**35.88**	30.52
	Payment for Free service coupon and warranty claims	**0.47**	0.41
	Security deposit received	**-**	0.01

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Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2022	As at March 31, 2021
VE Commercial Vehicles Limited	Trade payables	**41.78**	30.04
	Bills discounted	**676.75**	459.12
Eicher Group Foundation	Receivable of surplus on CSR unspent fund	**1.59**	-
Eicher Goodearth Private Limited	Security deposits receivable	**1.09**	1.09
	Rent payable	**0.23**	0.19
Eicher Goodearth India Private Limited	Trade payables	**25.10**	21.54
Royal Enfield North America Ltd	Trade receivables	**97.83**	31.76
	Trade payables	**6.05**	4.68
	Guarantee given (including forex revaluation)	**143.49**	143.75
Royal Enfield Brasil Comercio de Motocicletas Ltda	Trade receivables	**61.46**	34.91
	Trade Payables	**0.10**	-
	Guarantee given (including forex revaluation)	**75.52**	73.23
Royal Enfield (Thailand) Ltd	Trade receivables	**7.57**	20.23
	Trade Payables	**0.10**	0.06
	Guarantee given (including forex revaluation)	**25.53**	9.89
Royal Enfield UK Limited	Trade receivables	**31.48**	19.10
	Trade Payables	**1.83**	0.42
Mr. Siddhartha Lal	Commission payable (including National insurance)	**9.32**	7.62
Mr. Vinod K. Dasari	Variable pay	**-**	4.03
Non-executive and independent directors	Commission payable	**0.83**	0.79
Sunshine Automobiles	Security deposit payable	**0.02**	0.02
	Advances received towards vehicles, spares, apparel and accessories sales	**0.87**	0.93
Eicher Executive Provident Fund	Contribution to provident fund	**0.52**	0.59
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	**0.02**	0.02

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, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021 : Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company provides a credit period of 30 days to 240 days with respect to receivables from RET, RENA and RE Brasil.

The Company has a credit period of 45 days with respect to payables to VE Commercial Vehicles Limited.

Brand fees payable to Eicher Goodearth India Private Limited upon approval by Shareholders at its Annual General Meeting.

Rent payable to Eicher Goodearth India Private Limited on due basis.

47. Financial instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options. The Company uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

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The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers risks associated with the movement in the working capital.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

The following table summarizes the capital of the Company:-

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings (refer note 21)	**5.98**	-
Less: cash and cash equivalents (refer note 15)	**(26.62)**	(62.67)
Net debt*	**-**	**-**
Share capital	**27.34**	27.33
Other equity	**10,767.23**	9,677.67
Total Equity	**10,794.57**	**9,705.00**
Gearing ratio	**-**	-

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

47.1. Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	**9.20**	5.04
Investments in mutual funds	**5,058.06**	827.33
Current		
Investments in mutual funds	**331.50**	1,065.74
Financial assets at fair value through other comprehensive income		
Current		
Derivative asset	**0.06**	-
Financial assets at amortized cost		
Non-current		
Investments in bonds	**270.69**	67.48
Other financial assets	**72.90**	22.75
Current		
Investments in bonds	**93.20**	10.34
Trade receivables	**106.61**	256.18
Cash and bank balances	**2,698.56**	5,798.91
Loans	**676.79**	459.16
Other financial assets	**65.70**	214.91
Financial liabilities at fair value through other comprehensive income		
Current		
Derivative liability	**0.02**	-
Financial liabilities at amortized cost		
Non-current		
Lease liability	**34.64**	45.97
Other financial liabilities	**14.81**	14.62
Current		
Borrowings	**5.98**	-
Lease liability	**12.34**	14.23
Trade payables	**1,764.46**	1,494.79
Other financial liabilities	**245.77**	197.34

As the carrying values of the financial instruments disclosed above are reasonable approximations of the fair value of the respective items, the fair values have not been disclosed separately.

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47.2. Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:-

The following is the basis of categorizing the financial instruments measured at fair value into Level 1 to Level 3 :-

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Quantitative disclosures fair value measurement hierarchy for assets:-

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, 2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	**-**	**-**	**9.20**
Investments in mutual funds	**5,058.06**	**-**	**-**
Current			
Investments in mutual funds	**331.50**	**-**	**-**

Particulars	Fair value as at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	5.04
Investments in mutual funds	827.33	-	-
Current			
Investments in mutual funds	1,065.74	-	-

* represents the investments in equity of Suryadev Alloys & Power Private Limited (as at March 31, 2022 and March 31, 2021) and Flamesun Solar Private Limited (as at March 31, 2022). As per the share purchase agreement between the Company and these parties, in case of termination or as the case may be, the Company shall transfer the equity shares to the person nominated by each party (Nominated person) as may be prescribed and consideration to receive in this regard shall be the same amount as paid by the Company towards purchase of these equity investments (cost of purchase).

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Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

'Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the standalone financial statements approximate their fair values.

Particulars	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value (Level 1)	Carrying amount	Fair value (Level 1)
Financial assets at amortized cost				
Non-current				
Investments in bonds	**270.69**	**279.51**	67.48	73.26
Current				
Investments in bonds	**93.20**	**94.54**	10.34	10.27

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- The fair value of bonds is based on quoted prices and market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year.

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48. Financial risk management objectives and policies

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in foreign currency in crores)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	**2.79**	**0.41**	1.28	0.64
EURO	**2.41**	**0.04**	1.02	0.06
GBP	**0.44**	**0.25**	0.30	0.18
JPY	**-**	**10.04**	-	2.68
THB	**3.34**	**0.04**	-	-
Others	**-**	**0.01**	8.65	0.12

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. 20.59 crores (March 31, 2021: Rs. 8.19 crores) against the relevant foreign currencies is not material to the financial statements.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

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Movement in the expected credit loss allowance of financial assets

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at beginning of the year	**18.74**	0.62
Add: Provided during the year	**1.38**	18.12
Less: Amounts written off	**0.02**	-
Balance at end of the year	**20.10**	18.74

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, the profit for the year ended March 31, 2022 would increase/decrease by Rs. 53.90 crores (for the year ended March 31, 2021: increase/decrease by Rs. 18.93 crores).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Since the Company's borrowings which are affected by interest rate fluctuation is very insignificant to the size and operations of the Company, therefore, a change in interest rate risk does not have a material impact on the Company's financial statements in relation to fair value of financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	As at March 31, 2022			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liability	**-**	**29.69**	**4.95**	**34.64**
(ii) Other financial liabilities	**-**	**-**	**14.81**	**14.81**
Current				
(i) Lease liability	**12.34**	**-**	**-**	**12.34**
(ii) Trade payables	**1,764.46**	**-**	**-**	**1,764.46**
(iii) Other financial liabilities	**245.77**	**-**	**-**	**245.77**

Particulars	As at March 31, 2021			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liability	-	28.39	17.58	45.97
(ii) Other financial liabilities	-	-	14.62	14.62
Current				
(i) Lease liability	14.23	-	-	14.23
(ii) Trade payables	1,494.79	-	-	1,494.79
(iii) Other financial liabilities	197.34	-	-	197.34

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

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49. Share-based payments

Employee Stock Option Plan, 2006 of the Company

Pursuant to the approval accorded by shareholders at their Annual General Meeting held on July 5th 2006, the Nomination and Remuneration Committee of the Company formulated Employee Stock Option Plan 2006' ("ESOP, 2006") of the Company.

ESOP, 2006 is applicable to all permanent and full-time employees (as defined in the Plan), excluding employee who is a Promoter or belonging to Promoter Group of the Company and other exclusions as per SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations"). The eligibility of employees to receive grants under the Plan is 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 as may be determined by the Nomination and Remuneration Committee at the time of grant, provided, the vesting period shall not be less than 1 year from the date of grant or such other period as may be prescribed, from time to time, under the aforesaid SEBI Regulations.

Vesting of options shall be subject to the conditions that the Grantee shall be in continuous employment with the Company (or its subsidiary company, as the case may be) and subject to such other conditions and exceptions as provided under Company's ESOP, 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 vested 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 as approved by the Nomination and Remuneration Committee in accordance with the terms of the ESOP, 2006.

Each stock option, when exercised, is convertible into one equity share of the Company. No amount is payable by the option grantee on grant of option. The options carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

Details of the Employee Stock Option Plan, 2006 of the Company

The following share-based payment arrangements were in existence during the current and prior years :-

Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(ii)	20,89,000	22-Oct-07	3 Years	21-Oct-17	46.20	24.39
(iii)	4,00,000	29-Apr-10	1 Year	28-Apr-18	69.50	15.46
(iv)	1,54,000	8-Nov-10	3 Years	7-Nov-20	141.10	24.39
(v)	10,82,000	6-May-11	3-5 Years	5-May-21	116.20	62.51
(vi)	54,000	11-Feb-12	3-5 Years	10-Feb-22	177.00	96.71
(vii)	50,000	16-Dec-13	3-5 Years	15-Dec-23	491.50	252.20
(viii)	1,60,000	11-Aug-14	3-5 Years	10-Aug-24	847.75	433.63
(ix)	54,000	12-Nov-14	3-5 Years	11-Nov-24	1,299.37	655.57
(x)	20,000	12-Jan-15	1 Year	11-Jan-25	1,473.90	762.66
(x)	2,03,000	12-Jan-15	3-5 Years	11-Jan-25	1,473.90	739.39
(xi)	45,000	20-Mar-15	3-5 Years	20-Mar-25	1,611.20	829.56
(xii)	5,30,000	8-May-15	3-5 Years	7-May-25	1,480.70	774.20
(xiii)	65,900	21-Jul-15	3-5 Years	20-Jul-25	2,124.80	1,111.25
(xiv)	78,000	6-Nov-15	3-5 Years	5-Nov-25	1,767.80	901.05
(xv)	42,000	5-Feb-16	3-5 Years	4-Feb-26	1,689.40	856.59
(xvi)	24,000	27-Apr-16	3-5 Years	26-Apr-26	2,014.80	1,005.58
(xvii)	21,000	28-Jul-16	3-5 Years	27-Jul-26	2,034.00	1,043.71
(xviii)	30,000	28-Oct-16	3-5 Years	27-Oct-26	2,449.20	1,175.40
(xix)	18,000	1-Feb-17	3-5 Years	31-Jan-27	2,302.80	1,087.56
(xx)	35,000	27-Mar-17	3-5 Years	26-Mar-27	2,435.00	1,160.12

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Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(xxi)	13,500	9-Aug-17	3-5 Years	8-Aug-27	3,212.10	1,497.35
(xxii)	15,000	14-Nov-17	3-5 Years	13-Nov-27	3,058.50	1,452.09
(xxiii)	21,000	7-Feb-18	3-5 Years	6-Feb-28	2,757.90	1,272.97
(xxiv)	45,000	2-Apr-18	3-5 Years	1-Apr-28	2,837.30	1,293.48
(xxv)	12,500	9-May-18	3-5 Years	8-May-28	3,042.70	1,409.20
(xxvi)	24,000	9-Aug-18	3-5 Years	8-Aug-28	2,759.40	1,288.71
(xxvii)	28,000	12-Nov-18	3-5 Years	11-Nov-28	2,249.60	1,046.94
(xxviii)	12,500	11-Feb-19	3-5 Years	10-Feb-29	2,084.80	961.54
(xxix)	10,00,000	1-Apr-19	3-7 Years	31-Mar-33	2,054.80	762.89
(xxx)	36,000	1-Aug-19	3-5 Years	31-Jul-31	1,634.90	745.52
(xxxi)	82,500	6-May-20	3-5 Years	5-May-32	1,381.10	446.24
(xxxii)	4,27,500	6-May-20	3 Years	5-May-30	1,381.10	386.16
(xxxiii)	6,000	13-Aug-20	3 Years	12-Aug-30	2,211.70	639.70
(xxxiv)	10,000	10-Feb-21	3 Years	9-Feb-31	2,948.00	875.95
(xxxvi)	3,28,500	27-May-21	3 Years	26-May-31	2,633.50	782.21
(xxxvi)	2,00,000	27-May-21	3-4 Years	26-May-31	2,633.50	829.69
(xxxvii)	50,000	3-Nov-21	3 Years	2-Nov-31	2,543.00	744.18

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. 795.34 (March 31, 2021 : Rs. 407.79). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model

Option series

Particulars	(xxxi)	(xxxii)	(xxxiii)	(xxxiv)
Grant date share price	1,381.10	1,381.10	2,211.70	2,948.00
Exercise price	1,381.10	1,381.10	2,211.70	2,948.00
Expected volatility	33.48%-34.90%	34.90%	36.17%	37.28%
Option life	5 Years	3 Years	3 Years	3 Years
Dividend yield	0.67%	0.67%	0.67%	0.67%
Risk-free interest rate	4.69%-5.64%	4.69%	4.87%	4.98%

Particulars	(xxxv)	(xxxvi)	(xxxvii)
Grant date share price	2,633.50	2,633.50	2,542.50
Exercise price	2,633.50	2,633.50	2,543.00
Expected volatility	37.75%	34.62%	36.29%
Option life	3 Years	4 Years	3 Years
Dividend yield	0.67%	0.67%	0.64%
Risk-free interest rate	4.73%	5.37%	5.07%

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Movements in share options during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	**18,97,658**	**1,881.43**	1,62,638	19,890.41
Adjustment for Sub-Division of Equity Shares	**-**	**-**	14,63,742	-
Outstanding at the beginning of the year (Post-split)	**18,97,658**	**1,881.43**	16,26,380	1,989.04
Granted during the year	**5,78,500**	**2,623.62**	5,26,000	1,420.36
Forfeited during the year	**(13,07,170)**	**2,113.28**	(14,500)	1,947.12
Exercised during the year	**(37,180)**	**1,743.45**	(2,40,222)	1,596.43
Balance at end of the year	**11,31,808**	**1,998.65**	18,97,658	1,881.43
Exercisable at the end of the year	**1,86,808**	**1,854.54**	1,96,158	1,760.27

Effect of share-based payment transactions on the entity's Profit or Loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Share-based payments*	**(29.34)**	28.58

* Excludes Rs. Nil (Rs. 0.07 crores for the year ended March 31, 2021) of share-based payment capitalised in intangible assets under development.

Share options exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2022			
(xii) Granted on May 8, 2015	**2,500**	**27-May-21**	**1,480.70**
(ix) Granted on November 12, 2014	**4,000**	**12-Aug-21**	**1,299.37**
(xiv) Granted on November 6, 2015	**2,750**	**12-Aug-21**	**1,767.80**
(xiv) Granted on January 12, 2015	**4,500**	**12-Aug-21**	**1,473.90**
(xv) Granted on February 05, 2016	**4,000**	**25-Oct-21**	**1,689.40**
(ix) Granted on November 12, 2014	**4,600**	**03-Nov-21**	**1,299.37**
(xiv) Granted on November 06, 2015	**2,750**	**03-Nov-21**	**1,767.80**
(xx) Granted on November 12, 2018	**9,330**	**14-Feb-22**	**2,249.60**
(xiii) Granted on July 21, 2015	**2,750**	**14-Feb-22**	**2,124.80**
	37,180		
Weighted average exercise price	**1,743.45**		

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2021			
(viii) Granted on August 11, 2014	4,500	13-Aug-20	847.75
(xii) Granted on March 20, 2015	5,000	13-Aug-20	1,611.20
(xiii) Granted on May 08, 2015	1,14,920	13-Aug-20	1,480.70
(viii) Granted on August 11, 2014	4,600	12-Nov-20	847.75
(x) Granted on January 12, 2015	4,500	12-Nov-20	1,473.90
(xiii) Granted on May 08, 2015	13,080	12-Nov-20	1,480.70
(xv) Granted on November 06, 2015	5,500	12-Nov-20	1,767.80
(xiii) Granted on May 08, 2015	14,000	10-Feb-21	1,480.70
(xv) Granted on November 06, 2015	45,922	10-Feb-21	1,767.80
(xix) Granted on October 28, 2016	10,000	10-Feb-21	2,449.20
(xiv) Granted on February 05, 2016	6,000	10-Feb-21	1,689.40
(xiv) Granted on July 21, 2015	6,000	10-Feb-21	2,124.80
(xvii) Granted on April 27, 2016	3,000	10-Feb-21	2,014.80
(xviii) Granted on July 28, 2016	3,200	10-Feb-21	2,034.00
	2,40,222		
Weighted average exercise price	1,596.43		

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Share options outstanding at end of the year

Options series		Options outstanding		Remaining contractual life in years		Exercise Price Rs.
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
(ii)	22-Oct-07	-	-	-	-	46.20
(iii)	29-Apr-10	-	-	-	-	69.50
(iv)	8-Nov-10	-	-	-	-	141.10
(v)	6-May-11	-	-	-	-	116.20
(vi)	11-Feb-12	-	-	-	-	177.00
(vii)	16-Dec-13	-	-	-	-	491.50
(viii)	11-Aug-14	**20,000**	20,000	2.36	3.36	847.75
(ix)	12-Nov-14	-	8,600	2.61	3.62	1,299.37
(x)	12-Jan-15	-	-	-	-	1,473.90
(x)	12-Jan-15	**6,300**	10,800	2.78	3.79	1,473.90
(xi)	20-Mar-15	-	-	-	3.97	1,611.20
(xii)	8-May-15	**50,640**	53,140	3.10	4.10	1,480.70
(xiii)	21-Jul-15	**43,650**	46,400	3.30	4.31	2,124.80
(xiv)	6-Nov-15	**4,418**	9,918	3.60	4.60	1,767.80
(xv)	5-Feb-16	**11,000**	15,000	3.85	4.85	1,689.40
(xvi)	27-Apr-16	**9,000**	9,000	4.07	5.07	2,014.80
(xvii)	28-Jul-16	**17,800**	17,800	4.32	5.33	2,034.00
(xviii)	28-Oct-16	**5,000**	5,000	4.58	5.58	2,449.20
(xix)	1-Feb-17	-	-	-	-	2,302.80
(xx)	27-Mar-17	-	-	-	-	2,435.00
(xxi)	9-Aug-17	**13,500**	13,500	5.36	6.36	3,212.10
(xxii)	14-Nov-17	**15,000**	15,000	5.62	6.62	3,058.50
(xxiii)	7-Feb-18	-	21,000	5.85	6.86	2,757.90
(xxiv)	2-Apr-18	-	13,500	6.00	7.01	2,837.30
(xxv)	9-May-18	-	12,500	6.10	7.11	3,042.70
(xxvi)	9-Aug-18	-	24,000	6.36	7.36	2,759.40
(xxvii)	12-Nov-18	-	28,000	6.62	7.62	2,249.60
(xxviii)	11-Feb-19	-	12,500	6.87	7.87	2,084.80
(xxix)	1-Apr-19	-	10,00,000	11.00	12.01	2,054.80
(xxx)	1-Aug-19	**36,000**	36,000	9.33	10.34	1,634.90
(xxxi)	6-May-20	**4,000**	82,500	10.10	11.10	1,381.10
(xxxii)	6-May-20	**4,27,500**	4,27,500	8.10	9.10	1,381.10
(xxxiii)	13-Aug-20	-	6,000	8.37	9.37	2,211.70
(xxxiv)	10-Feb-21	**10,000**	10,000	8.87	9.87	2,948.00
(xxxv)	27-May-21	**2,08,000**	-	9.16	-	2,633.50
(xxxvi)	27-May-21	**2,00,000**	-	9.16	-	2,633.50
(xxxvii)	3-Nov-21	**50,000**	-	9.59	-	2,543.00
		11,31,808	**18,97,658**			

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Restricted Stock Units Plan, 2019 ("RSU 2019")

Pursuant to approval accorded by shareholders at their Annual General Meeting held on August 1, 2019, the Nomination and Remuneration Committee of the Company formulated 'Eicher Motors Limited - Restricted Stock Units Plan 2019' ("RSU Plan 2019") for grant of Restricted Stock Units ("RSU"), in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations").

RSU Plan 2019 is applicable to (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company, whether whole-time or not; and (iii) an employee, as defined in (i) or (ii) of this Para, of a Subsidiary Company, in India or outside India, excluding such category of persons as defined under RSU Plan 2019 of the Company and/or SEBI Regulations. The eligibility of employees or eligibility criteria to receive grants under RSU Plan 2019 is decided by Nomination and Remuneration Committee, from time to time.

The Nomination and Remuneration Committee shall specify the vesting criteria based on continued employment with the Company (or its subsidiary, as the case may be) and/or certain performance criteria to be fulfilled for vesting of RSU and/or any other criteria as it may deems fit and subject to such other conditions and exceptions as provided under RSU Plan, 2019.

Vesting of RSU shall take place in the manner as may be determined by the Nomination and Remuneration Committee at the time of grant, provided that the vesting shall not take place earlier than minimum vesting period of one year but not later than maximum vesting period of seven years from the date of grant of such RSU.

Exercise Price of each grant shall be the face value of the share as on date of exercise of RSU. The exercise period of a vested RSU shall be a maximum of seven years from the date of vesting of RSU, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee at time of Grant and as set out in the letter of Grant, subject to such other conditions and exceptions as provided under Company's RSU Plan, 2019. Any RSU remaining unexercised at the end of the exercise period shall lapse. At the time of exercise, the participant may pay the exercise price in a form as approved by the Nomination and Remuneration Committee in accordance with the terms of the RSU Plan, 2019.

Each RSU, when exercised, is convertible into one equity share of the Company. No amount is payable by the RSU grantee on grant of RSU. RSU carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

Detail of Restricted Stock Units Plan, 2019 ("RSU 2019")

The following share-based payment arrangements were in existence during the current year

Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(iii)	50,000	1-Apr-21	1 Year	31-Mar-29	1.00	2,526.34

Fair value of share options granted in the year

The weighted average fair value of the stock units granted during the financial year is Rs. 2,526.34 (March 31, 2021 : Rs. 1,270.18). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model

Option series

Particulars	(i)	(ii)	(iii)
Grant date share price	1,634.81	1,309.60	2,603.95
Exercise price	1.00	1.00	1.00
Expected volatility	30.62%	32.32%	37.32%
Option life	4.5 years	4.5 years	4.5 years
Dividend yield	0.75%	0.67%	0.67%
Risk-free interest rate	6.52%	5.86%	5.79%

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Movements in share options during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	**50,000**	**1.00**	5,000	10.00
Adjustment for Sub-Division of Equity Shares	**-**	**-**	45,000	-
Outstanding at the beginning of the year (Post-split)	**50,000**	**1.00**	50,000	1.00
Granted during the year	**50,000**	**1.00**	50,000	1.00
Forfeited during the year	**(50,000)**	**-**	-	-
Exercised during the year	**(50,000)**	**-**	(50,000)	1.00
Expired during the year	**-**	**-**	-	-
Balance at end of the year	**-**	**1.00**	50,000	1.00
Exercisable at the end of the year	**-**	**-**	50,000	1.00

Effect of share-based payment transactions on the entity's Profit or Loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Share-based payments	**-**	8.90

Stock units 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, 2022			
(i) Granted on April 1, 2020	**50,000**	**27-May-21**	**1.00**

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2021			
(i) Granted on August 1, 2019	**50,000**	**13-Aug-20**	**1.00**

Share options outstanding at end of the year

Options series		Options outstanding		Remaining contractual life in years		Exercise Price Rs.
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
(i)	1-Aug-19	-	-	-		1.00
(ii)	1-Apr-20	-	50,000	-	7.01	1.00
(iii)	1-Apr-21	-	-	-	-	1.00
		-	**50,000**			

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50. Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 434.49 crores (March 31, 2021 : Rs. 297.30 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.

51. Expenditure on Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Gross amount required to be spent and approved by the board to be spent#	**52.71**	56.37
(b) Amount spent:		
During the year ending on March 31, 2022:		
(i) Construction/acquisition of any asset	**-**	**-**
(ii) On purpose other than (i) above*	**27.74**	8.17
During the year ending on March 31, 2021:		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purpose other than (i) above*	**-**	31.45
(c) Unspent amount in relation to:		
(i) Ongoing project	**24.97**	16.75
(ii) Other than ongoing project	**-**	-
# Includes surplus generated on unspent CSR balances amounting to Rs. 1.59 crores (March 31, 2021: Nil)		
*Includes administrative expenses	**2.07**	1.87

Details of ongoing project and other than ongoing project for FY 21-22

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c*		From Company's bank A/c	From Separate CSR Unspent A/c	With Company**	In Separate CSR Unspent A/c
-	**24.92**	**52.71**	**27.74**	**8.17**	**24.97**	**16.75**

* The amount was transferred to unspent account in September 2021 post clarification by MCA vide circular no.14/2021 dated 25th August 2021.

** The unspent amount pertaining to the FY 2021-22 was transferred to the separate CSR unspent account in April, 2022 as per the CSR Rules.

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	**-**	**-**	**-**	**-**

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Details of ongoing project and other than ongoing project for FY 20-21

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c*		From Company's bank A/c	From Separate CSR Unspent A/c	With Company*	In Separate CSR Unspent A/c
-	-	56.37	31.45	-	24.92	-

* The amount was transferred to unspent account in September 2021 post clarification by MCA vide circular no.14/2021 dated 25th August 2021.

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

CSR activities undertaken directly or through EGF majorly includes sustainable initiative for transforming rural communities, driver care program, road safety education, driver and mechanic Training, school supports, support under Covid-19,etc.

The Company's projects are long term and money is spent depending upon the requirement of the projects. During the financial year 2021-22, Rs. 27.74 crores was spent as per the requirements of CSR projects and the unspent amount of Rs. 24.97 crores is transferred to unspent CSR account pursuant to the CSR Rules subsequent to the year-end.

52. Ind AS 116 Leases

A. As a lessee

The Company has lease contracts for various buildings used in its operations. Leases of buildings generally have lease terms between 2 to 25 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options which are further discussed below.

The Company also has certain leases of buildings with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(i). Movement in the carrying value of the Right to Use Asset

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	**145.96**	**50.21**	**196.17**	95.72	88.44	184.16
Depreciation charge for the Period	**(1.53)**	**(14.35)**	**(15.88)**	(1.08)	(23.56)	(24.64)
Additions during the Period	**-**	**1.57**	**1.57**	51.32	-	51.32
Adjustment/Deletion	**-**	**(0.06)**	**(0.06)**	-	(14.67)	(14.67)
Closing Balance	**144.43**	**37.37**	**181.80**	**145.96**	**50.21**	**196.17**

(ii). Classification of current and non current liabilities of the lease liabilities

Particulars	As at March 31, 2022			As at March 31, 2021		
	Land	Buildings	Total	Land	Buildings	Total
Current liabilities	**-**	**12.34**	**12.34**	-	14.23	14.23
Non Current Liabilities	**-**	**34.64**	**34.64**	-	45.97	45.97
Total Lease liabilities	**-**	**46.98**	**46.98**	**-**	**60.20**	**60.20**

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

(iii). Movement in the carrying value of the Lease Liability

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	**-**	**60.20**	**60.20**	-	100.66	100.66
Interest Expense	**-**	**4.37**	**4.37**	-	6.54	6.54
Lease Payments [Total Cash Outflow]	**-**	**(19.06)**	**(19.06)**	-	(29.15)	(29.15)
Termination options exercised	**-**	**-**	**-**	-	(18.57)	(18.57)
Additions during the year	**-**	**1.57**	**1.57**	-	-	-
Adjustments	**-**	**(0.10)**	**(0.10)**	-	0.72	0.72
Closing Balance	**-**	**46.98**	**46.98**	**-**	**60.20**	**60.20**

(iv). Contractual Maturities of Lease liability outstanding

Particulars	As at March 31, 2021			As at March 31, 2022		
	Land	Buildings	Total	Land	Buildings	Total
Less than one year	**-**	**12.34**	**12.34**	-	14.22	14.22
One to five Years	**-**	**29.69**	**29.69**	-	28.39	28.39
More than Five years	**-**	**4.95**	**4.95**	-	17.59	17.59
Total	**-**	**46.98**	**46.98**	**-**	**60.20**	**60.20**

Lease expenses relating to short term leases aggregated to Rs. 22.97 crores during the year ended March 31, 2022 (Rs. 11.43 crores during the year ended March 31, 2021).

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 9.5% per annum.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss :-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amortisation of right-of-use assets	**15.88**	24.64
Interest expense on lease liabilities	**4.37**	6.54
Expense relating to short-term leases (included in other expenses)	**22.97**	11.43

B. As a lessor

Finance Lease

During the year ended March 31, 2021, the Company has given office equipments on finance lease to its dealers for operational use by the dealers for servicing the customers of the Company. For the year ended March 31, 2022, the Company recognised interest income on lease receivables of Rs. 1.34 crores (March 31, 2021: Rs. 1.24 crores). The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

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Maturity analysis of Lease receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year		
Total Undiscounted lease receivables	**2.57**	6.07
Unearned finance income	**0.68**	1.10
Net investment in the lease	**1.89**	5.08
One to three years		
Total Undiscounted lease receivables	**6.89**	7.57
Unearned finance income	**0.14**	1.62
Net investment in the lease	**6.75**	6.99

53.

The Company has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. Management believes that it has taken into account external and internal information for assessing the possible impact of COVID-19 on various elements of its financial statement, including its liquidity position and the recoverability of assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

54.

The Board of Directors of the Company at their meeting held on May 13, 2022, considered and recommended a final dividend aggregating to Rs. 574.19 crores @ Rs. 21 per share (nominal value of Re. 1 per share) for the financial year 2021-22 (final dividend paid for previous financial year 2020-21 was Rs. 464.67 crores @ Rs. 17 per share of nominal value of Re. 1 per share)

55.

The Board of Directors and shareholders of Eicher Polaris Pvt. Ltd (a joint venture company) ('EPPL') at their respective meetings held on February 18, 2020 approved voluntary liquidation (solvent liquidation) of EPPL and appointed an insolvency professional as the liquidator. The liquidation process is under progress currently.

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56. Ratio Analysis and its elements

Ratio	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio: *Current Assets / Current Liabilities*	1.9	3.6	(47.2%)	Decrease is mainly due to liquidation of fixed deposits and same was re-invested in long term mutual funds
Debt- Equity Ratio: *Total Debt / Shareholder's Equity*	0.0	0.0	(16.7%)	Not applicable
Debt Service Coverage ratio: *Earnings for debt service = Net profit after taxes + Non-cash operating expenses /* *Debt service = Interest & Lease Payments + Principal Repayments*	115.0	41.7	175.8%	Change due to increase in the profits and reduction in the lease rentals compared to the previous year
Return on Equity ratio: *Net Profits after taxes – Preference Dividend / Average Shareholder's Equity*	0.2	0.2	0.0%	Not applicable
Inventory Turnover ratio: *Cost of goods sold / Average Inventory*	7.4	8.2	(9.8%)	Not applicable
Trade Receivable Turnover Ratio: *Net credit sales = Gross credit sales - sales return / Average Trade Receivable*	3.8	3.6	5.6%	Not applicable
Trade Payable Turnover Ratio: *Net credit purchases = Gross credit purchases - purchase return / Average Trade Payables*	3.7	4.4	(15.9%)	Not applicable
Net Capital Turnover Ratio: *Net sales = Total sales - sales return / Working capital = Current assets – Current liabilities*	3.9	1.4	178.6%	Change is due to increase in sales from previous year and reduction in working capital compared to previous year (Due to liquidation of fixed deposits in the current year and the same was re-invested in long term mutual funds)
Net Profit ratio: *Net Profit / Net sales = Total sales - sales return*	0.2	0.2	0.0%	Not applicable
Return on Capital Employed: *Earnings before interest and taxes / Capital Employed* *Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability*	19.2%	18.0%	6.7%	Not applicable

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

57. Other Statutory Information

(i) The Company has not defaulted in on loans payable and have not been declared as wilful defaulter.

(ii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) The Company have not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the year.

(iv) The Company do not have any transactions with companies struck off.

(v) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(ix) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(x) The Company has not granted any loans and advances to promoters, directors, KMPs and other related parties (as defined under Companies Act 2013) during the year.

(xi) The Company have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

58.

Previous year's figures have been recast/regrouped, wherever necessary to conform with the current period's presentation.

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 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906





INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated 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 of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures as at March 31, 2022, their consolidated profit/loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Intangible assets capitalized or under development (Refer to the accounting estimates and judgements in Note 3 and Note 8 to the Consolidated Ind AS Financial Statements)	
The Company has various internally generated intangible projects under development. Initial recognition of the expenditure under these projects are based on assessing each project in relation to specific recognition criteria that needs to be met for capitalization. In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments. Due to the materiality of the assets under development recognized and the level of management judgement involved, initial recognition and measurement of internally generated intangible assets has been considered as a key audit matter.	• Our audit procedures included reading Company's research and development expenditure accounting policies to assess compliance with Ind AS 38 "Intangible Assets". • We performed test of control over management process of identifying and capitalizing the development expenditure in accordance with the accounting principles of capitalization of expenditure on internally generated intangible assets as per Ind AS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably. • We performed test of details of development expenditure capitalized by reviewing the key assumptions including the authorization of the stage of the project in the development phase, the accuracy of costs included and assessing the useful economic life attributed to the asset.In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. • We tested the disclosure relating to research and development expenditure in the standalone financial statements.
Revenue Recognition (Refer to the accounting policies in Note 3 to the standalone financial statements)	
Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter.	• Our audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". • We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers. • We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms. • We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.

Other Information

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planed scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs 137.10 as at March 31, 2022, and total revenues of Rs 207.29 and net cash outflows of Rs 7.47 for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs. 1.08 for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of one joint venture and two subsidiaries of a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and subsidiaries of a joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and subsidiaries of a joint venture, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing

standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint ventures, incorporated in India, as noted in the 'Other Matter' paragraph, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements.

   The CARO 2020 is not applicable to overseas subsidiary companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   a. We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and joint ventures, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its joint ventures incorporated in India (other than Eicher Polaris Private Limited which is exempted from reporting on internal controls 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. In our opinion and based on the consideration of reports of other statutory auditor of the joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint ventures in its consolidated financial statements – Refer Note 41 to the consolidated financial statements;

      ii. The Group and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

      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, 2022.

      iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

      v) The dividend declared or paid during the year/ subsequent to the year- end by the Holding company and subsidiary companies incorporated in India, is in compliance with section 123 of the Act.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005

per Sanjay Vij
Partner
Membership Number: 095169
UDIN: 22095169AIXOIB6146

Place of Signature: Gurugram
Date: May 13, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EICHER MOTORS LIMTED

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, 2022, we have audited the internal financial controls over financial reporting of Eicher Motors Limited (hereinafter referred to as the "Holding Company") and its joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its 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 with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2022, 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
UDIN: 22095169AIXOIB6146

Place of Signature: Gurugram
Date: May 13, 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**1,910.78**	1,894.51
(b) Capital work-in-progress	5	**133.98**	63.91
(c) Intangible assets	7	**329.84**	341.17
(d) Right of use assets	52	**183.66**	197.62
(e) Intangible assets under development	8	**370.80**	250.38
(f) Financial assets			
(i) Investments in joint ventures	9	**1,957.94**	1,926.21
(ii) Other investments	10	**5,337.95**	899.85
(iii) Other financial assets	12	**73.01**	22.86
(g) Non-current tax assets	25	**144.28**	51.33
(h) Other non-current assets	17	**139.41**	102.29
Total non-current assets		**10,581.65**	**5,750.13**
Current assets			
(a) Inventories	13	**1,132.40**	874.60
(b) Financial assets			
(i) Investments	10	**424.69**	1,076.08
(ii) Loans / Bill discounting	11	**676.79**	459.16
(iii) Trade receivables	14	**302.04**	158.16
(iv) Cash and cash equivalents	15	**50.53**	94.12
(v) Bank balances other than (iv) above	16	**2,671.94**	5,736.24
(vi) Other financial assets	12	**65.75**	214.93
(c) Other current assets	17	**295.20**	195.19
Total current assets		**5,619.34**	**8,808.48**
Total assets		**16,200.99**	**14,558.61**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	**27.34**	27.33
(b) Other equity	19	**12,580.66**	11,410.75
Total equity		**12,608.00**	**11,438.08**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	52	**35.32**	46.12
(ii) Other financial liabilities	20	**14.82**	14.62
(b) Provisions	23	**39.13**	22.56
(c) Deferred tax liabilities (net)	24	**220.06**	221.50
(d) Government grant	26	**63.76**	63.42
(e) Other non-current liabilities	28	**236.54**	123.50
Total non-current liabilities		**609.63**	**491.72**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	**58.84**	157.41
(ii) Lease liability	52	**13.55**	15.72
(iii) Trade payables	22		
Total outstanding dues of micro and small enterprises		**37.78**	45.83
Total outstanding dues of creditors other than micro and small enterprises		**1,750.30**	1,467.40
(iv) Other financial liabilities	20	**250.00**	204.90
(b) Provisions	23	**150.65**	90.19
(c) Current tax liabilities	25	**231.79**	131.03
(d) Government grant	26	**19.38**	15.61
(e) Contract liability	27	**170.14**	227.67
(f) Other current liabilities	28	**300.93**	273.05
Total current liabilities		**2,983.36**	**2,628.81**
Total liabilities		**3,592.99**	**3,120.53**
Total equity and liabilities		**16,200.99**	**14,558.61**

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 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906

CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from contract with customers		**10,127.07**	8,661.56
Other operating income		**170.76**	58.79
Revenue from operations	29	**10,297.83**	**8,720.35**
Other income	30	**440.82**	453.19
Total Income		**10,738.65**	**9,173.54**
Expenses			
Cost of raw material and components consumed	31	**5,765.24**	5,052.57
Purchases of traded goods	32	**339.03**	265.60
Change in inventories of finished goods, work-in-progress and traded goods	33	**(148.59)**	(205.90)
Employee benefits expense	34	**821.02**	843.23
Finance costs	35	**18.78**	16.45
Depreciation and amortisation expense	36	**451.93**	450.73
Other expenses	37	**1,348.88**	983.60
Total expenses		**8,596.29**	**7,406.28**
Profit before share of profit of Joint venture and tax		**2,142.36**	1,767.26
Share of profit of joint venture (VE Commercial Vehicles Limited)		**60.15**	31.13
Profit before tax and after share of profit of Joint venture		**2,202.51**	1,798.39
Tax expense			
Current tax	38	**521.42**	492.70
Deferred tax	38	**4.49**	(41.20)
Total tax expense		**525.91**	**451.50**
Net profit after tax		**1,676.60**	**1,346.89**
Other comprehensive income/(expense) (including share of other comprehensive income/(expense) of Joint venture)			
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		**(20.84)**	41.11
Gains/(losses) in cash flow hedges		**0.04**	-
Income tax effect	38	**5.24**	(10.35)
Share of other comprehensive income / (expense) in joint venture (net of tax)		**(0.33)**	(0.32)
		(15.89)	**30.44**
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		**(3.18)**	0.77
Income tax effect	38	**0.80**	(0.19)
Share of other comprehensive income / (expense) in joint venture (net of tax)		**(0.89)**	3.33
		(3.27)	**3.91**
Total Comprehensive income for the year (net of tax)		**1,657.44**	**1,381.24**
Profit for the year attributable to:			
-Equity holders of the parent/holding		**1,676.60**	1,346.89
-Non-controlling interests		**-**	-
Other comprehensive income for the year attributable to:			
-Equity holders of the parent/holding		**(19.16)**	34.35
-Non-controlling interests		**-**	-
Total comprehensive income for the year attributable to:			
-Equity holders of the parent/holding		**1,657.44**	1,381.24
-Non-controlling interests		**-**	-
Earnings per equity share of Re. 1 each (in Rs.)			
(a) Basic	44	**61.33**	49.30
(b) Diluted	44	**61.26**	49.24

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 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
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Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906

CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A. Equity share capital	Number of Shares	Amount
Balance as at March 31, 2020	**2,73,04,570**	27.30
Changes in equity share capital during the year		
Adjustment for Sub-Division of Equity Shares*	**24,57,41,130**	-
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	**2,90,222**	0.03
Balance as at March 31, 2021	**27,33,35,922**	27.33
Changes in equity share capital during the year		
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	**87,180**	0.01
Balance as at March 31, 2022	**27,34,23,102**	27.34

* Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020.

B. Other equity	Reserves and surplus						Items of OCI		Total equity
Particulars	**Capital reserve**	**Capital redemption reserve**	**Securities premium**	**General reserve**	**Share based payments reserve**	**Retained earnings**	**Hedge reserve**	**Foreign currency translation reserve**	**Total**
Balance as at March 31, 2020	**0.25**	**1.41**	**159.00**	**339.89**	**69.99**	**9,361.90**	**-**	**21.19**	**9,953.63**
Profit for the year	-	-	-	-	-	1,346.89	-	-	1,346.89
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	3.91	-	30.44	34.35
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,350.80**	**-**	**30.44**	**1,381.24**
Share-based payments (refer note 49)	-	-	-	-	37.55	-	-	-	37.55
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	38.33	-	-	-	-	-	38.33
Transfer to securities premium on issue of shares	-	-	27.67	-	(27.67)	-	-	-	-
Balance as at March 31, 2021	**0.25**	**1.41**	**225.00**	**339.89**	**79.87**	**10,712.70**	**-**	**51.63**	**11,410.75**
Profit for the year	-	-	-	-	-	1,676.60	-	-	1,676.60
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	(3.27)	0.04	(15.93)	(19.16)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,673.33**	**0.04**	**(15.93)**	**1,657.44**
Share-based payments (refer note 49)	-	-	-	-	(29.34)	-	-	-	(29.34)
Payment of dividend	-	-	-	-	-	(464.67)	-	-	(464.67)
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	6.48	-	-	-	-	-	6.48
Transfer to securities premium on issue of shares	-	-	9.57	-	(9.57)	-	-	-	-
Balance as at March 31, 2022	**0.25**	**1.41**	**241.05**	**339.89**	**40.96**	**11,921.36**	**0.04**	**35.70**	**12,580.66**

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 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax and after share of profit of Joint venture	**2,202.51**	1,798.39
Adjustments for:		
Share of profit of joint venture	**(60.15)**	(31.13)
Depreciation and amortisation expenses	**451.93**	450.73
Gain on disposal of property, plant and equipment	**(1.09)**	(0.50)
Loss on sale of property, plant and equipment	**5.32**	1.98
Gain on financial instruments at fair value through profit or loss	**(155.30)**	(106.69)
Interest income recognised in profit or loss	**(244.04)**	(310.29)
Expenses recognised in respect of equity-settled share-based payments	**(29.34)**	37.48
Exchange difference on conversion of foreign branch and subsidiaries	**(20.84)**	41.11
Exchange difference on reinstatement of property, plant and equipment	**2.78**	(0.65)
Gains/(losses) in cash flow hedges	**0.04**	-
Unrealised foreign exchange difference	**1.27**	1.84
Finance income on lease	**(1.63)**	(1.24)
Gain on exercise of termination option of leases	**-**	(3.25)
Bad debts / advances written off	**1.40**	-
Provision for doubtful debts and advances	**-**	18.12
Finance costs recognized in profit or loss	**18.78**	16.45
Amortisation of premium on bonds	**19.27**	-
Operating profit before changes in working capital	**2,190.91**	**1,912.35**
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	**(50.39)**	8.21
Other assets	**(16.73)**	(18.50)
Adjustments for (increase) / decrease in current assets:		
Inventories	**(257.80)**	(302.25)
Trade receivables	**(146.57)**	(72.67)
Loans	**-**	0.08
Other financial assets	**(8.41)**	(1.83)
Other assets	**(100.01)**	(51.90)
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	**0.20**	1.89
Provisions	**14.16**	0.59
Government grant	**0.34**	3.40
Other liabilities	**113.04**	97.11
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	**283.41**	495.41
Other financial liabilities	**(12.90)**	34.51
Provisions	**57.28**	17.29
Government grant	**3.77**	2.09
Contract liability	**(57.53)**	(113.18)
Other liabilities	**27.88**	134.97
Cash generated from operating activities	**2,040.65**	**2,147.57**
Direct taxes paid	**(513.61)**	(456.60)
Net cash flow from operating activities (A)	**1,527.04**	**1,690.97**
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment	**(640.83)**	(532.22)
Proceeds from disposal of property, plant and equipment	**2.13**	17.28
Investment in equity shares of a company	**(4.16)**	-
Proceeds from sale of investments	**-**	0.09
Proceeds from sale of debt Mutual funds	**3,500.29**	5,970.50
Purchases of debt Mutual funds	**(7,130.13)**	(3,983.10)
Investments in fixed deposit	**(3,545.53)**	(4,976.87)
Maturity proceeds from fixed deposit	**6,626.97**	2,145.87
Bill discounting on behalf of a related party (refer note 46)	**(217.63)**	(459.12)
Dividend from joint venture company	**27.20**	-
Interest received	**398.44**	192.27
Net cash flow used in investing activities (B)	**(983.25)**	**(1,625.30)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Short term borrowings availed	**32.14**	39.76
Re-payment of short term borrowings	**(136.69)**	(26.78)
Interest paid	**(14.23)**	(9.07)
Proceeds from issue of equity share capital under employee stock option plan / restricted stock units plan (refer note 19C and note 49) (including security premium)	**6.49**	38.36
Lease receivables	**5.06**	(10.83)
Interest on lease liability paid	**(4.51)**	(6.71)
Repayment of lease liabilities	**(16.95)**	(39.49)
Dividend paid	**(464.67)**	-
Net cash flow used in financing activities (C)	**(593.36)**	**(14.76)**
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**(49.57)**	50.91
Cash and cash equivalents at the beginning of the year	**94.12**	43.21
Cash and cash equivalents at the end of the year	**44.55**	**94.12**

Particulars	As at March 31, 2022	As at March 31, 2021
Components of cash and cash equivalents		
Cash on hand	**0.02**	0.05
Cheques/ drafts on hand	**-**	-
Balances with banks:		
In current accounts	**50.51**	94.07
In deposit accounts with original maturity of less than three months	**-**	-
Cash and cash equivalents as per balance sheet (refer note 15)	**50.53**	94.12
Bank overdrafts (refer note 21)	**5.98**	-
Cash and cash equivalents as per statement of cash flows	**44.55**	94.12

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 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
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NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

1. Corporate Information

Eicher Motors Limited ("the Holding Company") is a public Company domiciled and incorporated under the provisions of the Companies Act, 1956. The Holding Company and its subsidiaries (hereinafter referred to as "the Group") are engaged in the manufacturing and selling of 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 authorized for issue in accordance with a resolution of the Board of Directors on May 13, 2022.

2. Basis of preparation and presentation

2.1 Statement of Compliance

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

2.2 Accounting convention

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The consolidated financial statements are presented in Indian Rupees and all values are rounded to the nearest two decimals of crore, except otherwise indicated.

2.3 Operating cycle

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

3. Significant Accounting Policies

3.1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and entities jointly controlled by the Holding Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- Potential voting rights held by the Group, other vote holders or other parties; rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended March 31, 2022. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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, 2022	Voting power held as at March 31, 2021
Royal Enfield North America Limited (RENA) (Incorporated on March 23, 2015)	U.S.A.	**100%**	100%
Royal Enfield Brasil Comercio De Motocicletas LTDA (Incorporated on August 18, 2014)	Brazil	**99.99%**	99.99%
Royal Enfield Canada Limited (100% subsidiary Company of RENA) (Incorporated on April 19, 2016)	Canada	**100%**	100%
Royal Enfield (Thailand) Limited (RET) (Incorporated on September 18, 2018)	Thailand	**99.99%**	99.99%
Royal Enfield (UK) Limited (REUK) (Incorporated on August 20, 2019)	United Kingdom	**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 considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

After application of the equity method of accounting, the Group determines whether there any is 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

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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, 2022	Voting power held as at March 31, 2021
VE Commercial Vehicles Limited	India	**54.4%**	54.4%
Eicher Polaris Private Limited	India	**50.0%**	50.0%

3.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

3.4 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions, that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on t he lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Group. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

3.5 Revenue from contract with customers

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

Sale of goods

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

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance (RSA), Free Service Coupons (FSC), etc.). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

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

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section 3.18 Provisions.

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The Group provides a one to three years warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the goods and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised on the service-type warranty to the extent of actual cost incurred on rendering the warranty service.

Agency services

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

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.19 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.6 Leases

The Group assesses at the contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Buildings	2 to 25 years
Land	99 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.15 Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over

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the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset are classified as finance leases.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

In case of finance lease, as a lessor, the Group recognises, at the commencement date, assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Interest rate implicit is used to measure the net investment in the lease. Initial direct costs, other than those incurred by the Group, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is arrived in such a way that the initial direct costs are included automatically in the net investment in the lease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

(a) fixed payments less any lease incentives payable, (b) variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date; (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee, (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

At the commencement date, as a manufacturer or dealer the Group recognises the following for each of its finance leases:

(a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of

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interest; (b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and (c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which Ind AS 115 applies. The Group also recognise selling profit or loss on a finance lease at the commencement date, regardless of whether the Group transfers the underlying asset as described in Ind AS 115.

The Group as a manufacturer or dealer lessor recognises as an expense costs incurred in connection with obtaining a finance lease at the commencement date because they are mainly related to earning the manufacturer or dealer's selling profit. Costs incurred by the Group in connection with obtaining a finance lease are excluded from the definition of initial direct costs and, thus, are excluded from the net investment in the lease.

Subsequent measurement:

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The finance income is allocated over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The Group applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Group reviews regularly estimated unguaranteed residual values used in computing the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, the Group revises the income allocation over the lease term and recognises immediately any reduction in respect of amounts accrued.

3.7 Foreign currencies

The financial statements are presented in Indian Rupees, which is also the functional currency of the Group. In preparing the financial statements of the Group, transactions in currencies other than the group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Transactions in foreign currencies are initially recorded by the foreign operations at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operations, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for practical reasons, the Group uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

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

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in foreign operations are initially recognised in the financial statements of the Group in the other comprehensive income. These exchange differences are reclassified from equity (Foreign currency translation reserve) to profit or loss on disposal of the net investment.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in Other Comprehensive Income (OCI).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which

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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.

3.9 Government grants

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

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

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

3.10 Retirement and other employee benefits

Provident fund

(i) The Group operates a scheme of provident fund for eligible employees, which is a defined benefit plan. Both the employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a part of the contributions to the "Eicher Executive 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.

(ii) 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.

(iii) The employees, who are not covered under the scheme stated in 3.10 (i) above, are covered in a defined contribution scheme wherein their portion of provident fund is contributed to the government administered provident fund. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement

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

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

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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.

3.11 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. 49.

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.

3.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

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

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

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

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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.

3.13 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Freehold land is not depreciated.

Capital work in progress is stated at cost, net of impairment loss, if any. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as-other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act as provided below and except in respect of moulds and dies which are depreciated over their estimated useful life of 1 to 7 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The useful lives for various property, plant and equipment are given below:

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

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

3.14 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level .

Internally-generated intangible assets - research and development expenditure

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

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

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

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss when the asset is derecognised.

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Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 5 to 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 3 years or less depending on the estimated useful life of asset. The useful lives for intangible assets are given below:

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

3.15 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.16 Investment property

Investment property is a property held to earn rentals and capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model. The Group depreciates building component of investment property over 30 years from the date of capitalisation.

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

3.17 Inventories

Inventories comprising Raw materials, work-in-progress, stores and spares, loose tools, traded goods and finished goods are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving average.

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

3.18 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).

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

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.

3.19 Financial instruments

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.20 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss or fair value through other comprehensive income, depending on the classification of the financial assets.

Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

3.21 Financial liabilities and equity instruments

Classification as financial liability or equity

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

Equity instruments

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

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Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

3.22 Derivative Instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, , the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Cash flow hedges

The The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately

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in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Company designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

3.23 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.

3.24 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.

3.25 Cash dividend

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

3.26 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 equipments	Vehicles	Total
Cost							
At March 31, 2020	**85.95**	**779.32**	**1,927.86**	**34.45**	**187.63**	**81.00**	**3,096.21**
Additions	-	22.59	171.67	3.67	31.59	20.40	249.92
Disposals	-	2.45	15.77	0.47	16.35	5.17	40.21
Transfer from Investment property (refer note 6)	-	10.12	-	-	-	-	10.12
Adjustments (Exchange difference)	-	4.78	4.74	0.10	1.54	0.97	12.13
At March 31, 2021	**85.95**	**814.36**	**2,088.50**	**37.75**	**204.41**	**97.20**	**3,328.17**
Additions	-	15.72	296.21	1.29	29.55	37.62	380.39
Disposals	-	1.45	48.51	2.27	8.09	13.00	73.32
Adjustments (Exchange difference)	-	(1.03)	(0.32)	0.01	(0.27)	(0.15)	(1.76)
At March 31, 2022	**85.95**	**827.60**	**2,335.88**	**36.78**	**225.60**	**121.67**	**3,633.48**
Accumulated depreciation							
At March 31, 2020	**-**	**102.97**	**841.12**	**15.63**	**99.78**	**34.94**	**1,094.44**
Charge for the year	-	36.13	260.13	4.73	33.45	16.36	350.80
Disposals	-	2.11	14.21	0.26	1.91	2.97	21.46
Transfer from Investment property (refer note 6)	-	6.96	-	-	-	-	6.96
Adjustments (Exchange difference)	-	0.46	1.01	0.04	0.94	0.47	2.92
At March 31, 2021	**-**	**144.41**	**1,088.05**	**20.14**	**132.26**	**48.80**	**1,433.66**
Charge for the year		35.12	261.04	4.45	36.05	20.04	356.70
Disposals		1.30	47.12	1.63	7.85	9.08	66.98
Adjustments (Exchange difference)		(0.08)	(0.25)	(0.01)	(0.20)	(0.14)	(0.68)
At March 31, 2022	**-**	**178.15**	**1,301.72**	**22.95**	**160.26**	**59.62**	**1,722.70**
Carrying amount							
At March 31, 2021	85.95	669.95	1,000.45	17.61	72.15	48.40	1,894.51
At March 31, 2022	**85.95**	**649.45**	**1,034.16**	**13.83**	**65.34**	**62.05**	**1,910.78**

Immovable property not held in the name of the Company

Description of item of property	Property location	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Freehold land	Alwar, Rajasthan and Jhajjar, Haryana	0.74	Eicher Tractors Ltd.	No	August 2, 2004	The properties were acquired through Group restructuring and the Company is taking necessary steps to get the property registered in its name.

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5. Capital work-in-progress

Particulars				As at March 31, 2022	As at March 31, 2021
Capital work-in-progress*				**133.98**	63.91
				133.98	63.91
As at March 31, 2022					
Particulars	**<1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Projects in progress	**110.14**	**18.34**	**0.12**	**-**	**128.60**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Other Capital work-in-progress	**4.01**	**1.13**	**0.24**	**-**	**5.38**
Total	**114.15**	**19.47**	**0.36**	**-**	**133.98**
There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022					
As at March 31, 2021					
Particulars	**<1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Projects in progress	54.86	0.51	0.93	**-**	56.30
Projects temporarily suspended	-	-	-	**-**	-
Other Capital work-in-progress	7.26	0.35	-	**-**	7.61
Total	**62.12**	**0.86**	**0.93**	**-**	**63.91**
There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021					

* Capital work in progress as at March 31, 2022 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed.

6. Investment property

Particulars	Building	Total
Cost		
At March 31, 2020	**10.12**	10.12
Additions	**-**	-
Disposals	**-**	-
Transfer to self occupied property (refer note 4)	**(10.12)**	(10.12)
At March 31, 2021	**-**	**-**
Additions	**-**	-
Disposals	**-**	-
At March 31, 2022	**-**	**-**
Accumulated depreciation		
At March 31, 2020	**6.96**	6.96
Charge for the year	**-**	-
Disposals	**-**	-
Transfer to self occupied property (refer note 4)	**(6.96)**	(6.96)
At March 31, 2021	**-**	**-**
Charge for the year	**-**	-
Disposals	**-**	-
At March 31, 2022	**-**	**-**
Carrying amount		
At March 31, 2021	**-**	-
At March 31, 2022	**-**	**-**

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7. Intangible assets

Particulars	Product designs, prototypes etc.	Computer softwares	Total
Cost			
At March 31, 2020	198.08	92.94	291.02
Additions	178.48	44.91	223.39
Disposals / write off	-	0.29	0.29
Adjustments (Exchange difference)	8.38	0.62	9.00
At March 31, 2021	**384.94**	**138.18**	**523.12**
Additions	36.40	31.28	67.68
Disposals / write off	-	0.06	0.06
Adjustments (Exchange difference)	(2.95)	0.49	(2.46)
At March 31, 2022	**418.39**	**169.89**	**588.28**
Accumulated amortisation			
At March 31, 2020	44.64	61.55	106.19
Charge for the year	49.51	23.66	73.17
Disposals / write off	-	0.27	0.27
Adjustments (Exchange difference)	2.30	0.56	2.86
At March 31, 2021	**96.45**	**85.50**	**181.95**
Charge for the year	46.00	31.30	77.30
Disposals / write off	-	0.05	0.05
Adjustments (Exchange difference)	(0.78)	0.02	(0.76)
At March 31, 2022	**141.67**	**116.77**	**258.44**
Carrying amount			
At March 31, 2021	288.49	52.68	341.17
At March 31, 2022	**276.72**	**53.12**	**329.84**

8. Intangible assets under development

Particulars				As at March 31, 2022	As at March 31, 2021
Intangible assets under development*				**370.80**	250.38
				370.80	**250.38**
As at March 31, 2022					
Particulars	**<1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Projects in progress	132.13	86.65	65.93	**86.09**	370.80
Projects temporarily suspended	-	-	-	**-**	-
Other Intangible assets under development	-	-	-	**-**	-
Total	**132.13**	**86.65**	**65.93**	**86.09**	**370.80**
There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022					
As at March 31, 2021					
Particulars	**<1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Projects in progress	94.27	68.09	42.07	**45.95**	250.38
Projects temporarily suspended	-	-	-	**-**	-
Other Intangible assets under development	-	-	-	**-**	-
Total	**94.27**	**68.09**	**42.07**	**45.95**	**250.38**
There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2021					

* 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, 2022	As at March 31, 2021
Unquoted Investments		
VE Commercial Vehicles Limited : 54,40,000 (March 31, 2021: 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	**1,952.50**	1,920.77
Sub-total (A)	**1,957.94**	**1,926.21**
Eicher Polaris Private Limited : 32,54,89,000 (March 31, 2021: 32,54,89,000) Equity shares of Rs.10 each fully paid up		
Cost of investment	**325.49**	325.49
Group's share of net assets	**(325.49)**	(325.49)
Sub-total (B)	**-**	**-**
Total (A+B)	**1,957.94**	**1,926.21**

i) In addition to the above investment, the Group has made an investment of Rs. 2,50,000 in a joint venture entity, Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013) which has been charged to the Statement of Profit and Loss in the financial year 2015-16.

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 Group's share of loss for the year ended March 31, 2018. This included an amount of Rs. 17.48 crores recorded by the Group towards its share of cost to wind down the operations.

During the FY 2018-19, the Group has recorded Rs.17.52 crores of exceptional nature representing the Group's share of loss for the year ended March 31, 2019. This includes an amount of Rs. 4.01 crores towards its share of cost to wind down the operations (refer note 20).

The Board of Directors and shareholders of Eicher Polaris Pvt. Ltd (a joint venture company) ('EPPL') at their respective meetings held on February 18, 2020 approved voluntary liquidation (solvent liquidation) of EPPL and appointed an insolvency professional as the liquidator. The liquidation process is under progress currently.

iii) Information relating to interest in joint ventures

a) Details of material joint ventures

Name of the Company	Principal Activity	Place o f incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			As at March 31, 2022	As at March 31, 2021
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, 2022	As at March 31, 2021
Non-current assets	3,635.57	3,671.28
Current assets	5,353.02	4,764.73
Non-current liabilities	357.82	579.26
Current liabilities	5,031.66	4,315.96

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VE Commercial Vehicles Limited	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	**12,724.45**	8,676.37
Profit for the year	**110.57**	57.23
Other comprehensive income / (expense) for the year	**(2.25)**	5.54
Total Comprehensive income for the year	**108.32**	62.77
Dividends received from the joint venture during the year	**27.20**	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

VE Commercial Vehicles Limited	As at March 31, 2022	As at March 31, 2021
Net assets of the joint venture	**3,599.11**	3,540.79
Proportion of the Group's ownership interest in the joint venture	**1,957.94**	1,926.21
Carrying amount of the Group's interest in the joint venture	**1,957.94**	**1,926.21**

Eicher Polaris Private Limited	As at March 31, 2022	As at March 31, 2021
Non-current assets	**-**	-
Current assets	**12.16**	15.46
Non-current liabilities	**-**	-
Current liabilities	**1.27**	1.60

Eicher Polaris Private Limited	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	**-**	-
Profit or loss from continuing operations	**-**	-
Profit/(loss) for the year	**(2.96)**	(17.59)
Other comprehensive income for the year	**-**	-
Total Comprehensive income for the year	**(2.96)**	(17.59)

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, 2022	As at March 31, 2021
Net assets of the joint venture	**10.90**	13.86
Proportion of the Group's ownership interest in the joint venture	**5.45**	6.93
Less:- Amount of interest in the joint venture not considered for consolidation	**(5.45)**	(6.93)
Carrying amount of the Group's interest in the joint venture	**-**	-

As at the year end, the joint venture is in the process of winding up and the net assets will be fully utilised towards such winding up. Accordingly, the Group's share of net assets of the joint venture has not been consolidated.

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Financial Assets :

10. Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-Current	Current	Non-Current	Current
Unquoted Investments				
(a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL)				
16,80,000 (March 31, 2021 : 16,80,000) Equity shares of Rs. 10 per share fully paid up of Suryadev Alloys and Power Private Limited	**5.04**	**-**	5.04	-
5,20,000 (March 31, 2021 : Nil) Equity shares of Rs. 10 per share fully paid up of Flamesun Solar Private Limited	**4.16**	**-**	-	-
Sub-total (A)	**9.20**	**-**	**5.04**	**-**
Quoted Investments				
(b) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	5,058.05	331.50	827.33	1,065.74
Sub-total (B)	**5,058.05**	**331.50**	**827.33**	**1,065.74**
(c) Investment in bonds carried at amortized cost	270.70	93.19	67.48	10.34
Sub-total (C)	**270.70**	**93.19**	**67.48**	**10.34**
Total (A+B+C)	**5,337.95**	**424.69**	**899.85**	**1,076.08**
Aggregate carrying value of quoted investments	**5,328.75**	**424.69**	894.81	1,076.08
Aggregate market value of quoted investments	**5,337.56**	**426.04**	900.59	1,076.01
Aggregate carrying value of unquoted investments	**9.20**	**-**	5.04	-
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	**9.20**	**-**	5.04	-
Quoted				
Investment in mutual funds	**5,058.05**	331.50	827.33	1,065.74
Financial assets carried at amortized cost				
Quoted				
Investment in bonds	**270.70**	93.19	67.48	10.34

11. Loans / Bill discounting

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good		
Loans to employees	**0.04**	0.04
Bill discounting on behalf of a related party# (refer note 46)	**676.75**	459.12
Total	**676.79**	**459.16**

Disclosure required under Sec 186(4) of the Companies Act, 2013

Represents bills discounted to vendors of VECV at 6.65% to 10.5% per annum and the credit period is 30 to 120 days. The balances at any point in time have remained within the overall sanction limit.

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12. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Security deposits	**18.50**	15.87
Bank deposits with remaining maturity greater than twelve months	**47.76**	-
Lease receivables (refer note 52)	**6.75**	6.99
Total	**73.01**	**22.86**
Current		
Unsecured, considered good		
Security deposits	**0.05**	0.02
Insurance claim receivable	**8.75**	2.40
Interest accrued on fixed deposits and bonds	**50.23**	204.63
Lease receivables (refer note 52)	**1.89**	5.08
Derivative asset	**0.06**	-
Others	**4.77**	2.80
Total	**65.75**	**214.93**

13. Inventories (At lower of cost and net realizable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials [includes in transit Rs. 51.80 crores (previous year Rs. 24.43 crores)]	**385.06**	280.91
Work in progress	**41.62**	39.42
Finished goods	**283.88**	350.14
Traded goods	**394.72**	182.07
Stores and spares	**17.47**	17.38
Loose tools	**9.65**	4.68
Total	**1,132.40**	**874.60**

Inventories are net of non-moving/slow-moving provisions amounting to Rs. 51.84 crores (March 31, 2021 : Rs. 5.83 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 3.17

14. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Considered good - secured	**125.87**	12.42
Considered good - unsecured	**176.17**	145.74
Receivables - credit impaired	**2.10**	0.74
	304.14	158.90
Less: Provision for doubtful receivables	**(2.10)**	(0.74)
Total	**302.04**	**158.16**

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Trade receivables ageing

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	Total
Undisputed trade receivables - considered good	**271.80**	**19.54**	**5.07**	**2.51**	**1.40**	**1.72**	**302.04**
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	**0.70**	**0.02**	**0.03**	**0.23**	**0.35**	**1.33**
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	**0.02**	-	**0.67**	**0.08**	**0.77**
Total	**271.80**	**20.24**	**5.11**	**2.54**	**2.30**	**2.15**	**304.14**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						
	Not due	> 0 < 180 days	180 - 365 days	1 - 2 years	2 - 3 years	> 3 years	Total
Undisputed trade receivables - considered good	146.34	6.79	0.93	1.63	0.43	1.37	157.49
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	0.09	0.17	0.05	0.18	0.17	0.66
Disputed trade receivables - considered good	-	-	-	0.67	-	-	0.67
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	0.08	0.08
Total	**146.34**	**6.88**	**1.10**	**2.35**	**0.61**	**1.62**	**158.90**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

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

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

Export sales carries credit period of 0 to 90 days, depending on the contractual terms with respective customers.

15. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	**0.02**	0.05
Balances with banks:		
In current accounts	**50.51**	94.07
Total	**50.53**	**94.12**

At March 31 2022, the Company had available Rs. 94.02 crores (March 31, 2021: Rs. 100 crores) of undrawn borrowing facilities. The Company has pledged a part of its fixed deposits to fulfill collateral requirements.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	**0.02**	0.05
Balances with banks:		
In current accounts	**50.51**	94.07
Total	**50.53**	**94.12**
Bank overdrafts (refer note 21)	**5.98**	-
Cash and cash equivalents as per statement of cash flows Total	**44.55**	**94.12**

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Changes in liabilities arising from financing activities

Particulars	April 1, 2021	Net cash flows	Others	March 31, 2022
Short term borrowings	**157.41**	**(104.55)**	**-**	**52.86**
Interest accrued but not due	**2.37**	**(14.23)**	**11.86**	**-**
Lease receivables	**12.07**	**(5.06)**	**1.34**	**8.35**
Obligation under finance lease	**61.84**	**(21.46)**	**8.49**	**48.87**
Total liabilities from financing activities	**233.69**	**(145.30)**	**21.69**	**110.08**

Particulars	April 1, 2020	Net cash flows	Others	March 31, 2021
Short term borrowings	144.43	12.98	-	157.41
Interest accrued but not due	2.47	(9.07)	8.97	2.37
Lease receivables	-	10.83	1.24	12.07
Obligation under finance lease	104.57	(46.20)	3.47	61.84
Total liabilities from financing activities	**251.47**	**(31.46)**	**13.68**	**233.69**

16. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
In unpaid dividend accounts	**14.65**	14.26
Unspent CSR accounts	**16.75**	-
On deposit accounts		
- Original maturity between three and twelve months	**617.91**	755.75
- Original maturity greater than twelve months	**2,022.63**	4,966.23
Total	**2,671.94**	**5,736.24**

17. Other assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Capital advances	**97.89**	77.50
Prepaid expenses	**30.60**	17.90
Balance with government authorities	**10.92**	6.89
Total	**139.41**	**102.29**
Current		
Unsecured, considered good		
Advance to suppliers		
Considered good	**145.55**	99.71
Considered doubtful	**18.00**	18.00
	163.55	117.71
Less: Provision for doubtful balance	**(18.00)**	(18.00)
	145.55	99.71
Advance to employees	**4.98**	4.48
Prepaid expenses	**40.91**	31.52
Balance with government authorities		
Considered good	**85.29**	57.02
Considered doubtful	**1.11**	1.11
	86.40	58.13
Less: Provision for doubtful balance	**(1.11)**	(1.11)
	85.29	57.02
Government grant receivable	**18.21**	2.26
Others		
Considered good	**0.26**	0.20
Total	**295.20**	**195.19**

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18. Equity Share Capital

(a) Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized Equity share capital		
30,00,00,000 Equity shares of Re. 1 each (March 31, 2021 : 30,00,00,000 Equity shares of Re. 1 each)	**30.00**	30.00
Total	**30.00**	**30.00**
Issued, subscribed and fully paid up		
27,34,23,102 Equity shares of Re. 1 each (March 31, 2021 : 27,33,35,922 Equity shares of Re. 1 each)	**27.34**	27.33
Total	**27.34**	**27.33**

The Company has only one class of equity shares having a par value of Re. 1 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.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020.

(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, 2022		For the year ended March 31, 2021	
	Nos.	Rs. in crores	Nos.	Rs. in crores
At the beginning of the year	**27,33,35,922**	**27.33**	2,73,04,570	27.30
Adjustment for Sub-Division of Equity Shares	**-**	**-**	24,57,41,130	-
Issued during the year - ESOP (refer note 49)	**87,180**	**0.01**	2,90,222	0.03
Outstanding at the end of the year	**27,34,23,102**	**27.34**	27,33,35,922	27.33

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust				
At the beginning of the year	**12,03,06,480**	**44.00%**	1,20,30,648	4.40%
Adjustment for Sub-Division of Equity Shares	**-**	**0.00%**	10,82,75,832	39.61%
Outstanding at the end of the year	**12,03,06,480**	**44.00%**	12,03,06,480	44.01%

(iii) Share options granted under the Group's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in note 49.

(b) Preference share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized Preference share capital		
1,01,000 (March 31, 2021 : 1,01,000) Redeemable preference shares of Rs. 100 each	**1.01**	1.01
Total	**1.01**	1.01

The Group has not issued preference share capital.

The Company has not issued any preference shares.

(c) Details of shares held by promoters

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 1 each fully paid					
Ms. Simran Lal	**31,52,410**	**-**	**31,52,410**	**1.15%**	**0.00%**
Ms. Tara Lal	**31,49,940**	**-**	**31,49,940**	**1.15%**	**0.00%**
Mr. Siddhartha Lal	**29,46,940**	**-**	**29,46,940**	**1.08%**	**0.00%**
The Simran Siddhartha Tara Benefit Trust (Trustee- Vikram Lal)	**12,03,06,480**	**-**	**12,03,06,480**	**44.00%**	**(0.01%)***
The Brinda Lal Trust, Trustee- Vikram Lal	**48,57,070**	**-**	**48,57,070**	**1.78%**	**0.00%**
Karvansarai Investments Private Limited	**1,51,430**	**-**	**1,51,430**	**0.06%**	**0.00%**
Total	**13,45,64,270**	**-**	**13,45,64,270**	**49.22%**	**0.00%**

*Change in shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan 2006 and Restricted Stock Unit Plan 2019, during the FY 2021-22.

As at March 31, 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 1 each fully paid					
Ms. Simran Lal	31,52,410	-	31,52,410	1.15%	0.00%
Ms. Tara Lal	31,49,940	-	31,49,940	1.15%	0.00%
Mr. Siddhartha Lal	29,46,940	-	29,46,940	1.08%	0.00%
The Simran Siddhartha Tara Benefit Trust (Trustee- Vikram Lal)	12,03,06,480	-	12,03,06,480	44.01%	(0.05%)*
The Brinda Lal Trust, Trustee- Vikram Lal	48,57,070	-	48,57,070	1.78%	0.00%
Karvansarai Investments Private Limited	1,51,430	-	1,51,430	0.06%	0.00%
Total	**13,45,64,270**	**-**	**13,45,64,270**	**49.23%**	**0.00%**

*Change in shareholding of Promoter & Promoter Group is on account of allotment of equity shares by the Company under its Employee Stock Option Plan 2006 and Restricted Stock Unit Plan 2019, during the FY 2020-21.

19. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserves	**0.25**	0.25
Capital redemption reserve	**1.41**	1.41
Securities premium	**241.05**	225.00
General reserves	**339.89**	339.89
Share based payments reserve	**40.96**	79.87
Foreign currency translation reserve	**35.70**	51.63
Hedge reserve	**0.04**	-
Retained earnings	**11,921.36**	10,712.70
Total	**12,580.66**	**11,410.75**

Particulars	As at March 31, 2022	As at March 31, 2021
A Capital reserve		
Opening balance	**0.25**	0.25
Add / Less: Movement during the year	**-**	-
Closing balance	**0.25**	**0.25**

Particulars	As at March 31, 2022	As at March 31, 2021
B Capital redemption reserve		
Opening balance	**1.41**	1.41
Add / Less: Movement during the year	**-**	-
Closing balance	**1.41**	**1.41**

The Capital redemption reserve was created at the time of buy back of shares. The Group can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

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Particulars	As at March 31, 2022	As at March 31, 2021
C Securities premium		
Opening balance	**225.00**	159.00
Add : Proceeds from issue of equity shares	**6.48**	38.33
Add : Transferred from share options outstanding account	**9.57**	27.67
Closing balance	**241.05**	**225.00**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2022	As at March 31, 2021
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	As at March 31, 2022	As at March 31, 2021
E Share based payments reserve		
Opening balance	**79.87**	69.99
Add : ESOP expense during the year	**(29.34)**	37.55
Less : Transferred to securities premium on issue of shares	**9.57**	27.67
Closing balance	**40.96**	**79.87**

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 49.

Particulars	As at March 31, 2022	As at March 31, 2021
F Foreign currency translation reserve		
Opening balance	**51.63**	21.19
Add : exchange differences in translating the financial statements of foreign operations	**(15.93)**	30.44
Closing balance	**35.70**	**51.63**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Particulars	As at March 31, 2022	As at March 31, 2021
G Hedge reserve		
Opening balance	**-**	-
Add: Gain/(loss) recognised on cash flow hedges	**0.04**	-
Closing balance	**0.04**	**-**

The Company uses hedging instruments as part of its management of foreign currency risk associated with trade receivables. For hedging foreign currency risk, the Company uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges are reclassified to the statement of profit and loss when the hedged item affects profit or loss.

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Particulars	As at March 31, 2022	As at March 31, 2021
H Retained earnings		
Opening balance	**10,712.70**	9,361.90
Add: Profit for the year	**1,676.60**	1,346.89
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	**(3.27)**	3.91
Less: Dividend for FY 2020-21 paid in FY 2021-22 (amount per share Rs. 17)	**464.67**	-
Total appropriations	**464.67**	-
Balance at end of year	**11,921.36**	**10,712.70**

Financial Liabilities :

20. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits received	**14.82**	14.62
Total	**14.82**	**14.62**
Current		
Employee dues	**116.62**	122.92
Capital creditors	**72.98**	54.72
Unpaid dividend *	**14.65**	14.26
Unspent CSR liabilities	**41.72**	-
Interest accrued but not due	**0.00**	2.37
Provision for constructive obligation towards the discontinued operations of a joint venture (refer note 9)	**4.01**	4.01
Derivative liabilities	**0.02**	-
Others	**0.00**	6.62
Total	**250.00**	**204.90**

* 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, 2022	As at March 31, 2021
Secured		
- From bank		
Overdraft facility*	**5.98**	-
Unsecured		
Working capital loan#	**52.86**	157.41
Total	**58.84**	**157.41**

* Secured overdraft facility carries interest @ 5.40% per annum as at March 31, 2022

Unsecured working capital loan of subsidiary company viz., Royal Enfield North America Ltd as at March 31, 2022 of Rs. 52.86 crores (March 31, 2021 : Rs. 78.36 crores), average repayment period being 3 months, carrying interest @ 3 months LIBOR + 1.70% p.a., Royal Enfield Thailand Ltd. as at March 31,2022 of Rs. Nil (March 31, 2021 : Rs. 6.54 crores), average repayment period being 4 months, carrying interest @ 1.30% and Royal Enfield Brasil Comercio de Motocicletas Ltda as at March 31, 2022 of Rs. Nil (March 31, 2021 : Rs. 72.50 crores), average repayment period being 12 months (March 31, 2021: carried interest @ 4.69% p.a.). These loans are against corporate guarantees given by the Holding Company, Eicher Motors Limited.

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22. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 42)	**37.78**	45.83
Sub-total (A)	**37.78**	**45.83**
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances		
Other trade payables	**1,683.42**	1,415.81
Trade payables to related parties (refer note 46)	**66.88**	51.59
Sub-total (B)	**1,750.30**	**1,467.40**
Total (A+B)	**1,788.08**	**1,513.23**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	**37.78**	-	-	-	**37.78**
Total outstanding dues of creditors other than micro enterprises and small enterprises	**564.44**	**1,185.80**	**0.02**	-	-	**1,750.26**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	**0.04**	-	-	-	**0.04**
Total	**564.44**	**1,223.62**	**0.02**	-	-	**1,788.08**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					
	Unbilled dues	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	45.83	-	-	-	45.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	537.36	926.01	-	-	-	1,463.37
Disputed dues of micro enterprises and small enterprises		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	4.03	-	-	-	4.03
Total	**537.36**	**975.87**	**-**	**-**	**-**	**1,513.23**

Terms and conditions of the above financial liabilities :-

For terms and conditions pertaining to related party dues, refer note 46

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23. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Employee benefits - refer note (i) below		
Other employee benefits	**7.97**	6.07
Warranties - refer note (ii) below	**31.16**	16.49
Total	**39.13**	**22.56**
Current		
Employee benefits - refer note (i) below		
Compensated absences	**19.20**	16.39
Other employee benefits	**0.22**	0.09
Sub-total (A)	**19.42**	**16.48**
Warranties - refer note (ii) below	**105.36**	73.71
Onerous contract - refer note (ii) below	**25.87**	-
Sub-total (B)	**131.23**	**73.71**
Total (A+B)	**150.65**	**90.19**

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.

(ii) Movement in warranties and onerous contract provisions

As at March 31, 2022

Particulars	Warranties	Onerous contract
Opening balance	**90.20**	**-**
Additions during the year	**92.76**	**25.87**
Amount utilized during the year	**48.85**	**-**
Unwinding of discount	**2.41**	**-**
Closing balance	**136.52**	**25.87**

As at March 31, 2021

Particulars	Warranties	Onerous contract
Opening balance	77.44	-
Additions during the year	53.24	-
Amount utilized during the year	41.25	-
Unwinding of discount	0.77	-
Closing balance	90.20	-

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.

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24. Deferred tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	**228.15**	205.33
Investments measured at FVTPL	**41.66**	36.12
Others	**8.17**	8.04
Sub-total (A)	**277.98**	**249.49**
Less: Deferred tax assets on		
Accrued expenses deductible on payment	**1.23**	1.18
Deferred revenue	**33.35**	11.90
Provision for compensated absences and other employee benefits	**4.64**	4.01
Provision for doubtful debts and advances	**6.39**	5.40
Lease	**2.41**	3.18
Others	**9.90**	2.32
Sub-total (B)	**57.92**	**27.99**
Total (A-B)	**220.06**	**221.50**

Movement of deferred tax liabilities/assets **As at March 31, 2022**

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	**205.33**	**22.82**	**-**	**228.15**
Investments measured at FVTPL	**36.12**	**5.54**	**-**	**41.66**
Others	**8.04**	**0.13**	**-**	**8.17**
Sub-total (A)	**249.49**	**28.49**	**-**	**277.98**
Less: Deferred tax assets on				
Accrued expenses deductible on payment	**1.18**	**0.05**	**-**	**1.23**
Deferred revenue	**11.90**	**21.45**	**-**	**33.35**
Provision for compensated absences and other employee benefits	**4.01**	**0.63**		**4.64**
Exchange differences in translating the financial statements of foreign operations	**-**	**(5.24)**	**5.24**	**-**
Remeasurement of defined benefit obligation	**-**	**(0.80)**	**0.80**	**-**
Provision for doubtful debts and advances	**5.40**	**0.99**	**-**	**6.39**
Lease	**3.18**	**(0.77)**		**2.41**
Others	**2.32**	**7.58**	**-**	**9.90**
Sub-total (B)	**27.99**	**23.89**	**6.04**	**57.92**
Total (A-B)	**221.50**	**4.60**	**(6.04)**	**220.06**

As at March 31, 2021

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	193.63	11.70	-	205.33
Investments measured at FVTPL	75.17	(39.05)	-	36.12
Others	2.66	5.38	-	8.04
Sub-total (A)	**271.46**	**(21.97)**	**-**	**249.49**
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.11	0.07	-	1.18
Deferred revenue	8.50	3.40	-	11.90
Provision for compensated absences and other employee benefits	3.10	0.91	-	4.01
Exchange differences in translating the financial statements of foreign operations	-	10.35	(10.35)	-
Remeasurement of defined benefit obligation	-	0.19	(0.19)	-
Provision for doubtful debts and advances	0.43	4.97	-	5.40
Lease	3.81	(0.63)		3.18
Others	2.36	(0.04)	-	2.32
Sub-total (B)	**19.31**	**19.22**	**(10.54)**	**27.99**
Total (A-B)	**252.15**	**(41.19)**	**10.54**	**221.50**

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At March 31, 2022, there was no recognised deferred tax liability (March 31, 2021: 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.

25. Current tax liabilities / Non-current tax assets

Particulars	As at March 31, 2022	As at March 31, 2021
Tax liabilities		
Provision for current tax (net)	**231.79**	131.03
Total	**231.79**	**131.03**
Tax assets		
Advance income tax (net)	**144.28**	51.33
Total	**144.28**	**51.33**

26. Government grant

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	**63.76**	63.42
Total	**63.76**	**63.42**
Current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	**19.38**	15.61
Total	**19.38**	**15.61**

(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 and Department for Her Majesty's Revenue & Customs.

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 recognized in statement of profit and loss on a systematic basis over the useful life of the related fixed assets.

(ii) Movement in Government grant

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**79.03**	73.54
Additions during the year	**80.16**	31.57
Amount recognised as income during the year	**76.05**	26.08
Closing balance	**83.14**	79.03

27. Contract liability

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Contract liability	**170.14**	227.67
Total	**170.14**	**227.67**

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28. Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred revenue	**236.54**	123.50
Total	**236.54**	**123.50**
Current		
Advance from customers	**147.92**	137.42
Deferred revenue	**49.37**	47.29
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	**94.39**	78.89
Others	**9.25**	9.45
Total	**300.93**	**273.05**

29. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations		
Revenue from contract with customers (Goods transferred at a point in time)		
Manufactured goods	**9,475.62**	8,174.66
Traded goods	**592.89**	435.13
Revenue from contract with customers (Services transferred over time)		
Others	**58.56**	51.77
Sub-total (A)	**10,127.07**	**8,661.56**
Other operating revenue		
Government grant (Export incentives)	**76.05**	26.08
Scrap sale	**25.76**	17.82
Income from other operating revenues	**68.95**	14.89
Sub-total (B)	**170.76**	58.79
Total (A+B)	**10,297.83**	**8,720.35**

Refer note 3.5 - Revenue from contract with customers

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Details of products sold		
Manufactured goods		
Two wheelers	**8,709.84**	7,628.96
Spare parts and other components	**765.78**	545.70
Total	**9,475.62**	**8,174.66**
Traded goods		
Accessories and other allied products	**592.89**	435.13
Total	**592.89**	**435.13**
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	**10,294.78**	8,822.58
Adjustments:		
- Trade Discount	**53.78**	35.20
- Incentives	**45.15**	56.43
- Deferral of revenue (FSC, RSA) and others	**68.78**	69.39
Total	**10,127.07**	**8,661.56**

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Contract Balances

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	**302.04**	158.16
Contract liabilities	**170.14**	227.67
Amount of Revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	**227.67**	350.16

30. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on financial assets carried at amortized cost		
Bank deposits and bonds	**208.13**	300.00
Discount on bills (refer note 46)	**34.28**	9.52
Others	**1.63**	0.77
	244.04	**310.29**
Other non-operating income		
Gain on financial instruments at fair value through profit or loss (mutual funds)	**155.30**	106.69
Other income	**26.46**	31.22
Profit on sale of property, plant and equipment	**1.09**	0.50
Finance income on lease	**1.34**	1.24
Gain on exercise of termination option of leases	**-**	3.25
Exchange gain (net)	**12.59**	-
	196.78	**142.90**
Total	**440.82**	**453.19**

31. Cost of raw material and components consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	**280.88**	185.94
Add: Purchases	**6,032.87**	5,445.39
	6,313.75	**5,631.33**
Less: Inventory at the end of the year	**385.06**	280.88
Less: Material cost of vehicles capitalized	**3.01**	1.68
	5,925.68	**5,348.77**
Less: Sale of raw materials to suppliers on cost to cost basis	**160.44**	296.20
Total	**5,765.24**	**5,052.57**

32. Purchases of traded goods

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accessories and other allied products	**339.03**	265.60
Total	**339.03**	**265.60**

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33. Change in inventories of finished goods, work-in-progress and traded goods

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Finished goods	**283.88**	350.14
Work-in-progress	**41.62**	**39.42**
Traded goods	**394.72**	182.07
A	**720.22**	**571.63**
Inventories at the beginning of the year		
Finished goods	**350.14**	228.95
Work-in-progress	**39.42**	42.29
Traded goods	**182.07**	94.49
B	**571.63**	**365.73**
Net change (B-A)	**(148.59)**	**(205.90)**

34. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	**774.30**	735.54
Contribution to provident and other funds (refer note 43)	**27.08**	25.76
Share-based payments (refer note 49)	**(29.34)**	37.48
Staff welfare expenses	**48.98**	44.45
Total	**821.02**	**843.23**

35. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
On bills discounting	**1.65**	1.09
On borrowings	**10.21**	7.88
Unwinding of discount on provisions	**2.41**	0.77
Interest on lease liabilities (refer note 52)	**4.51**	6.71
Total	**18.78**	**16.45**

36. Depreciation and amortization expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 4)	**356.70**	350.80
Amortization of intangible assets (refer note 7)	**77.30**	73.17
Amortization of right of use assets (refer note 52)	**17.93**	26.76
Total	**451.93**	**450.73**

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37. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of Stores and machinery spares (including loose tools and packing material)	**198.56**	139.51
Loss on sale of property, plant and equipment and intangible assets	**5.32**	1.98
Power and fuel	**55.78**	52.98
Insurance	**31.83**	25.94
Repairs and maintenance		
Buildings	**3.28**	3.77
Plant and equipment	**48.48**	43.83
Others	**82.09**	63.74
Rates and taxes	**6.26**	5.12
Advertisement	**30.82**	18.20
Freight and handling charges	**180.97**	121.59
Provision for warranty and onerous contract	**118.56**	53.87
Other selling and distribution expenses	**284.69**	180.93
Expense related to short term leases	**28.11**	14.45
Legal and professional charges*	**72.05**	59.61
Travelling expenses	**50.18**	33.00
Development expenses	**12.04**	8.93
Corporate social responsibility expenditure (refer note 50)	**52.71**	56.37
Provision for doubtful debts and advances (including write off)	**1.40**	18.29
Exchange loss (net)	**-**	7.99
Miscellaneous expenses	**85.75**	73.50
Total	**1,348.88**	**983.60**

*** Including payment to auditors as below (excluding GST) :-**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditors:		
a) For audit	**0.40**	0.35
b) For limited reviews of unaudited financial results	**0.23**	0.23
c) For other services	**0.09**	0.18
d) For reimbursement of expenses	**-**	0.00
Total	**0.72**	**0.76**
In other capacity:		
a) For other services	**0.12**	0.12
Total	**0.12**	**0.12**

38. Income tax recognized in Statement of profit and loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	**521.42**	492.70
Sub-total (A)	**521.42**	**492.70**
Deferred tax		
Relating to origination and reversal of temporary differences	**4.49**	(41.20)
Sub-total (B)	**4.49**	**(41.20)**
Total income tax expense recognized in the current year		
Total (A+B)	**525.91**	**451.50**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax and after share of profit of Joint venture	**2,202.51**	1,798.39
Income tax expense calculated at 25.168% (previous year @ 25.168%)	**554.33**	452.62
Effect on long-term capital gain from investment in mutual funds	**(16.81)**	18.71
Effect of ESOP expenses not deductible in determining taxable profits	**(7.38)**	9.42
Effect of income exempt from taxation	**(6.46)**	(0.78)
Effect of mark to market on mutual funds	**11.43**	(39.49)
Deferred tax asset not created on carried forward business loss of subsidiary companies	**(0.45)**	1.85
Impact of share of profit of joint venture included in profit before tax	**(15.14)**	(7.84)
Effect of CSR Expenses	**13.27**	14.19
Others	**(6.88)**	2.82
	525.91	451.50
Income tax expense recognized in statement of profit and loss	**525.91**	451.50
Income tax rate :		
Basic rate	**22.000%**	22.000%
Surcharge - 10% (applied on basic rate)	**2.200%**	2.200%
Cess - 4% (applied on basic plus surcharge)	**0.968%**	0.968%
	25.168%	**25.168%**

Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax charge/(benefit)		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	**(5.24)**	10.35
Remeasurement of defined benefit obligation	**(0.80)**	0.19
Total income tax recognized in other comprehensive income	**(6.04)**	**10.54**
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that may be reclassified to profit or loss	**(5.24)**	10.35
Items that will not be reclassified to profit or loss	**(0.80)**	0.19
Total	**(6.04)**	**10.54**

39. Critical Accounting Judgement 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

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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:

- Joint operations whereby the parties have joint control over the rights and obligations of the arrangement. It also includes an arrangement which is not structured through a separate vehicle.
- Joint venture whereby the parties have joint control over the net assets of the arrangement.

Joint Control has been described to be existing only when decisions about relevant activities require the unanimous consent of the parties that collectively control the arrangement. The contractual arrangement requires a minimum proportion of the voting rights to make relevant decisions.

As per the above description, the arrangement between EML and AB Volvo shall be classified as a Joint Venture as it has been structured through a separate vehicle (i.e. VECVL) and also the parties do not have control over specific rights and obligations rather they have joint control over the net assets.

Recoverability of intangible assets and intangible assets under development

The Group has various internally generated intangible assets either capitalised or under development. Initial recognition of the expenditure under these assets are based on assessing each asset in relation to the specific recognition criteria to be met for capitalisation, for e.g. technological and economic feasibility and the ability of the asset to generate economic benefits in the future. In addition, the management also assesses any indications of impairment of the carrying value of the assets. This requires the management's judgement and assumptions, which are affected by future market or economic developments. The management has analysed the recognition criteria and future market conditions and is confident that these assets do not require any adjustments to their carrying value at the year end.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

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 discounted cash flow model.

40. 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. 70.10 crores (March 31, 2021 : Rs. 103.40 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 172.44 crores (March 31, 2021 : Rs. 195.70 crores).

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41. Contingent liabilities not provided for :-

Particulars	As at March 31, 2022	As at March 31, 2021
a) In respect of following:		
- Excise duty matters	**18.97**	18.97
- Sales tax matters	**7.29**	7.29
- Service tax matters	**0.39**	0.39
- Customs duty matters	**3.48**	3.48
b) Claims against the Group not acknowledged as debts	**10.84**	10.44
c) Guarantees given to bank/others	**8.29**	2.74
d) Contingent liabilities arising from its interests in joint ventures	**112.40**	104.52

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.

42. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	**37.78**	45.60
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	**0.01**	0.02
(iii) The amount of payment made to the supplier beyond the appointed day	**4.40**	24.10
(iv) The amount of interest due and payable for the year	**0.06**	0.21
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**0.07**	0.23
(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.	**-**	-

43. 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, 2022	For the year ended March 31, 2021
Detail of amount recognized as expense for defined contribution plans is given below:-		
a) Provident fund*	**17.08**	17.38
b) Superannuation fund	**2.29**	1.19
c) Employee State Insurance Corporation	**0.12**	0.06
d) Other funds	**17.64**	14.62
Total	**37.13**	33.25

*includes Rs. 0.58 crores (March 31, 2021: Rs. 1.58 crores) capitalized during the year and Rs. 7.53 crores (March 31, 2021: Rs. 5.91 crores) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 6.55 crores (March 31, 2021: Rs. 6.80 crores) is made to Eicher Executive Provident Fund Trust, while the remaining contribution has been 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, 2022 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 :-

The provident fund is governed by the Provident Fund Act, 1952. Under the defined benefit plan, the Group contributes to the ""Eicher Executive Provident Fund Trust"". The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Group does not have additional obligation as at March 31, 2022.

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

Principal assumptions:	Provident fund	
	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.25%**	6.85%
Retirement age	**58 years**	58 years
Rate of withdrawal	**2.00%**	2.00%
In service mortality	**IALM (2012 - 14)**	IALM (2012 - 14)

Gratuity :-

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.

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

Principal assumptions:	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.25%**	6.85%
Future salary increase	**7.00%**	6.50%
Retirement age	**58 years**	58 years
Rate of withdrawal	**2.00%**	2.00%
In service mortality	**IALM (2012 - 14)**	IALM (2012 - 14)

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

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:		
Current service cost	**4.86**	5.08
Net Interest expense	**-**	-
Components of defined benefit costs recognized in profit or loss	**4.86**	**5.08**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	**0.32**	(0.10)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	**0.50**	-
Actuarial (gains)/ losses arising from experience adjustments	**2.36**	(0.67)
Components of defined benefit costs recognized in other comprehensive income	**3.18**	**(0.77)**
Total	**8.04**	**4.31**

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, 2022	As at March 31, 2021
Present Value of funded defined benefit obligation	**35.33**	29.20
Fair value of plan assets	**35.33**	29.20
Net liability arising from defined benefit obligation	**-**	**-**

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

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined obligation	**29.20**	25.65
Current service cost	**4.86**	5.08
Interest cost	**2.00**	1.75
Actuarial (gains)/ losses	**2.86**	(0.67)
Benefits paid	**(3.59)**	(2.61)
Closing defined benefit obligation	**35.33**	29.20

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

Particulars	Gratuity	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets@	**29.20**	25.65
Interest income	**2.00**	1.75
Actuarial gains/ (losses)	**(0.32)**	0.10
Contribution	**8.04**	4.31
Benefit paid	**(3.59)**	(2.61)
Closing fair value of plan assets@	**35.33**	29.20

@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	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Government securities	**15.28**	13.19
Debt instruments categorized by issuers' credit rating:		
AAA	**15.27**	12.03
AA+	**1.09**	1.50
AA	**1.09**	1.07
Cash, deposits, Equity, etc.,	**2.60**	1.41
Total	**35.33**	**29.20**

The fair values of the above instruments are determined based on quoted market prices in active market. The actual return on plan assets was Rs. 1.68 crores for the year ended March 31, 2022.

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. 2.39 crores (increase by Rs. 2.65 crores) [as at March 31, 2021: Decrease by Rs. 1.87 crores (increase by Rs. 2.06 crores)].
- If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 2.64 crores (decrease by Rs. 2.41 crores) [as at March 31, 2021: Increase by Rs. 2.06 crores (decrease by Rs. 1.88 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 recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Average duration of the defined benefit obligation (in years)	**19.80**	20.08

The estimated contribution during next year is Rs. 5.57 crores (March 31, 2021 : Rs. 5.74 crores) to the defined benefit plan.

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44. Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share (in Rs.)	**61.33**	49.30
Diluted earnings per share (in Rs.)	**61.26**	49.24
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 for the year	**1,676.60**	1,346.89
Weighted average number of equity shares for the purposes of basic earnings per share	**27,33,93,761**	27,31,78,699
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 for the year	**1,676.60**	1,346.89
Weighted average number of equity shares for the purposes of basic earnings per share	**27,33,93,761**	27,31,78,699
Shares deemed to be issued for no consideration in respect of :		
- employee stock option plan / restricted stock units plan	**2,76,259**	3,48,741
Weighted average number of equity shares for the purposes of diluted earnings per share	**27,36,70,020**	27,35,27,440

45. Segment Reporting Disclosure

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments.

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Particulars	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2022	**8,566.08**	**1,731.75**	**10,297.83**
For the year ended March 31, 2021	7,873.08	847.27	8,720.35
Non-current segment assets			
As at March 31, 2022	**2,680.59**	**557.17**	**3,212.75**
As at March 31, 2021	2,394.75	506.46	2,901.21

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 represents total non current assets excluding non current financial 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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46. Related party disclosures under Ind AS 24

a. Related party disclosures

Name of related parties and their relationship:

Name of related party		Nature of Relationship
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
VECV Lanka (Private) Limited	(VECV Lanka)	Subsidiary company of VECVL
VECV South Africa (PTY) Ltd.	(VECV Africa)	Subsidiary company of VECVL
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation	(EGF)	Joint venture company
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
Eicher Goodearth India Private Limited	(EGIPL)	Entity under the control of the key management personnel
Nicobar Design Private Limited	(NDPL)	Entity under the control of the key management personnel
Eicher Executive Provident Fund	(EEPF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETESSF)	Post employment benefit plan
Eicher Motors Limited Employees Gratuity Trust	(EMLEGT)	Post employment benefit plan
The Simran Siddhartha Tara Benefit Trust	(SSTBT)	Managing Director is a trustee
Sunshine Automobiles		Directors' relative is a partner
Ms. Natasha Jamal		Relative of KMP

b. Key management personnel

Mr. Siddhartha Lal	Managing Director
Mr. Vinod K. Dasari	Whole-time Director (up to August 13, 2021) & Chief Executive Officer of Royal Enfield
Mr. B Govindarajan	Whole-time Director (from August 18, 2021) & Chief Executive Officer of Royal Enfield
Mr. S. Sandilya	Chairman
Ms. Manvi Sinha	Independent director
Mr. Inder Mohan Singh	Independent director
Mr. Vinod Aggarwal	Non-executive director
Mr. Lalit Malik	Chief Financial Officer (up to May 06, 2020)
Mr. Kaleeswaran Arunachalam	Chief Financial Officer
Mr. Manhar Kapoor	Company Secretary (up to March 11, 2022)

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

Particulars	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Siddhartha Lal	**Managerial remuneration**		
	Short-term benefits		
	Salary (including perquisites)	13.00	13.53
	Statutory contributions*	2.81	1.81
	Commission	8.19	6.70
		24.00	**22.04**
Mr. Vinod K. Dasari	**Managerial remuneration**		
	Short-term benefits	11.80	15.00
	Share based payments	12.78	10.37
	Post-employment benefits	-	0.40
	Other long-term benefits	-	0.16
		24.58	**25.93**
Mr. B Govindarajan	**Managerial remuneration**		
	Short-term benefits	3.34	-
	Post-employment benefits	0.39	-
	Other long-term benefits	0.31	-
		4.04	**-**
Mr. S. Sandilya	Sitting fees	0.05	0.06
	Commission	0.41	0.63
Ms. Manvi Sinha	Sitting fees	0.04	0.05
	Commission	0.21	0.12
Mr. Inder Mohan Singh	Sitting fees	0.04	0.06
	Commission	0.21	0.12
Mr. Lalit Malik	**Remuneration**		
	Short-term benefits	-	0.28
Mr. Kaleeswaran Arunachalam	**Remuneration**		
	Short-term benefits	2.32	1.85
	Post-employment benefits	0.04	0.02
	Other long-term benefits	0.05	0.02
		2.41	**1.89**
Mr. Manhar Kapoor	**Remuneration**		
	Short-term benefits	1.24	1.38
	Post-employment benefits	0.10	0.02
	Other long-term benefits	0.08	0.02
		1.42	**1.42**

*represents National Insurance payable to HMRC UK on fixed salary and commission

Post-employment benefits and other long-term benefits mentioned above were accrued and not paid as on March 31, 2022

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d. Transactions with the related parties

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
VE Commercial Vehicles Limited	Purchase of raw materials and components / services	**150.51**	127.37
	Expenses reimbursed	**-**	0.22
	Expenses recovered	**0.62**	-
	Corporate service charges paid	**1.80**	1.69
	Discount on bills	**34.28**	9.52
Eicher Polaris Private Limited	Investment in equity share capital - Allotted	**-**	0.99
	Expenses reimbursed	**0.25**	
Eicher Goodearth Private Limited	Corporate service charges paid	**0.99**	0.73
	Rent	**4.72**	4.72
Eicher Goodearth India Private Limited	Brand fees	**25.10**	21.54
Eicher Group Foundation	Corporate social responsibility expenditure	**52.71**	56.37
Eicher Executive Provident Fund	Contribution to provident fund	**6.55**	6.80
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	**0.28**	0.30
Eicher Motors Limited Employees Gratuity Trust	Contribution to gratuity fund	**8.04**	4.31
	Benefits paid	**(3.59)**	(2.61)
Sunshine Automobiles	Sale of motorcycles, spares, Apparel and accessories	**35.88**	30.52
	Payment for Free service coupon and warranty claims	**0.47**	0.41
	Security deposit received	**-**	0.01

Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2022	As at March 31, 2021
VE Commercial Vehicles Limited	Trade payables	**41.78**	30.04
	Bills discounted	**676.75**	459.12
Eicher Group Foundation	Receivable of surplus on CSR unspent fund	**1.59**	-
Eicher Goodearth Private Limited	Security deposits receivable	**1.09**	1.09
	Rent payable	**0.23**	0.19
Eicher Goodearth India Private Limited	Trade payables	**25.10**	21.54
Mr. Siddhartha Lal	Commission payable (including National insurance)	**9.32**	7.62
Mr. Vinod K. Dasari	Variable pay	**-**	4.03
Non-executive and independent directors	Commission payable	**0.83**	0.87
Sunshine Automobiles	Security deposit payable	**0.02**	0.02
	Advances received towards vehicles, spares, apparel and accessories sales	**0.87**	0.93
Eicher Executive Provident Fund	Contribution to provident fund	**0.52**	0.59
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	**0.02**	0.02

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, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021 : 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 has a credit period of 45 days with respect to payables to VE Commercial Vehicles Limited.

Brand fees payable to Eicher Goodearth India Private Limited upon approval by Shareholders at its Annual General Meeting.

Rent payable to Eicher Goodearth India Private Limited on due basis.

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47. Financial instruments

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options. The Group uses the operational cash flows and equity to meet its capital requirements.

The Group is not subject to any externally imposed capital requirements.

The management of the Group reviews the capital structure of the Group on regular basis. As part of this review, the management of the Group considers risks associated with the movement in the working capital.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings (refer note 21)	**58.84**	157.41
Less: cash and cash equivalents (refer note 15)	**(50.53)**	(94.12)
Net debt	**8.31**	**63.29**
Share capital	**27.34**	27.33
Other equity	**12,580.66**	11,410.75
Total Equity	**12,608.00**	**11,438.08**
Gearing ratio	**0.07%**	0.55%

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47.1. Categories of financial instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	**9.20**	5.04
Investments in mutual funds	**5,058.05**	827.33
Current		
Investments in mutual funds	**331.50**	1,065.74
Financial assets at fair value through other comprehensive income		
Current		
Derivative asset	**0.06**	-
Financial assets at amortized cost		
Non-current		
Investments in bonds	**270.70**	67.48
Other financial assets	**73.01**	22.86
Current		
Investments in bonds	**93.19**	10.34
Trade receivables	**302.04**	158.16
Cash and bank balances	**2,722.47**	5,830.36
Loans	**676.79**	459.16
Other financial assets	**65.75**	214.93
Financial liabilities at fair value through other comprehensive income		
Current		
Derivative liability	**0.02**	-
Financial liabilities at amortized cost		
Non-current		
Lease liability	**35.32**	46.12
Other financial liabilities	**14.82**	14.62
Current		
Borrowings	**58.84**	157.41
Lease liability	**13.55**	15.72
Trade payables	**1,788.08**	1,513.23
Other financial liabilities	**250.00**	204.90

As the carrying values of the financial instruments disclosed above are reasonable approximations of the fair value of the respective items, the fair values have not been disclosed separately.

47.2. Fair value measurements

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:-

The following is the basis of categorizing the financial instruments measured at fair value into Level 1 to Level 3 :-

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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Quantitative disclosures fair value measurement hierarchy for assets :-

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, 2022		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	**-**	**-**	**9.20**
Investments in mutual funds	**5,058.05**	**-**	**-**
Current			
Investments in mutual funds	**331.50**	**-**	**-**

Particulars	Fair value as at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-		5.04
Investments in mutual funds	827.33	-	-
Current			
Investments in mutual funds	1,065.74	-	-

* represents the investments in equity of Suryadev Alloys & Power Private Limited (as at March 31, 2022 and March 31, 2021) and Flamesun Solar Private Limited (as at March 31, 2022). As per the share purchase agreement between the Company and these parties, in case of termination or as the case may be, the Company shall transfer the equity shares to the person nominated by each party (Nominated person) as may be prescribed and consideration to receive in this regard shall be the same amount as paid by the Company towards purchase of these equity investments (cost of purchase).

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

Particulars	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value (Level 1)	Carrying amount	Fair value (Level 1)
Financial assets at amortized cost				
Non-current				
Investments in bonds	**270.70**	**279.51**	67.48	73.26
Current				
Investments in bonds	**93.19**	**94.54**	10.34	10.27

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The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:-

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- The fair value of bonds is based on quoted prices and market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year.

48. Financial risk management objectives and policies

Financial risk management objectives

"The Group's management monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in foreign currency in crores)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	**2.79**	**1.23**	1.41	2.83
EURO	**2.41**	**0.04**	1.02	0.06
GBP	**0.44**	**0.25**	0.35	0.22
JPY	**-**	**10.04**	-	2.68
THB	**3.34**	**0.04**	-	-
Others	**0.01**	**0.01**	16.30	9.02

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Foreign currency sensitivity

The company uses the sensitivity rate of 5% when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. In the opinion of the management, the sensitivity of increase or decrease of Rs. 17.52 crores (March 31, 2021: Rs. 11.10 crores) against the relevant foreign currencies is not material to the financial statements.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances. None of the financial instruments of the Group result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

Movement in the expected credit loss allowance of financial assets

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at beginning of the year	**18.74**	0.62
Add: Provided during the year	**1.40**	18.12
Less: amounts written off	**0.04**	-
Balance at end of the year	**20.10**	18.74

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, the profit for the year ended March 31, 2022 would increase/decrease by Rs. 53.90 crores (for the year ended March 31, 2021: increase/decrease by Rs. 18.93 crores).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Since the Group's borrowings which are affected by interest rate fluctuation is very insignificant to the size and operations of the Group, therefore, a change in interest rate risk does not have a material impact on the Group's financial statements in relation to fair value of financial instruments.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

Particulars	As at March 31, 2022			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liability	**-**	**30.38**	**4.94**	**35.32**
(ii) Other financial liabilities	**-**	**-**	**14.82**	**14.82**
Current				
(i) Borrowings	**58.84**			**58.84**
(ii) Lease liability	**13.55**	**-**	**-**	**13.55**
(iii) Trade payables	**1,788.08**	**-**	**-**	**1,788.08**
(iv) Other financial liabilities	**250.00**	**-**	**-**	**250.00**

Particulars	As at March 31, 2021			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liability	-	28.54	17.58	46.12
(ii) Other financial liabilities	-	-	14.62	14.62
Current				
(i) Borrowings	157.41	-	-	157.41
(ii) Lease liability	15.72			15.72
(iii) Trade payables	1,513.23	-	-	1,513.23
(iv) Other financial liabilities	204.90	-	-	204.90

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

49. Share-based payments

Employee Stock Option Plan, 2006

Pursuant to the approval accorded by shareholders at their Annual General Meeting held on July 5th 2006, the Nomination and Remuneration Committee of the Company formulated Employee Stock Option Plan 2006' ("ESOP, 2006") of the Company.

ESOP, 2006 is applicable to all permanent and full-time employees (as defined in the Plan), excluding employee who is a Promoter or belonging to Promoter Group of the Company and other exclusions as per SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations"). The eligibility of employees to receive grants under the Plan is 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 as may be determined by the Nomination and Remuneration Committee at the time of grant, provided, the vesting period shall not be less than 1 year from the date of grant or such other period as may be prescribed, from time to time, under the aforesaid SEBI Regulations.

Vesting of options shall be subject to the conditions that the Grantee shall be in continuous employment with the Company (or its subsidiary company, as the case may be) and subject to such other conditions and exceptions as provided under Company's ESOP, 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 vested 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 as approved by the Nomination and Remuneration Committee in accordance with the terms of the ESOP, 2006.

Each stock option, when exercised, is convertible into one equity share of the Company. No amount is payable by the option grantee on grant of option. The options carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

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Details of the Employee Stock Option Plan, 2006

The following share-based payment arrangements were in existence during the current and prior years :-

Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(ii)	20,89,000	22-Oct-07	3 Years	21-Oct-17	46.20	24.39
(iii)	4,00,000	29-Apr-10	1 Year	28-Apr-18	69.50	15.46
(iv)	1,54,000	8-Nov-10	3 Years	7-Nov-20	141.10	24.39
(v)	10,82,000	6-May-11	3-5 Years	5-May-21	116.20	62.51
(vi)	54,000	11-Feb-12	3-5 Years	10-Feb-22	177.00	96.71
(vii)	50,000	16-Dec-13	3-5 Years	15-Dec-23	491.50	252.20
(viii)	1,60,000	11-Aug-14	3-5 Years	10-Aug-24	847.75	433.63
(ix)	54,000	12-Nov-14	3-5 Years	11-Nov-24	1,299.37	655.57
(x)	20,000	12-Jan-15	1 Year	11-Jan-25	1,473.90	762.66
(x)	2,03,000	12-Jan-15	3-5 Years	11-Jan-25	1,473.90	739.39
(xi)	45,000	20-Mar-15	3-5 Years	20-Mar-25	1,611.20	829.56
(xii)	5,30,000	8-May-15	3-5 Years	7-May-25	1,480.70	774.20
(xiii)	65,900	21-Jul-15	3-5 Years	20-Jul-25	2,124.80	1,111.25
(xiv)	78,000	6-Nov-15	3-5 Years	5-Nov-25	1,767.80	901.05
(xv)	42,000	5-Feb-16	3-5 Years	4-Feb-26	1,689.40	856.59
(xvi)	24,000	27-Apr-16	3-5 Years	26-Apr-26	2,014.80	1,005.58
(xvii)	21,000	28-Jul-16	3-5 Years	27-Jul-26	2,034.00	1,043.71
(xviii)	30,000	28-Oct-16	3-5 Years	27-Oct-26	2,449.20	1,175.40
(xix)	18,000	1-Feb-17	3-5 Years	31-Jan-27	2,302.80	1,087.56
(xx)	35,000	27-Mar-17	3-5 Years	26-Mar-27	2,435.00	1,160.12
(xxi)	13,500	9-Aug-17	3-5 Years	8-Aug-27	3,212.10	1,497.35
(xxii)	15,000	14-Nov-17	3-5 Years	13-Nov-27	3,058.50	1,452.09
(xxiii)	21,000	7-Feb-18	3-5 Years	6-Feb-28	2,757.90	1,272.97
(xxiv)	45,000	2-Apr-18	3-5 Years	1-Apr-28	2,837.30	1,293.48
(xxv)	12,500	9-May-18	3-5 Years	8-May-28	3,042.70	1,409.20
(xxvi)	24,000	9-Aug-18	3-5 Years	8-Aug-28	2,759.40	1,288.71
(xxvii)	28,000	12-Nov-18	3-5 Years	11-Nov-28	2,249.60	1,046.94
(xxviii)	12,500	11-Feb-19	3-5 Years	10-Feb-29	2,084.80	961.54
(xxix)	10,00,000	1-Apr-19	3-7 Years	31-Mar-33	2,054.80	762.89
(xxx)	36,000	1-Aug-19	3-5 Years	31-Jul-31	1,634.90	745.52
(xxxi)	82,500	6-May-20	3-5 Years	5-May-32	1,381.10	446.24
(xxxii)	4,27,500	6-May-20	3 Years	5-May-30	1,381.10	386.16
(xxxiii)	6,000	13-Aug-20	3 Years	12-Aug-30	2,211.70	639.70
(xxxiv)	10,000	10-Feb-21	3 Years	9-Feb-31	2,948.00	875.95
(xxxvi)	3,28,500	27-May-21	3 Years	26-May-31	2,633.50	782.21
(xxxvi)	2,00,000	27-May-21	3-4 Years	26-May-31	2,633.50	829.69
(xxxvii)	50,000	03-Nov-21	3 Years	02-Nov-31	2,543.00	744.18

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. 795.34 (March 31, 2021 : Rs. 407.79). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

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Inputs into the Black Scholes options pricing model

Option series

Particulars	(xxxi)	(xxxii)	(xxxiii)	(xxxiv)
Grant date share price	1,381.10	1,381.10	2,211.70	2,948.00
Exercise price	1,381.10	1,381.10	2,211.70	2,948.00
Expected volatility	33.48%-34.90%	34.90%	36.17%	37.28%
Option life	5 Years	3 Years	3 Years	3 Years
Dividend yield	0.67%	0.67%	0.67%	0.67%
Risk-free interest rate	4.69%-5.64%	4.69%	4.87%	4.98%

Particulars	(xxxv)	(xxxvi)	(xxxvii)
Grant date share price	2,633.50	2,633.50	2,542.50
Exercise price	2,633.50	2,633.50	2,543.00
Expected volatility	37.75%	34.62%	36.29%
Option life	3 Years	4 Years	3 Years
Dividend yield	0.67%	0.67%	0.64%
Risk-free interest rate	4.73%	5.37%	5.07%

Movements in share options during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	**18,97,658**	**1,881.43**	1,62,638	19,890.41
Adjustment for Sub-Division of Equity Shares	**-**	**-**	14,63,742	-
Outstanding at the beginning of the year (Post-split)	**18,97,658**	**1,881.43**	16,26,380	1,989.04
Granted during the year	**5,78,500**	**2,623.62**	5,26,000	1,420.36
Forfeited during the year	**(13,07,170)**	**2,113.28**	(14,500)	1,947.12
Exercised during the year	**(37,180)**	**1,743.45**	(2,40,222)	1,596.43
Balance at end of the year	**11,31,808**	**1,998.65**	18,97,658	1,881.43
Exercisable at the end of the year	**1,86,808**	**1,854.54**	1,47,308	1,760.27

Effect of share-based payment transactions on the entity's Profit or Loss :-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Share-based payments*	**(29.34)**	28.58

* Excludes Rs. Nil (Rs. 0.07 crores for the year ended March 31, 2021) of share-based payment capitalised in intangible assets under development.

Share options exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2022			
(xii) Granted on May 8, 2015	**2,500**	**27-May-21**	**1,480.70**
(ix) Granted on November 12, 2014	**4,000**	**12-Aug-21**	**1,299.37**
(xiv) Granted on November 6, 2015	**2,750**	**12-Aug-21**	**1,767.80**
(xiv) Granted on January 12, 2015	**4,500**	**12-Aug-21**	**1,473.90**
(xv) Granted on February 05, 2016	**4,000**	**25-Oct-21**	**1,689.40**
(ix) Granted on November 12, 2014	**4,600**	**03-Nov-21**	**1,299.37**
(xiv) Granted on November 06, 2015	**2,750**	**03-Nov-21**	**1,767.80**
(xx) Granted on November 12, 2018	**9,330**	**14-Feb-22**	**2,249.60**
(xiii) Granted on July 21, 2015	**2,750**	**14-Feb-22**	**2,124.80**
	37,180		
Weighted average exercise price	**1,743.45**		

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2021			
(viii) Granted on August 11, 2014	4,500	13-Aug-20	847.75
(xii) Granted on March 20, 2015	5,000	13-Aug-20	1,611.20
(xiii) Granted on May 08, 2015	1,14,920	13-Aug-20	1,480.70
(viii) Granted on August 11, 2014	4,600	12-Nov-20	847.75
(x) Granted on January 12, 2015	4,500	12-Nov-20	1,473.90
(xiii) Granted on May 08, 2015	13,080	12-Nov-20	1,480.70
(xv) Granted on November 06, 2015	5,500	12-Nov-20	1,767.80
(xiii) Granted on May 08, 2015	14,000	10-Feb-21	1,480.70
(xv) Granted on November 06, 2015	45,922	10-Feb-21	1,767.80
(xix) Granted on October 28, 2016	10,000	10-Feb-21	2,449.20
(xiv) Granted on February 05, 2016	6,000	10-Feb-21	1,689.40
(xiv) Granted on July 21, 2015	6,000	10-Feb-21	2,124.80
(xvii) Granted on April 27, 2016	3,000	10-Feb-21	2,014.80
(xviii) Granted on July 28, 2016	3,200	10-Feb-21	2,034.00
	2,40,222		
Weighted average exercise price	1,596.43		

Share options outstanding at end of the year

Options series		Options outstanding		Remaining contractual life in years		Exercise Price Rs.
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
(ii)	22-Oct-07	**-**	-	-	-	46.20
(iii)	29-Apr-10	**-**	-	-	-	69.50
(iv)	8-Nov-10	**-**	-	-	-	141.10
(v)	6-May-11	**-**	-	-	-	116.20
(vi)	11-Feb-12	**-**	-	-	-	177.00
(vii)	16-Dec-13	**-**	-	-	-	491.50
(viii)	11-Aug-14	**20,000**	20,000	2.36	3.36	847.75
(ix)	12-Nov-14	**-**	8,600	2.61	3.62	1,299.37
(x)	12-Jan-15	**-**	-	-	-	1,473.90
(x)	12-Jan-15	**6,300**	10,800	2.78	3.79	1,473.90
(xi)	20-Mar-15	**-**	-	-	3.97	1,611.20
(xii)	8-May-15	**50,640**	53,140	3.10	4.10	1,480.70
(xiii)	21-Jul-15	**43,650**	46,400	3.30	4.31	2,124.80
(xiv)	6-Nov-15	**4,418**	9,918	3.60	4.60	1,767.80
(xv)	5-Feb-16	**11,000**	15,000	3.85	4.85	1,689.40
(xvi)	27-Apr-16	**9,000**	9,000	4.07	5.07	2,014.80
(xvii)	28-Jul-16	**17,800**	17,800	4.32	5.33	2,034.00
(xviii)	28-Oct-16	**5,000**	5,000	4.58	5.58	2,449.20
(xix)	1-Feb-17	**-**	-	-	-	2,302.80
(xx)	27-Mar-17	**-**	-	-	-	2,435.00
(xxi)	9-Aug-17	**13,500**	13,500	5.36	6.36	3,212.10
(xxii)	14-Nov-17	**15,000**	15,000	5.62	6.62	3,058.50
(xxiii)	7-Feb-18	**-**	21,000	5.85	6.86	2,757.90
(xxiv)	2-Apr-18	**-**	13,500	6.00	7.01	2,837.30
(xxv)	9-May-18	**-**	12,500	6.10	7.11	3,042.70
(xxvi)	9-Aug-18	**-**	24,000	6.36	7.36	2,759.40
(xxvii)	12-Nov-18	**-**	28,000	6.62	7.62	2,249.60
(xxviii)	11-Feb-19	**-**	12,500	6.87	7.87	2,084.80
(xxix)	1-Apr-19	**-**	10,00,000	11.00	12.01	2,054.80
(xxx)	1-Aug-19	**36,000**	36,000	9.33	10.34	1,634.90
(xxxi)	6-May-20	**4,000**	82,500	10.10	11.10	1,381.10
(xxxii)	6-May-20	**4,27,500**	4,27,500	8.10	9.10	1,38 1.10

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Options series		Options outstanding		Remaining contractual life in years		Exercise Price Rs.
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
(xxxiii)	13-Aug-20	**-**	6,000	8.37	9.37	2,211.70
(xxxiv)	10-Feb-21	**10,000**	10,000	8.87	9.87	2,948.00
(xxxvi)	27-May-21	**2,08,000**	-	9.16	-	2,633.50
(xxxvi)	27-May-21	**2,00,000**	-	9.16	-	2,633.50
(xxxvii)	3-Nov-21	**50,000**	-	9.59	-	2,543.00
		11,31,808	**18,97,658**			

Restricted Stock Units Plan, 2019 ("RSU 2019")

Pursuant to approval accorded by shareholders at their Annual General Meeting held on August 1, 2019, the Nomination and Remuneration Committee of the Company formulated 'Eicher Motors Limited - Restricted Stock Units Plan 2019' ("RSU Plan 2019") for grant of Restricted Stock Units ("RSU"), in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations").

RSU Plan 2019 is applicable to (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company, whether whole-time or not; and (iii) an employee, as defined in (i) or (ii) of this Para, of a Subsidiary Company, in India or outside India, excluding such category of persons as defined under RSU Plan 2019 of the Company and/or SEBI Regulations. The eligibility of employees or eligibility criteria to receive grants under RSU Plan 2019 is decided by Nomination and Remuneration Committee, from time to time.

The Nomination and Remuneration Committee shall specify the vesting criteria based on continued employment with the Company (or its subsidiary, as the case may be) and/or certain performance criteria to be fulfilled for vesting of RSU and/or any other criteria as it may deems fit and subject to such other conditions and exceptions as provided under RSU Plan, 2019.

Vesting of RSU shall take place in the manner as may be determined by the Nomination and Remuneration Committee at the time of grant, provided that the vesting shall not take place earlier than minimum vesting period of one year but not later than maximum vesting period of seven years from the date of grant of such RSU.

Exercise Price of each grant shall be the face value of the share as on date of exercise of RSU. The exercise period of a vested RSU shall be a maximum of seven years from the date of vesting of RSU, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee at time of Grant and as set out in the letter of Grant, subject to such other conditions and exceptions as provided under Company's RSU Plan, 2019. Any RSU remaining unexercised at the end of the exercise period shall lapse. At the time of exercise, the participant may pay the exercise price in a form as approved by the Nomination and Remuneration Committee in accordance with the terms of the RSU Plan, 2019.

Each RSU, when exercised, is convertible into one equity share of the Company. No amount is payable by the RSU grantee on grant of RSU. RSU carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

Detail of Restricted Stock Units Plan, 2019 ("RSU 2019")

The following share-based payment arrangements were in existence during the current year

Options series	Number	Grant date	Vesting period	Expiry date	Exercise Price Rs.	Fair value of options at grant date Rs.
(iii)	50,000	1-Apr-21	1 Year	31-Mar-29	1.00	2,526.34

Fair value of share options granted in the year

The weighted average fair value of the stock units granted during the financial year is Rs. 2,526.34 (March 31, 2021 : Rs. 1,270.18). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Inputs into the Black Scholes options pricing model model

Option series

Option series	(i)	(ii)	(iii)
Grant date share price	1,634.81	1,309.60	2,603.95
Exercise price	1.00	1.00	1.00
Expected volatility	30.62%	32.32%	37.32%
Option life	4.5 years	4.5 years	4.5 years
Dividend yield	0.75%	0.67%	0.67%
Risk-free interest rate	6.52%	5.86%	5.79%

Movements in share options during the year

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of options	Weighted average exercise price Rs.	Number of options	Weighted average exercise price Rs.
Balance at beginning of the year	**50,000**	**1.00**	5,000	10.00
Adjustment for Sub-Division of Equity Shares	**-**	**-**	45,000	-
Outstanding at the beginning of the year (Post-split)	**50,000**	**1.00**	50,000	1.00
Granted during the year	**50,000**	**1.00**	50,000	1.00
Forfeited during the year	**(50,000)**	**-**	-	-
Exercised during the year	**(50,000)**	**-**	(50,000)	1.00
Expired during the year	**-**	**-**	-	-
Balance at end of the year	**-**	**1.00**	50,000	1.00
Exercisable at the end of the year	**-**	**-**	50,000	1.00

Effect of share-based payment transactions on the entity's Profit or Loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Share-based payments	**-**	8.90

Stock units 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, 2022			
(i) Granted on April 1, 2020	**50,000**	**27-May-21**	**1.00**

Option series	Number exercised	Exercise date	Exercise Price Rs.
For the year ended March 31, 2021			
(i) Granted on August 1, 2019	**-**	**13-Aug-20**	**1.00**

Share options outstanding at end of the year

Options series		Options outstanding		Remaining contractual life in years		Exercise Price Rs.
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
(i)	1-Aug-19	-	-	-	-	1.00
(ii)	1-Apr-20	-	50,000	-	7.01	1.00
(iii)	1-Apr-21	-	-	-	-	1.00
		-	**50,000**			

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50. Expenditure on Corporate Social Responsibility (CSR)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Gross amount required to be spent and approved by the board to be spent#	**52.71**	56.37
(b)	Amount spent:		
	During the year ending on March 31, 2022:		
	(i) Construction/acquisition of any asset	**-**	**-**
	(ii) On purpose other than (i) above*	**27.74**	8.17
	During the year ending on March 31, 2021:		
	(i) Construction/acquisition of any asset	**-**	-
	(ii) On purpose other than (i) above*	**-**	31.45
(c)	Unspent amount in relation to:		
	(i) Ongoing project	**24.97**	16.75
	(ii) Other than ongoing project	**-**	-
# Includes surplus generated on unspent CSR balances amounting to Rs. 1.59 crores (March 31, 2021: Nil)			
*Includes administrative expenses		**2.07**	1.87

Details of ongoing project and other than ongoing project for FY 21-22

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c*		From Company's bank A/c	From Separate CSR Unspent A/c	With Company**	In Separate CSR Unspent A/c
-	**24.92**	**52.71**	**27.74**	**8.17**	**24.97**	**16.75**

* The amount was transferred to unspent account in September 2021 post clarification by MCA vide circular no.14/2021 dated 25th August 2021.

** The unspent amount pertaining to the FY 2021-22 was transferred to the separate CSR unspent account in April, 2022 as per the CSR Rules.

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	**-**	**-**	**-**	**-**

Details of ongoing project and other than ongoing project for FY 20-21

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c*		From Company's bank A/c	From Separate CSR Unspent A/c	With Company*	In Separate CSR Unspent A/c
-	-	56.37	31.45	-	24.92	-

* The amount was transferred to unspent account in September 2021 post clarification by MCA vide circular no.14/2021 dated 25th August 2021.

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

CSR activities undertaken directly or through EGF majorly includes sustainable initiative for transforming rural communities, driver care program, road safety education, driver and mechanic Training, school supports, support under Covid-19,etc.

The Group's projects are long term and money is spent depending upon the requirement of the projects. During the financial year 2021-22, Rs. 27.74 crores was spent as per the requirements of CSR projects and the unspent amount of Rs. 24.97 crores is transferred to unspent CSR account pursuant to the CSR Rules subsequent to the year-end.

51. Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Share of net assets As at March 31, 2022		Share of profit or loss For the year ended March 31, 2022	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	**84.03%**	**10,594.54**	93.09%	1,560.72
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	**0.06%**	**8.16**	2.85%	47.77
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	**0.24%**	**30.75**	0.35%	5.83
3. Royal Enfield (Thailand) Limited	**0.13%**	**16.95**	-0.11%	(1.80)
4. Royal Enfield UK Limited	**0.00%**	**(0.33)**	0.23%	3.93
Joint Ventures(investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	**15.53%**	**1,957.94**	3.59%	60.15
2. Eicher Polaris Private Limited	**-**	**-**	-	-

Name of the entity	Share of other comprehensive income For the year ended March 31, 2022		Share of total comprehensive income For the year ended March 31, 2022	
	As % of consolidated Other Comprehensive Income	Rs. in crores	As % of consolidated Total Comprehensive Income	Rs. in crores
Parent				
Eicher Motors Limited	**51.78%**	**(9.92)**	93.57%	1,550.79
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	**36.74%**	**(7.04)**	2.46%	40.73
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	**-22.05%**	**4.23**	0.61%	10.06
3. Royal Enfield (Thailand) Limited	**-2.87%**	**0.55**	-0.08%	(1.25)
4. Royal Enfield UK Limited	**30.03%**	**(5.76)**	-0.11%	(1.82)
Joint Ventures(investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	**6.37%**	**(1.22)**	3.55%	58.93
2. Eicher Polaris Private Limited	**-**	**-**	-	-

Name of the entity	Share of net assets As at March 31, 2021		Share of profit or loss For the year ended March 31, 2021	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	**84.09%**	**9,618.74**	98.29%	1,323.82
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	**-0.34%**	**(39.06)**	1.65%	22.20
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	**-0.66%**	**(75.67)**	-1.99%	(26.82)
3. Royal Enfield (Thailand) Limited	**0.11%**	**12.09**	0.10%	1.41
4. Royal Enfield UK Limited	**-0.04%**	**(4.23)**	-0.36%	(4.86)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	**16.84%**	**1,926.21**	2.31%	31.13
2. Eicher Polaris Private Limited	**-**	**-**	-	-

Name of the entity	Share of other comprehensive income For the year ended March 31, 2021		Share of total comprehensive income For the year ended March 31, 2021	
	As % of consolidated Other Comprehensive Income	Rs. in crores	As % of consolidated Total Comprehensive Income	Rs. in crores
Parent				
Eicher Motors Limited	**89.08%**	**30.60**	98.06%	1,354.42
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	**-13.77%**	**(4.73)**	1.26%	17.47
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	**26.52%**	**9.11**	-1.28%	(17.71)
3. Royal Enfield (Thailand) Limited	**-3.33%**	**(1.14)**	0.02%	0.27
4. Royal Enfield UK Limited	**-7.28%**	**(2.50)**	-0.53%	(7.36)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	**8.78%**	**3.02**	2.47%	34.15
2. Eicher Polaris Private Limited	**-**	**-**	-	-

52. Ind AS 116 Leases

A. As a lessee

The Group has lease contracts for various buildings used in its operations. Leases of buildings generally have lease terms between 2 to 25 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options which are further discussed below.

The Group also has certain leases of buildings with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(i). Movement in the carrying value of the Right to Use Asset

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	**145.96**	**51.66**	**197.62**	95.72	92.04	187.76
Depreciation charge for the Period	**(1.53)**	**(16.40)**	**(17.93)**	(1.08)	(25.68)	(26.76)
Additions during the Period	**-**	**4.03**	**4.03**	51.32	-	51.32
Adjustment/Deletion	**-**	**(0.06)**	**(0.06)**	-	(14.70)	(14.70)
Closing Balance	**144.43**	**39.23**	**183.66**	**145.96**	**51.66**	**197.62**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

(ii). Classification of current and non current liabilities of the lease liabilities

Particulars	As at March 31, 2022			As at March 31, 2021		
	Land	Buildings	Total	Land	Buildings	Total
Current liabilities	-	**13.55**	**13.55**	-	15.72	15.72
Non Current Liabilities	-	**35.32**	**35.32**	-	46.12	46.12
Total Lease liabilities	-	**48.87**	**48.87**	-	**61.84**	**61.84**

(iii). Movement in the carrying value of the Lease Liability

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	-	**61.84**	**61.84**	-	104.57	104.57
Interest Expense	-	**4.51**	**4.51**	-	6.71	6.71
Lease Payments [Total Cash Outflow]	-	**(21.43)**	**(21.43)**	-	(31.40)	(31.40)
Termination options exercised	-	-	-	-	(18.73)	(18.73)
Additions during the year	-	**4.03**	**4.03**	-	0.69	0.69
Adjustments	-	**(0.08)**	**(0.08)**	-	-	-
Closing Balance	-	**48.87**	**48.87**	-	**61.84**	**61.84**

(iv). Contractual Maturities of Lease liability outstanding

Particulars	As at March 31, 2022			As at March 31, 2021		
	Land	Buildings	Total	Land	Buildings	Total
Less than one year	-	**13.54**	**13.54**	-	15.71	15.71
One to five Years	-	**30.38**	**30.38**	-	28.54	28.54
More than Five years	-	**4.95**	**4.95**	-	17.59	17.59
Total	-	**48.87**	**48.87**	-	**61.84**	**61.84**

Lease expenses relating to short term leases aggregated to Rs. 28.11 crores during the year ended March 31, 2022 (Rs. 14.45 crores during the year ended March 2021)

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 9.5% per annum.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss :-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amortisation of right-of-use assets	**17.93**	26.76
Interest expense on lease liabilities	**4.51**	6.71
Expense relating to short-term leases (included in other expenses)	**28.11**	14.45

B. As a lessor

Finance Lease

During the year ended March 31, 2021, the Company has given office equipments on finance lease to its dealers for operational use by the dealers for servicing the customers of the Company. For the year ended March 31, 2022, the Company recognised interest income on lease receivables of Rs. 1.34 crores (March 31, 2021: Rs. 1.24 crores). The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Maturity analysis of Lease receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year		
Total Undiscounted lease receivables	**2.57**	6.07
Unearned finance income	**0.68**	1.10
Net investment in the lease	**1.89**	5.08
One to three years		
Total Undiscounted lease receivables	**6.89**	7.57
Unearned finance income	**0.14**	1.62
Net investment in the lease	**6.75**	6.99

53. Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 435.35 crores (March 31, 2021 : Rs. 300.13 crores).

The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Group does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

54.

The Group has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. Management believes that it has taken into account external and internal information for assessing the possible impact of COVID-19 on various elements of its financial statement, including its liquidity position and the recoverability of assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

55.

The Board of Directors of the Company at their meeting held on May 13, 2022, considered and recommended a final dividend aggregating to Rs. 574.19 crores @ Rs. 21 per share (nominal value of Re. 1 per share) for the financial year 2021-22 (final dividend paid for previous financial year 2020-21 was Rs. 464.67 crores @ Rs. 17 per share of nominal value of Re. 1 per share).

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

56. Ratio Analysis and its elements

Ratio	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio: *Current Assets / Current Liabilities*	1.9	3.4	(44.1%)	Decrease is mainly due to liquidation of fixed deposits and same was re-invested in long term mutual funds
Debt- Equity Ratio: *Total Debt / Shareholder's Equity*	0.0	0.0	0.0%	Due to repayment of loans
Debt Service Coverage ratio: *Earnings for debt service = Net profit after taxes + Non-cash operating expenses /* *Debt service = Interest & Lease Payments + Principal Repayments*	13.6	25.7	(47.1%)	Change due to increase in the profits and reduction in the debt and lease rentals compared to the previous year
Return on Equity ratio: *Net Profits after taxes – Preference Dividend / Average Shareholder's Equity*	0.1	0.1	0.0%	Not applicable
Inventory Turnover ratio: *Cost of goods sold / Average Inventory*	6.1	7.3	(16.4%)	Not applicable
Trade Receivable Turnover Ratio: *Net credit sales = Gross credit sales - sales return / Average Trade Receivable*	6.5	6.2	4.8%	Not applicable
Trade Payable Turnover Ratio: *Net credit purchases = Gross credit purchases - purchase return / Average Trade Payables*	3.7	4.3	(14.0%)	Not applicable
Net Capital Turnover Ratio: *Net sales = Total sales - sales return / Working capital = Current assets – Current liabilities*	3.9	1.4	178.6%	Change is due to increase in sales from previous year and reduction in working capital compared to previous year (Due to liquidation of fixed deposits in the current year and the same was re-invested in long term mutual funds)
Net Profit ratio: *Net Profit / Net sales = Total sales - sales return*	0.2	0.2	0.0%	Not applicable
Return on Capital Employed: *Earnings before interest and taxes / Capital Employed* *Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability*	16.8%	15.1%	11.3%	Not applicable

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

57. Other Statutory Information

(i) The Company has not defaulted in on loans payable and have not be declared as wilful defaulter.

(ii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) The Company have not revalued its Property, Plant & Equipments, Intangible Assets and Right to Use Assets during the year.

(iv) The Company do not have any transactions with companies struck off.

(v) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(ix) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(x) The Company has not granted any loans and advances to promoters, directors, KMPs and other related parties (as defined under Companies Act 2013) during the year.

(xi) The Company have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

58.

Previous year's figures have been recast/regrouped, wherever necessary to conform with the current period's presentation

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 13, 2022

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

Kaleeswaran Arunachalam
Chief Financial Officer

Date: May 13, 2022

B Govindarajan
Whole-time Director & CEO of Royal Enfield
DIN: 03093035

S. Sandilya
Chairman
DIN: 00037542

Siddhartha Lal
Managing Director
DIN: 00037645

Vinod Aggarwal
Director
DIN: 00038906

06

REVIEW OF SUBSIDIARY



OVERVIEW OF PERFORMANCE

VE COMMERCIAL VEHICLES LIMITED

A SUBSIDIARY OF THE COMPANY

PERFORMANCE HIGHLIGHTS

OF VE COMMERCIAL VEHICLES LIMITED

Chart 1 : Eicher Commercial Vehicles and Growth

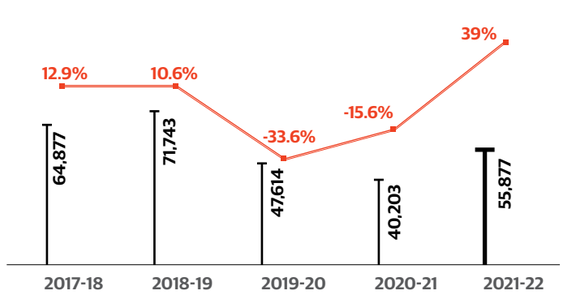
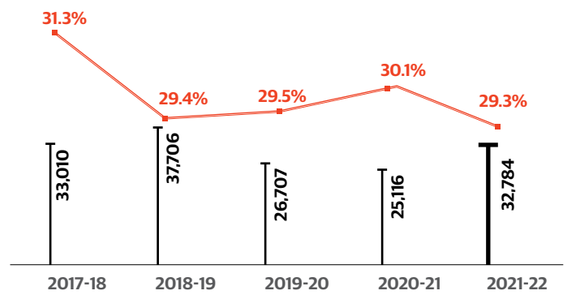


Chart 2 : Eicher 3.5-15 Tonne Cargo Domestic and Market Share



Note: Volvo Trucks (Domestic) volume shown separately in Chart 6

Chart 3 : Eicher 16 Tonne and above Cargo Domestic and Market Share

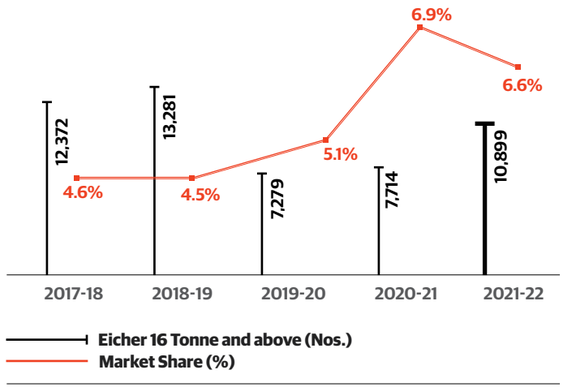
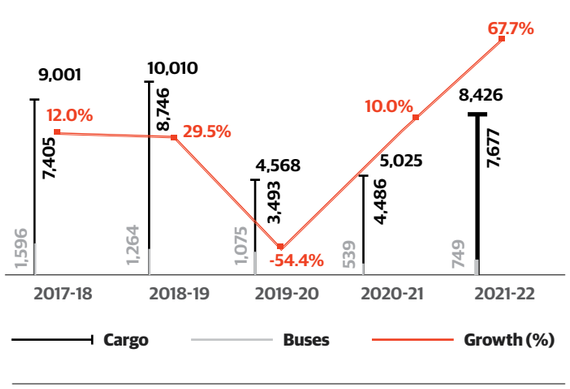


Chart 4 : Eicher Exports: Cargo/Buses and Growth



PERFORMANCE HIGHLIGHTS

OF VE COMMERCIAL VEHICLES LIMITED

Chart 5 : Eicher Buses Domestic and Market Share

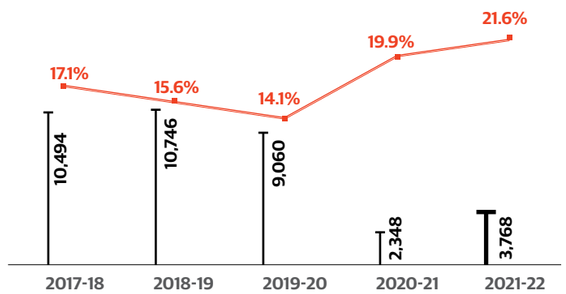
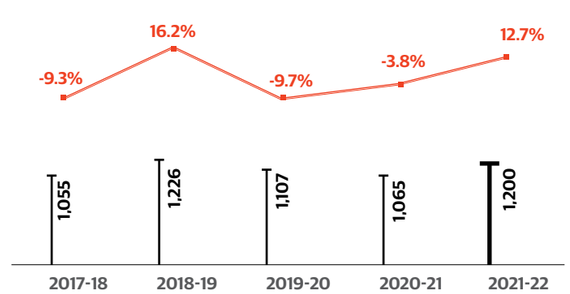


Chart 6 : Volvo Trucks Domestic and Growth



Note: Volvo Trucks (Domestic) volume shown separately in Chart 6

Chart 7 : Net Revenue from operations and Total Comprehensive Income (Consolidated)

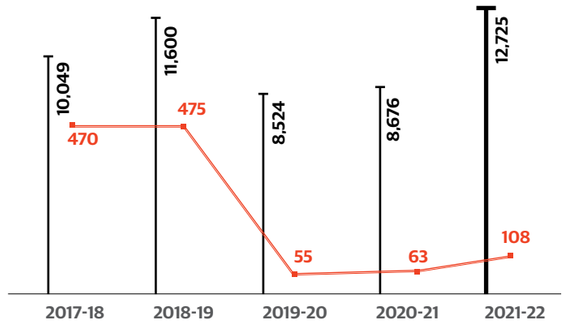
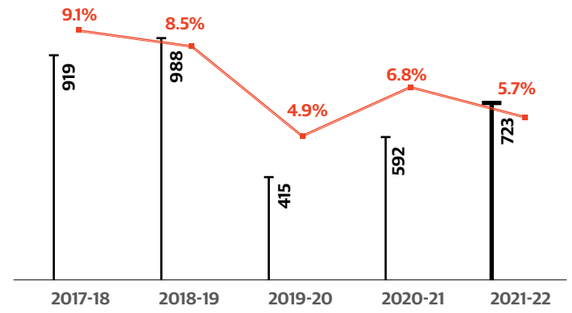


Chart 8 : Earnings before Interest, Taxes, Depreciation and Amortisation and percentage to Net Revenue from Operations (Consolidated)



BUSINESS HIGHLIGHTS AND FUTURE PROSPECTS



VECV Performance

The Company has just completed a year that started on a tentative note with fresh lockdown announced in April and spread of the 2nd wave. This year again a downside scenario was prepared quickly along with detailed action plans. With meticulous planning and good coordination between various teams, several actions as highlighted below were implemented:

- Successful launch and establishment of the New Volvo Trucks range platform FM and FMX
- First synergies from successful integration of Volvo Buses into VECV: Front Engine HD Coach and Sleeper for Eicher was successfully developed and delivered to customers
- Major expansion projects at Dewas Unit 1 and Unit 3 completed within record time
- Network expansion: Added 148 new customer touchpoints to reach total count of 666
- Progress on emerging technologies: Productionized Eicher Skyline ProE (9m EV Bus) and received first large tender for EV Buses

Further, the Company was Ranked No.1 in Dealer Satisfaction Survey 2021 by FADA. In the GfK survey on Customer Satisfaction, the Company was Ranked No 1 for LMD and No 2 for HD and Buses. And just as the financial year was ending, the company received the great news that the Eicher Skyline Pro Staff 3010 L CNG won the L&ICV People Mover of the Year and Eicher Pro 2114XP CNG has won both the ICV Cargo Carrier of the Year the most prestigious Apollo CV of the Year Award.

Our Businesses, Market and Future Prospects

Eicher Trucks and Buses (ETB)

Eicher Trucks and Buses (ETB) has achieved sales of 55824 units in the financial year 2021-22 as compared to 40188 units in the financial year 2020-21, an increase of 38.9%. On the exports front, ETB has sold 8426 units in the financial year 2021-22, as compared to 5025 units in the financial year 2020-21, registering a growth of 67.7%.

LMD trucks (5 – 15T) market share was 30.2% in 2021-22 compared to 30.6% in the financial year 2020-21, HD trucks market share for VECV (Eicher and Volvo) was 7.3% in 2021-22 compared to 7.9% in the financial year 2020-21. In Bus segment, market share improved from 19.7% in financial year 2020-21 to 21.3% in financial year 2021-22.

By adopting a Customer Centric philosophy, significant improvements were made in Quality through improved product build quality, reduction in transit and dealer PDI issues and parts availability.

Bhopal Plant

The company had taken the initiative to invest in a greenfield industry leading Industry 4.0 compliant factory in Bhopal. During this year, Phase 1 capacity for 40,000 units was commissioned. So far 30000 plus BSVI 2L and 3L engines and 15000 plus Pro 2000 vehicles were produced. Phase 2 expansion has been proactively initiated to address upcoming demand for the companies EV and smaller commercial vehicles.

Volvo Trucks India (VTI)

VTI operations and financial results remained resilient through the tumultuous financial year 2021-22. During this year, the company successfully launched the new range of Volvo Trucks which is very well accepted by customers, resulting in a healthy order book of 517 trucks by end of March 2022. We delivered 1200 trucks, which is 12.7% higher than financial year 2020-21. VTI has collected record number of orders to a tune of 2426 units in financial year 2021-22. During last year VTI achieved several milestones like highest ever invoicing of 217 units in a month , collected a single order for supply of 200 units FM 4x2 tractors in express cargo segment and invoiced 120 units of 8x4 construction FM420 tippers in Road segment. During the year, VTI positioned off-road dump truck New FMX 500 very well and supplied more than 306 units and have orders of more than 200 units. In line with Volvo Trucks premium service, VTI maintained high parts and service contract penetration in the operating fleet. Volvo Trucks maintained strong brand image and leadership position in the premium trucks segment with 83.9% market share.

Eicher Engineering Components (EEC)

After witnessing two challenging years with market downtrend and disruptions, EEC had a phenomenal year 2021-22, growing by 49.2% over last year. With this growth, EEC achieved its highest ever net revenue, crossing another milestone of 12 BINR in the process. The year also saw superlative performance in component exports with growth of 65% over last year. This was achieved through growth in share of business from large and key global OEM customers, large orders, on-time capacity expansions and highest ever deliveries..

During the year, EEC received awards from key global OEM customers for achieving excellence in delivery, quality, product development, value-additions, and customer relationship management. EEC continues to create benchmarks and work closely with the customers. To grow the business further in the coming years, EEC is working on further capacity expansions, and at the same time increasing the adaptability and agility, to meet the increased requirements of domestic and global OEM customers.

The Board of Directors of the Company approved shifting of Eicher Engineering Components Plant of the Company situated at SV Road (Ghodbunder Road), Chitalsar Manpada, Thane (West) – 400607, Maharashtra {Thane Plant} to Eicher Engineering Components Plant having spacious ultra-modern factory and infrastructure facilities situated at 78, 86 & 87-A, Industrial Area No.III, AB Road, Dewas – 455001 (Madhya Pradesh) {Dewas Plant} in order to attain better efficiencies and achieve synergies of operations.

VE Powertrain (VEPT)

VEPT delivered highest ever 43,191 engines in the financial year 2021-22 as compared to 28,901 engines in the financial year 2020-21, registering a growth of 49.4%. With this VEPT has delivered 2,37,456 engines since its inception to customers across the world.

Despite disruptions in complete automotive industry due to Covid-19 second and third wave, VEPT ensured on-time supplies and zero delivery loss globally. A positive surge in demand foreseen for customers all around, including Europe and Asia.

Bus Business

The bus industry was subdued during the year on account of resurgence of Covid-19. The company however took the initiative during these tough times to implement a number of product projects on both Volvo and Eicher brand products to set the foundation for shaping the future of Indian Bus industry. Subsequently, the bus division delivered the "first fruits of synergy" after integration of Volvo Bus India with VECV through introduction of Front Engine Seater and Sleeper Coach for the intercity segment. A premium staff bus was also developed on the same platform. New variants on Skyline including cost effective school buses on Eicher were introduced. Volvo buses successfully added a 13.5m and a 15m seater, sleeper coach to the portfolio.

With the opening of schools, resumption of offices at full strength and relaxation of COVID norms a moderate recovery was witnessed in the last quarter of the year. Eicher substantially improved its share during this quarter. Overall VECV Bus Division performed well with a growth of 60% over last year. VECV won an order of 40 Eicher electric buses in the prestigious city of Chandigarh. Volvo Buses secured significant wins in the market with key orders of Institutional sales in the states of Kerala, Orissa and Arunachal Pradesh as well as orders for New Sleeper Coaches from select customers in the retail market.

In a recognition of our efforts of shaping the future of the Indian Bus Industry, the locally adapted Volvo 13.5m bus on B8R4x2 was declared "Coach of the Year" at the Apollo CV awards.

International Business

The company recorded exports of 8426 units of trucks and buses during the financial year 2021-22 as against 5025 vehicles in the financial year 2020-21, registering a growth of 68%. Market development and new product initiatives during last two years have been quite successful with markets of Africa and Middle East registering highest ever volumes and contributing to over one-fourth of global sales. The growth was aided with focused segmental marketing, large breakthrough customer accounts, and expanding customer service support. Over forty new touchpoints were added for parts and service as part of retail excellence drive. Ten new products and variants were introduced, three new markets were opened, and channel partners augmented in two large markets.

CONSOLIDATED BALANCE SHEET

VE COMMERCIAL VEHICLES LIMITED AS AT MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	As at March 31, 2022	As at March 31, 2021
ASSETS		
Non-current assets		
(a) Property, plant and equipment	**2,134.93**	2,237.90
(b) Capital work-in-progress	**115.63**	90.87
(c) Other Intangible assets	**691.85**	812.61
(d) Right-of-use assets	**186.18**	178.98
(e) Intangible assets under development	**169.34**	98.45
(f) Financial assets		
(i) Investments	**0.14**	0.14
(ii) Loans	**2.64**	1.99
(iii) Other financial assets	**257.46**	201.20
(g) Other assets	**77.40**	49.14
Total non-current assets	**3,635.57**	**3,671.28**
Current assets		
(a) Inventories	**1,453.80**	1,366.96
(b) Financial assets		
(i) Trade receivables	**2,037.94**	1,526.69
(ii) Loans	**3.95**	3.56
(iii) Cash and cash equivalents	**422.59**	372.70
(iv) Bank balances other than (iii) above	**963.04**	1,100.59
(v) Other financial assets	**280.45**	237.95
(c) Other assets	**191.25**	156.28
Total current assets	**5,353.02**	**4,764.73**
Total assets	**8,988.59**	**8,436.01**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	**10.00**	10.00
(b) Other equity	**3,589.11**	3,530.79
Total equity	**3,599.11**	**3,540.79**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	**77.88**	362.50
(ii) Lease liabilities	**58.83**	57.50
(iii) Other financial liabilities	**8.04**	8.27
(b) Provisions	**127.32**	100.18
(c) Deferred tax liabilities (net)	**78.44**	44.00
(d) Other liabilities	**7.31**	6.81
Total non-current liabilities	**357.82**	**579.26**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	**34.62**	29.81
(ii) Lease liabilities	**18.56**	12.36
(iii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	**131.74**	121.98
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**4092.84**	3448.93
(iv) Other financial liabilities	**197.32**	288.79
(b) Provisions	**100.29**	102.69
(c) Liabilities for current tax (net)	**35.89**	37.94
(d) Other liabilities	**420.4**	273.46
Total current liabilities	**5,031.66**	**4,315.96**
Total liabilities	**5,389.48**	**4,895.22**
Total equity and liabilities	**8,988.59**	**8,436.01**

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 PROFIT AND LOSS

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income		
Revenue from operations	**12,724.45**	8,676.37
Other income	**57.34**	45.65
Total Income	**12,781.79**	**8,722.02**
Expenses		
Cost of raw materials and components consumed	**8,675.45**	5,530.97
Purchases of traded goods	**1,390.61**	1,229.67
Change in inventories of finished goods, work-in-progress and stock-in-trade	**(89.43)**	(268.96)
Employee benefits expenses	**920.36**	777.92
Depreciation and amortisation expenses	**561.17**	510.02
Finance costs	**35.99**	38.73
Other expenses	**1,111.83**	816.32
Total expenses	**12,605.98**	**8,634.67**
Profit before tax	**175.81**	87.35
Tax expense		
Current tax	**30.25**	-
Tax adjustment relating to earlier years	**2.81**	1.21
Deferred tax charge	**32.18**	28.91
Total tax expense	**65.24**	30.12
Profit for the year	**110.57**	**57.23**
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:-		
Re-measurement losses on defined benefit plans	**(2.52)**	9.42
Income tax benefit	**0.88**	(3.29)
Net other comprehensive income not to be reclassified to profit or loss	**(1.64)**	**6.13**
Items that may be reclassified to profit or loss:-		
Exchange differences in translating the financial statements of foreign operations	**(0.94)**	(0.90)
Income tax effect	**0.33**	0.31
	(0.61)	**(0.59)**
Net other comprehensive income not to be reclassified to profit or loss	**(2.25)**	**5.54**
Total Comprehensive income for the year	**108.32**	**62.77**
Earnings per share (of Rs.10 each) in Rs.		
Basic/ diluted	**110.57**	57.23

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	**175.81**	87.35
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	**561.17**	510.02
Loss on discard of property, plant and equipment and intangible assets	**0.77**	1.30
Loss on sale of property, plant and equipment (net)	**0.08**	0.59
Exchange differences in translating the financial statements of foreign operations	**(0.94)**	(0.90)
Re-measurement losses on defined benefit plans	**(2.52)**	9.42
Interest income	**(49.85)**	(43.97)
Impairment on doubtful debts	**7.12**	8.30
Finance costs	**35.99**	38.73
Operating profit before changes in working capital	**727.63**	**610.84**
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	**(0.65)**	(0.36)
Other financial assets	**(63.38)**	(126.18)
Other assets	**(1.48)**	(0.75)
Current		
Inventories	**(86.84)**	(405.93)
Trade receivables	**(511.25)**	(712.24)
Loans	**(0.39)**	(1.03)
Other financial assets	**(40.25)**	(77.22)
Other assets	**(34.97)**	48.23
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	**(0.23)**	1.22
Provisions	**27.14**	(7.92)
Other liabilities	**0.50**	1.08
Current		
Trade payables	**653.68**	967.17
Provisions	**(2.40)**	41.72
Other financial liabilities	**(42.30)**	71.44
Other liabilities	**146.94**	29.50
Cash generated from operating activities	**771.75**	**439.57**
Income taxes paid	**(31.64)**	(15.61)
Net cash flows from operating activities (A)	**740.11**	**423.96**
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances)	**(488.51)**	(531.19)
Proceeds from sale of property, plant and equipment	**(0.85)**	13.07
Investment/Redemption in fixed deposits	**137.55**	(133.39)
Interest received (finance income)	**47.60**	40.76
Net cash flow used in investing activities (B)	**(304.21)**	**(610.75)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long term borrowings	**-**	550.00
Repayment of Long term borrowings	**(279.82)**	(170.31)
Interest paid	**(29.20)**	(31.59)
Payment of finance lease liabilities	**(26.99)**	(31.21)
Dividends paid to equity holders	**(45.00)**	-
Tax on dividend	**(5.00)**	-
Net cash flow (used)/generated in financing activities (C)	**(386.01)**	**316.89**
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	49.89	130.10
Cash and cash equivalents at the beginning of the year	372.70	242.60
Cash and cash equivalents at the end of the year	**422.59**	**372.70**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Components of cash and cash equivalents		
Cash on hand	**0.40**	0.33
Cheques/ drafts on hand	**2.75**	6.79
Balances with Banks		
In current account	**109.48**	61.25
In Deposit account	**309.96**	304.33
Total Cash and Cash Equivalents	**422.59**	**372.70**

NOTICE OF 40TH (FORTIETH) ANNUAL GENERAL MEETING

Notice is hereby given that the 40th (Fortieth) Annual General Meeting of the members of Eicher Motors Limited is scheduled to be held on Wednesday, August 24, 2022, at 1.00 p.m. Indian Standard Time (IST) through Video Conferencing/Other Audio Visual means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 21/- per equity share of face value of Re. 1/- each for the financial year ended March 31, 2022.
3. To appoint Mr. Vinod Kumar Aggarwal (DIN: 00038906), who retires by rotation and being eligible, offers himself for re-appointment as a Director.
4. To re-appoint M/s. S.R. Batliboi & Co., LLP, Chartered Accountants, as Statutory Auditors of the Company.

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended, and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded for re-appointment of M/s. S.R. Batliboi & Co., LLP, Chartered Accountants (Firm Registration Number: FRN 301003E/E300005) as the Statutory Auditors of the Company for second term of five consecutive years, who shall hold office from the conclusion of this 40th Annual General Meeting (AGM) till the conclusion of the 45th AGM of the Company to be held in the year 2027, on such remuneration plus applicable tax, out-of-pocket expenses, travelling and living expenses, as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it to any committee of Board of Directors and/or any other person as it deems fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

SPECIAL BUSINESS:

5. **To consider and ratify remuneration of Cost Auditor payable for the financial year 2021-22:**

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 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, remuneration payable to M/s. Jyothi Satish & Co., Cost Accountants (Firm registration No. 101197), 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 2021-22, amounting to Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand only), plus taxes as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby ratified and confirmed."

6. **To consider and approve the appointment of Mr. Govindarajan Balakrishnan as Whole-time Director of the Company:**

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mr. Govindarajan Balakrishnan (DIN: 03093035), who was appointed as an Additional Director (Whole-time) by the Board in terms of Section 161 of the Act with effect from August 18, 2021 and who holds office up to the date of 40th Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director on the Board of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and subject to any other approval that may be required, approval of the members be and is hereby accorded for appointment of Mr. Govindarajan Balakrishnan (DIN: 03093035) as Whole-time Director of the Company, for a period of 5 (five) years with effect from August 18, 2021.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to decide the terms and conditions of appointment including alteration of such terms & conditions as it may deem appropriate in relation to Mr. Govindarajan Balakrishnan in the capacity of Whole Time Director of the Company during his tenure of 5 (five) years commencing from August 18, 2021 on the recommendations of Nomination & Remuneration Committee of the Company and in compliance with the applicable provisions of the Act including but not limited to Section 197 read with Section 198 and the rules made thereunder and other applicable laws.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it to any committee of Board of Directors and/or any other person as it deems fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

7. **To consider and approve Payment of Remuneration to Mr. Govindarajan Balakrishnan as Whole-time Director of the Company:**

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196(4), 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of the members be and is hereby accorded for payment of such remuneration to Mr. Govindarajan Balakrishnan as Whole Time Director of the Company, for a term of 5 (five) years with effect from August 18, 2021, as detailed in the explanatory statement, with authority to the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) to alter, enhance or widen the scope of remuneration (including the Fixed pay, Variable Pay/ Commission and other benefits) including periodical increase in his remuneration as may be permissible in accordance with Section 197, read with Schedule V of the Act and rules made thereunder and other applicable laws, regulations, as amended from time to time, provided that the total remuneration payable to Mr. Govindarajan Balakrishnan for any financial year during his term as Whole Time Director of the Company, shall not exceed 1% of the net profits of the Company for that financial year calculated in the manner provided under Section 197 read with Section 198 of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it to any committee of Board of Directors and/or any other person as it deems fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

8. **To consider and approve Material Related Party Transactions between VE Commercial Vehicles Limited (VECV), Subsidiary of the Company, and Volvo Group India Private Limited, a related party of VECV:**

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 23(4) and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013, as amended, and other applicable laws/ statutory provisions, if any, Company's Policy on Related Party Transactions and based on the recommendation of the Audit Committee and the Board, approval of the members of the Company be and is hereby accorded to the material related party transactions/ contracts entered into/ proposed to be entered into (whether individual transaction or transaction(s) taken together or series of transaction(s) or otherwise) as per the details provided in the explanatory statement between VE Commercial Vehicles Limited ("VECV"), an unlisted material subsidiary of the Company (related party of the Company) and Volvo Group India Private Limited ("VGIPL"), a related party of VECV on such terms and conditions as may be agreed between VECV and VGIPL, aggregating upto Rs. 2,100 Crore (Rupees Two Thousand and One Hundred Crore) during the financial year 2022-23 provided however, that the said transactions shall be carried out at an arm's length basis and in the ordinary course of business of the respective companies.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it to any committee of Board of Directors and/or any other person as it deems fit and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

By order of the Board of Eicher Motors Limited

Kaleeswaran Arunachalam
Chief Financial Officer

Place: Chennai, Tamil Nadu
Date: July 21, 2022

CIN: L34102DL1982PLC129877
Regd. Off: 3rd Floor-Select Citywalk
A-3 District Centre, Saket
New Delhi – 110017
Phone: 0124-4415600
Website: www.eichermotors.com
E-mail: investors@eichermotors.com

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the meeting, is annexed herewith and forms part of this Notice. .

2. Re-appointment of Director: Brief resume of the Director proposed to be re-appointed (item no. 3 of the Notice) pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is given hereunder:

Name	Mr. Vinod Kumar Aggarwal
DIN	00038906
Age	62 Years
Qualification	Mr. Vinod Kumar Aggarwal is a qualified Chartered Accountant and Cost & Management Accountant
Experience (including expertise in specific functional area) / Brief Resume	Mr. Vinod Kumar Aggarwal possesses vast experience in Automobile industry. Please refer to the Company's website: https://www.eicher.in/bod for his detailed profile.
Date of first appointment on the Board	April 1, 2019
Directorships held in other companies	VE Commercial Vehicles Limited, VE Electro-Mobility Limited and Eicher Group Foundation
Resignations from the Listed Companies in the past three years	None
Memberships/ Chairmanships of committees of other companies	None
Number of Equity Shares held in the Company	Mr. Vinod Kumar Aggarwal holds 37,000 equity shares in the Company
Relationship between Directors and other KMPs inter-se	None
Number of meetings of the Board attended during the last financial year	Mr. Vinod Kumar Aggarwal attended all 6 (Six) Board Meetings held during the financial year 2021-22.
Remuneration last drawn	Mr. Vinod Kumar Aggarwal is not taking any remuneration from Eicher Motors Limited.
Remuneration proposed to be paid	No remuneration is proposed to be paid from Eicher Motors Limited
Terms and conditions of Appointment/ Re-appointment	Mr. Vinod Kumar Aggarwal was appointed as a Non-Executive Non-Independent Director of the Company w.e.f. April 1, 2019 on the terms and conditions as approved by the shareholders at their 37th Annual General Meeting held on August 1, 2019

In terms of Section 152 of the Companies Act, 2013, Mr. Vinod Kumar Aggarwal, Non-Executive Non-Independent Director retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. Mr. Vinod Kumar Aggarwal and his relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested in the business item no. 3 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business as set out under item no. 3 of the Notice.

3. In view of the COVID-19 pandemic, Ministry of Corporate Affairs has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 14, 2021 and May 05, 2022 (collectively referred to as **"MCA Circulars"**) has permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means **("VC / OAVM")**, without physical presence of the Members at a common venue.

4. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 40th Annual General Meeting of the Company is being conducted through VC/OAVM (hereinafter referred to as **"e-AGM"**). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/ Clarification note dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the e-AGM.

5. In terms of the MCA circulars, since the physical attendance of members has been dispensed with, the facility of appointment of proxies by Members will not be available. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

6. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain close from August 18, 2022 to August 24, 2022 (both days inclusive).

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 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 17, 2022;

b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests properly lodged with the Company on or before the close of business hours on August 17, 2022.

8. Pursuant to the amendments as per the Income Tax Act, 1961 ("the IT Act") by the Finance Act, 2020, dividend income is taxable in the hands of the shareholders from April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the IT Act. To enable the Company to comply with the TDS requirements, Members are requested to complete and / or update their Residential Status, Income Tax PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company's Registrar & Share Transfer Agent. For details, Members may refer to the "Communication on TDS on Dividend" appended to this Notice of 40th AGM.

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, accordingly, has transferred the unpaid and unclaimed dividend amount pertaining to financial year 2014 (January – December) to the IEPF Authority within the stipulated time period.

Members who have not encashed their dividend warrants pertaining to the financial year 2015-16 (January 2015 – March 2016) and onwards are advised to write to the Registrar & Share Transfer Agent of the Company immediately for claiming dividends declared by the Company.

b) As at March 31, 2022, the Company has transferred 22,17,880 equity shares of face value of Re. 1 each (0.81% of total share capital) on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, belonging to 2,969 shareholders, to the IEPF Authority within the specified time pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("the Rules"). The said requirement of transfer of shares, does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

Any person whose share(s)/ unpaid dividend has been transferred to the IEPF Authority may claim the share(s)/ dividend from the IEPF Authority pursuant to the said Act and the Rules by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in. Simultaneously, claimant shall be required to submit a copy of Form IEPF-5 submitted with IEPF Authority duly signed and accompanied by all requisite documents to the Company at its registered office address at 3rd floor, Select Citywalk, A-3 District Centre, Saket, New Delhi- 110017, in an envelope marked as "Claim for refund from IEPF Authority" for verification. 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 its Registrar & Share Transfer Agent for any further information/ clarification in this regard.

10. With effect from January 1, 2022, the Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, specimen signature, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of physical securities. In this regard, the Company has sent a communication dated February 4, 2022 to all its members holding shares in physical form **(weblink https://www.eicher.in/uploads/1644209194_intimation-to-shareholders-holding-shares-in-physical-mode.pdf)**. Any service requests or complaints received from the member, will not be processed by Registrar & Share Transfer Agent till the aforesaid details/ documents are provided to Registrar & Share Transfer Agent i.e. Link Intime India Pvt. Ltd. at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400083 or uploaded at portal of Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent of the Company at **https://web.linkintime.co.in/KYC/index.html**. Further, on or after April 1, 2023, in case any of the above mentioned documents/ details are not provided by the shareholder, Registrar & Share Transfer Agent shall freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at **https://www.eicher.in/investor-service-request**. Members holding shares in electronic form are requested to submit the PAN, KYC details to their Depository Participants with whom they are maintaining their demat accounts.

11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change

in address of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to Company's Registrar & Share Transfer Agent in the manner prescribed in para 10 above. 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).

12. Pursuant to the provisions of Section 72 of the Companies Act 2013, a member(s) holding shares in physical form may nominate, in the prescribed Form SH-13, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in physical form may write to the Company/ Registrar & Share Transfer Agent for this facility in the manner prescribed under para 10 above. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.

13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019. Further, SEBI vide its circular no. SEBI/HO/ MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds which were lodged earlier and returned. The shares after executing transfer shall be issued only in demat mode. In addition, SEBI has vide its circular no. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated to issue the securities in dematerialized form only while processing the service request received in the nature of (i) Issue of duplicate securities certificate, (ii) Claim from Unclaimed Suspense Account, (iii) Renewal / Exchange of securities certificate, (iv) Endorsement, (v) Sub-division / Splitting of securities certificate, (vi) Consolidation of securities certificates/folios, (vii) Transmission and (viii) Transposition. In light of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or its Registrar & Share Transfer Agent i.e. Link Intime India Pvt. Ltd., for any clarifications required in this regard.

14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its Registrar & Share Transfer Agent the details of such folios together with the share certificates for consolidating their holdings in one folio.

15. SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/76 dated May 30, 2022, has formulated Standard Operating Procedures for dispute resolution under the Stock Exchange arbitration mechanism for disputes between the Company/Registrars to an Issue and Share Transfer Agents and Company's Shareholder(s)/Investor(s). The Shareholders may initiate Arbitration Mechanism, post exhausting all actions for resolution of complaints including through SCORES Portal, by filing the Arbitration reference with the Stock Exchange where the initial complaint has been addressed. Further details are available on the website of the Company under "Investors" Section.

16. The Register of Directors & Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which Directors are interested under Section 189 and any other document referred in the notice of this Annual General Meeting will be made available for inspection by members of the Company, up to the date of the Annual General Meeting, basis email request received on **investors@eichermotors.com**. Certificate(s) from the Secretarial Auditors of the Company certifying that Employee Stock Option Plan, 2006 and Restricted Stock Units Plan, 2019 are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available for inspection on the website of the Company under "Investors" Section on the date of Annual General Meeting

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

17. In compliance with the aforesaid MCA circulars and SEBI circulars dated May 12, 2020 read with circular dated January 15, 2021 and May 13, 2022, Notice of the e-AGM along with the Annual Report for the financial year ended on March 31, 2022, are being sent only through electronic mode to members whose e-mail address is registered with the Company or with the Depository Participant(s). The aforesaid Notice and Annual Report has been uploaded on the website of the Company i.e. **www.eichermotors.com**, the same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at **www.bseindia.com** and National Stock Exchange of India Limited at **www.nseindia.com** and are also available on the website of NSDL (agency providing the remote e-Voting facility) at www.evoting.nsdl.com.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

18. As the AGM is being conducted through VC, for the smooth conduct of proceedings of the e-AGM, members are encouraged to express their views/send their queries related to Annual Report or any other matter concerning the Company in advance on the email id AGM2022@eichermotors.com, from their registered email address, mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card. Questions that will be received by the Company by Wednesday , August 17, 2022 upto 5.00 p.m. IST shall only be considered and responded during the e-AGM.

19. Members who would like to express their views or ask questions during the e-AGM may register themselves as a speaker by sending a request in advance on the email id AGM2022@eichermotors.com, from their registered email address mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card by Wednesday, August 17, 2022 upto 5.00 p.m. IST. Please note that only those shareholders who have registered themselves as a speaker in advance will only be allowed to express their views/ask questions during the meeting.

20. The Company reserves the right to restrict the number of questions/queries/clarifications to be addressed at the e-AGM and restrict the number of speakers, as appropriate, for smooth conduct of the e-AGM.

PROCEDURE FOR JOINING THE E-AGM THROUGH VIDEO CONFERENCING:

21. Members will be provided with a facility to attend the e-AGM through the NSDL e-Voting system. Members may access by following the steps mentioned below for **Access to NSDL e-Voting system.** After successful login, members can access the link placed under **"Join General meeting"** menu against Company name to attend e-AGM. The link will be available in Member login where the EVEN-120597 of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this notice.

22. Members are encouraged to join the Meeting through laptops/ desktops for better experience. Further, members will be required to allow Camera and use Internet with a good speed for better experience.

23. Please note that participants connecting from mobile devices or tablets or through laptops/desktops connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection for better experience.

24. The members can join the e-AGM through VC from 12:30 p.m. (IST) by following the procedure mentioned in this Notice.

25. Institutional Investors are encouraged to attend and vote at the e-AGM through VC. In case any Institutional Investor faces any issue in participating in e-AGM, they can write to AGM2022@eichermotors.com.

26. Members who need assistance for participating in the e-AGM, can contact Ms. Soni Singh, Assistant Manager, NSDL at evoting@nsdl.co.in or at telephonic number 1800 102 0990 and 1800 22 4430.

27. Members attending the e-AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

28. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on business items to be transacted at the 40th Annual General Meeting by electronic means. The facility of casting the votes by the members using an electronic voting system ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

29. Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Company had fixed August 17, 2022 as cut-off date for determining the Members who shall be entitled to vote through remote e-voting or through e-voting on the day of e-AGM through VC. The remote e-voting period commences on August 21, 2022 (9:00 a.m. IST) and ends on August 23, 2022 (5:00 p.m. IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 17, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

30. The details of 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: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system

Details on Step 1 are mentioned below:

A) Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account

holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: **https://eservices.nsdl.com/** either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under **"Login"** which is available under **"IDeAS"** section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. 5. Click on the Company name or **e-Voting service provider - NSDL** and you will be redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **If you are not registered, follow the below steps:** 1. Option to register is available at **https://eservices.nsdl.com**. 2. Select "**Register Online for IDeAS**" Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3. Please follow steps given in points 1-5. **B. e-Voting website of NSDL** 1. 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 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on the Company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **C. e-Voting mobile application of NSDL** Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are **https://web.cdslindia.com/myeasi/home/login** or **www.cdslindia.com** and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration** 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in **www.cdslindia.com** home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on the Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & e-Voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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******
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**********
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 120597 then user ID is 120597001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force 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. .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 e-mail ID is not registered, please follow steps mentioned under Para 10 of these foregoing notes.

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 etc.

   (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select EVEN-120597 of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE E-AGM ARE AS UNDER:

31. The procedure for e-Voting on the day of the e-AGM is same as mentioned above for remote e-voting.

32. 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 e-voting at the e-AGM or participating in e-AGM. Only those members, who will be present in the e-AGM through VC facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the e-AGM. Members who have voted through remote e-Voting will also be eligible to attend the e-AGM, however, they will not be eligible to vote again at the e-AGM.

33. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the e-AGM shall be the same person mentioned for remote e-voting and/or e-AGM through VC under Para 26 of these foregoing notes.

34. GENERAL GUIDELINES FOR SHAREHOLDERS FOR VOTING:

(a) Corporate entities/other entities including Institutional shareholders (i.e. other than individuals etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to attend the e-AGM and to vote through remote e-voting or e-voting at the e-AGM, to the Scrutinizer by e-mail to vijay.gupta@vkgnassociates.com with a copy marked to **evoting@nsdl.co.in**, **AGM2022@eichermotors.com.**Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter" displayed** under **"e-Voting"** tab in their login.

(b) 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.

(c) In case of any queries related to voting, 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 1020 990 and 1800 22 44 30 or send a request at **evoting@nsdl.co.in.**

(d) 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 17, 2022. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to attend e-AGM through VC and vote.

(e) Any person, who acquires shares of the Company and become member of the Company after sending of the notice and holding shares as of the cut-off date i.e. August 17, 2022, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** and **AGM2022@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.

35. Mr. Vijay Gupta, Chartered Accountant, or in his absence, Mr. Akshay Kakkar, Company Secretary, shall act as the Scrutinizer(s) to scrutinise the e-voting and remote e-voting process in a fair and transparent manner.

36. During the 40th AGM, the Chairman, after submitting response to the questions raised by the members in advance, shall formally propose to the members participating through VC facility to vote on the business items as set out in the Notice of the 40th AGM through the e-Voting system. After the Members participating through VC Facility, eligible to cast votes, have casted their votes, the e-Voting will be closed and the AGM shall stand concluded.

37. The Scrutinizer shall after the conclusion of the 40th Annual General Meeting, will unblock the votes cast through remote e-voting and e-voting held at the e-AGM in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report within the prescribed time, of the total votes cast in favor or against, if any, and submit the report to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

38. Results of voting shall be declared within 2 working days of conclusion of the meeting. The results along with the Scrutinizers' report would 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 on the website of NSDL **www.evoting.nsdl.com**.

By order of the Board of Eicher Motors Limited

Kaleeswaran Arunachalam
Chief Financial Officer

Place: Chennai, Tamil Nadu
Date: July 21, 2022

CIN: L34102DL1982PLC129877
Regd. Off: 3rd Floor-Select Citywalk
A-3 District Centre, Saket
New Delhi – 110017
Phone: 0124-4415600
Website: **www.eichermotors.com**
E-mail: investors@eichermotors.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 4:

M/s. S.R. Batliboi & Co., LLP, Chartered Accountants (FRN: 301003E/E300005), ("the Audit Firm"), were appointed as Statutory Auditors of the Company at the 35th Annual General Meeting ('AGM') held on August 8, 2017 to hold office from the conclusion of the 35th AGM for a term of consecutive five years till the conclusion of the 40th AGM.

The present term of the Statutory Auditors shall get completed on the conclusion of 40th AGM of the Company scheduled to be held on August 24, 2022. The said Auditor is eligible for re-appointment for another term of five consecutive years.

Prior to the appointment of M/s. S.R. Batliboi & Co., LLP as Auditors of the Company in 2017, the Company had followed a rigorous process for selection of the Statutory Auditor, inviting leading audit firms of the country to present their credentials and experience. After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, quality of reports among others, it was found that M/s. S.R. Batliboi & Co., LLP is best suited to conduct the audits of the financial statements and financial results of the Company both on standalone and on consolidated basis and they were appointed as Auditors for a period of 5 years in August 2017. M/s. S.R. Batliboi & Co., LLP are eligible for re-appointment for a further period of 5 years in terms of Section 139 and other applicable provisions of the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

M/s. S.R. Batliboi & Co., LLP was established in the year 1949. It has Head Office in Kolkata and has 13 branch offices in various cities in India. The Audit Firm is part of S.R. Batliboi & Affiliates network of audit firms and is registered as such with the Institute of Chartered Accountants of India (ICAI). It is a limited liability partnership firm ("LLP") incorporated in India. The Audit Firm has a Peer Review certificate, which is valid till July 31, 2024. The Audit Firm and all its network firms are engaged primarily in providing audit and assurance services and tax services to clients.

M/s. S.R. Batliboi & Co., LLP have given their consent for their re-appointment as Statutory Auditors of the Company and confirmed that their re-appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. S.R. Batliboi & Co., LLP have confirmed that they are eligible for the proposed re-appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s. S.R. Batliboi & Co., LLP, Chartered Accountants, having registration No., 301003E/E300005, as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 40th AGM till the conclusion of the 45th AGM of the Company. The Board, on the recommendation of the Audit Committee, has approved a total fees of Rs. 83.75 lakhs, for the financial year 2021-22 for M/s. S.R. Batliboi & Co., LLP for audit of standalone and consolidated financial statements, review of unaudited standalone and consolidated financial results of the Company, special purpose audit of the financial statements of subsidiaries and an overseas branch and fees toward other services. Said fee is exclusive of out of pocket, travel & living expenses at actual and applicable taxes. For remuneration to be paid for Audit Services for the proposed re-appointment term of 5 years, it is proposed to authorise the Board of Directors to fix the same in consultation with the Auditors. The Company may avail other permissible non-audit services from M/s. S.R. Batliboi & Co., LLP and/ or its network firm and conditions of such services along with remuneration for the same shall be decided from time to time by the Board of Directors or the Audit Committee.

The Board recommends the Resolution as set out under business item no. 4 in the notice of this meeting for approval of the Members by means of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in the resolution.

Item no. 5:

Pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Board of Directors of the Company at its meeting held on August 12, 2021 approved appointment of M/s. Jyothi Satish & Co., Cost Accountants (Firm registration No. 101197), to conduct audit of relevant cost records of the Company for the financial year 2021-22. Based on the recommendations of the Audit Committee, the Board of Directors at its meeting held on May 13, 2022, decided to recommend to the shareholders for approval, payment of remuneration of Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand only), plus taxes as applicable and reimbursement of out of pocket expenses to M/s. Jyothi Satish & Co., Cost Accountants for audit of cost records of the Company for the financial year 2021-22. The Board recommends the Resolution as set out under business item no. 5 in the notice of this meeting for the approval of the Members as an Ordinary Resolution.

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. 6 and 7:

The Board of Directors of the Company ("the Board") at its meeting held on August 12, 2021 had appointed Mr. Govindarajan Balakrishnan (DIN: 03093035) as an Additional Director with effect from August 18, 2021 in terms of provisions Section 149, 152 and 161 of the Companies Act, 2013 and the rules made thereunder. Further, subject to the approval of the shareholders, the Board also appointed Mr. Govindarajan, as Whole-time Director of the Company for a period of 5 (five) years with effect from August 18, 2021 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

Brief Profile of Mr. Govindarajan:

Mr. Govindarajan is an industry veteran with 32 years of experience in the Automotive & Engineering industries. He joined the Company in June 2011 as the Senior Vice President - Industry for his second stint with the Company. He has been leading product development, supply chain, quality, spares and the EV business. Prior to joining the Company, he held senior positions in Commercial vehicles, Railway component business & renewable energy space.

During the last decade, Mr Govindarajan, as Chief Operating Officer and as a key member of the Company's management team, has been instrumental in conceptualising and executing the key strategic projects for growth of the organisation. His exceptional contributions include - Capacity ramp-up, support to international expansion including setting up CKD operations and pathbreaking improvement in quality. He was actively involved in ramping up Royal Enfield's production capacity multifold and also spearheaded the establishment of two new world class manufacturing plants at Oragadam and Vallam Vadagal near Chennai. He has also been instrumental in the revamp of the entire supply chain, implementing effective cost management strategies and creating a backend organisation which is very agile and ready for the next stage of growth for Royal Enfield. Under the leadership of Mr. Govindarajan, Royal Enfield established two Technology centres at UK & in India and has led the team for successful delivery of the 650cc Twin cylinder & the recent 350cc Single cylinder platform. The products - Interceptor 650, Continental GT 650 & Meteor 350 based on these platforms have won recognition across the globe.

Apart from technical functions, he has in his long and varied experience, successfully led cross functional teams spanning Sales, Service, Manufacturing, Quality, Projects, Supply chain, Product Development, HR, Finance, Legal and IT to deliver business results.

He holds a Mechanical Engineering degree from Annamalai University, Tamil Nadu in 1989 and a Post Graduate Diploma in Materials Management. It would be in the best interests of the Company to appoint Mr. Govindarajan as Whole-time Director of the Company for a period of 5 years with effect from August 18, 2021 and the same is being placed before the shareholders for approval. Mr. Govindarajan has been a member of the Risk Management Committee of the Company.

Other Information about Mr. Govindarajan:

(i) Date of Birth: 03-07-1968, Age: 53 Years

(ii) No. of meetings of the Board attended during the last financial year: After being appointed as Additional Director (Whole-time) w.e.f August 18, 2021, Mr. Govindarajan attended all the 4 (four) meetings. Total 6 (Six) Board meetings were held during the financial year2021-2022.

(iii) Date of first appointment on the Board: August 18, 2021

(iv) Remuneration last drawn by Mr. Govindarajan as Director (present remuneration): Annual Gross Compensation (including Target Variable Compensation) – Rs. 56,980,000 divided into:

1. Fixed Compensation- Rs. 42,207,407
2. Target Variable Compensation (35% of Fixed Compensation) – Rs.14,772,593

(Actual payment of Variable Compensation may vary depending upon the performance of the individual, performance of the Company and Company's policy which can go maximum upto 150% of the amount of Target Variable Compensation)

(v) Stock Options: A grant of 15,000 stock options pursuant to Company's Restricted Stock Unit Plan, 2019 (RSU Plan) was made to Mr. Govindarajan on May 12, 2022, with vesting period of 3 years and exercise price of Rs. 1 per stock option. Prior to the appointment of Mr. Govindarajan as Director, following stock options were granted to him under Company's Employees Stock Option Plan, 2006 (ESOP Plan) which are unvested as on date: (i) 100,000 Stock options on May 27, 2021 which shall vest and become exercisable in equal proportion at the end of 3rd and 4th years, and (ii) 50,000 Stock options on May 6, 2020 which shall vest and become exercisable at the end of 3rd year. Vesting of above stock options shall be contingent upon continuous employment with the Company and terms of Company's RSU Plan and ESOP Plan. All stock options shall be exercised within a period of seven years from the date of vesting.

(vi) Remuneration proposed to be paid: Proposed remuneration

is same as mentioned under point no. (iv) and (v) above with authority to the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) to alter, enhance or widen the scope of remuneration (including the Fixed pay, Variable Pay/ Commission and other benefits) including periodical increase in his remuneration as may be permissible in accordance with Section 197, read with Schedule V of the Act and rules made thereunder and other applicable laws, regulations, as amended from time to time, provided the total remuneration payable to Mr. Govindarajan for any financial year during his term as Whole Time Director of the Company shall not exceed 1% of the net profits of the Company for that financial year calculated in the manner provided under Section 197 read with Section 198.

(vii) Mr. Govindarajan's appointment as Whole-time Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing or payment of salary in lieu of notice for 3 months or such a period which falls short of 3 months.

(viii) Mr. Govindarajan does not hold the directorship and the membership of Committees of the Board of other listed entities. Mr. Govindarajan was not holding the position of Director in any other listed entity and has not resigned from any listed entity in the past three years.

(ix) The appointment and remuneration of Mr. Govindarajan is in compliance with the provisions of Sections 196, 197, the rules made thereunder read with Schedule V of the Act and other relevant and applicable provisions, if any, of the Act and the Articles of Association of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and also eligible to act as Whole-time Director of the Company pursuant to applicable provisions of the Act. The Company has received his consent to act as a Director and also as Whole-time Director of the Company.

The Notice read with Explanatory Statement should be considered as written Memorandum setting out the terms of appointment and remuneration of Mr. Govindarajan as Whole-time Director as required under Section 190 of the Companies Act, 2013. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director of the Company.

Mr. Govindarajan holds 7,547 equity shares of face value of Re. 1 each in the Company. Mr. Govindarajan for himself and through his relatives, to the extent of their shareholding in the Company, if any, may be deemed to be concerned or interested, financially or otherwise, in the Resolution as set out under business item no. 6 and 7 of the notice. Besides the remuneration proposed herein, Mr. Govindarajan, does not have any other pecuniary relationship with the Company. He is not related to any Director or Key Managerial Personnel of the Company. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in the said resolutions.

It is therefore proposed to seek shareholders' approval for the appointment of and to the remuneration payable to Mr. Govindarajan as Whole-time Director of the Company for a period of 5 (five) years w.e.f. August 18, 2021. The Board recommends the Resolutions as set out under business item nos. 6 and 7 in the notice of this meeting for approval of the Members by means of Ordinary Resolutions.

Item no.8:

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended on November 09, 2021 vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective from April 1, 2022, states that all related party transactions with an aggregate value exceeding Rs. 1,000 crore or 10% of annual consolidated turnover of the listed entity as per the last audited financial statements, whichever is lower, shall be considered as material related party transactions and shall require approval of shareholders of the listed entity by means of an ordinary resolution.

The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has widened the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

The related party transactions for which this proposal is placed before the shareholders of Eicher Motors Limited ("the Company") are between VE Commercial Vehicles Limited **("VECV")**, an unlisted material subsidiary of Eicher Motors Limited and Volvo Group India Private Limited **("VGIPL")**, a related party of VECV. The Company is not a party to these transactions. However, owing to the amended definition of regulation 2(1)(zc) read with Regulation 23(4) of the SEBI Listing Regulations, the related party transactions between VECV and VGIPL require approval of the shareholders of the Company.

The value of transactions between VECV and VGIPL during the financial year 2022-23, in aggregate, is expected to exceed the threshold of Rs. 1,000 Crore or 10% of the annual consolidated turnover of Eicher Motors Limited, whichever is lower, as per the last audited financial statements as on March 31, 2022. Since the value of transactions is expected to exceed the prescribed materiality thresholds, prior approval of the members of the Company by way of an Ordinary Resolution is being sought pursuant to Regulation 23(4) of SEBI Listing Regulations.

It is submitted that the aforesaid transactions are in the ordinary course of business and at arm's length basis and necessary approvals as required in compliance of the provisions under the Companies Act, 2013 and SEBI Listing Regulations have been obtained from the Audit Committee and Board respectively on July 21, 2022.

Details of the proposed related party transaction(s) between VECV, subsidiary of the Company and Volvo Group India Private Limited, a related party of VECV, including the information required to be disclosed as part of the explanatory statement pursuant to the SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below :

Sl.No.	Particulars	Details
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	VE Commercial Vehicles Limited (VECV) is a joint venture company between Aktiebolaget Volvo (PUBL), Sweden and the Company. VECV is an unlisted material subsidiary of the Company and the Company holds 54.40% of equity share capital of VECV and the remaining 45.60% of the equity share capital of VECV is held by Aktiebolaget Volvo (PUBL), Sweden and Volvo Truck Corporation, Sweden. Accordingly, VECV is a related party of the Company in terms of regulation 2(1)(zb) of the SEBI Listing Regulations and section 2(76) of the Companies Act, 2013. Volvo Group India Private Limited **(VGIPL)** is an unlisted private limited company and is part of Volvo Group of Companies. VECV and VGIPL are related parties pursuant to Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations and Mr. Jan Gustav Gurander is a common director on the board of both VECV and VGIPL.
2.	Type, material terms and particulars of the proposed transaction;	VECV has undertaken and continues to undertake various related party transactions ("RPTs") with VGIPL. The RPTs involve: (i) purchase of goods; (ii) purchase of capital goods/services; (iii) sale of finished goods/services; (iv) incentives on part sales, expenses recovered; (v) Reimbursement of expenses, purchase consideration and other related transactions. The RPTs will be at arm's length and in ordinary course of business.
3.	Tenure of the proposed transaction	Recurring transactions during the financial year 2022-23
4.	Value of the proposed Transaction	Not exceeding Rs. 2,100 Crore during the financial year 2022-23
5.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	The value of proposed RPTs between VECV and VGIPL is 20.39% of the annual consolidated turnover of the Company, as per financial statements for the immediately preceding financial year ended on March 31, 2022. The value of proposed RPTs between VECV and VGIPL is 16.52% of the annual standalone turnover of VECV for the immediately preceding financial year ended on March 31, 2022.
6.	Justification as to why the RPT is in the interest of the listed entity	Volvo is a global player and has a strong brand image. Volvo Group is a leading global manufacturer of trucks, marine and industrial engines and construction equipment with brands like Terex trucks, Renault trucks, Mack, Volvo Penta, SDLG, Dongfeng trucks under its umbrella. With over 17,000 trucks supplied in India till date, Volvo trucks are the first choice for customers who desire productivity, safety, quality and reliability in their operations. Currently over 6500 trucks are in operations in various sites across India. VECV is engaged in the business of manufacture and sale of 'Eicher' branded trucks and buses, Volvo branded Buses, spare parts as well as distribution of 'Volvo' branded trucks and provision of aftermarket services and distribution of spare parts for 'Volvo' branded trucks. VECV is exclusive distributor of Volvo Trucks in India. One of the important objectives of the Joint Venture is to meet the business requirements of both the JV partners i.e the Company as well as Aktiebolaget Volvo (PUBL), Sweden and achieve overall efficiencies with respect to distribution of 'Volvo' branded trucks and provision of aftermarket services and distribution of spare parts for 'Volvo' branded trucks. Volvo Trucks India (VTI) is part and parcel and an important division of VECV and representing 13.16% of its total sales for the financial year 2021-22. VECV is fully dependent for the procurement of 'Volvo' branded trucks and parts from VGIPL. This transaction is very critical and crucial for running of this business. VTI annual sales revenues are above Rs. 2000 crore including service revenue of around Rs. 500 crore, consistently profitable and adding value to shareholders on year on year basis. Prices are negotiated every year on various parameters such as inflation, new features etc. VTI caters to the niche segments like mining, heavy construction, and long haul. It caters to over 40% of all the coal overburden removal in India. It is also instrumental in evacuation minerals like coal, iron ore, limestone etc., all of which are necessary for power generation and infrastructure development in India. In premium truck segment, VTI achieved 84.9% market share during 2021-22 and maintained #1 position in terms of brand image and customer satisfaction. VTI has a comprehensive nation-wide network of service and parts centres in India that have the best of infrastructure, tools and equipment, systems and processes,highly trained and competent manpower that offer 24 x 7 support to its customers. Uptime centres are continuously monitoring the trucks through the data collected by the telematics system. VTI continues to focus on driving digitalization in services and offer smart transport solutions. Volvo Group plans to broaden their offering by producing higher capacity trucks for mining. There are plans to introduce through VECV high productivity transport solutions like road trains for goods and mineral transport. Another forte of the Volvo Group, alternate energy is well established in Europe with the supply of LNG and Electric trucks.

Sl.No.	Particulars	Details
		In light of above and various commercial factors, aforementioned transactions are undertaken, that will not only help both the companies to smoothen business operations but will also ensure a consistent flow of desired quality and quantity of various facilities for uninterrupted operations and an increase in productivity.
7	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: i. details of the source of funds in connection with the proposed transaction ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness; • cost of funds • tenure iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
8	Arm's length pricing and valuation or other external party report, if any such report has been relied upon	The pricing mechanism followed for RPTs shall be based on arm's length principle. Also these RPTs are in the ordinary course of business. Valuation Report and/or other external report, if applicable, would be obtained and relied upon.
9	Name of the Director or Key Managerial Personnel who is related, if any and the nature of their relationship	Mr. Jan Gustav Gurander, Director of VECV is also a Director on the Board of VGIPL. None of the Directors or KMP(s) of the Company is Director or KMP of VGIPL.
10	Any other information that may be relevant	All relevant information is provided in the resolution and explanatory statement, setting out all material facts relating to the RPTs.

Approval of the Members of the Company is, therefore, being sought in terms of Regulation 23(4) of the SEBI Listing Regulations by way of an Ordinary Resolution to the aforesaid material RPTs between VECV and VGIPL for a value, not exceeding in aggregate Rs. 2,100 Crore during the financial year 2022-23.

Validity of the approval of the members of the Company for said RPTs shall be as provided under SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, as may be amended from time to time.

VECV was incorporated as a joint venture between AB Volvo, Sweden and the Company and one of the objectives of incorporation of VECV was to meet the business requirements of both the JV partners i.e the Company as well as AB Volvo, Sweden and achieve overall efficiencies with respect to distribution of 'Volvo' branded trucks and provision of aftermarket services and distribution of spare parts for 'Volvo' branded trucks. VECV has been entering into similar transactions with VGIPL since 26th May, 2008 and all the transactions are duly disclosed in the financial statements of VECV in accordance with applicable accounting standards. Further, the RPTs between VECV and VGIPL are at arm's length basis and in the ordinary course of business. Further, the RPTs' are crucial and critical for continuity of the business of VECV and are in the interest of the shareholders of the Company.

Based on the aforesaid consideration, the Board recommends the Resolution as set out under business item no. 8 in the notice of this meeting for approval of the members by means of an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in the resolution/related party transaction. Further, the promoters of the Company are not related to VGIPL in accordance with Section 2(76) of the Act read with regulation 2(1)(zb) of SEBI Listing Regulations.

The Members may please note that in terms of provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not) shall not vote to approve the aforesaid related party transaction.

By order of the Board of Eicher Motors Limited

Kaleeswaran Arunachalam
Chief Financial Officer

Place: Chennai, Tamil Nadu
Date: July 21, 2022

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(Refer Note 8 of the Notice of 40th AGM)

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND

In accordance with the provisions of the Income-tax Act, 1961 ("IT Act"), as amended from time to time, read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared by the Company is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") on dividend at the applicable rates.

Please take note of the below TDS provisions and information/document requirements for each member:

A. RESIDENT MEMBERS:

A.1 No tax shall be deducted on payment of dividend to the resident individual members, if the total dividend for a financial year does not exceed Rs. 5,000 (Rupee Five Thousand), subject to availability of PAN of member.

A.2 Tax shall be deducted from Dividend paid to resident members (other than category prescribed under A.1 above) as per the details provided below:

Particulars	Applicable rate of Tax	Declaration/ documents required
Where valid PAN is updated with the Depository Participant ***(in case shares are held in dematerialized form)*** or with Company's Registrar and Transfer Agent ("RTA") i.e. Link Intime India Private Limited ***(in case shares are held in physical form)*** and no exemption is sought by the resident member	10%	N.A.
No PAN/ Invalid PAN with the Depository Participant/ RTA or where member has not filed his Income Tax return for last two years and TDS in his personal case was exceeding Rs. 50,000 in each those years, pursuance to section 206AB of Income Tax Act and no exemption sought by member	20%	N.A.
Where lower/ nil tax deduction certificate is issued by Income Tax Department under section 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	• Copy of PAN card • Copy of lower tax withholding certificate obtained from Income Tax Department

A.3 No tax shall be deducted on Dividend to resident members if the members submit documents mentioned in the below table with the RTA:

Particulars	Declaration/ documents required
Member (other than a Company or a Firm) furnishing Form 15G/ 15H	• Copy of PAN card • Form 15G (applicable to any individual/ person other than a Company or a Firm claiming certain incomes without deduction of tax) OR Form 15H (applicable to individual who is of the age of sixty years or more and claiming certain incomes without deduction of tax), provided that all the required eligibility conditions are met. Format of Form 15G and 15H are given in the link below
Submitting Certificate under Section 197 of the Income Tax Act, 1961 (Act)	• Copy of PAN card • Self-declaration along with NIL withholding tax certificate obtained from tax authority
Members (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable	• Copy of PAN card • Self-declaration along with adequate documentary evidence to the effect that no tax withholding is required pursuant to the provisions of Section 194 of the Act
Category I and II Alternative Investment Fund (AIF)	• Copy of PAN card • Self-declaration that the AIF is registered with SEBI as per SEBI Regulations along with copy of registration certificate along with the confirmation that their income is exempted from Tax
Persons covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	• Copy of PAN card • Self-declaration along with documentary evidence that the person is covered under said Section 196 of the Act

B. NON-RESIDENT MEMBERS:

As per Section 90 of the Income Tax Act, the non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the member, if they are more beneficial to them. Please refer to the below table for the details of documents to avail Tax Treaty benefits:

Particulars	Applicable rate	Declaration/ documents required
Non-resident Members (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% plus applicable surcharge and cess **OR** Tax Treaty Rate (whichever is lower)	If the member wants to avail the tax rates as per the tax treaty, following documents would be required: • Self-attested copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax authorities • Self-attested copy of Tax Residency Certificate (TRC) issued by the competent authority of the country of member's residency, evidencing and certifying the tax residency status of the member in the country of residency during the Financial Year 2022-23 • Completed and duly signed Form 10F in the format given in the link • Self-declaration in the format given in the link below, certifying that – i. You will continue to remain a tax resident of the country of your residency during the Financial Year 2022-23; ii. You are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company; iii. You have no reason to believe that your claim for the benefits of the DTAA is impaired in any manner; iv. You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company; and v. You do not have a taxable presence or a permanent establishment in India during the Financial Year 2022-23
Submitting Certificate under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority

Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident members.

For all members who are seeking exemption from tax on dividend:

The aforementioned forms (duly completed, signed and scanned) along with PAN (unless already registered) shall be submitted on our RTA, Link Intime India Private Limited website at **https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html** or email to **emltaxexemption@linkintime.co.in** on or before August 17, 2022, in order to enable the Company to determine and deduct appropriate TDS / withholding tax, as may be applicable.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents or for any other reason, there would still be an option available with the member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such tax deduction.

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at rnt.helpdesk@linkintime.co.in.

To view / download Form 15G click here **https://web.linkintime.co.in/admin/DownloadFiles/FORM_15G_EML.pdf**

To view / download Form 15H click here **https://web.linkintime.co.in/admin/DownloadFiles/FORM_15H_EML.pdf**

To view / download Form 10F click here **https://web.linkintime.co.in/admin/DownloadFiles/Form_10F_EML.pdf**

To view / download - Self declaration click here **https://web.linkintime.co.in/admin/DownloadFiles/Self%20declaration_EML.pdf**

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

GRI INDEX

Disclosure	Description	Status	Reference
Organizational profile			
GRI 102-1	Name of the organization	Reported	Cover Page
GRI 102-2	Activities, brands, products, and services	Reported	Manufactured Capital-Royal Enfield Portfolio
GRI 102-3	Location of headquarters	Reported	Manufactured Capital-Business Presence
GRI 102-4	Location of operations	Reported	Manufactured Capital-Business Presence
GRI 102-5	Ownership and legal form	Reported	Corporate Review – About Eicher Motors Limited – Shareholding Pattern
GRI 102-6	Markets served	Reported	Manufactured Capital-Business Presence
GRI 102-7	Scale of the organization	Reported	Across the Report
GRI 102-8	Information on employees and other workers	Reported	Our People Power-Employment
GRI 102-9	Supply chain	Reported	Creating Shared Value – Sustainability in Procurement
GRI 102-10	Significant changes to the organization and its supply chain	Reported	Creating Shared Value – Sustainability in Procurement
GRI 102-11	Precautionary Principle or approach	Reported	Management Discussion & Analysis – Risk Management
GRI 102-12	External initiatives	Reported	SDG Reporting
GRI 102-13	Membership of associations	Reported	Business Responsibility & Sustainability Report – Principle 7
GRI 102-14	Statement from senior decision-maker	Reported	Corporate Review – Message to the shareholders
GRI 102-15	Key impacts, risks, and opportunities	Reported	Management Discussion & Analysis – Risk Management
Ethics & Integrity			
GRI 102-16	Values, principles, standards, and norms of behavior	Reported	Corporate Governance Report
Governance			
GRI 102-18	Governance structure	Reported	Corporate Governance Report
GRI 102-19	Delegation Authority	Reported	Corporate Governance Report
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Reported	Sustainability @EML – Sustainability Governance
GRI 102-32	Highest governance body's role in sustainability reporting	Reported	This Integrated Report is reviewed by the senior management & members of the board
Stakeholder Engagement			
GRI 102-40	List of stakeholder groups	Reported	Stakeholder Engagement
GRI 102-41	Collective bargaining agreements	Reported	Our People Power-Freedom of association
GRI 102-42	Identifying and selecting stakeholders	Reported	Stakeholder Engagement
GRI 102-43	Approach to stakeholder engagement	Reported	Stakeholder Engagement
GRI 102-44	Key topics and concerns raised	Reported	Stakeholder Engagement

Reporting Practices			
GRI 102-45	Entities included in the consolidated financial statements	Reported	Corporate Review - About Eicher Motors Limited
GRI 102-46	Defining report content and topic Boundaries	Reported	Corporate Review - About the report
GRI 102-47	List of material topics	Reported	Materiality
GRI 102-48	Restatements of information	Reported	There are no restatements of information over the previous Integrated Report FY 20-21
GRI 102-49	Changes in reporting	Reported	Nil
GRI 102-50	Reporting period	Reported	Corporate Review - About the report
GRI 102-51	Date of most recent report	Reported	EML published the Integrated Report for the FY 2020-21 as per IIRC Framework
GRI 102-52	Reporting cycle	Reported	Annually
GRI 102-53	Contact point for questions regarding the Report	Reported	Creating Shared Value – Investor's relation
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Reported	Corporate Review - About the report
GRI 102-55	GRI content index	Reported	GRI Index
GRI 102-56	External assurance	Reported	While this report has not been externally assured, we have developed internal mechanisms to validate & review data in-line with the GRI standards and Frame-work. We plan to take a 3rd party assurance for the subsequent years.
Economic Disclosures			
GRI 103-1	Management Approach	Reported	Delivering Robust Financial Performance – Financial Review
GRI 201: Economic Performance			
GRI 201-1	Direct economic value generated and distributed	Reported	Delivering Robust Financial Performance - Economic Value Generated & Distributed
GRI 204: Procurement Practices			
GRI 204-1	Proportion of spending on local suppliers	Reported	Creating Shared Value - Suppliers
GRI 205: Anti-Corruption			
GRI 205-2	Communication and training about anti-corruption policies and procedures	Reported	Creating Shared Value – Ethical business practices
GRI 205-3	Confirmed incidents of corruption and actions taken	Reported	Creating Shared Value – Ethical business practices
Environmental Disclosures			
GRI 103	Management Approach	Reported	Environmental Stewardship – EML's Approach
GRI 301: Materials			
GRI 301-1	Materials used by weight or volume	Reported	Environmental Stewardship – Materials
GRI 302: Energy			
GRI 302-1	Energy consumption within the organization	Reported	Environmental Stewardship – Energy Management
GRI 302-3	Energy Intensity	Reported	Environmental Stewardship – Energy Management
GRI 302-4	Reduction of energy consumption	Reported	Environmental Stewardship – Energy Management
GRI 303: Water and Effluents			
GRI 303-1	Interaction with water as a shared resource	Reported	Environmental Stewardship – Water Management
GRI 303-2	Management of water discharge related impacts	Reported	Environmental Stewardship – Water Management
GRI 303-3	Water Withdrawal	Reported	Environmental Stewardship – Water Management
GRI 303-4	Water discharge	Reported	Environmental Stewardship – Water Management
GRI 303-5	Water consumption	Reported	Environmental Stewardship – Water Management
GRI 305: Emissions			
GRI 305-1	Direct (Scope 1) GHG emissions	Reported	Environmental Stewardship – Emissions
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Reported	Environmental Stewardship – Emissions
GRI 303-4	GHG emissions intensity	Reported	Environmental Stewardship – Emissions
GRI 305-5	Reduction of GHG emissions	Reported	Environmental Stewardship – Emissions
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Reported	Environmental Stewardship – Emissions
GRI 306: Effluents and Waste			
GRI 306-1	Waste generation and significant waste-related impacts	Reported	Environmental Stewardship – Waste Management
GRI 306-2	Management of significant waste-related impacts	Reported	Environmental Stewardship – Waste Management
GRI 306-3	Waste generated	Reported	Environmental Stewardship – Waste Management
GRI 306-4	Waste diverted from disposal	Reported	Environmental Stewardship – Waste Management
GRI 306-5	Waste directed to disposal	Reported	Environmental Stewardship – Waste Management
GRI 307: Environment Compliance			
307-1	Non-compliance with environmental laws and regulations	Reported	Environmental Stewardship – Environmental Compli-ance
GRI 308: Supplier environmental assessment			
308-2	Negative environmental impacts in the supply chain and actions taken	Reported	Environmental Stewardship – Waste Management
Social Disclosures			
GRI 103	Management Approach	Reported	Our People Power-EML's Approach
GRI 401: Employment			
GRI 401-1	New employee hires and employee turnover	Reported	Our People Power-Employment
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Reported	Our People Power-Employee Benefits
GRI 401-3	Parental leave	Reported	Our People Power-Employee Benefits
GRI 403: Occupational Health and Safety			
GRI 403-1	Occupational health and safety management System	Reported	Our People Power-Occupational Health & Safety

GRI 403-2	Hazard identification, risk assessment, and incident investigation	Reported	Our People Power-Occupational Health & Safety
GRI 403-3	Occupational health services	Reported	Our People Power-Occupational Health & Safety
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Reported	Our People Power-Occupational Health & Safety
GRI 403-5	Worker training on occupational health and safety	Reported	Our People Power-Occupational Health & Safety
GRI 403-6	Promotion of worker health	Reported	Our People Power-Occupational Health & Safety
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Reported	Our People Power-Occupational Health & Safety
GRI 403-8	Workers covered by an occupational health and safety management system	Reported	Our People Power-Occupational Health & Safety
GRI 403-9	Work-related injuries	Reported	Our People Power-Occupational Health & Safety
GRI 403-10	Work-related ill health	Reported	Our People Power-Occupational Health & Safety
GRI 404: Training and education			
GRI 404-1	Average hours of training per year per employee	Reported	Our People Power-Learning and Development
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Reported	Our People Power-Learning and Development
GRI 404-3	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period	Reported	Our People Power-Learning and Development
GRI 405: Diversity and equal opportunity			
GRI 405-1	Diversity of governance bodies and employees	Reported	Our People Power-Diversity and Equal Opportunity
GRI 405-2	Ratio of basic salary and remuneration of women to men	Reported	Our People Power-Diversity and Equal Opportunity
GRI 406: Non-discrimination			
GRI 406-1	Incidents of discrimination and corrective actions taken	Reported	Our People Power-Human Rights
GRI 407: Freedom of Association and Collective Bargaining			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Reported	Business Responsibility and Sustainability Reporting-Principle 2
GRI 408: Child Labor			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Reported	Business Responsibility and Sustainability Reporting -Principle 2
GRI 409: Forced or Compulsory Labor			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Reported	Business Responsibility and Sustainability Reporting -Principle 2
GRI 412: Human Rights			
GRI 412-2	Employee training on human rights policies or procedures	Reported	Our People Power-Human Rights
GRI 413: Local Communities			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Reported	Creating Shared Value - Communities
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Reported	Creating Shared Value - Communities
GRI 414: Supplier Social Assessment			
GRI 414-1	New suppliers screened as per social criteria	Reported	Business Responsibility and Sustainability Reporting -Principle 2
GRI 414-2	Negative social impacts in the supply chain and actions taken	Reported	Creating Shared Value - Suppliers
GRI 416: Customer Health and Safety			
GRI 416-1	Assessment of the health and safety impacts of product and service category	Reported	Creating Shared Value – Customer Centricity
GRI 417: Marketing and Labelling			
GRI 417-1	Requirements for product and service information and labelling	Reported	Creating Shared Value – Customer Centricity – We comply with all applicable regulatory standards on product labelling and marketing communications.
GRI 419: Socio-economic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Reported	Our People Power-EML's Approach

ABBREVIATIONS

ABS	Anti-lock Braking System	NEEM	National Employability Enhancement Mission
AE	Associate Engineers	NGO	Non-Governmental Organization
AGM	Annual General Meeting	NICU	Neonatal Intensive Care Unit
AGM	Air Handling Unit	NOx	Oxides of Nitrogen
BOD	Biochemical Oxygen Demand	NPI	New Product Introduction
BS IV	Bharat Stage 4	NVH	Noise, Vibration and Harshness
CAD	Computer-Aided Design	OEM	Original Equipment Manufacturer
CAE	Computer-Aided Engineering	OHC	Occupational Health Centre
CII	Confederation of Indian Industry	OHS	Occupational Health and Safety
CIIF	CII Foundation	OJT	On-Job Training
CKD	Completely Knocked Down	PAT	Profit After Tax
CNC	Computer Numerical Control	pH	Potential of Hydrogen
COD	Chemical Oxygen Demand	PLM	Product Lifecycle Management
CR&R	Customer Relations and Retailing	PM	Particulate matter
CSR	Corporate Social Responsibility	PPE	Personal Protective Equipment
CTG	Colours, Trims and Graphics	QC	Quality Control
EBIT	Earnings before Interest and Tax	QCD	Quality, Cost and Delivery
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation	QCFI	Quality Circle Forum of India
EGF	Eicher Group Foundation	R&D	Research & Development
ELF	English Learning Foundation	REA	Royal Enfield Assistant
ELV	End-of-Life Vehicle	RO	Reverse Osmosis
EML	Eicher Motors Limited	ROP	Retinopathy of Prematurity
EML	Eicher Motors Limited	RPM	Review and Planning Meetings
ESG	Environmental, Social & Governance	SDG	Sustainable Development Goals
ETP	Effluent Treatment Plant	SIPCOT	State Industries Promotion Corporation of Tamil Nadu
ETP	Farmer Producers Organization	SOC	Staff on Contract
FY	Financial Year	SOx	Oxides of Sulphur
GEF	Goodearth Education Foundation	SPP	Shikshak Pehal Program
GHE	Global Himalayan Expedition	STP	Sewage Treatment Plant
GHG	Greenhouse Gas	SVUP	Sustainable village upliftment program
HDPE	High-Density Polyethylene	TDS	Total Dissolved Solids
HQ	Head Quarter	TNPCB	Tamil Nadu Pollution Control Board
HR	Human Resources	TTRO	Tertiary Treated Reverse Osmosis
Hz	Hazardous	UCE	Unit Construction Engine
ICC	Internal Complaints Committee	UKTC	UK Technical Centre
ICU	Intensive Care Unit	UN SDGs	The United Nations Sustainable Development Goals
IMS	Integrated Management System	USB	Universal Serial Bus
Ind AS	Indian Accounting standards	VECV	VE Commercial Vehicles
ITeS	Information Technology enables Services	VOC	Volatile Organic Compounds
LTIFR	Lost Time Injury Frequency Rate	WASH	Water, Sanitation and Hygiene
LXP	Learning Xperience Platform	WRI	World Resources Institute
MiY	Make it Yours	XLPE	Cross-linked polyethylene
NABL	National Accreditation Board for Testing and Calibration Laboratories	ZLD	Zero Liquid Discharge



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