



EICHER MOTORS LIMITED
2014 ANNUAL REPORT

Board of Directors

S. Sandilya, Chairman
Siddhartha Lal, Managing Director & CEO
Priya Brat, Non-executive and Independent Director
M.J. Subbaiah, Non-executive and Independent Director
Prateek Jalan, Non-executive and Independent Director
Manvi Sinha, Non-executive and Independent Director

Company Secretary & Compliance Officer

Manhar Kapoor

Auditors

Deloitte Haskins & Sells,
Chartered Accountants

Bankers

HDFC Bank Limited
ICICI Bank Limited

Registered Office

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

Corporate Office

#96, Sector 32,
Gurgaon – 122 001, Haryana
Tel No.: (0124) 4415600
Website: www.eicher.in

Plant Locations

Thiruvottiyur High Road,
Thiruvottiyur, Chennai – 600 019
Tamil Nadu

A-19/1, SIPCOT Industrial Growth Centre,
Oragadam, Kanchipuram – 602 105
Tamil Nadu

Registrar & Share Transfer Agent MCS Limited

F-65, 1st Floor, Okhla Industrial Area,
Phase I, New Delhi – 110 020
Tel No.: (011) 41406149-52
Fax No.: (011) 41709881
E-mail: admin@mcsdel.com

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LETTER TO THE SHAREHOLDERS



It gives me great pleasure to present to you the Annual Report for Eicher Motors Limited (EML) for the year 2014. Our businesses – Royal Enfield in the motorcycle space and VE Commercial Vehicles (VECV) in the commercial vehicle space – delivered a solid performance in 2014 despite the headwinds experienced by the industry. Royal Enfield sold more than 3,00,000 motorcycles in 2014, a growth of 70% over last year, while VECV's sales volume of 40,783 was a shade lower than 2013 sales volume, quite creditable given the adverse market conditions. As a result, on consolidated basis, EML recorded its highest ever net income from operations at Rs. 8,738 crores and a record operating profit (EBIT) of Rs. 895 crores; EML's EBIT margin at 10.2%, was also the highest ever.

We are proud to be one of the most profitable companies in the automotive business with no debt and a consistently growing top line. At 22.5%, Royal Enfield's 2014 EBIT margin is better than that of any other motorcycle company in the world, and possibly the highest level compared to any automotive brand globally as well. VECV's EBIT margin at 3.7% was the best amongst Indian CV companies in 2014; and VECV's lean business model gives it the distinction of being the only CV company to remain profitable in every quarter during the longest downturn in the recent decades for the Indian commercial vehicle industry. In both our businesses, we continue our drive to make a breakthrough via challenging the status quo and shifting the market to a different place, rather than competing in the stronghold of the established players. We do this via a sharp product-market offering and a great focus on nurturing our brands, backed by a lean and agile business model.

Our motorcycle business has experienced a decade of tremendous evolution. From manufacturing and selling less than 40,000 units for most of the first decade of this century to making 50,000 units in 2010 to over 3,00,000 motorcycles in 2014. As I had mentioned in my last year's letter to you, our intent is to create a new category in motorcycling globally; one that heralds a return to fun and evocative mid-size motorcycling (where motorcycling refers to owning, riding, caring, and living with a motorcycle). These motorcycles are built to be timeless, uncomplicated, engaging, and accessible bikes for the city, as well as great touring/adventure/sporty bikes. They are not extreme in any way, which means that each of the motorcycles is good to use in a variety of occasions and nearly all conditions. It also means that the motorcycles are built to give maximum pleasure at regular road-going speeds, and that they are fun for novices as well as experienced riders. Royal Enfield motorcycles are intended to bring back values that many people yearn for in the modern sterile context – authenticity, tactility, interaction, craftsmanship, physical experience and active pursuit. We will deliver that by firstly ensuring that the company itself is authentic in its approach and interactions; the motorcycles we make will be timeless in sensibility and appeal, yet approachable and relatively affordable and will encourage the owner to be hands-on. We will serve all relevant areas around the motorcycle – products and services with the same approach, in order to make the whole experience of motorcycling pleasurable – thereby, delivering a 'Pure Motorcycling' experience.

Royal Enfield believes that with upgrading customers in developing markets and more urban customers in developed markets, the potential of the mid-size motorcycle market globally is many times its current size. Our vision is to create exciting and engaging motorcycles and its related eco-system in the mid-size market, and to rekindle and grow the market globally – similar to how we have been able to do so in India.

With over 95% market share in this market segment in India that is growing at more than 50% each year, Royal Enfield has created this category in India; we are now working towards taking this to the next level with new products, retail and service excellence, and a riding culture and eco-system. At the same time, we have commenced our strategic foray into international markets where we have been selling motorcycles for decades, but with considerably low support from our side. Markets such as USA, UK and Europe are highly influential, and success in these markets are crucial for us to gain currency and credibility as we work towards achieving global leadership in the mid-sized segment. In Latin America and South East Asia, motorcycles, like in India, are popular as the favourite means of daily commute. The size of these markets is much larger than in the developed countries, and similar to India in the enormous potential to upgrade to mid-sized motorcycles. Royal Enfield with its evocative and engaging products is very well placed to catalyse the shift to mid-size motorcycles in such markets. The Continental GT is particularly paving the way for us in these markets. However, these are early days for our international thrust, and we are now in the process of learning what it would take to be successful in different markets. Our first step is to create a strong distribution and brand salience – which is under way in a lot of markets currently; with that we will set the ground for the introduction of our new motorcycles in the coming years – which have been specifically designed to have global appeal.

This also means building the capacity at home to meet the growing demand for our motorcycles worldwide. In 2013, we produced just over 1,70,000 motorcycles and in 2014 we hit the 3,00,000 mark. While we continue to ramp up capacity at our current facilities, we have recently acquired 50 acres of land in Vallam Vadagal, near Chennai, Tamil Nadu, to set up our third manufacturing facility and would commence capacity creation here as and when we have a sight of demand that is beyond the combined capacity of our existing two facilities. Our plan is to reach a capacity of 4,50,000 units in 2015 and over 6,00,000 in 2016 from current manufacturing facilities in Thiruvottiyur and Oragadam.

In addition to capacity expansion, we are also investing in upgrading our capabilities in product development with two new technology centres on the anvil. The larger one will be at a new 4.5 acre property that we have acquired on Old Mahabalipuram Road in Chennai, and will be operational by Q2 2016; a smaller satellite center is being set up in UK, and will be operational by the end of 2015. These new centres will be responsible for creating a robust and beautiful range of new motorcycles from the two new platforms that we are currently developing.

At Royal Enfield, we have also been enhancing our people capabilities and bandwidth by adding global expertise to the team. Some of the key hires include Rudratej 'Rudy' Singh who has joined us as President, Royal Enfield. Rudy joins us from Unilever where he was Vice President and on its South Asia Board running the marketing operations for the entire cluster of Unilever markets. With over 18 years of experience across emerging as well as developed markets, Rudy has had a proven track record in leading global brands and businesses in gaining market share both by challenging competition as well as expanding the market. After leading Harley Davidson's geographic expansion across emerging markets, industry veteran Rod Copes has recently joined our team to drive Royal Enfield's growth in the North America. We also now have on-board one of the most prolific industrial designers for motorcycles, Pierre Terblanche, who has created some extraordinary motorcycles as the head of design for Ducati for over a decade. He brings this experience to our industrial design team in mentoring our future design directions. With their worldwide expertise and perspective, the global team will be instrumental in our domestic-cum-export expansion strategy; taking our products to new markets while bringing global designs and technology to India.

Amidst all this, we have also been engaged in revamping our retail experience and expanding our footprint. In February 2014 we opened our first concept store in Select City Walk, Saket, New Delhi that has been designed as a motorcycling enthusiast's living room. This brand new retail format showcases the brand's philosophy of "Pure Motorcycling" in the retail context where the prospective customer is guided by the outstanding, yet 'honest' store design and by the sales person to discover the legacy and timelessness of Royal Enfield, and to discover each motorcycle in detail, in order to get immersed deeper in our brand and to make an educated choice about which motorcycle he or she would like to buy. Our second such store opened in May 2014 in London and more recently in February 2015 we opened a couple of similar stores in Colombia as well. We have already opened 100 stores in this format in India, and over the next two years, our aim is

to convert all our stores across the globe to this format. Along with showcasing Royal Enfield's motorcycles, these stores also offer our entire range of Royal Enfield gear, including helmets, jackets, riding trousers, t-shirts, etc.

Towards accomplishing all of this and more, we will be investing Rs. 500 crores in the Royal Enfield business in 2015.

As the commercial vehicle industry emerges out of a long slump, VECV has been persistently working towards building its strengths, drawing from the Eicher Motors and Volvo Group lineage. VECV outpaced the industry in both 5-14 tonne Light and Medium Duty (LMD) and Buses segments. In LMD, VECV recorded its highest ever market share of 32.6% for the year. In the Buses segment as well VECV posted its best ever market share of 14.9%. This was despite the overall market for both LMD and Buses declining in 2014. VECV's Volvo Trucks division also saw an impressive growth of 27% with sales of almost 900 units for the year. VECV also had a tremendous year in international sales having sold more than 5,800 units, a growth of 77% over 2013. This is a reflection of VECV's growing acceptance in export markets.

In December 2013, we had unveiled the Pro series of trucks and buses. This next generation of Eicher trucks and buses represents the future of Indian trucking. The Pro series offers innovative products with higher power and durability, greater comfort and value-added enhanced features at economical costs, tapping into the surging demand for such products in the emerging mid-premium market segment. In 2014 we began commercialising the Pro series range in a phased manner, starting with the LMD segment— Pro 1000 and Pro 3000 trucks. We have also launched the Pro series trucks in Heavy Duty segments – Pro 6000 and Pro 8000. These have met with a very encouraging response. By end of 2015, the Pro series range will be available across all our distribution points in the country. The most modern medium duty engine manufacturing facility that was commercialised in mid-2013 is ramping up its production. In 2014, we made and sold ~12,000 units. These meet Volvo's exacting standards of quality and performance and have been very well received. In VECV, we will invest Rs. 500 crores in 2015, mainly towards commercialising new products.

Our 50:50 joint venture with Polaris Industries, Eicher Polaris Private Limited (EPPL), is in its advanced stage of project completion, with the launch of the four-wheeled personal vehicle planned for the second half of this year.

There are significant growth opportunities that lie ahead of us. We have long-term strategies to seize these opportunities and we will be working relentlessly and creatively over the next many months and years to make Royal Enfield and Eicher Trucks and Buses truly global brands.

Yours sincerely,



Siddhartha Lal
Managing Director & CEO
Eicher Motors Limited



**PERFORMANCE
OVER THE
YEARS**

Eicher Motors Limited (EML) is a leading player in the Indian automotive space. Eicher Motors also owns the iconic Royal Enfield motorcycle business, which leads the premium motorcycle segment in India. The oldest motorcycle company in continuous production world-wide, Royal Enfield has witnessed a huge surge in demand in the recent past, and is charting its course to be the leading player in the mid-size motorcycle segment globally. Its 50-50 joint venture with the Volvo Group, VE Commercial Vehicles Limited, designs, manufactures and markets reliable, fuel-efficient trucks and buses; and is leading the path in driving modernisation in commercial transportation in India and other developing markets. EML's 50:50 strategic joint venture with the US-based Polaris Industries Inc., Eicher Polaris Private Ltd., is in the start-up phase, and is currently designing and developing, and will soon manufacture and sell a full new range of personal vehicles.

The standalone results of Eicher Motors Limited relate entirely to Royal Enfield motorcycle operations.

The consolidated results of Eicher Motors Limited include the standalone results of Eicher Motors Limited, VE Commercial Vehicles Limited and Eicher Polaris Private Limited. The principles of consolidation have been detailed in Note # 1 on page #76.

FINANCIAL POSITION AT A GLANCE - EML CONSOLIDATED

Rs. in crores

Balance Sheet	31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008 *	31.03.2008	31.03.2007	31.03.2006
Gross Fixed Assets (including CWIP and Pre-operative Expenditure)	3556.16	2762.86	2030.35	1341.01	881.61	755.92	730.06	630.60	556.90	523.30
Net Fixed Assets	2728.13	2119.73	1496.17	856.71	454.71	375.75	380.98	334.20	310.20	313.60
Investments	917.09	825.41	638.45	512.62	458.59	294.11	6.24	261.20	261.30	258.00
Inventories	645.52	526.80	488.84	427.96	326.52	218.96	338.07	210.40	168.90	161.20
Debtors	562.17	512.50	445.87	344.58	260.93	232.53	180.19	148.20	195.00	123.10
Cash and Bank Balances	480.58	682.56	803.50	1191.51	1245.68	1170.65	1260.14	51.90	48.10	27.50
Other Current Assets	1074.08	669.59	598.65	460.00	216.89	189.99	122.65	229.20	207.30	177.40
Current Liabilities and Provisions	2567.30	2061.00	1644.94	1397.56	933.21	697.75	503.16	544.40	536.80	392.80
Net Current Assets	195.05	330.45	691.92	1026.49	1116.81	1114.38	1397.89	95.30	82.50	96.40
Deferred Tax Assets (net)	-	-	-	-	-	-	14.72	-	-	-
Miscellaneous expenditure	-	-	-	-	-	-	-	-	0.60	2.10
Total	3840.27	3275.59	2826.54	2395.82	2030.11	1784.24	1799.83	690.70	654.60	670.10
Share Capital	27.10	27.04	27.00	26.99	26.94	26.69	28.09	28.10	28.10	28.10
Reserves & Surplus	2488.76	2028.38	1727.89	1466.14	1205.20	1042.35	1075.60	407.80	372.20	412.20
Net Worth	2515.86	2055.42	1754.89	1493.13	1232.14	1069.04	1103.69	435.90	400.30	440.30
Minority Interest	1085.06	1039.72	948.46	837.65	677.41	574.67	530.53	-	-	-
Deferred Tax Liability (net)	239.35	180.45	123.19	64.46	24.92	14.16	-	35.30	36.60	42.60
Borrowings	-	-	-	0.58	95.64	126.37	165.61	219.50	217.70	187.20
Total	3840.27	3275.59	2826.54	2395.82	2030.11	1784.24	1799.83	690.70	654.60	670.10
No. of Shares	27104783	27038883	27000983	26992583	26937783	26692881	28093950	28093950	28093950	28093950
Book Value per Share (Rs.)	807.10	742.87	639.93	547.59	451.96	395.02	384.58	145.67	132.70	142.94
Market Value per Share (Rs.)	15075.00	4975.85	2906.60	1488.00	1235.25	655.00	234.95	250.50	247.70	302.35
Market Value to Book Value per Share	18.7:1	6.7:1	4.5:1	2.6:1	2.7:1	1.6:1	0.6:1	1.7:1	1.9:1	2.1:1
Market Capitalisation	40860.46	13454.14	7848.11	4016.50	3327.49	1748.38	660.07	703.80	695.80	849.40
Debt Equity Ratio	-	-	-	-	-	0.1:1	0.1:1	0.4:1	0.4:1	0.4:1

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

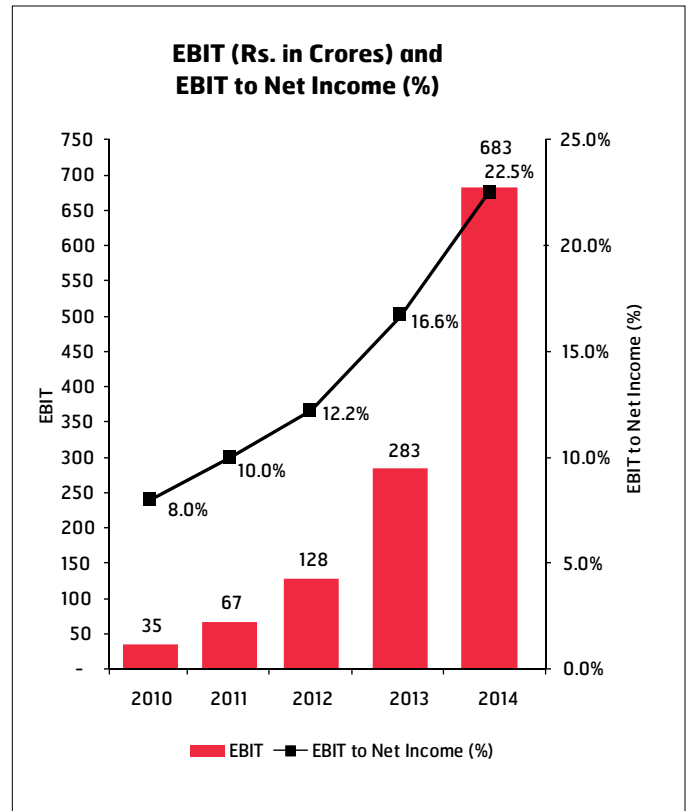
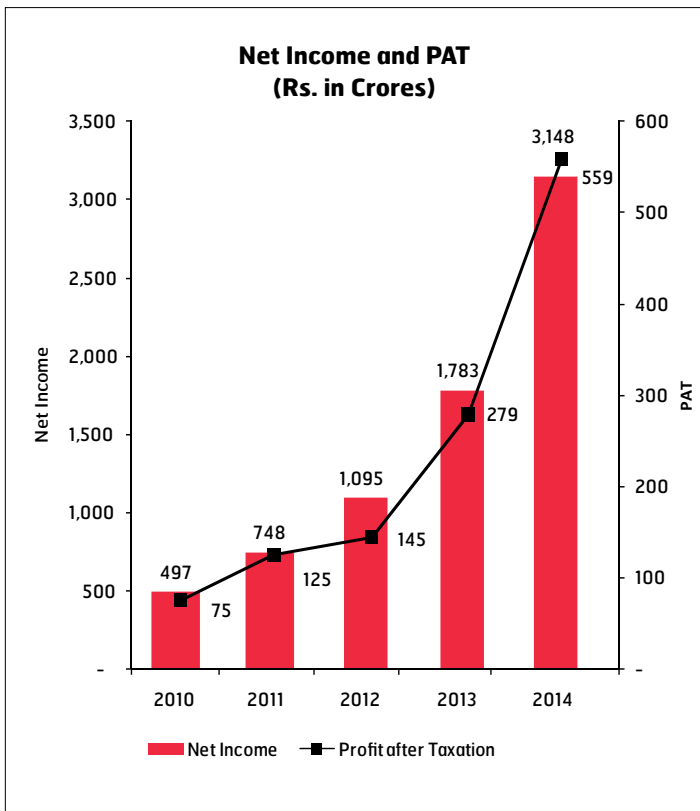
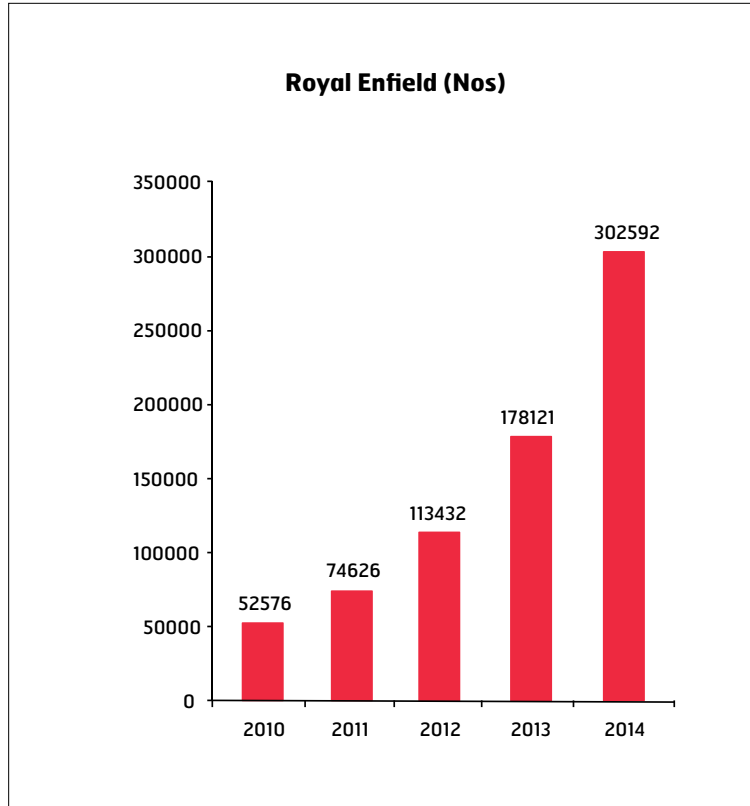
OPERATIONAL HIGHLIGHTS AT A GLANCE - EML CONSOLIDATED

Rs. in crores

Profit & Loss Account	2014	2013	2012	2011	2010	2009	Apr'08 to Dec'08 *	2007-08	2006-07	2005-06
Sales Volume:										
Commercial Vehicles (Nos.)	40783	41251	48831	49042	39275	25164	15436	29828	28072	23604
Two Wheelers (Nos.)	302592	178121	113432	74626	52576	51955	32566	38528	32612	30777
Components (Including Inter Segment Sales)	380.04	303.33	283.72	281.09	203.82	130.87	105.88	113.05	128.78	99.60
Sales Revenue (Excluding Inter Segment Sales)	9351.74	7433.29	6995.04	6130.29	4701.63	3112.22	1882.48	2572.60	2252.80	1880.80
Other Income	107.44	95.29	136.64	142.48	127.57	105.44	65.75	30.20	26.60	31.20
Total Income	9459.18	7528.58	7131.68	6272.77	4829.20	3217.66	1948.23	2602.80	2279.40	1912.00
Less: Excise Duty	613.42	623.49	605.15	445.87	304.55	173.59	164.52	310.00	270.80	213.60
Net Total Income	8845.76	6905.09	6526.53	5826.90	4524.65	3044.07	1783.71	2292.80	2008.60	1698.40
Manufacturing and other expenses	7623.54	6096.61	5840.87	5095.07	4040.18	2794.21	1717.48	2146.60	1870.30	1602.30
Miscellaneous expenditure written off	-	-	-	-	-	-	-	0.60	1.50	2.10
Profit before interest, depreciation, exceptional items & tax (PBIDT)	1222.22	808.48	685.66	731.83	484.47	249.86	66.23	145.60	136.80	94.00
PBIDT to Net Income (%)	13.8%	11.7%	10.5%	12.6%	10.7%	8.2%	3.7%	6.4%	6.8%	5.5%
Interest	9.78	7.88	3.79	7.67	9.50	8.67	9.93	19.00	14.80	16.90
Depreciation	219.82	130.04	82.17	63.96	57.30	53.88	36.89	50.80	45.10	50.19
Profit before exceptional items and tax	992.62	670.56	599.70	660.20	417.67	187.31	19.41	75.80	76.90	26.91
PBT to Net Income (%)	11.2%	9.7%	9.2%	11.3%	9.2%	6.2%	1.1%	3.3%	3.8%	1.6%
Exceptional Items	-	-	-	-	-	-	39.35	-	-	166.66
Profit before tax for the year	992.62	670.56	599.70	660.20	417.67	187.31	58.76	75.80	76.90	193.57
Provision for taxation	290.88	145.18	124.85	162.80	110.82	57.82	(8.53)	21.00	24.20	(18.30)
Profit after taxation (PAT)	701.74	525.38	474.85	497.40	306.85	129.49	67.29	54.80	52.70	211.87
PAT to Net Income (%)	7.9%	7.6%	7.3%	8.5%	6.8%	4.3%	3.8%	2.4%	2.6%	12.5%
Minority Interest	86.38	131.44	150.59	188.63	117.93	46.10	4.69	-	-	-
Profit after taxation and minority interest	615.36	393.94	324.26	308.77	188.92	83.39	62.60	54.80	52.70	211.87
Dividend including Corporate Dividend Tax	162.62	94.92	62.76	50.20	34.55	21.87	16.44	16.44	92.90	12.82
Equity Dividend (%)	500%	300%	200%	160%	110%	70%	50%	50%	290%	40%
Basic Earnings per Share (Rupees)	227.22	145.84	120.11	114.48	70.54	30.78	16.23	19.49	18.77	12.11
Diluted Earnings per Share (Rupees)	226.11	145.04	119.41	114.03	70.28	30.69	16.23	19.46	18.74	12.11

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

FINANCIAL HIGHLIGHTS - EML STANDALONE





DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors has pleasure in presenting the Thirty Third Annual Report along with the Audited Accounts for the year ended December 31, 2014.

FINANCIAL RESULTS

Your Company achieved an all-time high top-line growth during the financial year 2014 with total revenue from operations (net) at Rs. 3031.22 crores. The profit before depreciation and interest amounted to Rs. 733.56 crores, which is 24.2% of the total revenue. After accounting for interest and dividend income of Rs. 116.30 crores, interest expense of Rs. 1.67 crores and depreciation of Rs. 50.16 crores, profit before tax amounts to Rs. 798.03 crores. Profit after tax amounts to Rs. 558.92 crores after income tax provision of Rs. 239.11 crores.

DIVIDEND

The Directors are pleased to recommend a dividend of 500% (Rs. 50/- per Equity Share of Rs. 10/- each) for the year ended December 31, 2014. Last year, your Company has paid dividend of 300% (Rs. 30/- per Equity Share of Rs. 10/- each) to the shareholders of the Company.

BUSINESS PERFORMANCE

Your Company's Royal Enfield unit continues to grow strongly. It sold 3,02,592 motorcycles in the year 2014, 69.9% growth over 2013 sales volume of 1,78,121 motorcycles. Of 3,02,592 motorcycles sold in 2014, 6,221 were exported, a growth of 46.2% over 2013 volume of 4,256 motorcycles.

The financial results are summarized below:

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Gross sales	3303.72	1910.68
Less: Excise duty	289.01	215.29
Net sales	3014.71	1695.39
Other operating revenue	16.51	7.08
Total revenue from operations (net)	3031.22	1702.47
Profit before depreciation and interest	733.56	313.73
Interest	1.67	0.27
Depreciation	50.16	30.41
Profit before other income and tax	681.73	283.05
Interest and dividend income	116.30	80.10
Profit before tax	798.03	363.15
Provision for tax (including Deferred tax)	239.11	84.53
Net profit after tax	558.92	278.62
Balance brought forward from previous year	618.54	455.76
Amount available for appropriation	1177.46	734.38
Proposed Dividend	135.52	81.12
Corporate Dividend Tax	18.94	6.86
Transfer to General Reserve Account	55.89	27.86
Balance carried to Balance Sheet	967.11	618.54
Earnings per share		
- Basic (Rs.)	206.38	103.15
- Diluted (Rs.)	205.37	102.58

Total revenue from operations (net) for the year was Rs. 3031.22 crores, 78.0% growth over previous year (Rs. 1702.47 crores). Net Sales of spare parts and services increased to Rs. 229.31 crores in 2014 from Rs. 147.62 crores in the previous year, registering a growth of 55.3%.

Maximising operating leverage is a key focus in your company. This enabled your company to grow profits faster than net sales from operations. Your Company's profit before depreciation and interest was Rs. 733.56 crores, a growth of 133.8% over Rs 313.73 crores recorded in 2013.

MARKET AND FUTURE PROSPECTS

Your Company's motorcycle business – Royal Enfield – enjoys high credibility and has seen phenomenal growth over the years. Your Company's focused marketing efforts, improved product quality and expanded distribution network have enabled the brand to expand its reach to a much larger customer base.

Your Company has set its goal to be a leader in the global mid-size motorcycle market. In order to achieve this goal, your Company will invest in increasing manufacturing capacity, strengthening supply chain, developing product development infrastructure and expanding distribution network. Your Company will invest in all these areas to seize the significant opportunities for growth that it believes lie in India and international markets.

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

CONSERVATION OF ENERGY

The following new initiatives were taken to conserve energy during the year 2014:

1. Conventional Diode rectifiers in Plating Shop replaced by high efficient IGBT (Integrated Gate Bi-polar Transistor) rectifiers resulted in savings of 25,660 KWH per annum.
2. Flush coolant pump & Chip conveyor motor of CNC machines in Machine Shop replaced by Chip Trays resulted in savings of 49,005 KWH per annum.
3. Drilling machine running time reduction by switching off the motor after completing each operation in Machine Shop Crank Case and Cover Cell resulted in savings of 9,450 KWH per annum.
4. Tube lights and lamps replaced by LED lights resulted in savings of 33,426 KWH per annum.
5. PTCED (Pre Treatment Cathodic Electro Deposition) chiller temperature in Paint Shop optimised using temperature controller resulted in savings of 10,800 KWH per annum.
6. Street light running time reduced by timer control and old Air-conditioners replaced by Star rated Split Air-conditioners resulted in savings of 13,872 KWH per annum.
7. Work area ASU (Air Supply Unit) mancoolers in Paint Shop running time reduced by temperature controller resulted in savings of 7,800 KWH per annum.
8. Fuel tank Line – Buffing & Exhaust Blower motor running time reduced by timer control resulted in savings of 6,240 KWH per annum.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In the following areas, we have designed and developed new systems:

1. Introduction of Maintenance free VRLA Battery for better performance and extended life.
2. Introduction of double heat treatment process in place of single heat treatment to achieve the consistency in heat treatment parameters for Cam Gears to increase wear resistance.
3. Robot welding introduced in the Frame welding process for better consistent welding.
4. Columbia Homologation approval – Optimisation of after treatment to suit both Euro II and BS III models to reduce variant.



Royal Enfield Continental GT at the Bonneville Salt Flats

5. Introduction of Double Side Coated (Electrolytic Zinc coating) sheet metal for Fuel Tank.
6. Introduction of SS guard in place of Chrome plated sheet metal to improve corrosion resistance and reduce chrome.
7. Introduction of spigot design in the exhaust system for improved life and consistent welding process.
8. Introduction of torque controlled clip for hose clamping.

RESEARCH AND DEVELOPMENT

The focus on Research and Development accelerated in 2014. The Company continues to invest in the development of new products and improvement in existing products and value engineering projects. Your Company continues to invest in infrastructure and talent for conducting research and development activities, as a result of which Rs. 14.75 crores (Previous year Rs. 10.89 crores) was incurred on capital account and Rs. 19.26 crores (Previous year Rs. 20.88 crores) were spent on revenue account of Research and Development.

FOREIGN EXCHANGE EARNINGS / EXPENDITURE

During the year, total exports (FOB value) were Rs. 91.73 crores (Previous year Rs. 69.01 crores).

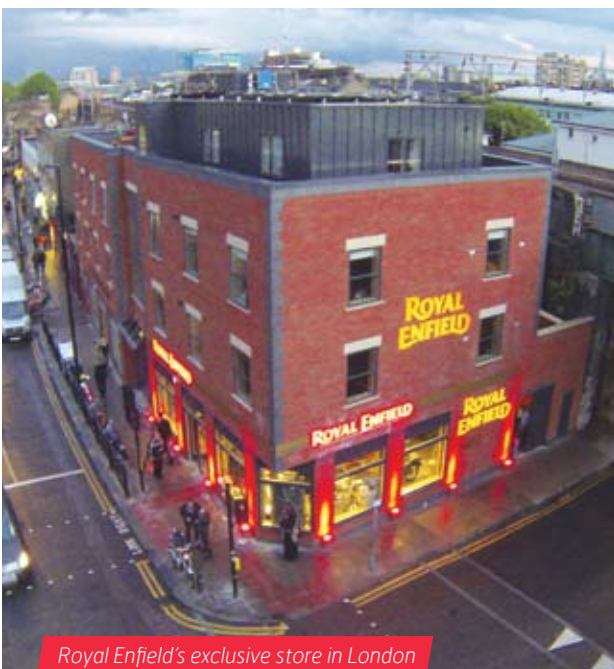
Foreign Exchange amounting to Rs. 93.23 crores (Previous year Rs. 66.42 crores) was used on account of import of components, spare parts, capital goods, business travel and consulting fees during the year under review.

Please also refer to Points Nos. 46 to 48 of notes to accounts forming part of Annual Accounts for further details of Foreign Exchange earnings and expenditure.

EICHER EMPLOYEE STOCK OPTION PLAN 2006

27,900 stock options have been issued out of the forfeited stock options during the year ended December 31, 2014 (5,000 stock options net of forfeited in the previous year).

The Statement giving complete details as at December 31, 2014, pursuant to Clause 12 (Disclosure in the Directors' Report) of the



Royal Enfield's exclusive store in London



Siddhartha Lal at Land's End, UK, during the Top to Tip ride

Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, forms part of the Directors' Report.

Further, details of options granted and exercised is included at Note 2(iv) in the notes to accounts forming part of Annual Accounts.

PUBLIC DEPOSITS

As on December 31, 2014, there are no public deposits. There are no deposits that remain unclaimed. The company has not renewed/accepted fixed deposits after May 29, 2009.

BOARD OF DIRECTORS

In terms of section 152 of the Companies Act, 2013, the Board has revised the terms and conditions of appointment of Mr. Siddhartha Lal, Managing Director of the Company and made him liable to retire by rotation.

The Board, pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and subject to the approval of shareholders in the ensuing Annual General Meeting, has appointed Ms. Manvi Sinha as an Independent Director of the Company for a period of five years, not liable to retire by rotation.

The Board, pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and subject to the approval of shareholders in the ensuing Annual General Meeting, has appointed Mr. S. Sandilya, Mr. Priya Brat, Mr. M.J. Subbaiah and Mr. Prateek Jalan as Independent Directors of the Company for a period of five years. Mr. S. Sandilya, Mr. Priya Brat, Mr. M.J. Subbaiah and Mr. Prateek Jalan are existing directors and were liable to retire by rotation as per the provisions of the Companies Act, 1956. However in terms of the Companies Act, 2013, they shall not be liable to retire by rotation.

Brief resume of Directors proposed to be appointed along with additional information pursuant to Clause 49 of the listing agreement is provided in the notice of this meeting.

Consequent to the expiry of his term on December 31, 2014, Mr. R.L. Ravichandran had ceased to be a director.

CHANGE IN FINANCIAL YEAR

The financial year of the Company commences on January 1 and ends on December 31 every year. Pursuant to the provisions of Section 2(41) of the Companies Act, 2013, the Company is required to change its financial year, within a period of two years of commencement of the Act, such that it ends on March 31 every year.

In order to comply with the above statutory requirement, the Board of Directors at its Meeting held on February 13, 2015, has approved the change in financial year from 'January-December' to 'April-March'. The current financial year of the Company (that commenced on January 1, 2015) will be extended up to March 31, 2016 (being a period of 15 months). Subsequently, the financial year of the Company shall commence on April 1 and end on March 31 every year.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

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

SOCIAL CONTRIBUTION

The Company continues to support social causes and has, like in the previous years, made contributions for promotion of education in certain backward areas during the year. The Company has constituted a Corporate Social Responsibility Committee and has framed a Corporate Social Responsibility Policy and identified Healthcare, Children's education, Road safety and Environmental sustainability as some of the key areas. The Company will continue to support social projects that are consistent with the policy.

UNLISTED SUBSIDIARIES OF EICHER MOTORS LIMITED – VE COMMERCIAL VEHICLES LIMITED (VECVL)

VE Commercial Vehicles Limited (VECVL), an unlisted subsidiary of your company, continued to perform exceedingly well despite adverse

market conditions and posted good financial results in a difficult year. Total revenue from operations (net) at Rs. 5758.06 crores increased by 13.5% as against Rs. 5071.55 crores during the previous financial year ended December 31, 2013. The profit before depreciation and interest amounted to Rs. 383.05 crores at 6.7% of net sales as against profit before depreciation and interest of Rs. 338.95 crores during the previous year at 6.7% of net sales. After accounting for interest income of Rs. 35.59 crores (previous year Rs. 58.87 crores), interest expense of Rs. 8.09 crores (previous year Rs. 7.59 crores) and depreciation of Rs. 169.66 crores (previous year Rs. 99.63 crores), profit before tax amounts to Rs. 240.89 crores (previous year Rs. 290.60 crores). After providing for tax of Rs. 51.46 crores, profit after tax amounts to Rs. 189.43 crores (previous year Rs. 230.15 crores).

Please refer to the section on VECVL for details on financial and operational performance.

EICHER POLARIS PRIVATE LIMITED (EPPL) is 50:50 joint venture with Polaris Industries Inc., US. During 2014, EPPL made satisfactory progress on all fronts of the project including product development and construction of manufacturing facility.

Operations & Financial Results of EPPL

EPPL was incorporated on October 10, 2012 and the commercial production/operations of the Company are yet to be commenced. During the year ended December 31, 2014, the company recorded loss before tax amount to Rs. 9.45 crores and pre-operative expenses amount to Rs. 33.24 crores.

Future outlook of EPPL

EPPL is expected to commence commercial production in 2015.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

In terms of a General Circular No. 2/2011 dated February 8, 2011, issued by the Ministry of Corporate Affairs, the Board of Directors of the Company has accorded consent at its meeting held on February 13, 2015, for not attaching the copies of Balance Sheets, Statement of Profit and Loss, report of the Board of Directors and Auditors' Report of the subsidiaries (including step down subsidiaries) as required



Tank welding in progress at Oragadam

under the provisions of Section 212 of the Companies Act, 1956 and to comply with the conditions laid down under the said circular.

The annual accounts and related detailed information of the subsidiary companies (including step down subsidiaries) will be made available to the shareholders of the company and its subsidiary companies (including step down subsidiaries) upon request and will also be available for inspection during official working hours.

However, as directed by the Central Government the financial data of the subsidiaries have been furnished under the section on Financial Information of Subsidiary Companies forming part of the Annual Report. The statement pursuant to Section 212 of the Companies Act, 1956 forms part of the Annual Report (please refer to Note 40 of Consolidated Financial Statements).

KEY MANAGERIAL PERSONNEL

The following employees were designated as whole-time key managerial personnel by the Board of Directors during the year under review:

- (i) Mr. Siddhartha Lal, Managing Director
- (ii) Mr. R.L. Ravichandran,* Whole Time Director
- (iii) Mr. Lalit Malik, Chief Financial Officer; and
- (iv) Mr. Manhar Kapoor, Company Secretary

*Mr. R.L. Ravichandran ceased to be a director with effect from December 31, 2014.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Clause 32 of the Listing Agreement, the Consolidated Audited Financial Statements and Consolidated

Cash Flow Statement for the year ended December 31, 2014 are provided in the Annual Report.

AUDITORS' REPORT

The Auditors' Report is annexed hereto and forms part of the Annual Report.

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration Number: 015125N) are the Statutory Auditors of the Company, holding office as such till the conclusion of the ensuing Annual General Meeting (AGM) and being eligible have offered themselves for reappointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, the Board proposes reappointment of M/s Deloitte Haskins & Sells as Statutory Auditors of the Company for a period of three years subject to ratification of such appointment by shareholders at every AGM. M/s Deloitte Haskins & Sells have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013.

COST AUDITORS

In conformity with the provisions of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, the Company has appointed Mr. V. Kalyanaraman, Cost Accountants, Chennai, as the Cost Auditors to carry out audit of the cost records of the Company pertaining to manufacture of engines and parts thereof and also pertaining to manufacture of motorcycles if required under the Act, applicable rules or otherwise considered desirable by the management of the Company.



A Royal Enfield store in new retail identity



New Royal Enfield Gear range inspired by despatch riders of the Great Wars

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

PARTICULARS OF EMPLOYEES

The statement of particulars of employees as per Sub-section (2A) of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, for the year ended December 31, 2014, is annexed hereto and forms part of this Report.

STATEMENT OF RESPONSIBILITY

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

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

APPLICABILITY OF SECTION 134 OF THE COMPANIES ACT 2013

The Ministry of Corporate Affairs, Government of India, has, vide its General Circular number 08/2014 issued on April 4, 2014, clarified that the financial statements (and documents required to be attached thereto), Auditors report and Board's report in respect of financial years that commenced earlier than April 1, 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act, 1956 and that in respect of financial years commencing on or after April 1, 2014, the provisions of the new Act shall apply. This Directors' Report is in relation with the financial year commencing on January 1, 2014 and has been prepared in accordance with the requirements of the Companies Act 1956.

ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board

Place: Gurgaon
Date: February 13, 2015

Siddhartha Lal
Managing Director
DIN 00037645

S. Sandilya
Chairman
DIN 00037542

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

EMPLOYEE STOCK OPTION PLAN

Statement as at December 31, 2014, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

a)	Number of Options granted	Under Eicher Employee Stock Option Plan, 2006: <ol style="list-style-type: none"> 1. 3,01,400 options granted in the year ended March 31, 2007 2. 2,89,200 options granted in the year ended March 31, 2008 3. 55,400 options granted in the year ended December 31, 2010 out of forfeited options 4. 1,08,200 options granted in the year ended December 31, 2011 out of forfeited options 5. 5,400 options granted in the year ended December 31, 2012 out of forfeited options 6. 5,000 options granted in the year ended December 31, 2013 out of forfeited options 7. 27,900 options granted in the year ended December 31, 2014 out of forfeited options
b)	(i) Pricing Formula	All the options were granted at the closing market price of the shares of the Company on NSE/BSE on the day preceding the date of grant of options
	(ii) Exercise Price (Rs.)	<ol style="list-style-type: none"> 1. 297 for options granted in the year ended March 31, 2007 2. 462 for options granted in the year ended March 31, 2008 3. 695 for 40,000 options granted in the year ended December 31, 2010 4. 1,411 for 15,400 options granted in the year ended December 31, 2010 5. 1,162 for options granted in the year ended December 31, 2011 6. 1,770 for options granted in the year ended December 31, 2012 7. 4,915 for options granted in the year ended December 31, 2013 8. 8,477.50 for 22,500 options granted in the year ended December 31, 2014 9. 12,993.65 for 5,400 options granted in the year ended December 31, 2014
c)	Total number of Options vested	4,89,300
d)	Total number of Options exercised	4,19,800
e)	Total number of Ordinary Shares arising as a result of exercise of Options.	4,19,800
f)	Total number of Options lapsed	2,800
g)	Variation of terms of Options	Nil
h)	Money realised by exercise of Options	Rs. 21.29 crores
i)	Total number of Options in force	1,68,000
j)	Details of Options granted during the period	
	i) Senior Managerial Personnel	Six senior employees were granted 27,900 options
	ii) Any employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	Each of the six employees referred above were granted options amounting to 5% or more of the options granted during that year
	iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None
k)	Diluted Earnings per Share (DEPS) pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'.	Rs. 205.37
l)	(i) Method of calculation of employee compensation cost.	The employee compensation cost has been calculated using the intrinsic value method of accounting to account for Options issued under the Eicher Employee Stock Option Scheme. The stock based compensation cost as per intrinsic value method for the year ended December 31, 2014 is Nil.

- (ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options. Rs. 2.33 crores on account of Options granted in the year ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013 and December 31, 2014
- (iii) The impact of this difference on profits and on EPS of the Company. Had the fair value method been used, in respect of stock options granted in the year ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013 and December 31, 2014, the employee compensation cost would have been higher by Rs. 2.33 crores, Profit after tax lower by Rs. 2.33 crores and the basic and diluted earnings per share would have been lower by Rs 0.86 and Rs 0.86 respectively.
- m) Weighted average exercise prices and weighted average fair values of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.
- | Options grant date | Exercise price (Rs.) | Fair value (Rs.) |
|-----------------------------|----------------------|------------------|
| 1 st Oct., 2006 | 297 | 154.62 |
| 22 nd Oct., 2007 | 462 | 243.90 |
| 29 th Apr., 2010 | 695 | 154.62 |
| 8 th Nov., 2010 | 1,411 | 243.90 |
| 6 th May., 2011 | 1,162 | 625.14 |
| 11 th Feb., 2012 | 1,770 | 967.06 |
| 16 th Dec., 2013 | 4,915 | 2,522.03 |
| 11 th Aug., 2014 | 8,477.5 | 4,336.33 |
| 12 th Nov., 2014 | 12,993.65 | 6,555.65 |
- n) A description of the method and significant assumptions used during the year to estimate the fair values of Options. The fair value of each Option granted on 1st October 2006, 22nd October 2007, 29th April, 2010, 8th November, 2010, 6th May, 2011, 11th February, 2012, 16th December, 2013, 11th August 2014 and 12th November 2014 is estimated using the Black-Scholes Option Pricing Model after applying the following key assumptions:

	1 st Oct. 2006	22 nd Oct. 2007	29 th Apr. 2010	8 th Nov. 2010	6 th May. 2011	11 th Feb. 2012	16 th Dec. 2013	11 th Aug. 2014	12 th Nov. 2014
i) Risk free interest rate	7.68%	7.95%	7.68%	7.95%	8.29%	8.25%	8.65%	8.92%	8.24%
ii) Expected life	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years
iii) Expected volatility	49.86%	49.66%	49.86%	49.66%	49.03%	46.63%	44.20%	42.24%	41.88%
iv) Expected dividends	1.58%	1.49%	1.58%	1.49%	1.48%	1.44%	1.38%	1.76%	1.21%
v) The price of the underlying share in market at the time of Option grant	296.80	461.80	695.00	1,411.00	1,162.00	1,770.00	4,915.00	8,477.50	12,993.65

For and on behalf of the Board

Place: Gurgaon
Date: February 13, 2015

Siddhartha Lal
Managing Director
DIN 00037645

S. Sandilya
Chairman
DIN 00037542

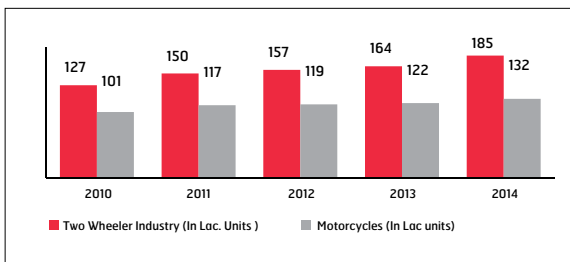
ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

MANAGEMENT DISCUSSION AND ANALYSIS

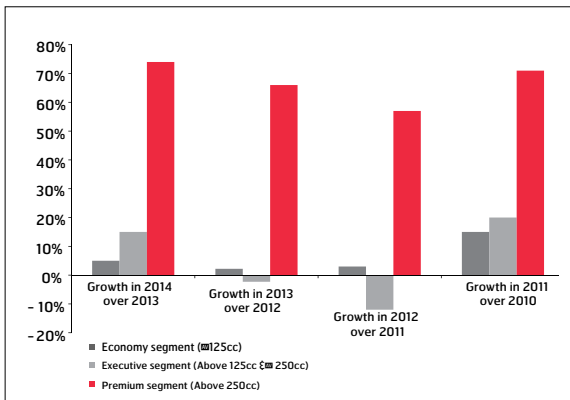
1. INDUSTRY STRUCTURE AND DEVELOPMENT

After 3 years of low growth, the two wheeler industry grew 13% in 2014 over 2013. Similarly, the motorcycle industry witnessed 3 years of low growth from 2011 to 2013. It grew 8% in 2014 over 2013.

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



Growth rate of various motorcycle segments



Since 2010, your company has been leading the growth in the premium segment of motorcycle industry. It is the fastest growing segment within the motorcycle industry and your company has 90% + market share in this segment. This leadership position has been attained by the success of all families of motorcycles your company has launched since 2010 - Bullet, Thunderbird, Classic and Continental GT.

Your Company is extremely well positioned to capitalise on these trends. Your Company's Royal Enfield brand has an extremely rich global heritage of practical leisure motorcycling of over a hundred years. Royal Enfield is a cult brand globally and has pioneered the leisure motorcycling culture in India. The brand's positioning and related marketing activities have both delighted the current customers and opened up avenues for attracting new customers.

Royal Enfield continuously engages its customers by providing a pure motorcycling experience through its marquee rides that are organized throughout the year. These rides see participation

from a cross section of its customers and enthusiasts who take time off from their regular routines to ride out on their Royal Enfield's to some of the most scenic locales within and outside the country. Riding is also promoted actively at the dealership levels.

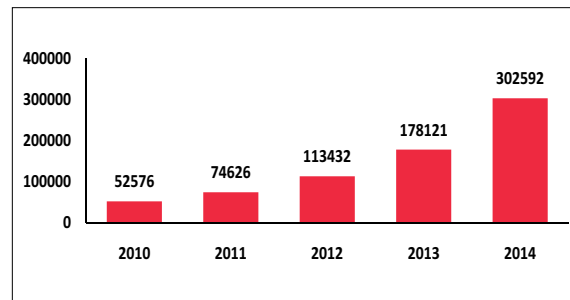
2. OPPORTUNITIES, THREATS AND OUTLOOK

The trends of India's economic growth will present tremendous opportunities for growth in motorcycle segment and in leisure biking. Your Company's healthy customer order book provides a clear indication of future growth. In spite of the slowdown across the automobile industry, Royal Enfield has achieved strong growth compared to 2013 and crossed sales of more than 300,000 motorcycles in 2014.

Your company has set its goals to be a significant player in the mid size motorcycle market. It calls for investments in manufacturing capacity, supply chain, product platforms and distribution. Your company will invest in all these areas to seize the significant opportunity in that it believes lies in India and international markets in the space of mid size motorcycles.

3. BUSINESS PERFORMANCE

Your Company's Royal Enfield unit continues to grow significantly. It sold 3,02,592 motorcycles in the year 2014, 69.9% more when compared to 2013 sales of 1,78,121. Of the 2014 sales, 6,221 were exported, a growth of 46.2% over previous year.



Total revenue from operations (net) for the year was Rs. 3,031.22 crores, 78.0% growth over previous year (Rs. 1,702.47 crores).

Net Sales of spare parts and services grew to Rs. 229.31 crores in 2014 from Rs.147.62 crores in the previous year, registering a growth of 55.3%.

Royal Enfield has also substantially expanded and upgraded its network across the country. In 2014 it added nearly 100 new dealerships taking the total dealership network close to 400. The Company plans to continue to expand its distribution network over the next few years, so that it is more convenient for Royal Enfield customers to purchase and service the motorcycle. The Company's focus is on providing a very unique, engaging and technically adept experience at its dealerships so that the customer truly enjoys every contact with the brand.

4. RISKS AND CONCERNS

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

Key risks identified for the Royal Enfield unit are as follows:-

1. Inability to timely ramp-up production to meet market demand and planned growth.
2. Entry of new players in the premium segment that may pose direct/ indirect competition.
3. Loss of Customer Satisfaction and brand image due to quality issues

The management has put in place a comprehensive 'Risk Management Mechanism' to manage these risks. To manage and mitigate the same, these mitigation plans are embedded in the various initiatives that the management will execute in 2015 and beyond. These plans are reviewed periodically with the Board of Directors of the Company. In line with the requirements of the Listing Agreement, your company has formed a Risk Management Committee under whose guidance, the company will review the effectiveness of the mitigation strategies and their implementation progress.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness



and efficiency of operations, the reliability of financial controls and compliance with laws and regulations.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

7. HUMAN RESOURCES

The human resources received commensurate attention during the year considering the growth of the organisation and the need arising therefrom. The relation at all levels were cordial throughout the year and the Company has initiated many programs on up-skilling / training its manpower. As an ongoing exercise, the Company has continued to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency.

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

The Company's talent base (full time), as on December 31, 2014 stands at 1,259.

8. CAUTIONARY STATEMENT

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

For and on behalf of the Board

Siddhartha Lal Managing Director DIN 00037645	S. Sandilya Chairman DIN 00037542
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Place: Gurgaon
Date: February 13, 2015

ANNEXURE TO THE DIRECTORS' REPORT TO THE SHAREHOLDERS

Statement of Particulars of Employees Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors Report for the year ended December 31, 2014.

A. Employed for the year from 01.01.2014 to 31.12.2014 in receipt of remuneration not less than Rs.60,00,000/- per annum.

Name	Age	Qualifications	Experience (in years)	Date of commencement of employment	Designation	Remuneration (Amount in Rs.)	Last Employment
Siddhartha Lal	41	PGDME, MSc. (Automotive Engg.)	18	May 2001	Managing Director & Chief Executive Officer	4,67,45,839	Eicher Limited
Lalit Malik	47	CA, MBA	21	October 2010	Chief Financial Officer	1,57,64,261	Max India Limited
R L Ravichandran	64	B.Com, PGDBM	44	July 2005	Executive Director	67,65,299	Bajaj Auto Limited
B Govindarajan	46	B.E, PGDMM	25	June 2011	Chief Operating Officer, Royal Enfield (a unit of Eicher Motors Limited)	1,30,63,785	Patil Rail Private Limited
N Krishnan	55	B.E, MS	30	June 2011	Head - Quality Assurance	88,26,902	GE India Technology Private Limited
Shaji Koshy	54	B.TECH	29	May 2006	Head - Sales, Service & Spares	83,57,522	Hindustan Motors Limited
K Ramesh	56	M Com, FCMA	31	June 2006	Finance Controller	65,15,169	India Motor Parts & Accessories Limited
Anbuselvan R	55	B.SC, B.Tech	32	June 1983	Head - Aggregates, Technology & Testing	73,30,164	-
Venkatesan S	53	B E, MBA	28	September 2011	Head - Procurement	66,35,998	Aurangabad Electricals Ltd, (Balga Group)
Vikas Gautam	36	B.Tech	11	May 1998	Country Manager, UK	81,69,751	International Tractors Ltd.
Samrat Som	41	PG Dip in Textile Design & Devp, MA (Design)	16	December 2013	Head - Gear	64,36,212	Madura Fashion & Lifestyle

B. Employed for part of the year ended 31.12.2014 in receipt of remuneration not less than Rs.5,00,000/- per month.

Name	Age	Qualifications	Experience (in years)	Date of	Designation	Remuneration (Amount in Rs.)	Last Employment
Rajesh Rai	39	BSc (H), PGDPMIR (Human Resources)	16	May 2014	Chief People Officer	67,77,398	Expedia Asia Pacific
Arun Gopal	47	MBA	22	June 2014	Head - International Business	43,95,339	3M India
James Young	42	Bachelor of Engineering	19	November 2014	Head - Engines	9,08,845	Trident Powersports Ltd
Rodney J Copes	48	MBA MS Mechanical Engineering BS Mechanical Engineering	25	July 2014	President, North America	57,26,991	Harley Davidson Motorcycle Company

Notes :

1. Remuneration includes basic salary, allowances, Company's contribution to provident fund and other funds and monetary value of perquisites as per Income Tax Rules, 1962.
2. The nature of employment in all cases is contractual.
3. None of the above employees is related to any director of the Company.

For and on behalf of the Board

Siddhartha Lal
Managing Director
DIN 00037645

S. Sandilya
Chairman
DIN 00037542

Place: Gurgaon
Date: February 13, 2015



REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

2. BOARD OF DIRECTORS

As on December 31, 2014, the Company's Board consisted of six members. The Board is responsible for the management of the affairs of the Company's businesses.

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

The Independent Directors of the Company meet all the criteria mandated by Clause 49 of the Listing Agreement and the Companies Act 2013.

The details of composition and Directorship held in other companies / Board committees by each member of the Board of Directors of the Company as on December 31, 2014 are as under:

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

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

* i. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 shall be excluded.

ii. For the purpose of reckoning the limit under this sub-clause, Chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee (formerly "shareholders' & Investors' Grievance Committee) alone shall be considered.

[#] Mr. R. L. Ravichandran ceased to be a director w.e.f December 31, 2014.

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

Details of Shareholding of Directors as on December 31, 2014

The details of Shareholding of Directors are as under:

S. No.	Name of the Director	No. of Shares
1.	Mr. S. Sandilya	12,766
2.	Mr. Siddhartha Lal	2,94,694
3.	Mr. R. L. Ravichandran [#]	2,000

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

[#] Mr. R. L. Ravichandran ceased to be a director w.e.f December 31, 2014.

Meetings and Attendance

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

S. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended the 32 nd AGM held on March 21, 2014
1.	Mr. S. Sandilya - Chairman- Non-executive and Independent Director	4	4	Yes
2.	Mr. Siddhartha Lal - Managing Director	4	4	Yes
3.	Mr. R. L. Ravichandran - Whole Time Director	4	3	No
4.	Mr. Priya Brat - Non-executive and Independent Director	4	4	Yes
5.	Mr. M. J. Subbaiah - Non-executive and Independent Director	4	3	No
6.	Mr. Prateek Jalan - Non-executive and Independent Director	4	4	Yes

Meetings of the Board of Directors were held on February 12, 2014, May 9, 2014, August 11, 2014 and November 12, 2014

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 website of the Company at www.eicher.in.

Ms. Manvi Sinha has been appointed as an Independent Director by the Board at its meeting held on February 13, 2015.

The Company has a program to familiarize Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. and the same is available on the website of the Company at www.eicher.in.

3. COMMITTEES

I COMMITTEES OF THE BOARD

(i) Audit Committee

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

Section 177 of Companies Act, 2013, and the new Clause 49 of the Listing Agreement, which had become effective on October 1, 2014, have expanded the terms of reference of the Audit Committee. The additional terms of reference for Audit Committee include:

- (i) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (ii) approval or any subsequent modification of transactions of the company with related parties;
- (iii) scrutiny of inter-corporate loans and investments;
- (iv) valuation of undertakings or assets of the company, wherever it is necessary;

Meetings and Attendance

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

Meetings of the Audit Committee of the Board of Directors were held on February 12, 2014, May 9, 2014, August 11, 2014 and November 12, 2014.

The Managing Director, Chief Financial Officer, Head of Internal Audit and the Statutory Auditors are permanent invitees at the Audit Committee meetings.

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

(ii) Stakeholders Relationship Committee

In terms of provisions of Clause 49 of the Listing Agreement, a Shareholders' and Investors' Grievance Committee of the Board of Directors was formed by the Board of Directors on July 23, 2001 and presently consists of two Non-executive and Independent Directors. The Committee has been re-nomenclated as Stakeholders Relationship Committee. The Committee is required to look into the redressal of Shareholders' and Investors' complaints like transfer of shares, Non-receipt of Annual Report, Non-receipt of declared dividend etc.

Meetings and Attendance

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

Meetings of the Stakeholders Relationship Committee of Board of Directors were held on February 12, 2014, May 9, 2014, August 11, 2014 and November 12, 2014

The Managing Director and Chief Financial Officer are the permanent invitees at the Stakeholders Relationship Committee meetings.

The Company Secretary acts as the Secretary of the Stakeholders Relationship Committee.

(iii) Compensation Committee

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

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

Meetings and Attendance

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

Meetings of the Compensation Committee of Board of Directors were held on August 11, 2014 and November 12, 2014.

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

(iv) Nomination and Remuneration Committee

Pursuant to Section 178 of Companies Act, 2013, the Nomination and Remuneration Committee of the Board of Directors was formed by the Board of Directors on May 9, 2014 and presently consists of three Directors.

The Terms of Reference of the Nomination and Remuneration Committee includes identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance; laying down the evaluation criteria for performance evaluation of Independent Directors; formulating the criteria for determining qualifications, positive attributes and independence of a director etc.

The members of the committee are:

S.No.	Name of the Member
1.	Mr. Prateek Jalan-Chairman, Non-executive and Independent Director
2.	Mr. S. Sandilya - Non-executive and Independent Director
3.	Mr M J Subbaiah-Non-executive and Independent Director

No meeting of Nomination and Remuneration Committee of Board of Directors was held during 2014.

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

Remuneration Policy

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to directors and senior management including its Key Managerial Personnel (KMP) and other employees of the Company. The compensation strategy revolves around getting the "best talent in the market".

The remuneration of the Managing Director, Executive Director(s) and KMPs of the Company is recommended by the Nomination and Remuneration Committee based on established criteria. The Company generally pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components).

Remuneration by way of commission to the Non Executive Directors is decided by the Board of Directors in line with the approval granted by shareholders.

Evaluation Criteria

The Company has adopted an Evaluation policy to evaluate performance of each director, the Board as a whole and its committees. Evaluation shall be carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 and Code for Independent Directors' as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors various criteria including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc. Separate meeting of the Independent Directors will be held, inter alia, to review the performance of non Independent Directors, the Chairman and the Board.

(v) Corporate Social Responsibility Committee

Pursuant to Section 135 of Companies Act, 2013, a Corporate Social Responsibility Committee of the Board of Directors was formed by the Board of Directors on May 9, 2014 and presently consists of three Directors.

Terms of Reference of the Corporate Social Responsibility Committee include formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013, recommending the amount of expenditure to be incurred on the activities referred to in CSR Policy and monitoring the CSR Policy of the company from time to time etc.

Meetings and Attendance

S.No.	Name of the Member	No. of meeting held	No. of meeting attended
1.	Mr. S. Sandilya – Chairman, Non-executive and Independent Director	1	1
2.	Mr. Siddhartha Lal - Managing Director	1	1
3.	Mr. Mr Prateek Jalan- Non-executive and Independent Director	1	1

Meeting of the Corporate Social Responsibility Committee of Board of Directors was held on November 12, 2014.

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

(vi) Risk Management Committee

In terms of Clause 49 of the Listing Agreement, a Risk Management Committee of the Board of Directors was constituted by the Board of Directors on May 9, 2014 & reconstituted on November 12, 2014 and presently consists of two Directors & Chief Financial Officer.

The Terms of Reference of the Risk Management Committee to assist the Board in formulating the Risk Management Plan and practices and to monitor and review risk management plan and practices of the Company as approved by the Board.

The members of the Committee are:

S.No.	Name of the Member
1.	Mr. Siddhartha Lal – Managing Director is the Chairman of the committee.
2.	Mr. S. Sandilya – Non-executive and Independent Director
3.	Mr Lalit Malik-Chief Financial Officer

No meeting of Risk Management Committee of Board of Directors was held during 2014.

(vii) Shares Committee

The Shares Committee of the Company consists of three members i.e. Mr. Siddhartha Lal – Managing Director, Mr. Lalit Malik – Chief Financial Officer and Mr Manhar Kapoor – Company Secretary to look after and approve transfer of equity shares including dematerialization, issue of duplicate certificates, transmission of securities, etc. During the year ended December 31, 2014, 16 meetings of the Committee were held whereby 3423 shares were transferred by the Committee.

4. REMUNERATION OF DIRECTORS (FOR THE YEAR ENDED DECEMBER 31, 2014)

The remuneration of the Managing Director and Whole Time Director is fixed by the Board of Directors and approved by shareholders in the Annual General Meeting.

The details of remuneration to Managing Director and Whole Time Director for the year ended December 31, 2014 are as under:

Rs. in crores

Name of the Director	Remuneration	Commission	Perquisites	Service Contract
				Tenure
Mr. Siddhartha Lal – Managing Director	1.60	3.00	0.77	5 years (Mr. Siddhartha Lal was reappointed as Managing Director w.e.f. May 1, 2011 upto April 30, 2016 which was approved by members of the Company in its Annual General Meeting held on March 18, 2011)
				Notice period
Mr. R. L. Ravichandran - Whole Time Director	0.68	-	-	2 years (Mr. R L Ravichandran was reappointed as Whole Time Director w.e.f. January 1, 2013 upto December 31, 2014 which was approved by Member of the Company in its Annual General Meeting held on March 22, 2013)
				3 months notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months.
				3 months notice or salary in lieu of notice for 3 months or for such period which falls short of 3 months.

Total remuneration paid as Salary and allowances, Perquisites and Commission does not exceed 10% of the net profit computed in the manner laid down in Sections 198, 349 and other applicable provisions of the Companies Act, 1956 as amended from time to time.

No sitting fees have been paid to Mr. Siddhartha Lal and Mr. R. L. Ravichandran during the year ended December 31, 2014.

The remuneration comprising sitting fees and commission to Non-executive and Independent Directors for the year ended December 31, 2014 is as under:

Name of the Director	Remuneration (Amount in Rs.)	
	Sitting fees*	Commission#
Mr. S. Sandilya – Non-executive and Independent Director	2,50,000	40,00,000
Mr. Priya Brat – Non-executive and Independent Director	2,40,000	7,50,000
Mr. M. J. Subbaiah – Non-executive and Independent Director	1,20,000	7,50,000
Mr. Prateek Jalan – Non-executive and Independent Director	1,70,000	22,00,000
Total	7,80,000	77,00,000

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

Annual commission payable to Non-executive and Independent Directors is subject to approval of annual accounts by the shareholders in the forthcoming Annual General Meeting.

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

- The Non-executive and Independent Directors are paid sitting fees @ Rs. 10,000 per meeting for attending Stakeholders' Relationship Committee (formerly Shareholders' and Investors' Grievance Committee) meetings and Corporate Social Responsibility Committee meetings.

The members of the Company in their 28th Annual General Meeting held on March 15, 2010 had approved payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 1956, for a period of five years with effect from the financial year ended December 31, 2009.

The Board has proposed, for approval of the Shareholders, payment of remuneration by way of commission to Non-Executive Directors pursuant to Section 197 and such other provisions as may be applicable of the Companies Act, 2013, not exceeding 1% of the net profits of the Company, calculated in the manner provided under the Companies Act, 2013 every year for another period of five years effective from the financial year ended on December 31, 2014. An item, in this regard, has been included in the Notice for the ensuing annual general meeting for the approval of shareholders.

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

5. SUBSIDIARY

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

- (a) Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.
- (b) All minutes of Board meetings of subsidiary company are placed before the Company's Board on regular basis.
- (c) All significant transactions and arrangements entered into by the subsidiary company.

6. DISCLOSURES

(i) Related Party Transactions

In terms of the Accounting Standard-18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note No. 39 to the Accounts forming part of this Annual Report.

Transactions with related parties entered into by the Company are in the normal course of business on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s).

(ii) Compliances by the Company

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

(iii) Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on Company's website at www.eicher.in.

(iv) CEO / CFO certification

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

(v) Status of compliance of Non-Mandatory requirements of clause 49 of the listing agreement.

The Company complies with the following non mandatory requirements of clause 49 of the listing agreement:

1. A non-executive Chairman is entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
2. The Auditors have expressed no qualification in their report.
3. The Company has appointed separate persons to the post of Chairman and Managing Director/CEO.
4. The Internal auditor periodically reports to the Audit Committee.

(vi) Accounting treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

(vii) Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy and the same is available on Company's website at www.eicher.in

7. MEANS OF COMMUNICATION

- (i) The consolidated quarterly and annual results are published in the Business Standard (English) – All Editions and Business Standard (Hindi), Delhi. The Standalone and Consolidated quarterly and annual results of the Company are available on the Company's website at www.eicher.in

- (ii) The Standalone and Consolidated quarterly and annual results are filed with the Stock Exchanges in terms of Clause 41 of the Listing Agreement.
- (iii) The following are displayed on the Website of the Company i.e. www.eicher.in:
- Business of the Company;
 - Annual Report of the Company;
 - Standalone and Consolidated Quarterly and Annual Financial Results of the Company;
 - Shareholding Pattern;
 - Company Profile;
 - Press Releases;
 - Code of Conduct for the Directors and Senior Management;
 - Investors/analysts conference call information and transcripts;
 - Contact information – for solving any investors queries.
- (iv) Management Discussion and Analysis Report forms part of the Board Report.

8. SHAREHOLDERS' INFORMATION

- (i) **Day, date, time and venue of the Annual General Meeting** : Friday, March 20, 2015 at 10.00 A.M
at Sri Sathya Sai International Centre,
Pragati Vihar, Lodhi Road,
New Delhi-110 003

(ii) **Financial Year**

The year under review is for 12 (twelve) months from January 1, 2014 to December 31, 2014.

(iii) **General Body Meetings**

Year	Date	Day	Time	Location	Whether passed any Special Resolution
December 31, 2011	22.03.2012 (AGM)	Thursday	10.00 A.M	LTG Auditorium, Copernicus Marg, New Delhi – 110 001.	Yes*
December 31, 2012	22.03.2013 (AGM)	Friday	10.00 A.M	LTG Auditorium, Copernicus Marg, New Delhi – 110 001.	No
December 31, 2013	21.03.2014 (AGM)	Friday	10.00 A.M	LTG Auditorium, Copernicus Marg, New Delhi – 110 001.	No

* The Company in its AGM held on March 22, 2012, passed a special resolution pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 for the amendment of Articles of Association of the Company.

(iv) **Financial Calendar – 2014**

Adoption of Quarterly/ Annual Results for the quarter/year ended	Date of Board Meetings	Date of publication	Name of Newspapers
March 31, 2014 (Quarterly Results)	09/05/2014	10/05/2014	Business Standard- All Editions (English) and Business Standard (Hindi), Delhi
June 30, 2014 (Quarterly Results)	11/08/2014	12/08/2014	Business Standard- All Editions (English) and Business Standard (Hindi), Delhi
September 30, 2014 (Quarterly Results)	12/11/2014	13/11/2014	Business Standard- All Editions (English) and Business Standard (Hindi), Delhi
December 31, 2014 (Annual Results)	13/02/2015	14/02/2015	Business Standard- All Editions (English) and Business Standard (Hindi), Delhi

Tentative Financial Calendar – for the year ending March 31, 2016

Quarterly results for the quarters ending March 31, 2015, June 30, 2015, September 30, 2015, December 31, 2015 and annual results for the year ending March 31, 2016 will be approved in the Board Meetings which will be tentatively held in the month of May 2015, August 2015, November 2015, February 2016 and May 2016 respectively (subject to the finalization of dates by the Board of Directors). The Consolidated quarterly and annual results will be published in the Business Standard (English)- All Editions and Business Standard (Hindi), Delhi. The Standalone and Consolidated quarterly and annual results are intimated to Stock Exchanges. Additionally, the same are also posted on Company's website at www.eicher.in.

- (v) **Book Closure Dates** : Friday, March 13, 2015 to Friday, March 20, 2015
{Both days inclusive}
- (vi) **Dividend payment date** : on or before March 31, 2015

(vii) Listing on Stock Exchanges

The equity shares of the Company are listed on the Stock Exchanges i.e. BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE). The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2014-15 have been paid.

(viii) Name of Depositories for dematerialization of equity shares

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

The equity shares are quoted under the following Codes

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

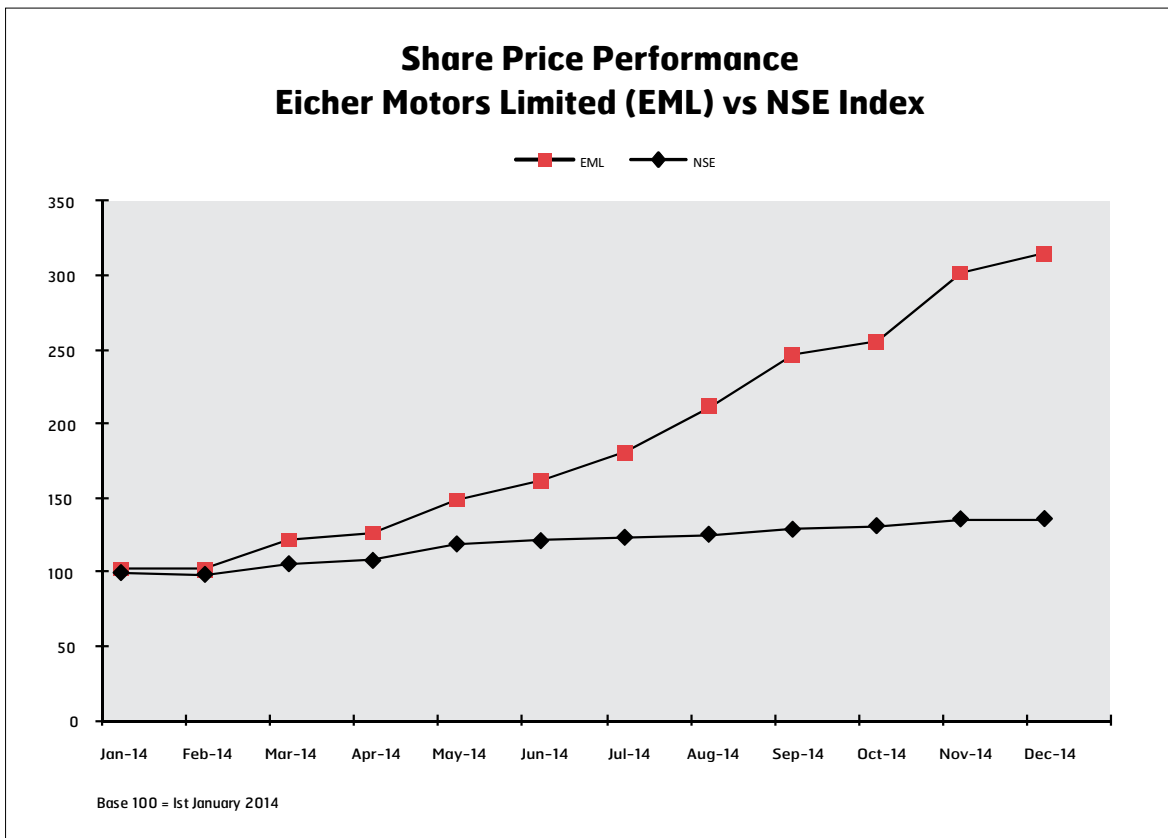
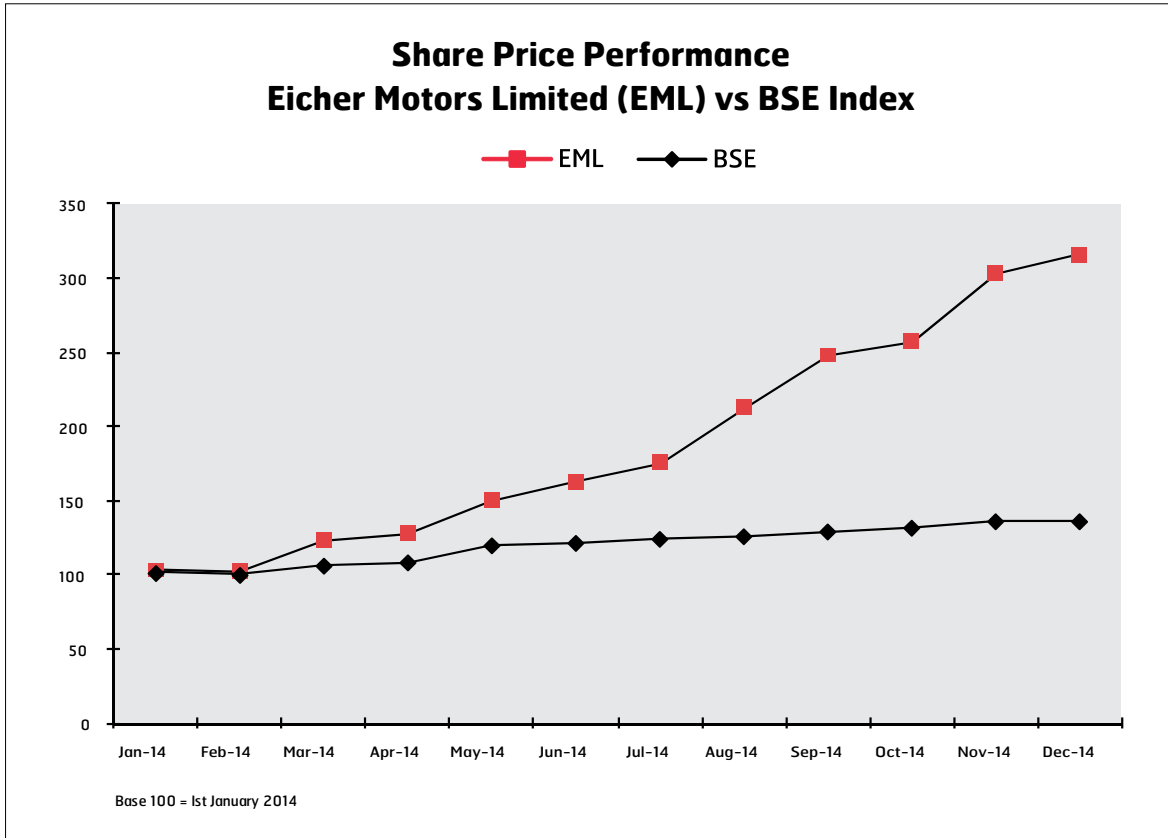
(ix) Registrar and Share Transfer Agent / Address for correspondence:

Share transfers and other communication regarding change of address, dividends, share certificates, investor complaints, etc. may be addressed to	M/s MCS Limited Registrar and Share Transfer Agent F-65, 1 st Floor, Okhla Industrial Area, Phase - I, New Delhi 110 020 Phone No. (011) 41406149-52 Fax No. (011) 41709881 E-mail: admin@mcsdel.com
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Members may write for any queries / information to Mr. Manhar Kapoor, General Counsel & Company Secretary, Eicher Motors Limited, 3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi-110017 or # 96, Sector 32, Gurgaon- 122001, Haryana or any query can be sent by email to investors@eicher.in.

(x) Market Price Data at BSE and NSE:

January 2014 to December 2014	BSE			NSE		
	High (Rs. per share)	Low (Rs. per share)	Volumes (No. of shares)	High (Rs. per share)	Low (Rs. per share)	Volumes (No. of shares)
January 2014	5,170.00	4,605.00	60,095	5,167.65	4,608.70	2,40,722
February 2014	5,125.00	4,405.00	1,29,101	5,150.10	4,401.10	6,13,969
March 2014	6,150.00	5,002.90	1,15,789	6,149.90	5,056.05	6,79,619
April 2014	6,373.00	5,756.20	25,032	6,374.00	5,759.35	4,76,816
May 2014	7,500.00	6,131.95	72,825	7,485.00	6,141.00	6,75,893
June 2014	8,124.00	6,610.00	56,029	8,125.00	6,650.00	5,91,742
July 2014	8,768.20	7,891.05	47,413	9,090.00	7,881.50	4,25,483
August 2014	10,620.00	8,385.60	1,15,858	10,634.40	8,380.40	8,18,205
September 2014	12,372.50	9,775.00	1,89,748	12,370.00	9,800.00	16,13,407
October 2014	12,837.60	10,860.00	72,424	12,825.00	10,860.00	7,33,281
November 2014	15,145.00	12,001.00	1,09,486	15,149.90	11,501.10	11,16,358
December 2014	15,773.30	13,725.00	91,208	15,785.00	13,701.00	13,56,473



(xi) Share transfer system

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

Total number of shares transferred during the year ended December 31, 2014 was 3,423 shares. The details of time taken by the Company to complete the share transfers are given below:

Transfer period in days	No. of shares	Percentage (%)
1 to 10 days	2978	87.00
11 to 15 days	445	13.00
Total	3423	100.00

There was no pendency of share transfers as on December 31, 2014.

(xii) 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 now 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). Members who hold shares in dematerialised form, should send all their communications concerning dematerialisation / rematerialisation of share certificates, transfers/transmissions, dividends, change of address, change in mandate, nominations, etc. to the concerned DPs with whom they have opened Demat Account.

As on December 31, 2014, 2,63,12,403 shares constituting 97.08% of the total paid up equity share capital of the Company have been dematerialized with NSDL and CDSL.

(xiii) Shareholding Pattern as on December 31, 2014

Category	No. of Shares	Percentage (%)
Promoters	1,49,03,030	54.98
Institutional Investors	65,49,717	24.16
Body Corporates	3,64,214	1.34
Individuals	52,87,822	19.52
Total	2,71,04,783	100.00

(xiv) Distribution of shareholding as on December 31, 2014

No of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of shares	Percentage of Shareholding
1-500	39711	97.81	19,90,629	7.34
501-1000	391	0.96	2,88,298	1.06
1001-2000	167	0.41	2,46,158	0.91
2001-3000	70	0.17	1,73,817	0.64
3001-4000	29	0.07	1,03,973	0.38
4001-5000	20	0.05	89,802	0.33
5001-10000	76	0.19	5,62,394	2.07
10001-50000	98	0.24	23,06,004	8.51
50001-100000	19	0.05	12,67,774	4.68
100001 and Above	20	0.05	2,00,75,934	74.08
TOTAL	40601	100.00	2,71,04,783	100.00

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

(xv) Transfer of Unclaimed / Unpaid Dividend:

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

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

For the Financial Year	Due date for transfer to the Central Government
2007-08	July 8, 2015
2008 (01-04-08 to 31-12-08)	July 5, 2016
2009	April 18, 2017
2010	April 25, 2018
2011	April 25, 2019
2012	April 25, 2020
2013	April 25, 2021

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

(xvi) Investors' services

Correspondence / complaints received during the year ended December 31, 2014

S. No.	Nature of correspondence / complaints	Received (in Nos.)	Cleared (in Nos.)
1.	Non-receipt of share certificates	152	152
2.	Letters from Stock Exchange(s), SEBI, Advocate Letters, etc.	7	5 [#]
3.	Non receipt of Dividend Warrants / Annual Reports	109	109
	Total	268	266

[#]Out of 2 pending complaints, one has been resolved after December 31, 2014 and the other one is under process.

The Company has attended to most of the investors' grievance/correspondence within a period of 10 days from the date of receipt of complaint for the year ended December 31, 2014.

(xvii) Unclaimed shares

As per SEBI's circular CIR/CFD/DIL/10/2010 dated December 16, 2010 read with Clause 5A of the Listing Agreement, the Company has opened Unclaimed Suspense Account, i.e. "Eicher Motors Limited - Unclaimed Suspense Account" with Kotak Securities Limited and the unclaimed shares lying with the Company have been dematerialized and credited to Eicher Motors Limited - Unclaimed Suspense Account.

In terms of the said SEBI's Circular read with Clause 5A of the Listing Agreement, the details with respect to the unclaimed shares of the Company for the year ended December 31, 2014 are as under:

S. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares transferred to the Unclaimed Suspense Account during the year	875	22,086
(ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	1	44
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1	44
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	874	22,042

(xviii) Nomination facility

The Companies (Amendment) Act, 1999 had provided for a facility of nomination in the shares of a Company. Your Company is pleased to offer the facility of nomination to members. The Members, who hold shares in the physical form and wish to avail nomination facility, are requested to send the duly completed form to the Registrar and Share transfer Agent of the Company. The Members, who hold shares in the electronic form and wish to avail nomination facility, are requested to send separate request to their respective DP(s) only.

(xix) Consolidation of folios and avoidance of multiple mailing

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

(xx) 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 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 Registrars and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrars and Transfer Agents.

(xxi) Registered Office

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

(xxii) Corporate Office

#96, Sector 32, Gurgaon- 122 001, Haryana.
Tel. No. (0124)- 4415600
Website: www.eicher.in

(xxiii) 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)

(xxiv) Address for Correspondence

M/s MCS Limited, Registrar and Share Transfer Agent
F-65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi- 110 020
Tel. No. (011) 41406149-52, Fax No. (011) 41709881,
E-mail: admin@mcsdel.com

(xxv) Web Links in terms of Clause 49 of the Listing Agreement

Policy for determining Material Subsidiaries -
<http://www.eicher.in/Downloads/PDMSC.pdf>
Policy on Related Party Transactions -
<http://www.eicher.in/Downloads/PMDRPT.pdf>
Familiarization program for Independent Directors -
<http://www.eicher.in/investors-governance.aspx>

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

Place: Gurgaon
Date: February 13, 2015

For Eicher Motors Limited

Siddhartha Lal Managing Director DIN 00037645	S. Sandilya Chairman DIN 00037542
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DECLARATION

As per the Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the year ended December 31, 2014.

Place: Gurgaon
Date: February 13, 2015

For Eicher Motors Limited

Siddhartha Lal Managing Director DIN 00037645	S. Sandilya Chairman DIN 00037542
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AUDITORS' CERTIFICATE ON THE COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

TO THE MEMBERS OF EICHER MOTORS LIMITED

We have examined the compliance of conditions of Corporate Governance by Eicher Motors Limited for the year ended December 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

Place: Gurgaon
Date: February 13, 2015

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No.015125N)

Manjula Banerji

Partner
(Membership No. 086423)

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

- a) we have reviewed the financial statements and cash flow statement for the year ended December 31, 2014 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 statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) to the best of our knowledge and belief, no transactions entered into by the Company during the year ended December 31, 2014 are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) we have indicated to the Auditors and Audit Committee that :
- (i) there have not been any significant changes in internal controls over financial reporting during the year ended December 31, 2014;
 - (ii) there have not been any significant changes in accounting policies during the year ended December 31, 2014 and that the same has been disclosed in the notes to the financial statements; and
 - (iii) there has not been any instance during the year ended December 31, 2014 of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Place: Gurgaon
Date: February 13, 2015

Lalit Malik
Chief Financial Officer
Mem. No. 92890

Siddhartha Lal
Managing Director
DIN 00037645



FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EICHER MOTORS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **EICHER MOTORS LIMITED** ("the Company"), which comprise the Balance Sheet as at December 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order for the year ended December 31, 2014, to the extent the same are applicable to the Company.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014).
 - (e) Since the provisions of Section 274(1) (g) of the Act are not in effect from April 1, 2014, the reporting requirement under Section 227(3) (f) of the Act is not applicable as of the balance sheet date.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 015125N)

Manjula Banerji

(Partner)

(Membership No. 086423)

Place: Gurgaon

Date: February 13, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Having regard to the nature of the Company's business/activities/result, clauses 4 (xiii) and (xiv) of the Order are not applicable.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except for inventories lying with third parties for which confirmations have been obtained in most of the cases during the year or at the year-end.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, during the period the said section was applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any failure to correct major weaknesses in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered for the period the said section was applicable.
 - (b) Where each of such transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, for the period such section was applicable, is in excess of Rs. 5 lakhs during such period in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) During the period the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to acceptance of deposits from the public were applicable, in our opinion and according to the information and explanations given to us, the Company has not accepted such deposits.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 and prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained, for the period the said Section was applicable. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at December 31, 2014 for a period of more than six months from the date they became payable.
 - (c) There are no disputed dues of Customs Duty, Wealth Tax and Cess. Further, the details of disputed dues not deposited/ deposited under protest of Sales Tax, Service Tax, Excise Duty and Income Tax as at December 31, 2014 are as follows:

Nature of the Statute	Nature of dues	Forum where pending	Amount* (Rs. in crores)	Amount paid under protest (Rs. in crores)	Period to which amount relate
Central Excise Act	Excise Duty	Appellate Authority upto Commissioner's level	0.02	0.01	1995-96 to 1996-97
		CESTAT	54.96	0.26	1983-84 to 2000-01, 2002-03 to 2004-05
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority upto Commissioner's level	1.66	0.89	1986-87, 1989-90 to 1991-92, 1993-94, 1996-97 to 2003-04, 2005-06, 2007-08, 2008-09, 2010-11, 2013-14
		Appellate Tribunal	2.09	0.59	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	1.82	0.61	1984-85, 1985-86, 1992-93 to 1994-95, 2000-01, 2001-02, 2004-05
		Supreme Court	1.72	0.55	1986-87, 1990-91 to 1992-93
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner's level	0.39	0.02	2006-07 to 2011-12
Income tax Act, 1961	Income Tax	Appellate Authority upto Commissioner's level	4.26	-	2007-08 to 2013-14

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

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

- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan from financial institutions and has not issued any debentures.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.
- (xiv) As the Company has not taken any term loans during the year, paragraph 4(xvi) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xvi) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the period the said section was applicable.
- (xvii) As the Company has not issued any debentures during the year, paragraph 4(xix) of the Order is not applicable.
- (xviii) Since the Company has not raised any money by way of public issue during the year, paragraph 4(xx) of the Order is not applicable.
- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Place: Gurgaon
Date: February 13, 2015

Manjula Banerji
(Partner)
(Membership No. 086423)

BALANCE SHEET AS AT DECEMBER 31, 2014

Rs. in crores

Particulars	Note No.	As at December 31, 2014	As at December 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	27.10	27.04
Reserves and surplus	3	1,206.56	794.30
		1,233.66	821.34
Non-current liabilities			
Deferred tax liabilities (net)	4	20.07	12.63
Other long-term liabilities	5	4.52	3.78
Long-term provisions	6	13.82	10.48
		38.41	26.89
Current liabilities			
Short-term borrowings	7	-	4.00
Trade payables	8	490.24	321.42
Other current liabilities	9	296.56	211.49
Short-term provisions	10	170.02	98.04
		956.82	634.95
Total		2,228.89	1,483.18
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		488.65	287.97
Intangible assets		11.93	11.28
Capital work-in-progress		42.67	8.47
Intangible assets under development		16.67	5.45
		559.92	313.17
Non-current investments	12	271.49	30.94
Long-term loans and advances	13	139.00	82.72
Other non-current assets	14	7.67	7.09
		978.08	433.92
Current assets			
Current investments	15	917.09	825.41
Inventories	16	205.13	143.84
Trade receivables	17	10.70	12.13
Cash and cash equivalents	18	43.05	18.71
Short-term loans and advances	19	73.91	48.74
Other current assets	20	0.93	0.43
		1,250.81	1,049.26
Total		2,228.89	1,483.18

See accompanying notes forming part of the financial statements 1 to 51

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

Manjula Banerji

Partner

Place: Gurgaon

Date: February 13, 2015

Manhar Kapoor

Company Secretary

Mem No: FCS 5564

Lalit Malik

Chief Financial Officer

Mem. No. 92890

S. Sandilya

Siddhartha Lal

Priya Brat

M.J. Subbaiah

Prateek Jalan

Manvi Sinha

: Chairman

: Managing Director

: Director

: Director

: Director

: Director

DIN: 00037542

DIN: 00037645

DIN: 00041859

DIN: 00044799

DIN: 02170139

DIN: 07038675

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2014

Particulars	Note No.	Rs. in crores	
		For the year ended December 31, 2014	For the year ended December 31, 2013
Income			
Revenue from operations (gross)	21	3,320.23	1,917.76
Less: Excise duty		289.01	215.29
Revenue from operations (net)		3,031.22	1,702.47
Other income	22	116.30	80.10
Total revenue		3,147.52	1,782.57
Expenses			
Cost of raw materials and components consumed	23	1,819.08	1,079.23
Purchase of stock-in-trade	24	31.73	12.56
Change in inventories of finished goods, work-in-progress and stock-in-trade	25	(43.17)	(31.96)
Employee benefits expenses	26	160.90	110.90
Finance costs	27	1.67	0.27
Depreciation and amortisation expenses	28	50.16	30.41
Other expenses	29	329.12	218.01
Total expenses		2,349.49	1,419.42
Profit before tax		798.03	363.15
Tax expense			
Current tax		231.67	78.16
Deferred tax charge		7.44	6.37
Total tax expense		239.11	84.53
Profit for the year		558.92	278.62
Earning per share - basic		206.38	103.15
Earning per share - diluted		205.37	102.58
(Face value of Rs 10 per share) (in Rs.)			

See accompanying notes forming part of the financial statements

1 to 51

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Manjula Banerji

Partner

Place: Gurgaon

Date: February 13, 2015

Manhar Kapoor

Company Secretary

Mem No: FCS 5564

Lalit Malik

Chief Financial Officer

Mem. No. 92890

S. Sandilya

Siddhartha Lal

Priya Brat

M.J. Subbaiah

Prateek Jalan

Manvi Sinha

: Chairman

: Managing Director

: Director

: Director

: Director

: Director

DIN: 00037542

DIN: 00037645

DIN: 00041859

DIN: 00044799

DIN: 02170139

DIN: 07038675

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	798.03	365.15
Adjustments for:		
Depreciation and amortisation expenses	50.16	30.41
Profit on sale of fixed assets	(0.27)	(0.18)
Fixed assets discarded	0.09	0.02
Dividend on unquoted non trade current investments	(4.84)	(6.91)
Rent income	(2.70)	(1.20)
Loss on sale of fixed assets	0.55	0.06
Dividend on long term unquoted trade investment in subsidiary company	(40.80)	(40.80)
Profit on sale of unquoted non trade current investments	(60.75)	(29.26)
Interest income	(2.57)	(1.02)
Finance costs	1.67	0.27
Operating profit before changes in working capital	738.57	314.54
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(61.29)	(68.43)
Trade receivables	1.43	(5.93)
Short-term loans and advances	(25.17)	(24.80)
Long-term loans and advances	(4.60)	(0.56)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	168.82	143.92
Other current liabilities	84.10	81.01
Other long-term liabilities	0.74	0.55
Short-term provisions	5.50	4.08
Long-term provisions	3.34	1.22
Cash generated from operating activities	911.44	445.60
Direct taxes paid	(225.48)	(77.99)
Net cash from operating activities (A)	685.96	367.61
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Pre-operative expenditure)	(371.36)	(139.20)
Sale of fixed assets	1.47	0.44
Investment in a joint venture company	(75.00)	(50.00)
Net investment in unquoted non trade current investments	(91.68)	(186.96)
Net investment in unquoted non trade non current investments	(150.00)	-
Profit on sale of unquoted non trade current investments	60.75	29.26
Dividend on long term unquoted trade investment from subsidiary company	40.80	40.80
Dividend on unquoted non trade current investments	4.84	6.91
Investment in non current fixed deposit under lien (net)	(0.58)	(0.91)
Rent received	2.70	1.20
Interest received	2.07	0.88
Net cash flow from investing activities (B)	(575.99)	(297.58)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	-	(0.58)
Increase/ (decrease) in short term borrowings (net)	(4.00)	-
Interest paid	(1.67)	(0.27)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	7.86	1.65
Dividend paid	(80.96)	(53.48)
Tax on dividend paid	(6.86)	(2.14)
Net cash flow from financing activities (C)	(85.63)	(54.82)
Net Increase in cash and cash equivalents (A)+(B)+(C)	24.34	15.21
Cash and cash equivalents at the beginning of the year	18.71	3.50
Cash and cash equivalents at the end of the year	43.05	18.71

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014 (Continued)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Components of cash and cash equivalents		
Cash on hand	0.06	0.07
Cheques/ drafts on hand	0.22	0.28
Balances with banks:		
In current accounts	16.84	0.25
In unpaid dividend accounts *	3.77	3.61
In deposit accounts **	22.16	14.50
Total cash and cash equivalents (Refer Note No. 18)	43.05	18.71

* The Company can utilise these balances only towards settlement of the unpaid dividend liabilities.

** Include Rs. 22.16 crores (Rs. 10.50 crores) pledged with banks.

See accompanying notes forming part of the financial statements 1 to 51

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Manjula Banerji

Partner

Place: Gurgaon

Date: February 13, 2015

Manhar Kapoor

Company Secretary

Mem No: FCS 5564

Lalit Malik

Chief Financial Officer

Mem. No. 92890

S. Sandilya

Siddhartha Lal

Priya Brat

M.J. Subbaiah

Prateek Jalan

Manvi Sinha

: Chairman

: Managing Director

: Director

: Director

: Director

: Director

DIN: 00037542

DIN: 00037645

DIN: 00041859

DIN: 00044799

DIN: 02170139

DIN: 07038675

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Significant accounting policies

(i) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 ("the 1956 Act") (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with rule 7 of the companies (Accounts) Rules, 2014) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.

The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) Inventories

Inventories are valued at the lower of cost and moving weighted average price and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

(iv) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(v) Cash flow statement

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

(vi) Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of moulds and dies where higher rate of depreciation @ 20% per annum have been followed. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

Depreciation on addition to fixed assets is provided on pro-rata basis from the month the assets are put to use. Depreciation on sale/deduction from fixed assets is provided for up to the previous month of sale, deduction, discardment as the case may be.

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of ten years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed usage pattern.

Leasehold land is amortised over the lease period.

(vii) Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Interest income is recognised on a time proportionate basis taking into account the amount invested and rate applicable. Dividend income is accounted for when the right to receive is established.

(viii) Fixed assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Pre-operative expenditure (pending allocation)

Expenses directly related to construction activity or incidental thereto, are allocated to fixed assets at the time of completion of the project.

Intangible assets under development

Expenditure on Research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

(ix) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the Balance Sheet date. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions are charged to the Statement of Profit and Loss.

(x) Investments

Long term investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(xi) Employee benefits

Employee benefits includes gratuity, compensated absences, long service award and contribution to provident fund, employees' state insurance scheme, superannuation fund.

Defined contribution plans

The Company's contribution to provident fund, employees' state insurance scheme, superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. In respect of certain employees, provident fund contributions are made to a Trust where the interest rate payable to the members of such Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The remaining contributions are made to a government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Long-term employee benefits

Compensated absences and long service award which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date and actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

(xii) Employee share based payments

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the Company has constituted an Employee Stock Option Plan - 2006. Employee Stock Options granted by the Company are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

(xiii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xiv) Leases

Lease rentals in respect of assets that are in the nature of operating leases are expensed with reference to lease terms.

(xv) 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.

(xvi) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. The provision for taxation for the year ended December 31, 2014 comprises the residual tax liability for the assessment year 2014-15 relevant to the year April 1, 2013 to March 31, 2014 and the liability, which has accrued on the profit for the period April 1, 2014 to December 31, 2014, under the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

(xvii) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets (Tangible/Intangible).

(xviii) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(xix) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

(xx) Provision for warranty

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.

As per the terms of the contracts, the Company provides post-contract services / warranty support to its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Share capital

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Authorised		
3,00,00,000 (3,00,00,000) Equity shares of Rs. 10 each	30.00	30.00
1,01,000 (1,01,000) Redeemable cumulative preference shares of Rs. 100 each	1.01	1.01
Total	31.01	31.01
Issued, subscribed and fully paid up		
2,71,04,783 (2,70,38,883) Equity shares of Rs. 10 each	27.10	27.04
Total	27.10	27.04

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at		As at	
	December 31, 2014		December 31, 2013	
	Nos.	Rs. in crores	Nos.	Rs. in crores
At the beginning of the year	2,70,38,883	27.04	2,70,00,983	27.00
Issued during the year - ESOP	65,900	0.06	37,900	0.04
Outstanding at the end of the year	2,71,04,783	27.10	2,70,38,883	27.04

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

Particulars	As at		As at	
	December 31, 2014		December 31, 2013	
	Nos.	% holding in the class	Nos.	% holding in the class
The Lal Family Trust	-	-	40,56,482	15.00%
Eicher Goodearth Trust	32,71,723	12.07%	32,71,723	12.10%
Anita Lal	30,23,167	11.16%	30,23,167	11.18%
The Simran Siddhartha Tara Benefit Trust	67,99,828	25.09%	27,43,346	10.15%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	22,75,610	8.40%	22,75,610	8.42%

(iii) The Company has not issued shares for consideration other than cash and has not bought back shares during five years immediately preceding the reporting date, December 31, 2014.

(iv) Employee stock option plan

- 1,77,000 (1,77,000) options on September 30, 2006, exercisable over a period of seven years after vesting on October 1, 2009 at an exercise price of Rs. 297 (including premium of Rs. 287) per option, out of which Nil (Nil) options are outstanding at year end. During the year, Nil (6,400) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 297 (including premium of Rs. 287 each) per equity share.
- 2,08,900 (2,08,900) options on October 22, 2007, exercisable over a period of seven years after vesting on October 23, 2010 at an exercise price of Rs. 462 (including premium of Rs. 452) per option, out of which 29,500 (32,000) options are outstanding at year end. During the year, 2,500 (31,500) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 462 (including premium of Rs. 452 each) per equity share.
- 40,000 (40,000) options on April 29, 2010, exercisable over a period of seven years after vesting on April 29, 2011 at an exercise price of Rs. 695 (including premium of Rs. 685) per option are outstanding as at year end.

- d. 15,400 (15,400) options on November 8, 2010, exercisable over a period of seven years after vesting on November 8, 2013 at an exercise price of Rs. 1,411 (including premium of Rs. 1,401) per option out of which Nil (15,400) options are outstanding at year end. During the year, 15,400 (Nil) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,411 (including premium of Rs. 1,401 each) per equity share.
- e. 1,08,200 (1,08,200) options on May 6, 2011, exercisable over a period of seven years after vesting on May 6, 2014 at an exercise price of Rs. 1,162 (including premium of Rs. 1,152) per option out of which 60,200 (1,08,200) options are outstanding at year end. During the year, 48,000 (Nil) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,162 (including premium of Rs. 1,152 each) per equity share. During the year, Nil (24,000) options were forfeited.
- f. 5,400 (5,400) options on February 11, 2012, exercisable over a period of seven years after vesting on February 11, 2015 at an exercise price of Rs. 1,770 (including premium of Rs. 1,760) per option are outstanding as at year end. During the year, Nil (7,200) options were forfeited.
- g. 5,000 (5,000) options on December 16, 2013, exercisable over a period of seven years after vesting on December 15, 2016 at an exercise price of Rs. 4,915 (including premium of Rs. 4,905) per option are outstanding as at year end.
- h. 22,500 (Nil) options on August 11, 2014, exercisable over a period of seven years after vesting on August 11, 2017 at an exercise price of Rs. 8,477.50 (including premium of Rs. 8,467.50) per option are outstanding as at year end.
- i. 5,400 (Nil) options on November 12, 2014, exercisable over a period of seven years after vesting on November 12, 2017 at an exercise price of Rs. 12,993.65 (including premium of Rs. 12,983.65) per option are outstanding as at year end.
- j. Each option entitles the holders thereof to apply for and be allotted one equity share of the face value of Rs. 10 each.

3. Reserves and surplus

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
A Capital reserve		
Opening balance	0.25	0.25
Add / Less: Movement during the year	-	-
Closing balance	0.25	0.25
B Capital redemption reserve		
Opening balance	1.41	1.41
Add / Less: Movement during the year	-	-
Closing balance	1.41	1.41
C Securities premium account		
Opening balance	13.08	11.47
Add / Less: Movement during the year @	7.80	1.61
Closing balance	20.88	13.08
D General reserves		
Opening balance	161.02	133.16
Add: Amount transferred from surplus in the statement of profit and loss	55.89	27.86
Closing balance	216.91	161.02
E Surplus in the statement of profit and loss		
Opening balance	618.54	455.76
Profit for the year	558.92	278.62
Less: Appropriations		
Dividend (amount per share Rs. 50.0 (Rs. 30.0))	135.52	81.12
Tax on dividend	18.94	6.86
Transferred to general reserve	55.89	27.86
Total appropriations	210.35	115.84
Net surplus in the statement of profit and loss	967.11	618.54
Total (A+B+C+D+E)	1,206.56	794.30

@ Represents premium @ Rs. 287 per equity share on Nil (6,400) equity shares, @ Rs. 452 per equity share on 2,500 (31,500) equity shares, @ Rs. 1,152 per equity share on 48,000 (Nil) equity shares and @ Rs. 1,401 per equity share on 15,400 (Nil) equity shares issued and allotted during the year under Employee Stock Option Scheme.

4. Deferred tax liabilities (net)

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Deferred tax liabilities on		
Accelerated depreciation	26.82	18.53
Sub-total (A)	26.82	18.53
Less: Deferred tax assets on		
Accrued expenses deductible on payment	1.52	1.66
Provision for gratuity	3.40	2.62
Provision for compensated absences and other employee benefits	1.67	1.28
Provision for doubtful debts and advances	0.15	0.34
Others	0.01	-
Sub-total (B)	6.75	5.90
Total (A-B)	20.07	12.63

5. Other long-term liabilities

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Security deposits received	4.52	3.78
Total	4.52	3.78

6. Long-term provisions

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Provision for employee benefits		
Gratuity	8.66	7.36
Compensated absences (including leave encashment)	4.04	3.12
Other employee benefits	1.12	-
Total	13.82	10.48

7. Short-term borrowings

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Secured		
- From bank		
Cash credit *	-	4.00
Total	-	4.00

* Rs. Nil (Rs. 4.00 crores) secured by a first charge by way of hypothecation on inventories and book debts of the Company.

8. Trade payables

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Acceptances	95.12	65.00
Dues to micro and small enterprises *	13.35	8.27
Other trade payables	381.77	248.15
Total	490.24	321.42

* Refer Note No. 34

9. Other current liabilities

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Capital creditors other than micro and small enterprises	9.90	9.09
Unpaid dividend *	3.77	3.61
Advance from customers	163.11	92.21
Employee dues	19.92	10.58
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	99.86	69.72
Book overdraft	-	26.28
Total	296.56	211.49

* Does not include any amounts outstanding as at December 31, 2014 which are required to be credited to Investor Education and Protection Fund.

10. Short-term provisions

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Provision for employee benefits		
Gratuity	0.21	0.33
Compensated absences (including leave encashment)	0.87	0.66
Other employee benefits	0.09	-
Sub-total (A)	1.17	0.99
Provision for warranties	14.39	9.07
Provision for proposed equity dividend	135.52	81.12
Provision for tax on proposed equity dividend	18.94	6.86
Sub-total (B)	168.85	97.05
Total (A+B)	170.02	98.04

11. Fixed assets

Rs. in crores

Assets	Gross block (At cost)			Depreciation/Amortisation				Net block		
	As at December 31, 2013	Additions during the year	Deductions during the year#	As at December 31, 2014	As at December 31, 2013	For the year	Adjustments#	As at December 31, 2014	As at December 31, 2014	As at December 31, 2013
(A) Tangible assets										
Land *										
Freehold	2.25	83.64	-	85.89	-	-	-	-	85.89	2.25
Leasehold	36.01	57.90	5.33	88.58	1.28	0.41	0.44	1.25	87.33	34.73
Buildings *	85.82	7.56	12.28	81.10	14.05	2.96	6.39	10.62	70.48	71.77
Plant and equipment	238.59	92.32	18.87	312.04	78.97	35.74	18.33	96.38	215.66	159.62
Furniture and fixtures	2.13	1.45	0.40	3.18	0.99	0.46	0.29	1.16	2.02	1.14
Office equipments	17.65	8.98	0.55	26.08	5.58	1.99	0.42	7.15	18.93	12.07
Vehicles	10.86	4.72	1.37	14.21	4.47	2.41	1.01	5.87	8.34	6.39
Sub-total (A)	393.31	256.57	38.80	611.08	105.34	43.97	26.88	122.43	488.65	
Previous year	215.58	182.31	4.58	393.31	81.75	27.83	4.24	105.34		287.97
(B) Intangible assets										
- Product designs, prototypes etc.	7.69	1.68	-	9.37	5.67	0.75	-	6.42	2.95	2.02
- Computer softwares	13.89	5.63	1.12	18.40	4.63	4.97	0.18	9.42	8.98	9.26
Sub-total (B)	21.58	7.31	1.12	27.77	10.30	5.72	0.18	15.84	11.93	
Previous year	11.59	9.99	-	21.58	7.72	2.58	-	10.30		11.28
(C) Capital work-in-progress (including pre-operative expenditure pending allocation amounting to Rs. 1.98 crores (Rs. 0.61 crore) (Refer Note No. 11A))									42.67	8.47
(D) Intangible assets under development (including pre-operative expenditure pending allocation amounting to Rs. Nil (Rs. 0.29 crore) (Refer Note No. 11A))									16.67	5.45
Total (A+B+C+D)									559.92	313.17

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

includes Gross block of Rs. 23.58 crores (Rs. Nil) and accumulated depreciation of Rs. 12.56 crores (Rs. Nil) transferred to investment property under Note No. 12 "Non-current investments" consequent to transfer of rights of these assets to Eicher Polaris Private Limited (a joint venture Company) under operating lease agreement for 10 years.

11A. Pre-operative expenditure (pending allocation)

Rs. in crores

Particulars	As at	As at
	December 31, 2014	December 31, 2013
Payments to and provisions for employees		
Salaries, wages, bonus etc.	0.82	1.38
Contribution to provident and other funds	0.05	0.03
Welfare expenses	-	0.25
Stores and machinery spares consumed (including loose tools)	-	0.96
Insurance	-	0.02
Repairs and maintenance		
Buildings	-	0.11
Plant and machinery	0.01	0.05
Others	-	0.09
Rent	-	0.03
Legal and professional charges	0.01	0.03
Travelling expenses	0.04	0.02
Development expenses	0.15	-
Miscellaneous	-	0.25
	1.08	3.22
Add: Balance brought forward from previous year	0.90	4.22
	1.98	7.44
Less: Capitalised during the year	-	6.54
Total	1.98	0.90

12. Non-current investments

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Long term *		
Unquoted trade investment in :		
Subsidiary company		
54,40,000 (54,40,000) Equity shares of Rs.10 each fully paid up of VE Commercial Vehicles Limited	5.44	5.44
Joint Venture company		
10,55,00,000 (2,55,00,000) Equity shares of Rs.10 each fully paid up of Eicher Polaris Private Limited	105.50	25.50
Sub-total (A)	110.94	30.94
Unquoted non-trade investment in :		
Government securities		
National Savings Certificates (# Rs.13,000) (Pledged with Government authorities)	#	#
Debt mutual funds		
Units of face value Rs. 10 each		
1,00,00,000 (Nil) units of HDFC FMP 370D Sep 2013-1-Regular-GR	10.00	-
1,50,00,000 (Nil) units of Reliance Fixed Horizon fund XXIV Series -11-Growth Plan	15.00	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 68-368 Days Plan G Regular Plan Cumulative	15.00	-
50,00,000 (Nil) units of SBI Debt Fund Series 366 Days-46-Dir-Growth	5.00	-
1,00,00,000 (Nil) units of Kotak FMP series 150 Direct-Growth	10.00	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 72-368 Days Plan A Direct Plan Cumulative	20.00	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 75-1100 Days Plan N Direct Plan Cumulative	15.00	-
1,00,00,000 (Nil) units of ICICI Pru FMP series 75-1100 Days Plan T Regular Plan Cumulative	10.00	-
1,50,00,000 (Nil) units of DWS FMP Series -82 - Direct Plan - Growth	15.00	-
1,83,07,306 (Nil) units of Reliance Interval Fund-II-Series4-DP-Growth Plan	20.00	-
1,50,00,000 (Nil) units of Reliance Interval Fund-III-Series1-DP-Growth Plan	15.00	-
Sub-total (B)	150.00	-
Repurchase price of unquoted non-trade investments in Debt Mutual funds amounting to Rs. 160.19 crores (Rs. Nil)		
* At cost as reduced by diminution in values, if any.		
Investment property (at written down value) (Refer Note No. 11)		
Land (including buildings and plant and equipments thereon)		
Cost	23.58	-
Less: Depreciation to date (includes depreciation for the year Rs. 0.47 crore (Rs. Nil))	13.03	-
Sub-total (C)	10.55	-
Total (A+B+C)	271.49	30.94

13. Long-term loans and advances

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Unsecured, considered good		
Capital advances	83.27	20.40
Advance given to joint venture company for subscription of equity shares *	25.00	30.00
Security deposits	9.64	6.73
Loans and advances to employees	0.02	0.02
Balance with government authorities	7.42	5.59
Prepaid expenses	-	0.06
Advance income tax (net of provision for taxation)	13.61	19.80
Others	0.04 #	0.12
Sub-total (A)	139.00	82.72
Unsecured, considered doubtful		
Capital advances	-	0.02
Less: Provision for doubtful advances	-	0.02
Sub-total (B)	-	-
Total (A+B)	139.00	82.72

* Subsequent to the year end, 2,50,00,000 (3,00,00,000) equity shares of face value of Rs. 10 per share have been issued and allotted to the Company by its joint venture company.

Represents advance given to Divitae Services Mercadologicas De Consultoria LTDA, Brazil for acquiring 999 equity shares (representing 99.99% equity shares) @Rs. 398.76 per share (equivalent to USD 6.50 per equity share), pending for incorporation in the name of Royal Enfield Brazil LTDA.

14. Other non-current assets

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Fixed deposits @	7.67	7.09
Total	7.67	7.09

@ Rs. 7.67 crores (Rs. 7.09 crores) pledged with banks.

15. Current investments @

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Unquoted non-trade investment in :		
Debt mutual funds		
Units of face value Rs. 10 each		
Nil (1,00,00,000) units of Kotak FMP series 104 Direct-Growth	-	10.00
Nil (1,00,00,000) units of Kotak FMP series 116 Direct-Growth	-	10.00
Nil (1,00,00,000) units of IDFC Fixed Term Plan Series 13 Direct Plan - Growth	-	10.00
Nil (1,00,00,000) units of IDFC Fixed Term Plan Series 32 Direct Plan - Growth	-	10.00
Nil (2,00,00,000) units of IDFC Yearly Series Interval Fund Regular Plan - Series II - Growth	-	20.00

15. Current investments @ (Continued)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Nil (2,00,00,000) units of HDFC AIF-Plan B-Direct Plan-GR	-	14.20
Nil (1,50,00,000) units of HDFC FMP 372D Feb 2013-1-Regular-GR	-	15.00
Nil (2,00,00,000) units of HDFC AIF-Plan B-Direct Plan-GR	-	20.00
Nil (70,00,000) units of HDFC FMP 370D Aug 2013-3-Direct-GR	-	7.00
Nil (2,00,00,000) units of HDFC FMP 372D Jan 2013-3-Direct-GR	-	20.00
Nil (2,00,00,000) units of BirlaSunlife Fixed Term Plan Series GJ-Growth	-	20.00
Nil (2,00,00,000) units of BirlaSunlife Fixed Term Plan Series HD-GZ	-	20.00
Nil (50,00,000) units of BirlaSunlife Fixed Term Plan Series IA-Growth Direct	-	5.00
Nil (2,50,00,000) units of DSP BlackRock FMP series 86-12M-Dir-Growth	-	30.00
Nil (2,50,00,000) units of DSP BlackRock FMP series 84-12M-Dir-Growth	-	25.00
Nil (2,50,00,000) units of DSP BlackRock FMP series 87-12M-Dir-Growth	-	25.00
Nil (40,00,000) units of DSP BlackRock FMP series 104-12M-Reg-Growth	-	4.00
Nil (30,00,000) units of DSP BlackRock FMP series 119-12M-Reg-Growth	-	3.00
Nil (2,00,00,000) units of Kotak FMP series 94 Direct-Growth	-	20.00
Nil (80,00,000) units of Reliance Fixed Horizon fund XXIII Series -6-DP-Growth Plan	-	8.00
Nil (4,00,00,000) units of Reliance Yearly Interval Fund-Series2-DP-Growth Plan	-	40.00
Nil (2,20,00,000) units of Reliance Yearly Interval Fund-Series5-DP-Growth Plan	-	22.00
Nil (3,00,00,000) units of SBI Debt Fund Series 366 Days-22-Dir-Growth	-	30.00
Nil (2,00,00,000) units of ICICI Pru FMP series 66-366 Days Plan H Direct Plan Cumulative	-	20.00
Nil (1,00,00,000) units of ICICI Pru FMP series 67-366 Days Plan D Direct Plan Cumulative	-	10.00
Nil (2,00,00,000) units of ICICI Pru FMP series 66-368 Days Plan B Direct Plan Cumulative	-	20.00
Nil (2,50,00,000) units of ICICI Pru FMP series 67-371 Days Plan E Direct Plan Cumulative	-	25.00
Nil (1,00,00,000) units of ICICI Pru FMP series 68-369 Days Plan K Direct Plan Cumulative	-	10.00
Nil (30,00,000) units of Religare Invesco FMP series XX-Plan F (370 Days) DP-Growth	-	3.00
Nil (50,00,000) units of Tata FMP series 43 scheme C-DP - Growth- INF277K01TU2	-	5.00
Nil (1,00,00,000) units of DWS FMP Series -30 - Regular Plan - Growth	-	10.00
Nil (1,00,00,000) units of DWS FMP Series -39 - Direct Plan - Growth	-	10.00
Nil (80,00,000) units of DWS FMP Series -24 - Direct Plan - Growth	-	8.00
Nil (2,00,00,000) units of Kotak FMP series 102 Direct-Growth	-	20.00
Nil (50,00,000) units of Kotak FMP series 119 Direct-Growth	-	5.00
Nil (2,00,00,000) units of SBI Debt Fund Series 366 Days-25-Reg-Growth	-	20.00
Nil (2,00,00,000) units of SBI Debt Fund Series 366 Days-25-Dir-Growth	-	20.00

15. Current investments @ (Continued)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Nil (1,50,00,000) units of SBI Debt Fund Series 366 Days-23-Dir-Growth	-	15.00
Nil (1,00,00,000) units of SBI Debt Fund Series 366 Days-36-Dir-Growth	-	10.00
Nil (1,00,00,000) units of SBI Debt Fund Series 366 Days-37-Dir-Growth	-	10.00
Nil (1,50,00,000) units of UTI Fixed term income fund series XIV-I (366 Days)- Direct Growth Plan	-	15.00
Nil (1,50,00,000) units of UTI Fixed term income fund series XIV-VIII (371 Days)- Direct Growth Plan	-	15.00
Nil (1,50,00,000) units of UTI Fixed term income fund series XV-VIII (368 Days)- Direct Growth Plan	-	15.00
Nil (10,00,000) units of Union KBC Fixed Maturity Plan Series 8 Growth	-	1.00
Nil (1,00,00,000) units of HDFC FMP 370D Sep 2013-1-Regular-GR	-	10.00
Nil (1,50,00,000) units of Reliance Fixed Horizon fund XXIV Series -11-Growth Plan	-	15.00
Nil (1,50,00,000) units of ICICI Pru FMP series 68-368 Days Plan G Regular Plan Cumulative	-	15.00
Nil (50,00,000) units of SBI Debt Fund Series 366 Days-46-Dir-Growth	-	5.00
51,66,277 (51,66,277) units of IDFC Super Saver Income Fund	10.00	10.00
1,00,00,000 (1,00,00,000) units of IDFC Fixed Term Plan Series 21 Direct Plan - Growth	10.00	10.00
1,08,62,401 (1,08,62,401) units of IDFC Money Manager Fund - Investment Plan - Growth- (Regular Plan)	15.00	15.00
1,14,85,100 (1,14,85,100) units of HDFC Medium Term Opp Fund-Growth	15.00	15.00
1,00,00,000 (1,00,00,000) units of BirlaSunlife Interval Inc Annl Plan IX-GZ	10.00	10.00
50,00,000 (50,00,000) units of Reliance Interval Fund-II-Series1- Growth Plan	5.00	5.00
1,00,00,000 (Nil) units of Kotak FMP series 138 Direct-Growth	10.00	-
1,00,00,000 (Nil) units of Kotak FMP series 143 Direct-Growth	10.00	-
1,50,00,000 (Nil) units of UTI Fixed term income fund series XVII-XIII (369 Days)- Direct Growth Plan	15.00	-
3,00,00,000 (Nil) units of UTI Fixed term income fund series XVII-XVI (367 Days)- Direct Growth Plan	30.00	-
1,00,00,000 (Nil) units of UTI Fixed term income fund series XVIII-V (370 Days)- Direct Growth Plan	10.00	-
3,00,00,000 (Nil) units of ICICI Pru FMP series 72-366 Days Plan K Direct Plan Cumulative	30.00	-
2,50,00,000 (Nil) units of ICICI Pru FMP series 74-369 Days Plan B Direct Plan Cumulative	25.00	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 72-366 Days Plan M Direct Plan Cumulative	20.00	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 73-368 Days Plan D Direct Plan Cumulative	20.00	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 74-369 Days Plan K Direct Plan Cumulative	20.00	-

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
1,50,00,000 (Nil) units of ICICI Pru FMP series 74-369 Days Plan T Regular Plan Cumulative	15.00	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 74-370 Days Plan X Direct Plan Cumulative	15.00	-
1,00,00,000 (Nil) units of ICICI Pru FMP series 72-368 Days Plan D Direct Plan Cumulative	10.00	-
2,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 69 Direct Plan - Growth	20.00	-
45,82,531 (Nil) units of IDFC Yearly Series Interval Fund Direct Plan - Series II - Growth	5.00	-
92,05,730 (Nil) units of DWS Interval Annual Plan Series 1 - Direct Plan - Growth	10.00	-
2,00,00,000 (Nil) units of SBI Debt Fund Series 369 Days-A 35-Dir-Growth	20.00	-
1,50,00,000 (Nil) units of SBI Debt Fund Series 366 Days-52-Dir-Growth	15.00	-
5,50,00,000 (Nil) units of Reliance fixed Horizon fund XXV Series -18- DP-Growth Plan	55.00	-
1,50,00,000 (Nil) units of Reliance fixed Horizon fund XXV Series -26- Growth Plan	15.00	-
80,00,000 (Nil) units of Reliance fixed Horizon fund XXVI Series -31- DP-Growth Plan	8.00	-
2,50,00,000 (Nil) units of Reliance fixed Horizon fund XXVI Series -9- DP-Growth Plan	25.00	-
1,00,00,000 (Nil) units of Reliance fixed Horizon fund XXVI Series -9- Growth Plan	10.00	-
3,20,99,784 (Nil) units of Reliance Yearly Interval Fund-Series2-Growth Plan	35.00	-
1,84,28,933 (Nil) units of Reliance Yearly Interval Fund-Series8-DP-Growth Plan	20.00	-
3,00,00,000 (Nil) units of DSP BlackRock FMP series 149-12M-Reg-Growth	30.00	-
1,80,00,000 (Nil) units of DSP BlackRock FMP series 146-12M-Reg-Growth	18.00	-
2,30,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series JZ-Growth Direct	23.00	-
2,20,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series JZ-Growth Regular	22.00	-
2,00,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series KZ-Growth Direct	20.00	-
1,00,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series KD-Growth Direct	10.00	-
50,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series LQ-Growth Direct	5.00	-
1,80,85,308 (Nil) units of BirlaSunlife Interval Inc Annl Plan X-GZ	20.00	-
1,30,00,000 (Nil) units of HDFC FMP 366D May 2014-1-Direct-GR	13.00	-
2,00,00,000 (Nil) units of HDFC FMP 367D Apr 2014-1-Regular-GR	20.00	-
2,50,00,000 (Nil) units of HDFC FMP 369D Apr 2014-2-Regular-GR	25.00	-
2,00,00,000 (Nil) units of HDFC FMP 369D Feb 2014-2-Regular-GR	20.00	-
2,00,00,000 (Nil) units of HDFC FMP 370D Feb 2014-1-Regular-GR	20.00	-
80,00,000 (Nil) units of HDFC FMP 370D Jun 2014-2-Regular-GR	8.00	-
3,00,00,000 (Nil) units of HDFC FMP 370D Mar 2014-1-Regular-GR	30.00	-
1,50,00,000 (Nil) units of HDFC FMP 370D May 2014-1-Regular-GR	15.00	-
1,00,00,000 (Nil) units of Tata FMP series 46 scheme L-DP - Growth- INF277K01XM1	10.00	-
1,00,00,000 (Nil) units of Tata FMP series 46 scheme P-DP - Growth- INF277K01YCO	10.00	-

15. Current investments @ (Continued)

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Units of face value Rs. 100 each		
13,21,284 (13,21,284) units of Birla Sun Life Savings Fund- Growth Direct	30.00	30.00
Units of face value Rs. 1,000 each		
Nil (1,52,063) units of Reliance Liquidity Fund-Daily Dividend Reinvestment Option	-	51.21
66,106 (66,106) units of Templeton India Short term Income Plan	15.00	15.00
2,00,268 (Nil) units of SBI Premier Liquid Fund Regular Plan - Daily Dividend	20.09	-
Total	917.09	825.41

Repurchase price of unquoted non trade current investments in Debt Mutual funds amounting to Rs. 998.60 crores (Rs. 881.82 crores)

@ At cost or fair value, whichever is lower.

16. Inventories

(At lower of cost and net realisable value)

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Raw materials (Includes goods in transit of Rs. 14.42 crores (Rs. 5.08 crores))	75.52	58.39
Work in progress	7.74	10.13
Finished goods	107.69	67.66
Stock-in-trade	8.70	3.17
Stores and spares	3.59	3.34
Loose tools	1.89	1.15
Total	205.13	143.84

17. Trade receivables

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Outstanding for a period exceeding six months from the date they were due for payments		
Secured, considered good	0.01	0.01
Unsecured - considered good	0.02	0.62
- considered doubtful	0.43	0.93
	0.46	1.56
Less: Provision for doubtful receivables	0.43	0.93
Sub-total (A)	0.03	0.63
Others receivables		
Secured, considered good	0.05	0.08
Unsecured - considered good	10.62	11.42
Sub-total (B)	10.67	11.50
Total (A+B)	10.70	12.13

18. Cash and cash equivalents

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Cash on hand	0.06	0.07
Cheques/ drafts on hand	0.22	0.28
Balances with banks:		
In current accounts	16.84	0.25
In unpaid dividend accounts	3.77	3.61
In deposit accounts*	22.16	14.50
Total	43.05	18.71

* Include Rs. 22.16 crores (Rs. 10.50 crores) pledged with banks.

19. Short-term loans and advances

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Unsecured, considered good unless stated otherwise		
A Loans and advances to related parties		
Unsecured, considered good*	0.10	0.13
Sub-total (A)	0.10	0.13
B Other loans and advances		
Advance to suppliers	14.97	12.03
Loans and advances to employees	2.02	0.81
Insurance claims receivable	2.51	0.03
Prepaid expenses	2.86	2.30
Balance with government authorities	51.45	33.02
Others		
Considered good	-	0.42
Considered doubtful	0.02	0.04
	0.02	0.46
Less: Provision for doubtful advances	0.02	0.04
	-	0.42
Sub-total (B)	73.81	48.61
Total (A+B)	73.91	48.74

* Advance to joint venture company includes receivable from a Private Limited Company in which a director is director amounting to Rs. 0.10 crore (Rs. 0.13 crore)

20. Other current assets

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Interest accrued on fixed deposits	0.93	0.43
Total	0.93	0.43

21. Revenue from operations

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Revenue from operations		
Sale of products		
Manufactured goods (gross)	3,248.73	1,887.73
Less: Excise duty	289.01	215.29
Manufactured goods (net)	2,959.72	1,672.44
Stock-in-trade	54.99	22.95
Sub-total (A)	3,014.71	1,695.39
Other operating revenue		
Export benefits	2.88	1.12
Scrap sale (net of excise duty of Rs. 1.57 crores (Rs. 0.49 crore))	10.13	4.40
Income from other operating revenues	3.50	1.56
Sub-total (B)	16.51	7.08
Revenue from operations (net)	Total (A+B)	
	3,031.22	1,702.47

21. Revenue from operations (Continued)

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Details of products sold		
Manufactured goods		
Two wheelers	3,074.41	1,763.06
Spare parts and other components	174.32	124.67
Total	3,248.73	1,887.73
Stock-in-trade		
Spare parts and other allied products	54.99	22.95
Total	54.99	22.95

22. Other income

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Profit on sale of fixed assets	0.27	0.18
Dividend on unquoted non trade current investments	4.84	6.91
Dividend on long term unquoted trade investment in subsidiary company	40.80	40.80
Profit on sale of unquoted non trade current investments	60.75	29.26
Exchange gain (net)	-	0.08
Rent income	2.70	1.20
Interest income		
- from banks on deposits	2.57	0.98
- from others	-	0.04
Other income	4.37	0.65
Total	116.30	80.10

23. Cost of raw materials and components consumed

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Inventory at the beginning of the year	58.39	23.54
Add: Purchases	1,844.23	1,118.17
	1,902.62	1,141.71
Less: inventory at the end of the year	75.52	58.39
Less: material cost of vehicles capitalised	0.12	0.81
	1,826.98	1,082.51
Less: Sale of raw materials and components to suppliers on cost to cost basis	7.90	3.28
Net consumption	1,819.08	1,079.23

24. Purchase of stock-in-trade

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Spare parts and other allied products	31.73	12.56
Total	31.73	12.56

25. Change in inventories of finished goods, work-in-progress and stock-in-trade

		Rs. in crores	
Particulars		For the year ended December 31, 2014	For the year ended December 31, 2013
Inventories at the end of the year			
Finished goods		107.69	67.66
Work-in-progress		7.74	10.13
Stock-in-trade		8.70	3.17
A		124.13	80.96
Inventories at the beginning of the year			
Finished goods		67.66	45.85
Work-in-progress		10.13	3.15
Stock-in-trade		3.17	-
B		80.96	49.00
Net change (B-A)		(43.17)	(31.96)

26. Employee benefits expenses

		Rs. in crores	
Particulars		For the year ended December 31, 2014	For the year ended December 31, 2013
Salaries, wages, bonus etc.		134.37	92.96
Contribution to provident and other funds		5.17	3.92
Staff welfare expenses		21.36	14.02
Total		160.90	110.90

27. Finance costs

		Rs. in crores	
Particulars		For the year ended December 31, 2014	For the year ended December 31, 2013
Interest expense			
On income tax		1.13	0.10
On other borrowings		0.54	0.17
Total		1.67	0.27

28. Depreciation and amortisation expenses

		Rs. in crores	
Particulars		For the year ended December 31, 2014	For the year ended December 31, 2013
Depreciation of tangible assets		43.97	27.83
Depreciation of investment property		0.47	-
Amortisation of intangible assets		5.72	2.58
Total		50.16	30.41

29. Other expenses

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Consumption of Stores and machinery spares (including loose tools and packing material)	63.82	39.25
Increase/decrease of excise duty on finished goods	6.25	4.06
Loss on sale of fixed assets	0.55	0.06
Fixed assets discarded	0.09	0.02
Power and fuel	23.23	17.68
Insurance	2.58	1.91
Repairs and maintenance		
Buildings	3.34	2.37
Plant and machinery	11.69	7.31
Others	5.84	4.56
Rates and taxes	6.19	3.23
Advertisement	5.53	6.71
Freight and handling charges	41.63	22.58
Incentives	6.45	2.47
Warranty	20.13	12.48
Other selling and distribution expenses	43.85	34.36
Rent	12.59	10.60
Legal and professional charges	17.47	13.06
Travelling expenses	17.73	10.99
Development expenses	3.72	3.87
Bad debts / advances written off	0.57	0.23
Less: Charged against provision for doubtful debts and advances	0.55	0.04
Provision for doubtful debts and advances	0.01	0.02
Exchange loss (net)	1.45	-
Miscellaneous expenses	34.96	20.23
Total	329.12	218.01

- 30.** Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 139.79 crores (Rs. 62.49 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.

31. 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. 19.26 crores (Rs. 20.88 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 14.75 crores (Rs 10.89 crores). The details of capital expenditure and revenue expenditure are as below:

Capital expenditure	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Building - factory	0.10	0.08
Plant and equipment	2.15	2.24
Furniture and fittings	0.34	0.10
Office equipment	0.89	1.16
Vehicles	0.67	0.46
Intangible assets	2.14	1.34
Capital work in progress including intangible assets under development	8.46	5.22
Pre-operative expenditure	-	0.29
Total	14.75	10.89

Revenue expenditure	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Employees costs	9.78	10.68
Development expenses	2.94	3.43
Depreciation	3.57	2.60
Overheads	2.97	4.17
Total	19.26	20.88

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

Warranty provisions	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Opening balance	9.07	5.24
Additions during the year	20.13	12.48
Amount utilised during the year	14.81	8.65
Closing balance	14.39	9.07

33. Contingent liabilities not provided for:

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
a) In respect of following:		
- Excise duty matters	54.98	54.98
- Sales tax matters	5.06	6.87
- Service tax matters	0.39	0.40
- Income tax matters	4.26	6.79
b) Claims against the Company not acknowledged as debts	6.13	5.51

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 Company.

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

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
a) Amount payable to supplier under MSMED (suppliers) as at the end of year		
- Principal	13.14	8.27
- Interest due there on	0.04	-
b) Payment made to supplier beyond the appointed day during the year		
- Principal	18.22	-
- Interest due there on	0.17	-
c) Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding the interest under MSMED	0.17	-
d) Amount of interest accrued and remaining unpaid as at the end of year	0.21	-
e) Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	0.21	-

35. Disclosures under Accounting Standard 15 (Revised):

The details of various employee benefits provided to employees are as under:

A. Employee plans

Rs. in crores

Particulars	For the year ended	
	December 31, 2014	December 31, 2013
a) Provident Fund *	4.92	3.68
b) Superannuation fund	0.37	0.27
c) Employee State Insurance Corporation	0.86	0.51

Out of the total contribution made for employees' provident fund, Rs. 1.44 crores (Rs. 1.14 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government administered provident fund.

The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2014 is Rs. 78.21 crores as against the total plan assets of Rs. 78.90 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

* Includes Rs. 0.07 crore (Rs. Nil) capitalised during the year and Rs. 0.05 crore (Rs. 0.03 crore) considered in pre-operative expenditure (pending allocation).

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

Rs. in crores

Particulars	For the year ended		For the year ended	
	December 31, 2014		December 31, 2013	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the beginning	7.69	1.81	7.31	1.31
Current service cost	2.05	1.10	1.28	0.54
Interest cost	0.54	0.13	0.51	0.09
Benefits paid	(1.17)	(0.26)	(0.95)	(0.20)
Net actuarial (gain) / loss recognised	(0.24)	0.07	(0.46)	0.07
Present value of obligation as at the end	8.87	2.85	7.69	1.81

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

Particulars	For the year ended December 31, 2014		For the year ended December 31, 2013	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	8.87	2.85	7.69	1.81
Fair value of plan assets at the end	-	-	-	-
Net asset/(liability) recognised in balance sheet	(8.87)	(2.85)	(7.69)	(1.81)
Further classification				
Long-term provisions	8.66	2.76	7.36	1.73
Short-term provisions	0.21	0.09	0.33	0.08
Cost for the year				
Current service cost	2.05	1.10	1.28	0.54
Interest cost	0.54	0.13	0.51	0.09
Net actuarial (gain) / loss recognised	(0.24)	0.07	(0.46)	0.07
Net cost recognised	2.35	1.30	1.33	0.70
Experience adjustment on plan liabilities (loss) / gain	0.24	(0.07)	0.46	(0.07)
Principal assumptions:				
Discount rate	7.50%	7.50%	7.50%	7.50%
Future salary increase	7.00%	7.00%	7.00%	7.00%
In service mortality	IALM	IALM	IALM	IALM
	(2006-08)	(2006-08)	(2006-08)	(2006-08)

The estimates of future salary increases considered in the actuarial valuation takes into account inflation, seniority promotion and other relevant factors such as supply and demand in the employment market.

Other disclosures:

Particulars	For the year ended December 31, 2012		For the year ended December 31, 2011		For the year ended December 31, 2010	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	7.31	1.31	6.27	1.15	6.13	1.23
Net Asset/(liability) recognised in balance sheet	(7.31)	(1.31)	(6.27)	(1.15)	(6.13)	(1.23)
Experience adjustment on plan liabilities (loss) / gain	0.02	0.11	0.49	(0.35)	(0.04)	0.13

36. Auditors' remuneration (excluding service tax):

Particulars	For the year ended December 31, 2014		For the year ended December 31, 2013	
a) Audit fee	0.24			0.22
b) In other capacity:				
- Limited reviews of unaudited financial results	0.16			0.14
- Audit of accounts for the fiscal year	0.05			0.05
- For certification and others	0.02			0.03
c) Out of pocket expenses	0.01			0.01

37. Earnings per share

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
a) Profit for the year, per statement of profit and loss (Rs. in crores)	558.92	278.62
b) Weighted average number of equity shares (Nos.)	2,70,81,961	2,70,10,595
c) Effect of potential dilutive equity shares on Employee Stock Options outstanding (Nos.)	133,474	149,796
d) Weighted average number of equity shares in computing diluted earnings per share [(b) + (c)]	2,72,15,435	2,71,60,391
e) Earnings per share (in rupees): (face value-Rs. 10 per share)		
- Basic [(a)/(b)]	206.38	103.15
- Diluted [(a)/(d)]	205.37	102.58

38. Segment reporting:

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

39. Related party disclosures**a.** Name of related parties and their relationship:

Name of related party		Nature of Relationship
VE Commercial Vehicles Limited	(VECVL)	Subsidiary company
Eicher Engineering Solutions, Inc., U.S.A.	(EES, Inc.)	100% subsidiary company of VECVL
Eicher Engineering Solutions (Beijing) Co. Ltd	(EES, Beijing)	100% subsidiary company of EES, Inc.
Eicher Engineering Solutions (Shanghai) Co. Ltd.	(EES, Shanghai)	100% subsidiary company of EES, Inc.
V E C V Lanka (Private) Limited @	(VECV Lanka)	100% subsidiary company of VECVL
Eicher Goodearth Private Limited	(EGPL)	Significant influence of key management personnel
Eicher Polaris Private Limited	(EPPL)	Joint venture company
@ Incorporated w.e.f. April 9, 2013		

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. R.L. Ravichandran	Whole Time Director

Transactions with the above key management personnel during the year:

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Managerial remuneration@		
- Mr. Siddhartha Lal	5.37	4.75
- Mr. R.L. Ravichandran	0.68	0.68
Total	6.05	5.43

@ Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

39. Related party disclosures (Continued)**Transactions with the above parties**

Rs. in crores

Particulars	VECVL		EPPL		EGPL		Total	
	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2014	For the year ended December 31, 2013
Purchase of finished goods/services	50.96	22.32	-	-	-	-	50.96	22.32
Investment in shares capital of joint venture company	-	-	80.00	20.00	-	-	80.00	20.00
Advance given to joint venture company for subscription of equity shares	-	-	25.00	30.00	-	-	25.00	30.00
Expenses recovered	-	-	0.38	0.33	-	-	0.38	0.33
Expenses reimbursed	0.07	0.09	-	-	-	-	0.07	0.09
Security deposit given	-	-	-	-	-	0.11	-	0.11
Corporate service charges	3.09	3.42	-	-	-	-	3.09	3.42
Rent income	-	-	2.49	1.20	-	-	2.49	1.20
Rent paid	-	-	-	-	2.19	2.25	2.19	2.25
Brand fee	-	-	-	-	7.54	4.23	7.54	4.23
Dividend received	40.80	40.80	-	-	-	-	40.80	40.80
Aggregate balances outstanding as at the year end								
- Receivables	-	-	0.10	0.13	-	-	0.10	0.13
- Payables	14.07	7.66	-	-	7.54	4.23	21.61	11.89
- Advances	-	-	25.00	30.00	-	-	25.00	30.00
- Investments in equity share capital	5.44	5.44	105.50	25.50	-	-	110.94	30.94
- Security deposit receivable	-	-	-	-	1.09	1.09	1.09	1.09

40. Disclosure in respect of operating leases:**(A) Assets taken on lease:**

The Company has taken certain premises under various operating lease agreements. The total lease rental recognize as expense aggregate to Rs. 12.59 crores (Rs. 10.60 crores).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following year:

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Not later than one year	5.68	1.08
Later than one year and not later than five years	7.99	1.62

(B) Assets given on lease:

The Company has given assets under operating lease agreement to its joint venture company "Eicher Polaris Private Limited". The total lease rental recognize as income aggregate to Rs. 2.49 crores (Rs. 1.20 crores).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following year:

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Not later than one year	2.61	2.49
Later than one year and not later than five years	11.84	11.27
Later than five years	11.45	14.63

41. The details of disputed excise duty, sales tax, service tax and income tax dues as on December 31, 2014 which have not been deposited or deposited under protest are as follows:

Nature of the Statute	Nature of dues	Forum where pending	Amount* (Rs. in crores)	Amount paid under protest (Rs. in crores)	Period to which amount relate
Central Excise Act	Excise Duty	Appellate Authority upto Commissioner's level	0.02	0.01	1995-96 to 1996-97
		CESTAT	54.96	0.26	1983-84 to 2000-01, 2002-03 to 2004-05
Sales Tax Act	Sales Tax	Assessing Authority	0.12	0.12	1994-95 to 1998-99, 2000-01, 2004-05
		Appellate Authority upto Commissioner's level	1.66	0.89	1986-87, 1989-90 to 1991-92, 1993-94, 1996-97 to 2003-04, 2005-06, 2007-08, 2008-09, 2010-11, 2013-14
		Appellate Tribunal	2.09	0.59	1988-89, 1991-92 to 1995-96, 1997-98 to 2004-05, 2006-07
		High Court	1.82	0.61	1984-85, 1985-86, 1992-93 to 1994-95, 2000-01, 2001-02, 2004-05
		Supreme Court	1.72	0.55	1986-87, 1990-91 to 1992-93
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner's level	0.39	0.02	2006-07 to 2011-12
Income Tax Act, 1961	Income Tax	Appellate Authority upto Commissioner's level	4.26	-	2007-08 to 2013-14

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

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

42. The unhedged of foreign currency exposures are as under:

Particulars	As at December 31, 2014		As at December 31, 2013	
	Foreign currency in crores	Rs. in crores	Foreign currency in crores	Rs. in crores
Receivables				
USD	0.01	0.86	0.01	0.13
EURO	0.08	6.21	0.09	7.71
GBP	-	-	0.01	0.25
		7.07		8.09
Payables				
USD	0.01	0.62	-	-
EURO	0.01	0.95	0.01	0.04
GBP	0.01	0.71	-	-
JPY	1.75	0.92	0.38	0.23
		3.20		0.27

43. The Company has a joint venture with Polaris Industries, Inc., U.S.A., Eicher Polaris Private Limited (EPPL) with an investment of Rs. 130.50 crores (including advance for equity Rs. 25.00 crores) (investment of Rs. 55.00 crores (including advance for equity Rs. 30.00 crores)) as at December 31, 2014, representing 50% shareholding in EPPL.

The proportionate share of assets and liabilities and Income and Expenditure for the year as per their audited financial statements are given below:

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
i) Reserves and surplus	(5.49)	(0.45)
ii) Share application money pending allotment	25.00	30.00
iii) Non-current liabilities		
Long term provisions	0.22	0.05
iv) Current liabilities		
Trade payables	3.57	0.53
Other current liabilities	9.20	9.03
Short term provisions	0.01	-
	13.00	9.61
v) Non current assets		
Fixed assets	88.68	28.45
Long term loans and advances	31.91	8.70
vi) Current assets		
Cash and cash equivalents	16.89	27.35
Short-term loans and advances	0.46	0.06
Other current assets	0.07	0.10
	138.01	64.66
Capital commitments	16.06	27.52

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
i) Revenue	0.96	0.62
ii) Expenses		
Employee benefits expense	1.30	0.14
Finance costs	0.02	0.02
Other expenses	4.37	0.55
Tax expenses	0.31	0.20
	6.00	0.91

44. **Particulars of imported and indigenous raw materials, components, stores and machinery spares (including loose tools and packing material):**

Description	Rs. in crores			
	For the year ended December 31, 2014		For the year ended December 31, 2013	
	%	Value	%	Value
a) Raw materials and components				
Imported	2.77	50.41	5.32	57.39
Indigenous	97.23	1,768.67	94.68	1,021.84
	100.00	1,819.08	100.00	1,079.23
b) Stores and machinery spares consumed (including loose tools and packing material)				
Indigenous	100.00	63.82	100.00	40.21
	100.00	63.82	100.00	40.21

45. Particulars of raw materials and components consumed

Rs. in crores

Description	For the year ended December 31, 2014	For the year ended December 31, 2013
Iron and steel	3.30	4.22
Others including Components and spare parts*	1,815.78	1,075.01
	1,819.08	1,079.23

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

46. CIF value of imports:

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Components and spare parts	49.22	51.66
Capital goods	23.35	3.06
Others	2.94	1.13
	75.51	55.85

47. Expenditure in foreign currency (on accrual basis):

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Travelling	2.91	1.13
Consultancy fees	1.35	1.90
Advertisement and sales promotion expenses	9.84	5.26
Others	3.62	2.28
	17.72	10.57

48. Earnings in foreign currency:

Rs. in crores

Export of goods (FOB Value)	For the year ended December 31, 2014	For the year ended December 31, 2013
Two wheelers	87.79	66.63
Gears, components and spare parts	3.21	2.26
Other automobile products	0.73	0.12
	91.73	69.01

49. Remittance in foreign currency towards dividends:

The particulars of dividends declared during the year and payable to non-resident shareholders are as under:	For the year ended December 31, 2014	For the year ended December 31, 2013
(i) Number of non-resident shareholders		
(a) For 2013	Nos. 1	
(b) For 2012	Nos.	1
(ii) Number of shares held by them		
(a) For 2013	Nos. 22,75,610	
(b) For 2012	Nos.	22,75,610
(iii) Gross amount of dividend		
(a) For 2013	Rs. in crores 6.83	
(b) For 2012	Rs. in crores	4.55

50. Figures in brackets represent previous year's figures.

51. Previous year's figures have been recast/regrouped, wherever necessary to confirm the current year's presentation.

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

1	Name of the Company	VE Commercial Vehicles Ltd. (VECVL) (54.4% subsidiary of EML)	Eicher Engineering Solutions Inc. (EES Inc.) (100% subsidiary of EML)	Eicher Engineering Solutions (Shanghai) Co., Ltd. (100% subsidiary of EES Inc.)	Eicher Engineering Solutions (Beijing) Co., Ltd.	VECV Lanka (Private) Limited (100% subsidiary of VECVL)
2	Financial year of the subsidiary Company	31.12.2014	31.12.2014	31.12.2014	31.12.2014	31.12.2014
3	(a) Number of equity shares held in (Nos.) the subsidiary Company by holding Company at the above date % Holding (equity)	5440000	16400	N.A*	N.A*	12681697
	(b) Number of preference shares held in (Nos.) the subsidiary Company by holding Company at the above date % Holding (preference)	54.4%	100%	100%	100%	100%
		NIL	NIL	NIL	NIL	NIL
4	The net aggregate of profits less losses of the subsidiary Company so far as it concern the members of holding Company					
	(i) Dealt with in the accounts of the holding Company amounted to:					
	(a) For the subsidiary's financial year ended on 31.12.2014 (Rs. crores)	NIL	NIL	NIL	NIL	NIL
	(b) For the previous financial years of the subsidiary since it become subsidiary (Rs. crores)	NIL	NIL	NIL	NIL	NIL
	(i) Not dealt with in the accounts of the holding Company amounted to:					
	(a) For the subsidiary's financial year ended on 31.12.2014 (Rs. crores)	243.84	(2.03)	0.36	0.08	(0.60)
	(b) For the previous financial years of the subsidiary since it become subsidiary (Rs. crores)	809.37	(33.03)	1.82	0.19	(1.69)
5	As the financial year of subsidiary Company coincides with the financial year of the holding Company, section 215 (5) of the Companies Act, 1956, is not applicable.					

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

S.No.	Particulars	Amount (Rs. crores)	Amount (Rs. crores)	Amount (Rs. crores)	Amount (Rs. crores)	Amount (Rs. crores)
1	Capital	10.00	20.32	1.12	2.42	5.43
2	Reserves	2395.91	(30.67)	1.45	(1.97)	(0.87)
3	Total Assets	4168.44	19.82	2.94	0.60	14.79
4	Total Liabilities	1762.53	30.17	0.37	0.15	10.23
5	Details of Investments (Except in case of investment in subsidiaries)	-	-	-	-	-
6	Turnover	5725.07	67.41	9.72	5.14	35.51
7	Profit/(Loss) before taxation	243.84	(2.03)	0.37	0.10	(0.72)
8	Income Taxes (Deferred Assets)	51.59	-	0.01	0.02	(0.12)
9	Profit/(loss) after taxation	192.25	(2.03)	0.36	0.08	(0.60)
10	Proposed Dividend	75.00	-	-	-	-
	Exchange rate used					
	Balance Sheet (Closing rate as on 31.12.2014)		1 USD = Rs.63.33	1 RMB = Rs.10.09	1 RMB = Rs.10.09	1 LKR = Re.0.48
	P&L (Average rate January'14 to December'14)		1 USD = Rs 61.03	1 RMB = Rs.9.90	1 RMB = Rs.9.90	1 LKR = Re.0.47

Manhar Kapoor	Lalit Malik	S. Sandilya	: Chairman	DIN: 00037542
Company Secretary	Chief Financial Officer	Siddhartha Lal	: Managing Director	DIN: 00037645
Mem No: FCS 5564	Mem. No. 92890	Priya Brat	: Director	DIN: 00041859
		M.J. Subbaiah	: Director	DIN: 00044799
		Prateek Jalan	: Director	DIN: 02170139
		Manvi Sinha	: Director	DIN: 07038675



CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **EICHER MOTORS LIMITED** (the "Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at December 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiaries viz., Eicher Engineering Solutions, Inc., U.S.A., Eicher Engineering Solutions (Beijing) Co., Ltd., Eicher Engineering Solutions (Shanghai) Co., Ltd. and V E C V Lanka Private Limited, whose financial statements reflect total assets (net) of Rs. 34.49 crores as at December 31, 2014, total revenues of Rs. 102.68 crores and net cash inflows amounting to Rs. 4.48 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

Place: Gurgaon
Date: February 13, 2015

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

Manjula Banerji
(Partner)
(Membership No. 086423)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2014

Rs. in crores

Particulars	Note No.	As at December 31, 2014	As at December 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	27.10	27.04
Reserves and surplus	3	2,488.76	2,028.38
		2,515.86	2,055.42
Minority interest		1,085.06	1,039.72
Non-current liabilities			
Deferred tax liabilities (net)	4	239.35	180.45
Other long-term liabilities	5	16.87	13.60
Long-term provisions	6	72.83	59.78
		329.05	253.83
Current liabilities			
Short-term borrowings	7	58.36	83.90
Trade payables	8	1,512.67	1,191.36
Other current liabilities	9	658.10	556.26
Short-term provisions	10	248.47	156.10
		2,477.60	1,987.62
Total		6,407.57	5,336.59
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		1,981.09	1,609.36
Intangible assets		328.24	46.78
Capital work-in-progress		236.34	125.29
Intangible assets under development		182.46	338.30
		2,728.13	2,119.73
Non-current investments	12	160.60	0.05
Long-term loans and advances	13	478.07	298.47
Other non-current assets	14	7.67	7.09
		3,374.47	2,425.34
Current assets			
Current investments	15	917.09	825.41
Inventories	16	645.52	526.80
Trade receivables	17	562.17	512.50
Cash and cash equivalents	18	480.58	682.56
Short-term loans and advances	19	379.70	317.87
Other current assets	20	48.04	46.11
		3,033.10	2,911.25
Total		6,407.57	5,336.59

See accompanying notes forming part of the consolidated financial statements 1 to 42

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

Manjula Banerji

Partner

Place: Gurgaon

Date: February 13, 2015

Manhar Kapoor

Company Secretary

M em No: FCS 5564

Lalit Malik

Chief Financial Officer

Mem. No. 92890

S. Sandilya

Siddhartha Lal

Priya Brat

M.J. Subbaiah

Prateek Jalan

Manvi Sinha

: Chairman

: Managing Director

: Director

: Director

: Director

: Director

DIN: 00037542

DIN: 00037645

DIN: 00041859

DIN: 00044799

DIN: 02170139

DIN: 07038675

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 2014

Particulars	Note No.	Rs. in crores	
		For the year ended December 31, 2014	For the year ended December 31, 2013
Income			
Revenue from operations (gross)	21	9,351.74	7,433.29
Less: Excise duty		613.42	623.49
Revenue from operations (net)		8,738.32	6,809.80
Other income	22	107.44	95.29
Total revenue		8,845.76	6,905.09
Expenses			
Cost of raw materials and components consumed	23	4,904.29	3,921.88
Purchase of stock-in-trade	24	946.41	734.65
Change in inventories of finished goods, work-in-progress and stock-in-trade	25	(84.72)	(17.83)
Employee benefits expenses	26	659.64	533.34
Finance costs	27	9.78	7.88
Depreciation and amortisation expenses	28	219.82	130.04
Other expenses	29	1,197.92	924.57
Total expenses		7,853.14	6,234.53
Profit before tax		992.62	670.56
Tax expense			
Current tax		284.89	153.21
Minimum alternate tax (MAT) credit entitlement		(52.91)	(65.29)
Deferred tax charge		58.90	57.26
Total tax expense		290.88	145.18
Profit after tax		701.74	525.38
Minority interest		86.38	131.44
Profit for the year		615.36	393.94
Earning per share - basic		227.22	145.85
Earning per share - diluted		226.11	145.04
(Face value of Rs 10 per share) (in Rs.)			

See accompanying notes forming part of the consolidated financial statements

1 to 42

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Manjula Banerji

Partner

Place: Gurgaon

Date: February 13, 2015

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	992.62	670.56
Adjustments for:		
Depreciation and amortisation expenses	219.82	130.04
Exchange differences on conversion	(0.17)	(0.11)
Profit on sale of fixed assets	(0.80)	(0.99)
Fixed assets discarded	0.92	0.66
Dividend on unquoted non trade current investments	(4.84)	(6.91)
Rent income	(2.70)	(1.20)
Loss on sale of fixed assets	1.97	2.29
Profit on sale of unquoted non trade current investments	(60.75)	(29.26)
Interest income	(29.36)	(55.44)
Finance costs	9.78	7.88
Operating profit before changes in working capital	1,126.49	717.52
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(118.72)	(37.96)
Trade receivables	(49.67)	(66.63)
Short-term loans and advances	(61.83)	(98.02)
Long-term loans and advances	(41.45)	77.60
Other current assets	(27.53)	(14.72)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	321.31	236.66
Other current liabilities	141.84	41.86
Other long-term liabilities	1.35	(2.76)
Short-term provisions	23.64	9.42
Long-term provisions	13.05	3.66
Cash generated from operating activities	1,328.48	866.63
Direct taxes paid	(281.01)	(150.43)
Net cash from operating activities (A)	1,047.47	716.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work-in-progress and pre-operative expenditure)	(971.95)	(712.27)
Sale of fixed assets	3.74	6.84
Net investment in unquoted non trade current investments	(91.68)	(186.96)
Net investment in unquoted non trade non current investments	(150.00)	-
Profit on sale of unquoted non trade current investments	60.75	29.26
Dividend on unquoted non trade current investments	4.84	6.91
Investment in non current fixed deposit under lien (net)	(0.58)	(0.91)
Rent received	2.70	1.20
Interest received	54.96	66.14
Net cash flow from investing activities (B)	(1,087.22)	(789.79)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	-	(0.58)
Increase/ (decrease) in short term borrowings (net)	(25.54)	61.55
Interest paid	(9.78)	(7.98)
Proceeds from issue of equity share capital under ESOP Scheme (including security premium)	7.86	1.65
Dividend paid	(115.16)	(87.68)
Tax on dividend paid	(19.61)	(14.31)
Net cash flow from financing activities (C)	(162.23)	(47.35)
Net Increase in cash and cash equivalents (A)+(B)+(C)	(201.98)	(120.94)
Cash and cash equivalents at the beginning of the year	682.56	803.50
Cash and cash equivalents at the end of the year	480.58	682.56

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014 (Continued)

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Components of cash and cash equivalents		
Cash on hand	0.15	0.22
Cheques/ drafts on hand	21.56	20.76
Balances with banks:		
In current accounts	102.94	67.17
In unpaid dividend accounts #	3.77	3.61
In margin money account	-	-
In deposit accounts *	335.27	563.45
	463.69	655.21
Share of cash and cash equivalents of joint ventures	16.89	27.35
Total cash and cash equivalents (Refer Note No. 18)	480.58	682.56

The Company can utilise these balances only towards settlement of the unpaid dividend liabilities.

* Rs. 127.26 crores (Rs. 333.05 crores) pledged/lien with banks.

See accompanying notes forming part of the financial statements 1 to 42

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Manjula Banerji

Partner

Place: Gurgaon

Date: February 13, 2015

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Company Secretary

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of consolidation and significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to Eicher Motors Limited (the Company), its subsidiary companies and a joint venture. The Company, its subsidiaries and joint venture constitute the Group.

(i) Basis of preparation

The consolidated financial statements of the Company, its subsidiaries and joint venture (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

(ii) Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies and joint venture used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended December 31, 2014.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- iii. The financial statements of the joint venture company have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements.
- iv. The excess of cost to the Company of its investments in the subsidiary companies and joint venture over its share of equity of the subsidiary companies and joint venture, at the dates on which the investments in the subsidiary companies and joint ventures are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies and joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- v. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iii) The following subsidiary companies are considered in the consolidated financial statements:

Name of the subsidiary company	Country of Incorporation	% voting power held as at December 31, 2014	% voting power held as at December 31, 2013
Direct subsidiary			
VE Commercial Vehicles Limited (VECVL)	India	54.4%	54.4%
Indirect subsidiaries*			
Eicher Engineering Solutions, Inc. (EES, Inc.) (100% subsidiary company of VECVL)	U.S.A.	54.4%	54.4%
Eicher Engineering Solutions (Beijing) Co., Ltd. (100% subsidiary company of EES, Inc.)	China	54.4%	54.4%
Eicher Engineering Solutions (Shanghai) Co., Ltd. (100% subsidiary company of EES, Inc.)	China	54.4%	54.4%
V E C V Lanka (Private) Limited (VECV Lanka) (incorporated w.e.f. April 9, 2013) (100% subsidiary company of VECVL)	Sri Lanka	54.4%	54.4%

* Effective holding % of the Company through its subsidiary.

- (iv) The following joint venture company is considered in the consolidated financial statements:

Name of the joint venture company	Country of Incorporation	% ownership interest as at December 31, 2014	% ownership interest as at December 31, 2013
Eicher Polaris Private Limited	India	50%	50%

(b) Significant accounting policies

(i) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(ii) Inventories

Inventories are valued at the lower of cost and moving weighted average price and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

(iii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(iv) Cash flow statement

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

(v) Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 other than in case of Eicher Motors Limited, where in respect of moulds and dies higher rate of depreciation @ 20% per annum have been followed.

Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation

Depreciation on addition to fixed assets is provided on pro-rata basis from the month the assets are put to use. Depreciation on sale/deduction from fixed assets is provided for up to the previous month of sale, deduction, discardment as the case may be.

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of ten years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed usage pattern.

Leasehold land is amortised over the lease period.

Depreciation on fixed assets in case of EES Inc., and its subsidiary companies, is charged on the straight line method on a prorata basis from the month the assets are put to use using the estimated lives specified under the Internal Revenue Service. The estimated lives for various categories of the assets are as follows:

Type of Asset	Estimated useful life
Company software	3 years
Office equipment	5 years
Furniture and fixtures	7 years
Plant and machinery	7 years

(vi) Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax. The Company recognises income from services on rendering of services.

Interest income is recognised on a time proportionate basis taking into account the amount invested and rate applicable. Dividend income is accounted for when the right to receive it is established.

(vii) Fixed assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Pre-operative expenditure (pending allocation)

Expenses directly related to construction activity or incidental thereto, are allocated to fixed assets at the time of completion of the project.

Intangible assets under development

Expenditure on Research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

(viii) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the Balance Sheet date. Non-monetary items denominated in foreign currencies are carried at cost.

Any income or expense on account of exchange differences either on settlement or on translation of transactions are charged to the Statement of Profit and Loss.

In case of foreign subsidiary companies, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas revenues and expenses reflected in the statement of profit and loss have been translated into Indian Rupees at annual average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in "Foreign currency translation reserve" to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary companies is disposed off.

(ix) Investments

Long term investments are carried individually at cost, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(x) Employee benefits

Employee benefits includes gratuity, compensated absences, long service awards and contribution to provident fund, employees' state insurance scheme, superannuation fund.

Defined contribution plans

The Company's contribution to provident fund, employees' state insurance scheme, superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by employees. In respect of certain employees, provident fund contributions are made to a Trust where the interest rate payable to the members of such Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The remaining contributions are made to a government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term employee benefits

Compensated absences and long service awards which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date and actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

(xi) Employee share based payments

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the Company has constituted an Employee Stock Option Plan - 2006. Employee Stock Options granted by the Company are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

(xii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xiii) Leases

Lease rentals in respect of assets that are in the nature of operating leases are expensed with reference to lease terms.

(xiv) 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.

(xv) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 and applicable tax laws in case of foreign subsidiary companies. The provision for taxation for the year ended December 31, 2014 comprises the residual tax liability for the assessment year 2014-15 relevant to the year April 1, 2013 to March 31, 2014 and the liability, which has accrued on the profit for the period April 1, 2014 to December 31, 2014, under the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

(xvi) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets (Tangible/Intangible).

(xvii) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

(xviii) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

(xix) Provision for warranty

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.

As per the terms of the contracts, the Company provides post-contract services / warranty support to its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2. Share capital

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Authorised		
3,00,00,000 (3,00,00,000) Equity shares of Rs. 10 each	30.00	30.00
1,01,000 (1,01,000) Redeemable cumulative preference shares of Rs. 100 each	1.01	1.01
Total	31.01	31.01
Issued, subscribed and fully paid up		
2,71,04,783 (2,70,38,883) Equity shares of Rs. 10 each	27.10	27.04
Total	27.10	27.04

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at December 31, 2014		As at December 31, 2013	
	Nos.	Rs. in crores	Nos.	Rs. in crores
At the beginning of the year	2,70,38,883	27.04	2,70,00,983	27.00
Issued during the year - ESOP	65,900	0.06	37,900	0.04
Outstanding at the end of the year	2,71,04,783	27.10	2,70,38,883	27.04

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

Particulars	As at December 31, 2014		As at December 31, 2013	
	Nos.	% holding in the class	Nos.	% holding in the class
The Lal Family Trust	-	-	40,56,482	15.00%
Eicher Goodearth Trust	32,71,723	12.07%	32,71,723	12.10%
Anita Lal	30,23,167	11.16%	30,23,167	11.18%
The Simran Siddhartha Tara Benefit Trust	67,99,828	25.09%	27,43,346	10.15%
Aktiebolaget Volvo (PUBL), Volvo, Sweden	22,75,610	8.40%	22,75,610	8.42%

(iii) The Company has not issued shares for consideration other than cash and has not bought back shares during five years immediately preceding the reporting date, December 31, 2014.

(iv) Employee stock option plan

- 1,77,000 (1,77,000) options on September 30, 2006, exercisable over a period of seven years after vesting on October 1, 2009 at an exercise price of Rs. 297 (including premium of Rs. 287) per option, out of which Nil (Nil) options are outstanding at year end. During the year, Nil (6,400) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 297 (including premium of Rs. 287 each) per equity share.
- 2,08,900 (2,08,900) options on October 22, 2007, exercisable over a period of seven years after vesting on October 23, 2010 at an exercise price of Rs. 462 (including premium of Rs. 452) per option, out of which 29,500 (32,000) options are outstanding at year end. During the year, 2,500 (31,500) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 462 (including premium of Rs. 452 each) per equity share.
- 40,000 (40,000) options on April 29, 2010, exercisable over a period of seven years after vesting on April 29, 2011 at an exercise price of Rs. 695 (including premium of Rs. 685) per option are outstanding as at year end.
- 15,400 (15,400) options on November 8, 2010, exercisable over a period of seven years after vesting on November 8, 2013 at an exercise price of Rs. 1,411 (including premium of Rs. 1,401) per option out of which Nil (15,400) options are outstanding at year end. During the year, 15,400 (Nil) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,411 (including premium of Rs. 1,401 each) per equity share.

- e. 1,08,200 (1,08,200) options on May 6, 2011, exercisable over a period of seven years after vesting on May 6, 2014 at an exercise price of Rs. 1,162 (including premium of Rs. 1,152) per option out of which 60,200 (1,08,200) options are outstanding at year end. During the year, 48,000 (Nil) equity shares were issued and allotted as fully paid up at an exercise price of Rs. 1,162 (including premium of Rs. 1,152 each) per equity share. During the year, Nil (24,000) options were forfeited.
- f. 5,400 (5,400) options on February 11, 2012, exercisable over a period of seven years after vesting on February 11, 2015 at an exercise price of Rs. 1,770 (including premium of Rs. 1,760) per option are outstanding as at year end. During the year, Nil (7,200) options were forfeited.
- g. 5,000 (5,000) options on December 16, 2013, exercisable over a period of seven years after vesting on December 15, 2016 at an exercise price of Rs. 4,915 (including premium of Rs. 4,905) per option are outstanding as at year end.
- h. 22,500 (Nil) options on August 11, 2014, exercisable over a period of seven years after vesting on August 11, 2017 at an exercise price of Rs. 8,477.50 (including premium of Rs. 8,467.50) per option are outstanding as at year end.
- i. 5,400 (Nil) options on November 12, 2014, exercisable over a period of seven years after vesting on November 12, 2017 at an exercise price of Rs. 12,993.65 (including premium of Rs. 12,983.65) per option are outstanding as at year end.
- j. Each option entitles the holders thereof to apply for and be allotted one equity share of the face value of Rs. 10 each.

3. Reserves and surplus

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
A Capital reserve		
Opening balance	0.25	0.25
Add / (Less): Movement during the year	-	-
Closing balance	0.25	0.25
B Capital redemption reserve		
Opening balance	1.41	1.41
Add / (Less): Movement during the year	-	-
Closing balance	1.41	1.41
C Securities premium account		
Opening balance	599.87	598.26
Add / (Less): Movement during the year @	7.80	1.61
Closing balance	607.67	599.87
D General reserves		
Opening balance	321.98	278.39
Add: Amount transferred from surplus in the statement of profit and loss	66.35	43.59
Closing balance	388.33	321.98
E Surplus in the statement of profit and loss		
Opening balance	1,105.47	850.04
Profit for the year	615.36	393.94
Less: Appropriations		
Dividend (amount per share Rs. 50.0 (Rs. 30.0))	135.52	81.12
Tax on dividend	27.10	13.80
Transferred to general reserve	66.35	43.59
Total appropriations	228.97	138.51
Net surplus in the statement of profit and loss	1,491.86	1,105.47
F Foreign currency translation reserve		
Opening balance	(0.60)	(0.46)
Addition	-	-
Deductions	0.16	0.14
Closing balance	(0.76)	(0.60)
Total (A+B+C+D+E+F)	2,488.76	2,028.38

@ Represents premium @ Rs. 287 per equity share on Nil (6,400) equity shares, @ Rs. 452 per equity share on 2,500 (31,500) equity shares, @ Rs. 1,152 per equity share on 48,000 (Nil) equity shares and @ Rs. 1,401 per equity share on 15,400 (Nil) equity shares issued and allotted during the year under Employee Stock Option Scheme.

4. Deferred tax liabilities (net)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Deferred tax liabilities on		
Accelerated depreciation	324.31	247.16
Sub-total (A)	324.31	247.16
Less: Deferred tax assets on		
Business loss carried forward and unabsorbed depreciation	53.38	42.12
Accrued expenses deductible on payment	11.69	9.99
Provision for gratuity	3.40	2.62
Provision for compensated absences and other employee benefits	9.49	6.28
Provision for doubtful debts and advances	4.94	5.15
Others	2.06	0.55
Sub-total (B)	84.96	66.71
Net deferred tax liabilities	Total (A-B)	180.45

5. Other long-term liabilities

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Capital creditors	2.04	0.12
Advances from customers for goods and services	3.94	3.64
Security deposits received	10.89	9.84
Total	16.87	13.60

6. Long-term provisions

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Provision for employee benefits		
Gratuity	8.66	7.36
Compensated absences (including leave encashment)	32.14	22.79
Other employee benefits	4.42	15.14
	45.22	45.29
Provision for warranties	27.39	14.44
	27.39	14.44
	72.61	59.73
Share of long-term provision of joint venture	0.22	0.05
Total	72.83	59.78

7. Short-term borrowings

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Secured		
Loan repayable on demand		
- From bank		
Cash credit *	27.56	33.90
Short term loan#	30.80	-
Unsecured		
Short-term loan from bank	-	50.00
Total	58.36	83.90

* Includes :

- (a) Rs. Nil (Rs. 4.00 crores) secured by a first charge by way of hypothecation on inventories and book debts of the Company.
- (b) Rs. Nil (Rs. 3.09 crores) is secured by current assets of the Eicher Engineering Solutions, Inc. and by an irrevocable letter of credit issued by the State Bank of India, India.
- (c) Rs. 25.33 crores (Rs. 18.26 crores) is secured by current assets of the Eicher Engineering Solutions, Inc. and by an irrevocable letter of credit issued by the Kotak Mahindra Bank, India.
- (d) Rs. 2.23 crores (Rs. 8.55 crores) is secured by an irrevocable letter of credit issued by the ICICI Bank Limited, India.
- # Rs. 30.80 crores (Rs. Nil) secured by way of first pari passu hypothecation charge on all existing and future receivables and current assets of the Company.

8. Trade payables

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Acceptances	349.60	279.89
Dues to micro and small enterprises*	37.64	37.40
Other trade payables	1,121.86	873.54
	1,509.10	1,190.83
Share of trade payables of joint venture	3.57	0.53
Total	1,512.67	1,191.36

* Refer Note No. 33

9. Other current liabilities

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Capital creditors		
Dues to micro and small enterprises	0.62	0.10
Others	89.84	129.34
Unpaid dividend*	3.77	3.61
Advance from customers for goods and services	245.92	143.60
Employee dues	88.27	70.10
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, service tax, etc.)	213.56	170.54
Gratuity payable	6.77	3.96
Book overdraft	-	26.28
Other payables	-	0.01
	648.75	547.54
Share of trade payables of joint venture	9.35	8.72
Total	658.10	556.26

* Does not include any amounts outstanding as at December 31, 2014 which are required to be credited to Investor Education and Protection Fund.

10. Short-term provisions

Rs. in crores

Particulars	As at	
	December 31, 2014	December 31, 2013
Provision for employee benefits		
Gratuity	0.21	0.33
Compensated absences (including leave encashment)	2.55	2.45
Other employee benefits	11.78	1.15
	14.54	3.93
Provision for warranties	64.45	51.44
Proposed dividend	135.52	81.12
Provision for tax on proposed dividend	33.94	19.61
	233.91	152.17
	248.45	156.10
Share of short term provision of joint venture	0.02	-
Total	248.47	156.10

11. Fixed assets:

Rs. in crores

Assets	Gross block (At cost)			Depreciation/Amortisation				Net block		
	As at December 31, 2013	Additions during the year \$	Deductions during the year #	As at December 31, 2014	As at December 31, 2013	For the year @	Adjustments #^	As at December 31, 2014	As at December 31, 2014	As at December 31, 2013
(A) Tangible assets										
Land *										
Freehold	36.19	83.64	-	119.83	-	-	-	-	119.83	36.19
Leasehold	60.55	75.26	5.33	130.48	3.26	1.23	0.44	4.05	126.43	57.29
Buildings *	377.97	40.54	12.28	406.23	44.67	13.52	6.39	51.80	354.43	333.30
Plant and equipment	1,438.76	307.46	19.79	1,726.43	407.01	136.71	19.03	524.69	1,201.74	1,031.75
Furniture and fixtures	71.63	15.85	1.05	86.43	14.12	3.17	0.43	16.86	69.57	57.51
Office equipments	105.45	20.94	5.33	121.06	51.16	11.66	4.55	58.27	62.79	54.29
Vehicles	64.41	20.87	7.10	78.18	26.21	11.80	4.36	33.65	44.53	38.20
Share of tangible assets of joint venture	0.90	1.17	-	2.07	0.07	0.23	-	0.30	1.77	0.83
Sub-total (A)	2,155.86	565.73	50.88	2,670.71	546.50	178.32	35.20	689.62	1,981.09	
Previous year	1,410.90	773.17	28.21	2,155.86	446.11	121.10	20.71	546.50		1,609.36
(B) Intangible assets										
Product designs, prototypes etc.	40.91	300.96	-	341.87	36.43	25.30	-	61.73	280.14	4.48
Computer/ production softwares	79.88	22.73	1.12	101.49	37.87	16.38	0.16	54.09	47.40	42.01
Goodwill	22.28	-	-	22.28	22.28	-	-	22.28	-	-
Share of intangible assets of joint venture	0.34	0.67	-	1.01	0.05	0.26	-	0.31	0.70	0.29
Sub-total (B)	143.41	324.36	1.12	466.65	96.63	41.94	0.16	138.41	328.24	
Previous year	115.08	31.36	3.03	143.41	88.07	11.09	2.53	96.63		46.78
(C) Capital work-in-progress (including pre-operative expenditure pending allocation amounting to Rs. 1.98 crores (Rs. 5.64 crores) with share of joint venture amounting to Rs. 16.62 crores (Rs. 4.65 crores) (Refer Note No. 11A)) (including share of joint venture amounting to Rs. 69.24 crores (Rs. 14.94 crores))									236.34	125.29
(D) Intangible assets under development (including pre-operative expenditure pending allocation amounting to Rs. Nil (Rs. 0.29 crore) (Refer Note No. 11A)) (including share of joint venture amounting to Rs. 23.31 crores (Rs. 12.39 crores))									182.46	338.30
Total (A+B+C+D)									2,728.13	2,119.73

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

Title deeds for lands at SEZ Pithampur and title deeds for lands and other properties at Ahmedabad, Bhiwandi and Gurgaon are pending for mutation/endorsement in favour of VE Commercial Vehicles Limited (a subsidiary company).

@ Includes Rs. 0.49 crore (Rs. 2.03 crores) transferred to pre-operative expenditure (pending allocation) and Rs. 0.42 crore (Rs. Nil) transferred to capital work-in-progress

\$ Includes Rs. 0.26 crore (Rs. 1.61 crores) on account of foreign exchange fluctuation.

includes Gross block of Rs. 23.58 crores (Rs. Nil) and accumulated depreciation of Rs. 12.56 crores (Rs. Nil) transferred to investment property under Note No. 12

^ Non-current investments consequent to transfer of rights of these assets to Eicher Polaris Private Limited (a joint venture company) under operating lease agreement for 10 years.

^ Net off by Rs. 0.21 crore (Rs. 1.47 crores) on account of foreign exchange fluctuation.

11A. Pre-operative expenditure (pending allocation)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Payments to and provisions for employees		
Salaries, wages, bonus etc.	0.82	11.71
Contribution to provident and other funds	0.05	0.34
Welfare expenses	-	1.04
Stores and machinery spares consumed (including loose tools)	-	1.24
Power and fuel	-	0.68
Insurance	-	0.05
Repairs and maintenance		
Buildings	-	0.33
Plant and machinery	0.01	0.12
Others	-	0.53
Rates and taxes	-	0.42
Freight	-	0.45
Rent	-	0.18
Legal and professional charges	0.01	0.30
Travelling expenses	0.04	0.71
Development expenses	0.15	0.63
Depreciation and amortisation expenses	-	2.03
Miscellaneous expenses	-	3.15
Exchange Loss/(gain)	-	1.43
Share of pre-operative expenditure of joint venture (including depreciation and amortisation amounting to Rs. 0.49 crore (Rs. 0.12 crore))	11.97	4.65
	13.05	29.99
Add: Balance brought forward from previous year (including share of joint venture Rs. 4.65 crores (Rs. Nil))	5.93	22.09
	18.98	52.08
Less: Capitalised during the year	0.38	46.15
	18.60	5.93

12. Non-current investments

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Long term *		
Unquoted trade investment in :		
50,000 (50,000) Equity shares of Rs. 10 each fully paid up of Pithampur Auto Cluster Ltd.	0.05	0.05
Sub-total (A)	0.05	0.05
Unquoted non-trade investment in :		
Government securities		
National Savings Certificates (# Rs.13,000) (Pledged with Government authorities)	#	#
Debt mutual funds		
Units of face value Rs. 10 each		
1,00,00,000 (Nil) units of HDFC FMP 370D Sep 2013-1-Regular-GR	10.00	-
1,50,00,000 (Nil) units of Reliance Fixed Horizon fund XXIV Series -11-Growth Plan	15.00	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 68-368 Days Plan G Regular Plan Cumulative	15.00	-
50,00,000 (Nil) units of SBI Debt Fund Series 366 Days-46-Dir-Growth	5.00	-
1,00,00,000 (Nil) units of Kotak FMP series 150 Direct-Growth	10.00	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 72-368 Days Plan A Direct Plan Cumulative	20.00	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 75-1100 Days Plan N Direct Plan Cumulative	15.00	-
1,00,00,000 (Nil) units of ICICI Pru FMP series 75-1100 Days Plan T Regular Plan Cumulative	10.00	-
1,50,00,000 (Nil) units of DWS FMP Series -82 - Direct Plan - Growth	15.00	-
1,83,07,306 (Nil) units of Reliance Interval Fund-II-Series4-DP-Growth Plan	20.00	-
1,50,00,000 (Nil) units of Reliance Interval Fund-III-Series1-DP-Growth Plan	15.00	-
Sub-total (B)	150.00	-
Repurchase price of unquoted non-trade investments in Debt Mutual funds amounting to Rs. 160.19 crores (Rs. Nil)		
* At cost as reduced by diminution in values, if any.		
Investment property (at written down value) (Refer Note No. 11)		
Land (including buildings and plant and equipments thereon)		
Cost	23.58	-
Less: Depreciation to date	13.03	-
(includes depreciation for the year Rs. 0.47 crore (Rs. Nil))	Sub-total (C)	-
	10.55	-
Total (A+B+C)	160.60	0.05

13. Long-term loans and advances

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Unsecured, considered good		
Capital advances	167.86	91.52
Security deposits	23.68	19.44
Loans and advances to employees	2.03	0.80
Balance with government authorities	52.65	20.69
Prepaid expenses	-	0.21
Advance income tax (net of provision for taxation)	15.58	19.46
MAT credit entitlement	190.50	137.59
Others	0.04	0.12
Sub-total (A)	452.34	289.83
Unsecured, considered doubtful		
Capital advances	-	0.02
Balance with government authorities	8.21	8.21
	8.21	8.23
Less: Provision for doubtful advances	8.21	8.23
Sub-total (B)	-	-
Total (A+B)	452.34	289.83
Share of long-term loans and advances of joint venture	25.73	8.64
Total	478.07	298.47

Represents advance given to Divitae Services Mercadologicas De Consultoria LTDA, Brazil for acquiring 999 equity shares (representing 99.99% equity shares) @Rs. 398.76 per share (equivalent to USD 6.50 per equity share), pending for incorporation in the name of Royal Enfield Brazil LTDA.

14. Other non-current assets

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Fixed deposits #	7.67	7.09
	7.67	7.09

Rs. 7.67 crores (Rs. 7.09 crores) pledged with banks.

15. Current investments @

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Unquoted non-trade investment in :		
Debt mutual funds		
Units of face value Rs. 10 each		
Nil (1,00,00,000) units of Kotak FMP series 104 Direct-Growth	-	10.00
Nil (1,00,00,000) units of Kotak FMP series 116 Direct-Growth	-	10.00
Nil (1,00,00,000) units of IDFC Fixed Term Plan Series 13 Direct Plan - Growth	-	10.00
Nil (1,00,00,000) units of IDFC Fixed Term Plan Series 32 Direct Plan - Growth	-	10.00
Nil (2,00,00,000) units of IDFC Yearly Series Interval Fund Regular Plan - Series II - Growth	-	20.00
Nil (1,39,21,612) units of HDFC Liquid Fund-Direct Plan-Dividend	-	14.20
Nil (1,50,00,000) units of HDFC FMP 372D Feb 2013-1-Regular-GR	-	15.00

15. Current investments @ Continued)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Nil (2,00,00,000) units of HDFC AIF-Plan B-Direct Plan-GR	-	20.00
Nil (70,00,000) units of HDFC FMP 370D Aug 2013-3-Direct-GR	-	7.00
Nil (2,00,00,000) units of HDFC FMP 372D Jan 2013-3-Direct-GR	-	20.00
Nil (2,00,00,000) units of BirlaSunlife Fixed Term Plan Series GJ-Growth	-	20.00
Nil (2,00,00,000) units of BirlaSunlife Fixed Term Plan Series HD-GZ	-	20.00
Nil (50,00,000) units of BirlaSunlife Fixed Term Plan Series IA-Growth Direct	-	5.00
Nil (2,50,00,000) units of DSP BlackRock FMP series 86-12M-Dir-Growth	-	30.00
Nil (2,50,00,000) units of DSP BlackRock FMP series 84-12M-Dir-Growth	-	25.00
Nil (2,50,00,000) units of DSP BlackRock FMP series 87-12M-Dir-Growth	-	25.00
Nil (40,00,000) units of DSP BlackRock FMP series 104-12M-Reg-Growth	-	4.00
Nil (30,00,000) units of DSP BlackRock FMP series 119-12M-Reg-Growth	-	3.00
Nil (2,00,00,000) units of Kotak FMP series 94 Direct-Growth	-	20.00
Nil (80,00,000) units of Reliance Fixed Horizon fund XXIII Series -6-DP-Growth Plan	-	8.00
Nil (4,00,00,000) units of Reliance Yearly Interval Fund-Series2-DP-Growth Plan	-	40.00
Nil (2,20,00,000) units of Reliance Yearly Interval Fund-Series5-DP-Growth Plan	-	22.00
Nil (3,00,00,000) units of SBI Debt Fund Series 366 Days-22-Dir-Growth	-	30.00
Nil (2,00,00,000) units of ICICI Pru FMP series 66-366 Days Plan H Direct Plan Cumulative	-	20.00
Nil (1,00,00,000) units of ICICI Pru FMP series 67-366 Days Plan D Direct Plan Cumulative	-	10.00
Nil (2,00,00,000) units of ICICI Pru FMP series 66-368 Days Plan B Direct Plan Cumulative	-	20.00
Nil (2,50,00,000) units of ICICI Pru FMP series 67-371 Days Plan E Direct Plan Cumulative	-	25.00
Nil (1,00,00,000) units of ICICI Pru FMP series 68-369 Days Plan K Direct Plan Cumulative	-	10.00
Nil (30,00,000) units of Religare Invesco FMP series XX-Plan F (370 Days) DP-Growth	-	3.00
Nil (50,00,000) units of Tata FMP series 43 scheme C-DP - Growth-INF277K01TU2	-	5.00
Nil (1,00,00,000) units of DWS FMP Series -30 - Regular Plan - Growth	-	10.00
Nil (1,00,00,000) units of DWS FMP Series -39 - Direct Plan - Growth	-	10.00
Nil (80,00,000) units of DWS FMP Series -24 - Direct Plan - Growth	-	8.00

15. Current investments @ (Continued)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Nil (2,00,00,000) units of Kotak FMP series 102 Direct-Growth	-	20.00
Nil (50,00,000) units of Kotak FMP series 119 Direct-Growth	-	5.00
Nil (2,00,00,000) units of SBI Debt Fund Series 366 Days-25-Reg-Growth	-	20.00
Nil (2,00,00,000) units of SBI Debt Fund Series 366 Days-25-Dir-Growth	-	20.00
Nil (1,50,00,000) units of SBI Debt Fund Series 366 Days-23-Dir-Growth	-	15.00
Nil (1,00,00,000) units of SBI Debt Fund Series 366 Days-36-Dir-Growth	-	10.00
Nil (1,00,00,000) units of SBI Debt Fund Series 366 Days-37-Dir-Growth	-	10.00
Nil (1,50,00,000) units of UTI Fixed term income fund series XIV-I (366 Days)- Direct Growth Plan	-	15.00
Nil (1,50,00,000) units of UTI Fixed term income fund series XIV-VIII (371 Days)- Direct Growth Plan	-	15.00
Nil (1,50,00,000) units of UTI Fixed term income fund series XV-VIII (368 Days)- Direct Growth Plan	-	15.00
Nil (10,00,000) units of Union KBC Fixed Maturity Plan Series 8 Growth	-	1.00
Nil (1,00,00,000) units of HDFC FMP 370D Sep 2013-1-Regular-GR	-	10.00
Nil (1,50,00,000) units of Reliance Fixed Horizon fund XXIV Series -11- Growth Plan	-	15.00
Nil (1,50,00,000) units of ICICI Pru FMP series 68-368 Days Plan G Regular Plan Cumulative	-	15.00
Nil (50,00,000) units of SBI Debt Fund Series 366 Days-46-Dir-Growth	-	5.00
51,66,277 (51,66,277) units of IDFC Super Saver Income Fund	10.00	10.00
1,00,00,000 (1,00,00,000) units of IDFC Fixed Term Plan Series 21 Direct Plan - Growth	10.00	10.00
1,08,62,401 (1,08,62,401) units of IDFC Money Manager Fund - Investment Plan - Growth-(Regular Plan)	15.00	15.00
1,14,85,100 (1,14,85,100) units of HDFC Medium Term Opp Fund-Growth	15.00	15.00
1,00,00,000 (1,00,00,000) units of BirlaSunlife Interval Inc Annl Plan IX-GZ	10.00	10.00
50,00,000 (50,00,000) units of Reliance Interval Fund-II-SeriesI- Growth Plan	5.00	5.00
1,00,00,000 (Nil) units of Kotak FMP series 138 Direct-Growth	10.00	-
1,00,00,000 (Nil) units of Kotak FMP series 143 Direct-Growth	10.00	-
1,50,00,000 (Nil) units of UTI Fixed term income fund series XVII-XIII (369 Days)- Direct Growth Plan	15.00	-
3,00,00,000 (Nil) units of UTI Fixed term income fund series XVII-XVI (367 Days)- Direct Growth Plan	30.00	-
1,00,00,000 (Nil) units of UTI Fixed term income fund series XVIII-V (370 Days)- Direct Growth Plan	10.00	-
3,00,00,000 (Nil) units of ICICI Pru FMP series 72-366 Days Plan K Direct Plan Cumulative	30.00	-
2,50,00,000 (Nil) units of ICICI Pru FMP series 74-369 Days Plan B Direct Plan Cumulative	25.00	-

15. Current investments @ (Continued)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
2,00,00,000 (Nil) units of ICICI Pru FMP series 72-366 Days Plan M Direct Plan Cumulative	20.00	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 73-368 Days Plan D Direct Plan Cumulative	20.00	-
2,00,00,000 (Nil) units of ICICI Pru FMP series 74-369 Days Plan K Direct Plan Cumulative	20.00	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 74-369 Days Plan T Regular Plan Cumulative	15.00	-
1,50,00,000 (Nil) units of ICICI Pru FMP series 74-370 Days Plan X Direct Plan Cumulative	15.00	-
1,00,00,000 (Nil) units of ICICI Pru FMP series 72-368 Days Plan D Direct Plan Cumulative	10.00	-
2,00,00,000 (Nil) units of IDFC Fixed Term Plan Series 69 Direct Plan - Growth	20.00	-
45,82,531 (Nil) units of IDFC Yearly Series Interval Fund Direct Plan - Series II - Growth	5.00	-
92,05,730 (Nil) units of DWS Interval Annual Plan Series 1 - Direct Plan - Growth	10.00	-
2,00,00,000 (Nil) units of SBI Debt Fund Series 369 Days-A 35-Dir-Growth	20.00	-
1,50,00,000 (Nil) units of SBI Debt Fund Series 366 Days-52-Dir-Growth	15.00	-
5,50,00,000 (Nil) units of Reliance fixed Horizon fund XXV Series -18-DP-Growth Plan	55.00	-
1,50,00,000 (Nil) units of Reliance fixed Horizon fund XXV Series -26-Growth Plan	15.00	-
80,00,000 (Nil) units of Reliance fixed Horizon fund XXVI Series -31-DP-Growth Plan	8.00	-
2,50,00,000 (Nil) units of Reliance fixed Horizon fund XXVI Series -9-DP-Growth Plan	25.00	-
1,00,00,000 (Nil) units of Reliance fixed Horizon fund XXVI Series -9- Growth Plan	10.00	-
3,20,99,784 (Nil) units of Reliance Yearly Interval Fund-Series2-Growth Plan	35.00	-
1,84,28,933 (Nil) units of Reliance Yearly Interval Fund-Series8-DP-Growth Plan	20.00	-
3,00,00,000 (Nil) units of DSP BlackRock FMP series 149-12M-Reg-Growth	30.00	-
1,80,00,000 (Nil) units of DSP BlackRock FMP series 146-12M-Reg-Growth	18.00	-
2,30,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series JZ-Growth Direct	23.00	-
2,20,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series JZ- Growth Regular	22.00	-
2,00,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series KZ-Growth Direct	20.00	-
1,00,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series KD-Growth Direct	10.00	-
50,00,000 (Nil) units of BirlaSunlife Fixed Term Plan Series LQ-Growth Direct	5.00	-
1,80,85,308 (Nil) units of BirlaSunlife Interval Inc Annl Plan X-GZ	20.00	-
1,30,00,000 (Nil) units of HDFC FMP 366D May 2014-1-Direct-GR	13.00	-
2,00,00,000 (Nil) units of HDFC FMP 367D Apr 2014-1-Regular-GR	20.00	-
2,50,00,000 (Nil) units of HDFC FMP 369D Apr 2014-2-Regular-GR	25.00	-
2,00,00,000 (Nil) units of HDFC FMP 369D Feb 2014-2-Regular-GR	20.00	-
2,00,00,000 (Nil) units of HDFC FMP 370D Feb 2014-1-Regular-GR	20.00	-

15. Current investments @ (Continued)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
80,00,000 (Nil) units of HDFC FMP 370D Jun 2014-2-Regular-GR	8.00	-
3,00,00,000 (Nil) units of HDFC FMP 370D Mar 2014-1-Regular-GR	30.00	-
1,50,00,000 (Nil) units of HDFC FMP 370D May 2014-1-Regular-GR	15.00	-
1,00,00,000 (Nil) units of Tata FMP series 46 scheme L-DP - Growth- INF277K01XM1	10.00	-
1,00,00,000 (Nil) units of Tata FMP series 46 scheme P-DP - Growth- INF277K01YCO	10.00	-
Units of face value Rs. 100 each		
13,21,284 (13,21,284) units of Birla Sun Life Savings Fund- Growth Direct	30.00	30.00
Units of face value Rs. 1,000 each		
Nil (1,52,063) units of Reliance Liquidity Fund-Daily Dividend Reinvestment Option	-	15.21
66,106 (66,106) units of Templeton India Short term Income Plan	15.00	15.00
2,00,268 (Nil) units of SBI Premier Liquid Fund Regular Plan - Daily Dividend	20.09	-
Total	917.09	825.41

Repurchase price of unquoted non trade current investments in Debt Mutual funds amounting to Rs. 998.60 crores (Rs. 881.82 crores)
@ At cost or fair value, whichever is lower.

16. Inventories

(At lower of cost and net realisable value)

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Raw materials (Includes goods in transit of Rs. 17.80 crores (Rs. 8.26 crores))	175.03	150.59
Work in progress	41.22	36.62
Finished goods (Includes goods in transit of Rs. 3.55 crores (Rs. 1.56 crores))	312.68	246.88
Stock-in-trade (Includes goods in transit of Rs. 6.97 crores (Rs. 1.33 crores))	83.01	68.69
Stores and spares	21.62	14.05
Loose tools	11.96	9.97
Total	645.52	526.80

17. Trade receivables

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Outstanding for a period exceeding six months from the date they were due for payments		
Secured, considered good	0.57	0.27
Unsecured - considered good	19.31	12.82
- considered doubtful	11.60	4.88
	31.48	17.97
Less: Provision for doubtful receivables	11.60	4.88
Sub-total (A)	19.88	13.09
Others receivables		
Secured, considered good	3.13	2.71
Unsecured - considered good*	539.16	496.70
- considered doubtful	2.30	1.69
	544.59	501.10
Less: Provision for doubtful receivables	2.30	1.69
Sub-total (B)	542.29	499.41
Total (A+B)	562.17	512.50

* Trade receivables includes receivable from a Private Limited Company in which a director is director amounting to Rs. 0.37 crore (Rs. 0.31 crore).

18. Cash and cash equivalents

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Cash on hand	0.15	0.22
Cheques/ drafts on hand	21.56	20.76
Balances with banks:		
In current accounts	102.94	67.17
In unpaid dividend accounts	3.77	3.61
In deposit accounts *	335.27	563.45
	463.69	655.21
Share of cash and cash equivalents of joint ventures	16.89	27.35
Total	480.58	682.56

* Includes Rs. 127.26 crores (Rs. 333.05 crores) pledged/ lien with banks.

19. Short-term loans and advances

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Unsecured, considered good unless stated otherwise		
A Security Deposits		
Unsecured, considered good	5.67	5.74
Unsecured, considered doubtful	0.25	0.25
	5.92	5.99
Less: Provision for doubtful security deposit	0.25	0.25
	5.67	5.74
B Loans and advances to related parties		
Unsecured, considered good*	0.08	0.07
	0.08	0.07
C Other loans and advances		
Advance to suppliers	77.30	65.58
Loans and advances to employees		
Unsecured, considered good	4.63	3.62
Unsecured, considered doubtful	-	0.04
	4.63	3.66
Less: Provision for doubtful advances	-	0.04
	4.63	3.62
Insurance claims receivable	2.51	0.03
Prepaid expenses	6.39	7.72
Balance with government authorities		
Unsecured, considered good	264.51	225.10
Unsecured, considered doubtful	0.24	0.25
	264.75	225.35
Less: Provision for doubtful advances	0.24	0.25
	264.51	225.10
Others		
Unsecured considered good	18.15	9.95
Unsecured, considered doubtful	0.41	0.04
	18.56	9.99
Less: Provision for doubtful advances	0.41	0.04
	18.15	9.95
Total (A+B+C)	379.24	317.81
Share of short term loan and advances of joint venture	0.46	0.06
Total	379.70	317.87

* Advance to related parties includes receivable from a Private Limited Company in which a director is director amounting to Rs. 0.08 crore (Rs. 0.07 crore)

20. Other current assets

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Interest accrued on fixed deposits	5.72	31.29
Unbilled revenue	42.25	14.72
	47.97	46.01
Share of other current asset of joint venture	0.07	0.10
Total	48.04	46.11

21. Revenue from operations

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Revenue from operations		
Sale of products		
Manufactured goods (gross)	8,032.35	6,404.84
Less: Excise duty	613.42	623.49
Manufactured goods (net)	7,418.93	5,781.35
Stock-in-trade	1,068.26	813.89
Sale of services	111.51	90.51
Sub-total (A)	8,598.70	6,685.75
Other operating revenue		
Export benefits	19.53	9.69
Scrap sale (net of excise duty of Rs. 3.65 crores (Rs. 2.40 crores))	27.03	17.68
Income from maintenance contracts	28.73	21.59
Provisions no longer required written back	0.11	52.87
Industrial promotion subsidy	37.00	-
Income from other operating revenues	27.22	22.22
Sub-total (B)	139.62	124.05
Revenue from operations (net)	Total (A+B)	8,738.32
		6,809.80

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Details of products sold		
Manufactured goods		
Commercial vehicles	3,900.85	3,821.59
Two wheelers	3,074.41	1,763.06
Spare parts and other components	733.13	680.32
Engines and related components	323.96	139.87
Total	8,032.35	6,404.84
Stock-in-trade		
Commercial vehicles	655.40	475.52
Spare parts and other allied products	412.86	338.37
Total	1,068.26	813.89
Details of services rendered		
Engineering services	93.78	71.45
Other allied services	17.73	19.06
Total	111.51	90.51

22. Other income

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Profit on sale of fixed assets	0.80	0.99
Dividend on unquoted non trade current investments	4.84	6.91
Profit on sale of unquoted non trade current investments	60.75	29.26
Exchange gain (net)	3.57	0.55
Rent Income	2.70	1.20
Interest income		
- from banks on deposits	26.29	54.46
- from others	2.11	0.36
Service charges recovered	0.15	
Other income	5.27	0.94
	106.48	94.67
Share of interest income of joint venture	0.96	0.62
Total	107.44	95.29

23. Cost of raw materials and components consumed

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Inventory at the beginning of the year	150.59	136.46
Add: Purchases	4,953.47	3,968.19
	5,104.06	4,104.65
Less: inventory at the end of the year	175.03	150.59
Less: material cost of vehicles capitalised	5.09	1.72
	4,923.94	3,952.34
Less: Sale of raw materials and components to suppliers on cost to cost basis	19.65	30.46
Net consumption	4,904.29	3,921.88

24. Details of purchase of stock-in-trade

Particulars	Rs. In crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Commercial Vehicles	621.58	476.68
Spare parts and other allied products	324.83	257.97
Total	946.41	734.65

25. Change in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Inventories at the end of the year		
Finished goods	312.68	246.88
Work-in-progress	41.22	36.62
Stock-in-trade	83.01	68.69
A	436.91	352.19
Inventories at the beginning of the year		
Finished goods	246.88	240.86
Work-in-progress	36.62	33.75
Stock-in-trade	68.69	59.75
B	352.19	334.36
Net change (B-A)	(84.72)	(17.83)

26. Employee benefits expenses

Rs. In crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Salaries, wages, bonus etc.	569.13	458.28
Contribution to provident and other funds	20.10	16.34
Staff welfare expenses	69.11	58.57
	658.34	533.19
Share of employee benefits expenses of joint venture	1.30	0.15
Total	659.64	533.34

27. Finance costs

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Interest expense		
On income tax	1.17	0.23
On other borrowings	8.59	7.63
	9.76	7.86
Share of finance cost of joint venture	0.02	0.02
Total	9.78	7.88

28. Depreciation and amortisation expenses

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Depreciation of tangible assets	177.67	119.00
Depreciation of investment property	0.47	-
Amortisation of intangible assets	41.68	11.04
Total	219.82	130.04

29. Other expenses

Rs. In crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Stores and machinery spares consumed (including loose tools and packing material)	96.12	64.77
Increase/decrease in excise duty on finished goods	3.87	1.40
Loss on sale of fixed assets	1.97	2.29
Fixed assets discarded	0.92	0.66
Power and fuel	74.07	61.45
Insurance	7.43	6.54
Repairs and maintenance		
Buildings	12.44	12.38
Plant and machinery	30.97	24.71
Others	28.42	23.54
Rates and taxes	15.27	11.05
Advertisement	33.54	28.91
Freight and handling charges	164.08	130.06
Incentives	171.27	115.54
Warranty	88.08	61.70
Other selling and distribution expenses	136.09	114.75
Rent	38.64	34.34
Legal and professional charges	42.90	26.48
Travelling expenses	65.20	53.66
Development expenses	36.30	29.23
Bad debts / advances written off	0.06	0.32
Provision for doubtful debts and advances	8.99	11.40
Miscellaneous expenses	136.93	108.84
	1,193.56	924.02
Share of other expenses of joint venture	4.36	0.55
Total	1,197.92	924.57

30. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 303.29 crores (Rs. 318.63 crores) (includes share of joint venture Rs. 16.87 crores (Rs. 27.52 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.

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

Warranty provisions	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Opening balance	65.88	62.32
Additions during the year	88.08	61.70
Amount utilised during the year	62.12	58.14
Closing balance	91.84	65.88
Short-term provision	64.45	51.44
Long-term provision	27.39	14.44

32. **Contingent liabilities not provided for:**

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
a) In respect of following by the Company and its subsidiaries:		
- Excise duty matters	65.90	62.61
- Sales tax matters	165.59	21.85
- Service tax matters	98.44	69.03
- Income tax matters	32.92	34.31
b) Claims against the Company and its subsidiaries not acknowledged as debts*	12.04	8.82
c) Bills discounted	27.89	14.02

All the above matters other than bills discounted 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 and its subsidiaries.

* includes share of joint venture Rs. 1.88 crores (Rs. Nil)

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

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
a) Amount payable to supplier under MSMED (suppliers) as at the end of year		
- Principal	38.26	37.50
- Interest due there on	0.04	-
b) Payment made to supplier beyond the appointed day during the year		
- Principal	18.22	-
- Interest due there on	0.17	-
c) Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding the interest under MSMED	0.17	-
d) Amount of interest accrued and remaining unpaid as at the end of year	0.21	-
e) Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	0.21	-

34. Disclosures under Accounting Standard 15 (Revised):

The details of various employee benefits provided to employees are as under:

A. Employee plans

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
a) Provident fund (includes share of joint venture Rs. 0.23 crore (Rs. 0.08 crore))*	18.86	15.60
b) Superannuation fund	2.25	1.99
c) Employee State Insurance Corporation	1.59	1.11

Out of the total contribution made for employees' provident fund, Rs. 6.83 crores (Rs. 6.09 crores) is made to Eicher Executive Provident Fund Trust, while the remainder contribution is made to government administered provident fund.

The total plan liabilities under the Eicher Executive Provident Fund Trust as at March 31, 2014 is Rs. 78.21 crores as against the total plan assets of Rs. 78.90 crores. The funds of the trust have been invested under various securities as prescribed under the rules of the trust.

* includes Rs. 0.73 crore (Rs. 0.83 crore) capitalised during the year and Rs. 0.05 crore (Rs. 0.34 crore) considered in pre-operative expenditure (pending allocation).

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

Rs. in crores

Particulars	For the year ended December 31, 2014		For the year ended December 31, 2013	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the beginning	48.17	16.91	43.27	14.94
Current service cost	6.43	4.64	5.17	3.22
Interest cost	3.57	1.24	3.21	1.10
Benefits paid	(5.28)	(1.72)	(4.49)	(1.34)
Net actuarial (gain) / loss recognised	2.95	3.17	0.98	(1.04)
Present value of obligation as at the end	55.84	24.24	48.14	16.88
Add: Share of joint venture	0.07	0.10	0.03	0.03
Total present value of obligation as at the end	55.91	24.34	48.17	16.91

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

Rs. in crores

Particulars	Gratuity	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Present Value of plan assets as at the beginning	36.49	31.45
Contribution	4.39	5.28
Return on plan assets	3.10	2.67
Benefit paid	(4.11)	(3.54)
Net actuarial gain / (loss) recognised	0.30	0.63
Present value of plan assets as at the end@	40.17	36.49

@ Funds are managed by VECV Employees Group Gratuity Scheme (Trust).

The major categories of plan assets as percentage of total assets maintained with the approved insurance companies for VECV Trust are as follows:

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
Liquid funds	41%	47%
Bonds	59%	53%

34. Disclosures under Accounting Standard 15 (Revised): Continued)

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

Particulars	Rs. in crores			
	For the year ended December 31, 2014		For the year ended December 31, 2013	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	55.91	24.34	48.17	16.91
Fair value of plan assets at the end	40.17	-	36.49	-
Net asset/(liability) recognised in balance sheet	(15.74)	(24.34)	(11.68)	(16.91)
Cost for the year				
Current service cost	6.43	4.64	5.17	3.22
Interest cost	0.47	1.24	0.54	1.10
Net actuarial (gain) / loss recognised	2.65	3.17	0.35	(1.04)
Net cost recognised	9.55	9.04	6.06	3.28
Add: Share of joint venture	0.07	0.10	0.03	0.03
Total cost recognised	9.62	9.14	6.09	3.31
Experience adjustment on plan liabilities (loss) / gain	(2.95)	(3.18)	(0.98)	1.04
Experience adjustment on plan assets (loss) / gain	0.30	-	0.63	-
Principal assumptions:				
Discount rate	7.50%	7.50%	7.50%	7.50%
Future salary increase	7.00%	7.00%	7.00%	7.00%
Expected rate of return of plan assets	8.50%	-	8.50%	-
In service mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

The estimates of future salary increases considered in the actuarial valuation takes into account inflation, seniority promotion and other relevant factors such as supply and demand in the employment market.

Other disclosures:

Particulars	Rs. in crores					
	For the year ended December 31, 2012		For the year ended December 31, 2011		For the year ended December 31, 2010	
	Gratuity	Leave encashment	Gratuity	Leave encashment	Gratuity	Leave encashment
Present value of obligation as at the end	43.27	14.94	36.12	11.00	31.84	9.63
Fair value of plan assets at the end	31.45	-	29.85	-	0.86	-
Net asset/(liability) recognised in balance sheet	(11.82)	(14.94)	(6.27)	(11.00)	(30.98)	(9.63)
Experience adjustment on plan liabilities (loss) / gain	(2.60)	(1.42)	(0.71)	0.17	Not available	Not available
Experience adjustment on plan assets (loss) / gain	2.78	-	1.51	-	Not available	-

35. The Company has taken certain premises under various operating lease agreements. The total lease rental recognised as expense aggregate to Rs. 38.64 crores (Rs. 34.34 crores).

Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following year:

Particulars	Rs. in crores	
	As at December 31, 2014	As at December 31, 2013
Not later than one year	9.40	7.38
Later than one year and not later than five years	12.39	11.85
Later than five years	0.25	0.60

36. Earnings per share

Description	For the year ended December 31, 2014	For the year ended December 31, 2013
a) Profit for the year, per statement of profit and loss (Rs. in crores)	615.36	393.94
b) Weighted average number of equity shares (Nos.)	2,70,81,961	2,70,10,595
c) Effect of potential dilutive equity shares on Employee Stock Options outstanding (Nos.)	1,33,474	149,796
d) Weighted average number of equity shares in computing diluted earnings per share (Nos.) [(b) + (c)]	2,72,15,435	2,71,60,391
e) Earnings per share (in rupees): (face value-Rs. 10 per share)		
- Basic [(a)/(b)]	227.22	145.85
- Diluted [(a)/(d)]	226.11	145.04

37. Segment reporting:

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

38. Related party disclosures

- a. Name of related parties and their relationship:

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

- b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. R.L. Ravichandran	Whole Time Director

Transactions with the above key management personnel during the year:

Particulars	Rs. in crores	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Managerial Remuneration@		
- Mr. Siddhartha Lal	5.37	4.75
- Mr. R.L. Ravichandran	0.68	0.68
Total	6.05	5.43

@ Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the company as a whole.

38. Related party disclosures (Continued)

Transactions with the above parties

Rs. in crores

Particulars	EGPL		AB Volvo		EPPL		Total	
	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2014	For the year ended December 31, 2013
Sale of finished goods/services	-	-	#	0.53	6.39	5.19	6.39	5.72
Purchase of finished goods/services	-	0.05	-	-	-	-	-	0.05
Expenses recovered	-	-	-	-	0.38	0.34	0.38	0.34
Security deposit given	-	3.62	-	-	-	-	-	3.62
Corporate service charges	-	-	-	-	0.15	-	0.15	-
Rental income	-	-	-	-	2.49	1.20	2.49	1.20
Rent Paid	10.63	9.27	-	-	-	-	10.63	9.27
Brand fee payable	26.94	24.51	-	-	-	-	26.94	24.51
Dividend Paid	-	-	26.02	26.02	-	-	26.02	26.02
Aggregate balances outstanding as at the year end								
- Receivables		-	#	0.53	0.45	0.38	0.45	0.91
- Payables	26.48	23.91	-	-	-	-	26.48	23.91
- Security deposit receivable	4.60	4.60	-	-	-	-	4.60	4.60

Rs. 17,399/-

39. The unhedged of foreign currency exposures are as under:

Particulars	As at December 31, 2014		As at December 31, 2013	
	Foreign currency in crores	Rs. in crores	Foreign currency in crores	Rs. in crores
Receivables				
USD	0.55	34.85	0.63	38.30
EURO	0.81	62.57	0.46	39.70
GBP	-	-	0.01	0.28
JPY	16.07	8.51	6.65	3.92
		105.93		82.20
Payables				
USD *	0.11	7.15	0.64	39.14
SEK	0.57	4.62	0.22	2.10
EURO*	0.93	72.10	0.21	17.32
GBP	0.01	0.71	-	-
JPY	11.34	6.00	12.55	7.41
Others	0.36	0.79	0.35	1.84
		91.37		67.81

* includes share of joint venture of 0.03 crore of USD equivalent to Rs. 1.79 crores (USD 0.05 crore equivalent to Rs. 3.21 crores) and 9,610 EURDS equivalent to Rs. 0.04 crore (Rs. Nil).

40. Information pursuant to direction issued by Ministry of corporate affairs under section 212(8) of the Companies Act, 1956.

Rs. in crores

Particulars	VE Commercial Vehicles Limited (VECVL)	Eicher Engineering Solutions, Inc.	Eicher Engineering Solutions (Beijing) Co., Ltd.	Eicher Engineering Solutions (Shanghai) Co., Ltd.	VECV (Lanka) Private Limited #
Country of Incorporation	India	United States of America	China	China	Sri Lanka
Share Capital	10.00	20.32	2.42	1.12	5.43
Reserves	2,395.91	(30.67)	(1.97)	1.45	(0.87)
Total assets	4,168.44	19.82	0.60	2.94	14.79
Total Liabilities	1,762.53	30.17	0.15	0.37	10.23
Investment other than Investment in Subsidiaries	-	-	-	-	-
Turnover / Total Income	5,725.07	67.41	5.14	9.72	35.51
Profit/ (Loss) Before Tax	243.84	(2.03)	0.10	0.37	(0.72)
Provision for Taxation	51.59	-	0.02	0.01	(0.12)
Profit/ (Loss) after tax	192.25	(2.03)	0.08	0.36	(0.60)
Proposed Dividend	75.00	-	-	-	-

Incorporated w.e.f. April 9, 2013

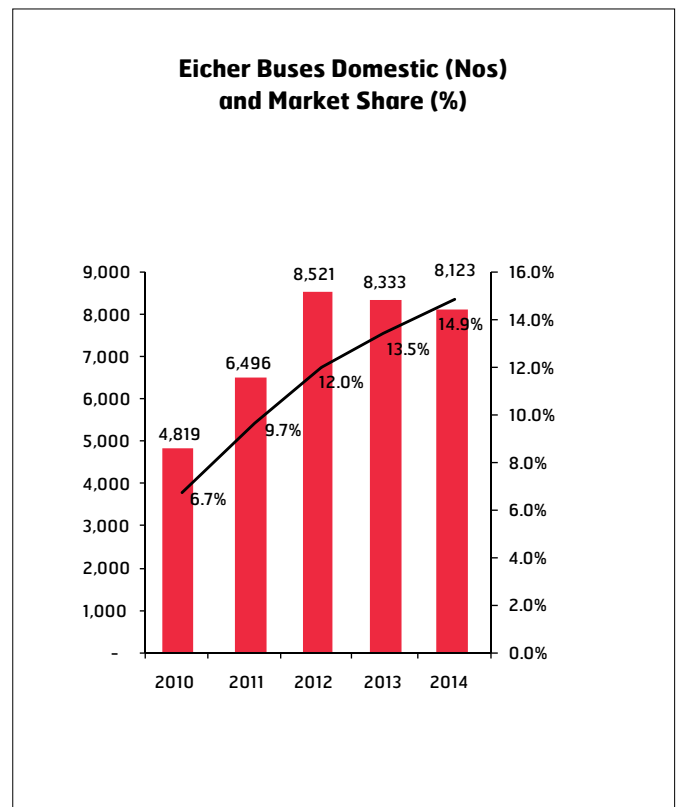
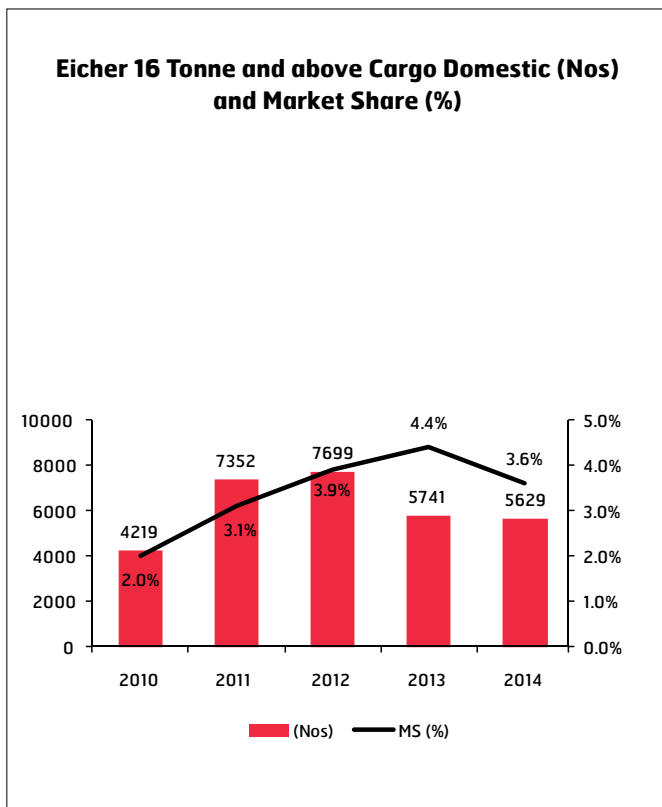
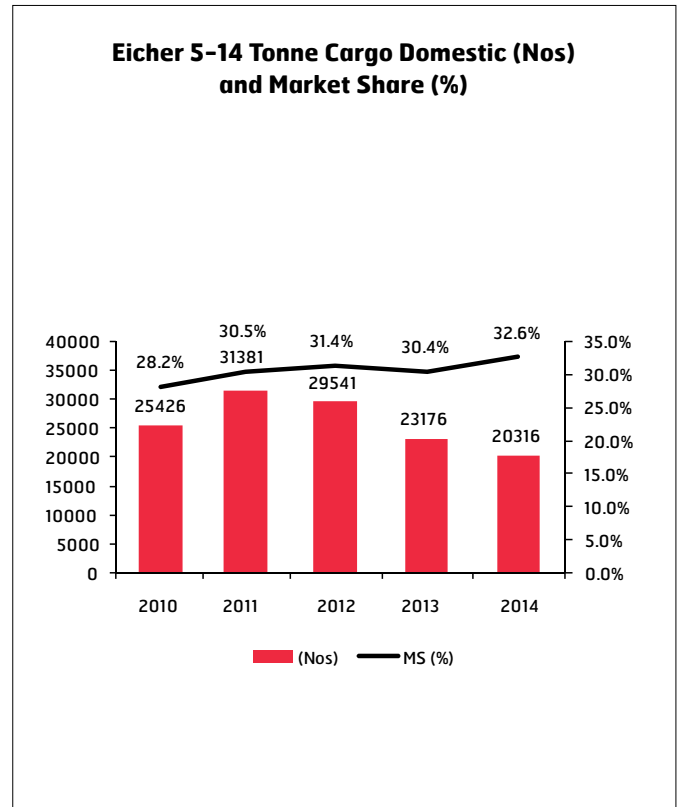
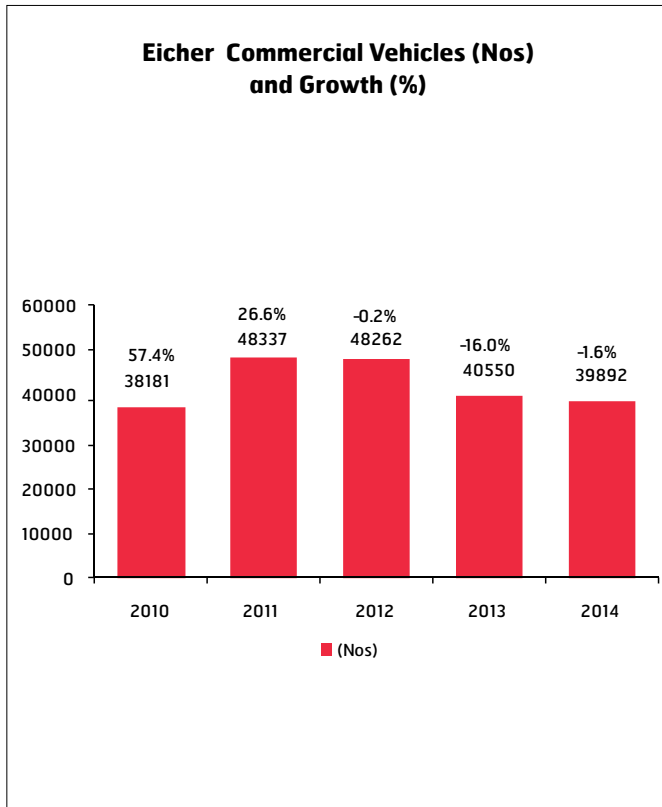
41. Figures in brackets represent previous year's figures.

42. Previous year's figures have been recast/regrouped, wherever necessary to confirm the current year's presentation.

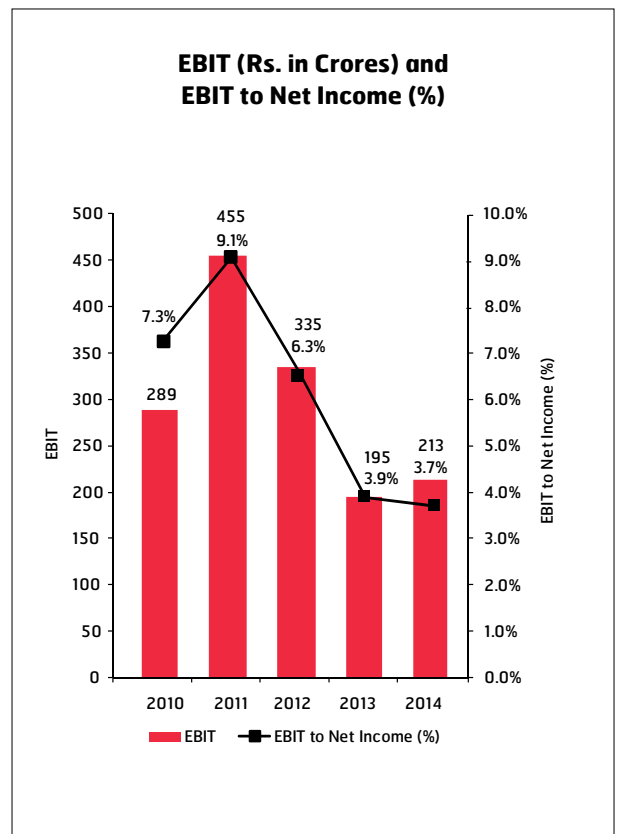
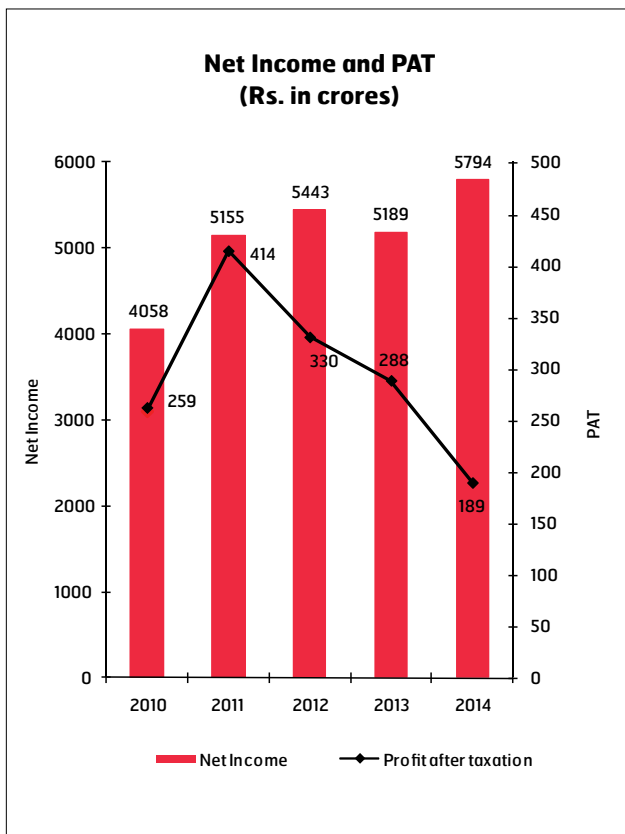
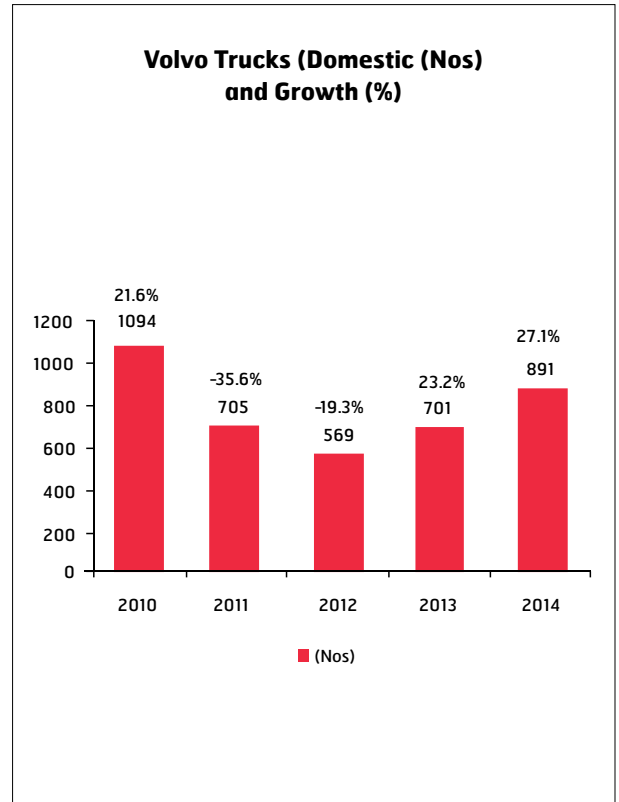
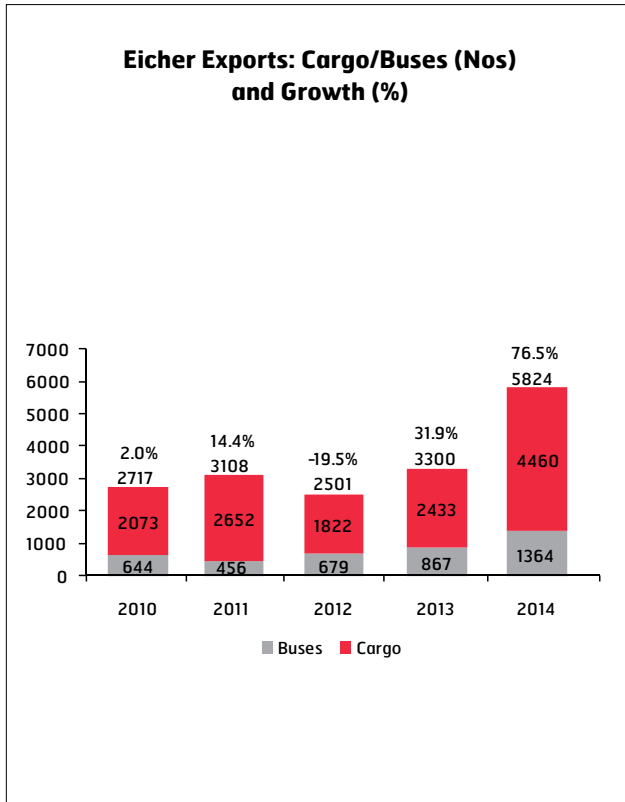


**OVERVIEW OF
PERFORMANCE OF
VE COMMERCIAL
VEHICLES LIMITED,
A SUBSIDIARY OF
THE COMPANY**

PERFORMANCE HIGHLIGHTS OF VE COMMERCIAL VEHICLES LIMITED



PERFORMANCE HIGHLIGHTS OF VE COMMERCIAL VEHICLES LIMITED



BUSINESS HIGHLIGHTS OF VE COMMERCIAL VEHICLES LIMITED

Eicher Trucks and Buses (ETB)

For most part, 2014 remained tough for the economy and manufacturing sector in particular, business sentiments turned positive especially during the second half of 2014. Overall, domestic CV industry (5 ton and above) grew marginally by 0.7% driven by a robust 17.6% growth in heavy duty truck segment. With exports out of India growing by 51.2%, overall CV industry including exports grew by 5.4% to 313179 units as against 297287 units. Even though the domestic LMD and the bus segment saw a decline of 18.4% and 11.7% in 2014 over 2013, the last quarter of 2014 saw growth in these segments as well indicating an early signs of revival in the CV industry.

ETB recorded total CV sales of 39892 against 40550 units in 2013, a decline of 1.6% with a slight decline in overall market share (including exports) from 13.6% in 2013 to 12.7% in 2014. Within the domestic CV Industry, the light and medium duty truck segment of 5 to 15 Ton (LMD), where ETB is a strong player, ended the year 2014 with volumes of 62265 as against 76318 in 2013 thus recording a decline of 18.4%. ETB ended with the volume of 20316 as against 23176 in the year 2013, and had a decline of 12.3%, however registered a growth in market share to 32.6%. In the bus segment, industry ended 2014 with a sale of 54697 units against 61938 units in 2013 and ETB sold 8123 units in 2014 as its market share increased to 14.9% from 13.5% in 2013.

In December 2013, ETB had unveiled the entire Eicher PRO Series trucks and buses from 5-49 Ton, bringing together the Volvo group processes and technology as well as the frugal engineering and local expertise of Eicher. The "Eicher Pro" is a range of new generation trucks and buses promising to deliver higher profitability and more prosperity for its customers. It promises to do through best in class fuel efficiency, superior uptime and better overall vehicle performance. During 2014 we have commercially launched Eicher PRO 1000 and Eicher PRO 3000 trucks and Skyline Pro buses across the country. In LMD, we have largely migrated to the new Pro series. We have received excellent response to the Eicher Pro 1000 and 3000 series and these products have helped increase our market share.

The domestic Industry HD truck segment sale grew by 17.6% in 2014 as against 32.5% decline in previous year. However, ETB in the HD truck segment ended the year with a drop of 2% in domestic market over 2013. ETB sold 5629 trucks in 2014 as against 5741 trucks in 2013 in domestic market. ETB has followed a much focused strategy of targeting specific geography and segments with the right fit products in order to ensure higher value delivery to the customer. During this period, a set of select customers have been seeded with Eicher Pro 6000 trucks.

2014 has been a very successful year for exports. ETB exported 5824 units in 2014, registering a robust growth of 76.5 % over 2013. This is against Industry growth of 51.2 % in exports of Commercial Vehicles (without sub 5 Ton GVW) from India. The growth has been led by gains in market shares in South Asia in key markets of Bangladesh, Sri Lanka and Nepal and also increased volumes from Africa Region. ETB registered volume growth and increase in share of exports from India in all three segments of LMD, HD and Bus.

The key initiatives related to intensified sales and marketing activities, strengthened resource deployment, customer value proposition based pricing, competence development of network partners, strengthened sales processes, focused segment approach assisted in the volume growth during the year 2014. Network development and addition of more set-ups by the distributors in important markets has also contributed to this growth through more country specific penetration.

Volvo Trucks India (VTI)

Volvo Trucks has achieved a sale of 891 units in 2014, which is by 27% higher than 2013. The new Volvo Trucks platform mega-launch generated significant orders at targeted prices. Volvo trucks continue to be the market leader in premium truck segment with overall market share of 61.6% in 2014 predominantly driven by tipper sales. Lack of new projects and investments has slowed down the demand for premium tractors in last 2 to 3 years. However, a slight recovery is witnessed in 2014.

Eicher Engineering Components (EEC)

The EEC business unit recorded sizeable growth in terms of business revenue and continues to grow significantly, primarily due to growth in captive businesses with Group Companies and growing relationships with global as well as domestic original equipment manufacturers. During the year 2014, EEC achieved a turnover of Rs. 348.1 crores (including inter-segment sales), a jump of 19% over last year sales of Rs. 292.1 crores.

Eicher Engineering Solutions (EES)

This business is operated through an Engineering Design Centre at Gurgaon (EESG) along with Eicher Engineering Solution Inc., (USA) including its two subsidiaries, Eicher Engineering Solutions (Shanghai) Co. Ltd. and Eicher Engineering Solutions (Beijing) Co. Ltd. EES registered growth in revenue and profitability.

EES achieved major breakthroughs with regard to business with strategic customers and Group companies. EES continued to provide product development support to in-house and Group Companies.

VE Powertrain (VEPT)

Overall sale volume from VEPT was 12,313 units in current year against 2,529 units in previous year but lower than anticipated due to low demand from Volvo Europe and heavy duty trucks in India. There has been a very encouraging response from customers for engines sold. For VEPT, 2014 was a year of significant improvements in all aspects. VEPT maintained the quality of these high class base and complete engines as per the very exacting requirements of its customers.

Bus Body and Application Manufacturing Plant (Bus Body Plant)

VECV's in house bus body fabrication plant ramped up its capabilities is delivering excellent results on the quality front as well. Its current capacity is 7200 per annum. The plant can now assemble the Skyline range, the new Skyline Pro series, 11.12 range and midi buses required under the governments Jawahar Lal Nehru National Urban Renewal Mission (JnNURM) project.



An Eicher truck being assembled in Pithampur, Madhya Pradesh

MARKET AND FUTURE PROSPECTS

The Indian economy is expected to grow faster in 2015. Inflationary pressures have eased with sharp decline in international commodity prices, particularly crude oil which is expected to remain low for most part of the year. But boosting business sentiments thereby improving investments in the country would be the key challenge.

There are positive sentiments in the economy. We expect industry to improve further in the coming months. The major demand of trucks is directly linked to the growth in economy and particularly in sectors like roads and construction, mining, power and ports, as well as infrastructure projects. Infrastructure and manufacturing growth would be the key drivers of truck market. The industry is also expected to grow because of increasing replacement demand.

In view of the above scenario and a low base, commercial vehicles industry has started recovering from last quarter of 2014. This fact is also reflected in high levels of competitive intensity in the marketplace. VECVL believes that both unwavering focus on competitive growth in core categories as well as market development to build segments of future, are critical for sustained growth and long term value creation. While focusing on the core categories, VECVL has also invested significantly in the segments of future, segments which are expected to drive future growth.

Eicher Trucks and Buses (ETB)

In 2015, Eicher LMD vehicles, both trucks and buses, are expected to continue their strong contribution. ETB will be completing its launch of heavy duty truck range of Eicher Pro 6000 and Eicher Pro 8000 in the entire country by the end of 2015. The positive response from customers to Pro series will help ETB build the right foundation for ETB's long term strategy towards becoming a significant player in the heavy-duty market by 2017.

With these launches, both in Eicher and Volvo brands, VECV is truly driving modernization in commercial transportation in India and the developing world in line with its vision. Besides the product launches, we would pursue our focus in delivering higher value to customers in areas of aftermarket and various support solutions towards increasing the productivity and efficiency of the customer fleet and living up to our promise of partnering the customer during the complete vehicle life cycle.

Volvo Trucks India (VTI)

The government has initiated steps to reform coal sector and it has ambitious target of one billion tons of coal production by 2019, which augurs well for coal sector in the medium to long term. Government has also initiated various measures to improve development of infrastructure, these steps are further expected to increase demand for high end tippers and tractor trailers.

Eicher Engineering Components (EEC)

EEC's concerted efforts to improve the share of business, development of new products, upgraded manufacturing technologies and meeting the increased requirements of the strategic customers would be major factors in further growing the business. Improved business conditions in US will greatly aid these efforts. There is better inflow of orders both repeat and fresh. Your Company's ability to offer design and build services will add to its ability to attract more business.

Eicher Engineering Solutions (EES)

The engineering services market is growing and EES is well positioned to garner new business from Group companies as well as external customers.

CONSOLIDATED BALANCE SHEET OF VE COMMERCIAL VEHICLES LIMITED AS AT DECEMBER 31, 2014

Rs. in crores

	As at December 31, 2014	As at December 31, 2013
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	10.00	10.00
Reserves and surplus	2,294.36	2,195.08
	2,304.36	2,205.08
Non-current liabilities		
Deferred tax liabilities (net)	219.28	167.82
Other long-term liabilities	12.35	9.82
Long-term provisions	58.79	49.25
	290.42	226.89
Current liabilities		
Short-term borrowings	58.36	79.90
Trade payables	1,033.00	877.07
Other current liabilities	352.52	336.11
Short-term provisions	153.43	133.40
	1,597.31	1,426.48
Total	4,192.09	3,858.45
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	1,490.67	1,320.56
Intangible assets	315.61	35.21
Capital work-in-progress	124.43	101.88
Intangible assets under development	142.48	320.46
	2,073.19	1,778.11
Non-current investments	0.05	0.05
Long-term loans and advances	338.34	237.45
	2,411.58	2,015.61
Current assets		
Inventories	441.56	383.35
Trade receivables	565.87	508.28
Cash and cash equivalents	420.64	636.50
Short-term loans and advances	305.40	269.13
Other current assets	47.04	45.58
	1,780.51	1,842.84
Total	4,192.09	3,858.45



CONSOLIDATED STATEMENT OF PROFIT AND LOSS OF VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED DECEMBER 31, 2014

	For the year ended December 31, 2014	Rs. in crores For the year ended December 31, 2013
INCOME		
Revenue from operations (gross)	6,082.47	5,537.85
Less: Excise duty	324.41	408.20
Revenue from operations (net)	5,758.06	5,129.65
Other income	35.59	58.87
Total revenue	5,793.65	5,188.52
EXPENSES		
Cost of raw materials and components consumed	3,135.08	2,874.96
Purchase of stock-in-trade	914.68	711.54
Change in inventories of finished goods, work-in-progress and stock-in-trade	(41.55)	14.13
Employee benefits expenses	497.44	422.29
Finance costs	8.09	7.59
Depreciation and amortisation expenses	169.66	99.63
Other expenses	869.36	709.68
Total expenses	5,552.76	4,839.82
Profit before tax	240.89	348.70
Tax expense		
Current tax	52.91	74.85
Minimum alternate tax (MAT) credit entitlement	(52.91)	(65.29)
Deferred tax charge	51.46	50.89
Total tax expense	51.46	60.45
Profit for the year	189.43	288.25
Earning per share - basic/diluted (Face value of Rs 10 per share) (in Rs.)	189.43	288.25



CONSOLIDATED CASH FLOW STATEMENT OF VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED DECEMBER 31, 2014

Rs. in crores

Particulars	For the year ended December 31, 2014	For the year ended December 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	240.89	348.70
Adjustments for:		
Depreciation and amortisation expense	169.66	99.63
Profit on sale of fixed assets	(0.53)	(0.81)
Fixed assets discarded	0.83	0.64
Loss on sale of fixed assets	1.42	2.23
Exchange differences on conversion	(0.08)	(0.21)
Interest income	(25.83)	(53.80)
Finance costs	8.09	7.59
Operating profit before changes in working capital	394.45	403.97
Adjustments for changes in:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(58.21)	30.10
Trade receivables	(57.59)	(64.81)
Short-term loans and advances	(36.27)	(72.73)
Long-term loans and advances	(32.54)	79.73
Other current assets	(27.53)	(14.72)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	155.93	96.47
Other current liabilities	55.88	(39.23)
Other long-term liabilities	0.61	(3.31)
Short-term provisions	18.12	5.33
Long-term provisions	9.54	2.39
Cash generated from operating activities	422.39	423.19
Direct taxes paid	(55.22)	(72.23)
Net cash from operating activities (A)	367.17	350.96
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Pre-operative expenditure and capital advances)	(519.82)	(547.46)
Sale of fixed assets	2.27	7.07
Interest received	51.90	64.74
Net cash flow from investing activities (B)	(465.65)	(475.65)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (decrease) in short term borrowings (net)	(21.54)	61.55
Interest paid	(8.09)	(7.69)
Dividend paid	(75.00)	(75.00)
Tax on dividend	(12.75)	(12.17)
Net cash flow from financing activities (C)	(117.38)	(33.31)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(215.86)	(158.00)
Cash and cash equivalents at the beginning of the year	636.50	794.50
Cash and cash equivalents at the end of the year	420.64	636.50

Rs. in crores

Particulars	As at December 31, 2014	As at December 31, 2013
Components of cash and cash equivalents		
Cash on hand	0.09	0.15
Cheques/ drafts on hand	21.34	20.48
Balances with banks:		
In current accounts	86.10	66.92
In deposit accounts *	313.11	548.95
Total cash and cash equivalents	420.64	636.50

* Includes Rs. 105.10 crores (Rs. 322.55 crores) pledged with banks against short term borrowings.



**NOTICE OF
THE ANNUAL
GENERAL
MEETING**

NOTICE OF 33RD (THIRTY THIRD) ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd (Thirty Third) Annual General Meeting of the members of "Eicher Motors Limited" is scheduled to be held on Friday, 20th March 2015 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003 at 10.00 am, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) for the financial year ended on 31st December 2014 together with the Auditors' and Directors' Report thereon.
2. To declare a dividend of Rs. 50 Per equity share.
3. To appoint M/s Deloitte Haskins & Sells (Firm Registration Number 015125N), Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of the 33rd (Thirty Third) Annual General Meeting until the conclusion of the 36th (Thirty Sixth) Annual General Meeting of the Company and to fix their remuneration.

Special Business:

4. To appoint Ms. Manvi Sinha (DIN 07038675) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules'), including any statutory modification(s) or any amendment or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Ms. Manvi Sinha (DIN 07038675), who was appointed as an Additional Director by the Board with effect from 13th February 2015, who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the Listing Agreement and in respect of whom the Company has received a notice in writing u/s 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years."

5. To appoint Mr. Srinivasan Sandilya (DIN 00037542) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules'), including any statutory modification(s) or any amendment or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr. Srinivasan Sandilya (DIN 00037542), Independent Director of the Company who is liable to retirement by rotation as per the provisions of the erstwhile Companies Act, 1956 and who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the Listing Agreement and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years."

6. To appoint Mr. Priya Brat (DIN 00041859) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules'), including any statutory modification(s) or any amendment or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr. Priya Brat (DIN 00041859), Independent Director of the Company who is liable to retirement by rotation as per the provisions of the erstwhile Companies Act, 1956 and who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the Listing Agreement and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years."

7. To appoint Mr. M J Subbaiah (DIN 00044799) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules'), including any statutory modification(s) or any amendment or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr. M J Subbaiah (DIN 00044799), Independent Director of the Company who is liable to retirement by rotation as per the provisions of the erstwhile Companies Act, 1956 and who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the Listing Agreement and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years."

8. To appoint Mr. Prateek Jalan (DIN 02170139) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 (‘the Act’) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (‘the Rules’), including any statutory modification(s) or any amendment or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mr. Prateek Jalan (DIN 02170139), Independent Director of the Company who is liable to retirement by rotation as per the provisions of the erstwhile Companies Act, 1956 and who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the Listing Agreement and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years.”

9. To approve payment of remuneration by way of commission to Directors (Other than Managing Director(s) and Whole Time Director(s)) of the Company and to consider and if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of shareholders be and is hereby accorded for payment of remuneration by way of commission not exceeding one percent of the net profits of the Company in every financial year (calculated in accordance with the provisions of Section 198 of the Companies Act, 2013) for five years, effective from the financial year ended on 31st December 2014, to the Directors of the Company (other than the managing director(s) or whole-time director(s), if any) or some or any of them in such proportion and in such manner as may be determined by the Board of Directors.

RESOLVED FURTHER THAT the above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.”

10. To consider change in terms of appointment and remuneration of Mr. Siddhartha Lal-Managing Director (DIN 00037645) and to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof, and such other approvals, permissions and sanctions, as may be required, consent of the shareholders of the Company be and is hereby accorded to revise the terms and conditions of appointment and remuneration of Mr. Siddhartha Lal (DIN 00037645), Managing Director of the Company, as set out herein below with effect from 1st April, 2015 for the remainder of his present term as the Managing Director, ending on 30th April 2016:

Revised terms & conditions of appointment of Mr. Siddhartha Lal

Subject to the control and supervision of the Board of Directors, Mr. Siddhartha Lal, Managing Director shall be in charge of the management of the affairs of the Company and he shall perform such duties and exercise such powers as may be entrusted to him from time to time by the Board of Directors and shareholders except such matters which are specifically to be done by the Board of Directors under the Articles of Association of the Company or under the Companies Act, 2013 and the rules thereunder.

Mr. Siddhartha Lal shall be liable to retire by rotation at the Annual General Meetings in accordance with Section 152 of the Companies Act, 2013 and there will be no break in his office as Managing Director in case he is re-appointed by the shareholders.

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

Remuneration:

I. Salary and allowances:

- i) Basic Salary: Rs. 72.75 Lacs (Rupees Seventy Two Lac Seventy Five Thousand only) per annum with such annual revision as may be decided by Board of Directors from time to time.
- ii) Flexible Payment Allowance (FPA): Rs. 145.50 Lacs (Rupees One Hundred and Forty Five Lac and Fifty Thousand only) per annum with such annual revision as may be decided by Board of Directors from time to time.

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

- i) Residential Accommodation: Managing Director shall be provided free furnished residential accommodation with free use of all the facilities and amenities provided by the Company.
- ii) Medical Reimbursement: Reimbursement of actual medical expenses incurred by the Managing Director and his family.
- iii) Club Fees: Actual fees of clubs will be paid by the Company.
- iv) Personal Accident Insurance: Actual premium to be paid by the Company.
- v) Car: Facility of two cars with drivers.
- vi) Telephone: Free telephone facility at residence including mobile phone.
- vii) Contribution to provident and superannuation funds: Company’s contribution to Provident and Superannuation Funds will be as per the rules of the Company.
- viii) Gratuity: Not exceeding half months salary for each completed year of service.
- ix) Reimbursement of entertainment and all other expenses incurred for the business of the Company as per rules of the Company.

- x) Other Allowance/benefits/perquisites: Any other allowance, benefits and perquisites as per the Rules applicable to Senior Executives of the Company and/or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.

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

Explanation:

- (i) For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents of the Managing Director.
(ii) Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.
(iii) The remuneration set out above will be paid on a monthly basis in accordance with Company's policies.

IV. Commission:

As the Board of Directors of the Company may, upon recommendation or, if required, approval of the Nomination and Remuneration Committee, at their sole discretion approve, from time to time, payment of commission provided that the remuneration paid as Basic Salary, Flexible Payment Allowance, Perquisites and Commission shall not exceed 5% of the net profit computed in the manner laid down under Section 198 of the Companies Act, 2013 as amended from time to time.

V. The aggregate of salary, allowances and perquisites including commission in any financial year shall not exceed the limit prescribed from time to time under Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 as may for the time being in force.

VI. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year, the aggregate of salary, allowances, perquisites shall not exceed the applicable (maximum) ceiling limits prescribed under Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time.

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

RESOLVED FURTHER THAT the said terms and conditions of the appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with the provisions of the Companies Act, 2013 or any amendments made therein or with the approval of Central Government, if required.

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

11. To consider and if thought fit, to pass the following resolution as **Special Resolution:**
"RESOLVED THAT pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable acts, laws, rules, regulations, circulars, directions, notifications, press notes and guidelines (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company, the Managing Director or the Chief Financial Officer, consent of the members of the Company be and is hereby accorded to increase the limit upto which Foreign Institutional Investors (FIIs) can acquire and hold, on their own account and on behalf of each of their sub-accounts, equity shares of the Company, upto an aggregate limit of 49% (Forty Nine percent) of the paid-up equity share capital of the Company, provided, however, that the shareholding of each FII in its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed such limits as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations (including any statutory modifications or re-enactment thereof for the time being in force)."

By order of the Board of Eicher Motors Limited

Manhar Kapoor

Company Secretary & Compliance Officer
Membership No. FCS 5564

Place: Gurgaon

Date: 18th February, 2015

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE AT A POLL INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETE AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) % OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
3. Corporate Members intending to send their respective authorized representative are requested to send a duly certified copy of the Board/ Governing Body resolution authorizing such representative to attend and vote at the Annual General Meeting.
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and listing agreement, the Register of Members and Share Transfer Books of the Company will remain closed from March 13, 2015 to March 20, 2015 (both days inclusive).
5. The Dividend of Rs. 50 per equity share of the Company of Rs. 10 each (@ 500%) has been recommended by the Board of Directors for the financial year 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, shall be paid as under:
 - 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 March 12, 2015;
 - b. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on March 12, 2015.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
7. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to Dividend for the financial year 2006-07 to the IEPF within the stipulated time period during the year. Members who have not encashed their dividend warrants for the financial year 2007-08 and onwards are advised to write to the Registrar immediately for claiming dividends declared by the Company.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to Company's Registrar i.e M/s MCS Limited, F-65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi 110 020. 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). Members are requested to register/ update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
10. Electronic copy of the Annual Report for financial year 2014 along with the Notice of the 33rd Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2014 along with Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
11. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.eicher.in and on the website of the Registrar www.mcsdel.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during 11:00 A.M. to 5:00 P.M on any working day (Monday-Friday). Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@eicher.in
12. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
13. Guidelines for attending the ensuing Annual General Meeting of the Company:
 - a. Entry to the Auditorium/Hall will be strictly against entry coupon available at the counters at the venue and against the exchange of duly filled in, signed and valid attendance slip.
 - b. Any briefcase/bags/eatables or such other articles as may be ordered by the authorities, are not allowed inside the Auditorium/Hall.
 - c. Member(s) are requested to bring the copy of the Annual Report to the meeting.
14. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the Company between 11:00 AM and 5:00 PM on all working day (Monday-Friday).
15. Members desirous of obtaining any information/ clarification on the enclosed Accounts are requested to submit their query in writing to Mr. D.S. Mehta, Manager at the Registered Office of the Company at least 10 days before the date of the Meeting.

16. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.
17. Voting through electronic means:
In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and Clause 35B of the Listing Agreement, the businesses stated in the notice of this meeting may be transacted through electronic voting system and the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on the closing business hours on 13th February, 2015 being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the voting process.

The instructions for e-voting are as under:

- (a) In case the Member receives an email from NSDL (for members whose email IDs are registered with the Company/DP):
- (i) Open the e-mail and then open the PDF file namely "Eicher e-voting.pdf" with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
 - (ii) Open the internet browser and type the following URL: <https://www.evoting.nsd.com>
 - (iii) Click on Shareholder-Login.
 - (iv) Put user ID and password as initial password/PIN provided in the PDF file.
 - (v) The password change menu will appear on your screen. Change to a new password of your choice with minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, * etc). Please take utmost care to keep your password confidential.
 - (vi) Home page of e-voting will appear. Clicks on e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" (E-Voting Event Number) of Eicher Motors Limited.
 - (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when promoted.
 - (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xi) Institutional shareholders (i.e other than individuals, HUF NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority Letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at scrutinizer@dacs.in with a copy marked to evoting@nsdl.co.in.
- (b) In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/ Depository Participants):

- (i) Initial password is provided in the attached sheet on the 'Process and manner for e-voting'.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) of para (a) above, to cast vote.
- (c) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (d) The e-voting period commences at 9.00 A.M. on Wednesday the 11th March, 2015 and will end at 6.30 P.M. on Friday the 13th March, 2015. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the closing business hours on 13th February, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (e) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the closing business hours on 13th February, 2015.
- (f) Mr. Ranjeet Pandey, Practicing Company Secretary (Membership No. FCS No.- 5922/ CP No.- 6087), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (g) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (h) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.eicher.in and on the website of NSDL within two days of the passing of the resolutions at the AGM of the Company and communicated to stock exchanges.

Place: Gurgaon

Date: 18th February, 2015

CIN: L34102DL1982PLC129877

Regd Office: 3rd Floor-Select Citywalk,

A-3 District Centre, Saket, New Delhi-110017

Phone: 0124-4415600 Fax: 0124-4415807,

Website: www.eicher.in, Email: investors@eicher.in

By order of the Board of Eicher Motors Limited

Manhar Kapoor

Company Secretary & Compliance Officer

Membership No. FCS 5564

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**In respect to Item No. 4:**

The Board of Directors, has, at its meeting held on February 13, 2015, appointed Ms. Manvi Sinha as an Additional Director of the Company with effect from February 13, 2015.

The Company has received a notice from a member u/s 160 of the Act proposing Ms. Manvi Sinha for the office of Director of the Company. Ms. Sinha is eligible for appointment as Director in the Company pursuant to the provisions of the Companies Act, 2013. Ms. Sinha is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and other provisions of the Act as applicable and has given her consent to act as a Director of the Company.

The Company has also received declaration from Ms. Sinha that she meets with the criteria of independence as prescribed under Section 149(6) of the Act and clause 49 of the Listing Agreement. In the opinion of the Board, Ms. Sinha fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing agreement and is independent of the management.

The Board considers that the appointment of Ms. Manvi Sinha as a member of the Board would be beneficial for the Company. It is proposed to appoint Ms. Manvi Sinha as an Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement, not liable to retire by rotation, for a term of five years.

Copy of the draft letter for appointment of Ms. Sinha as an Independent Director, setting out the terms and conditions of her appointment, is available for inspection without any fee by the members at the Registered Office of the Company during 10:00 A.M. to 5:00 P.M on any working day.

Except Ms. Manvi Sinha, being an appointee, and her relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. Information pursuant to clause 49 of the Listing Agreement is provided under Annexure-A.

In respect to Item No. 5, 6, 7 and 8:

The Company had appointed, Mr. Srinivasan Sandilya, Mr. Priya Brat, Mr. M J Subbaiah and Mr. Prateek Jalan as Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 (the Act) that have come into effect from April 1, 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated June 9, 2014, the Company is required to appoint Independent Directors in accordance with the provisions of the Companies Act, 2013.

The Company has received notices u/s 160 of the Act proposing appointment of Mr. Srinivasan Sandilya, Mr. Priya Brat, Mr. M J Subbaiah and Mr. Prateek Jalan as Directors of the Company.

Accordingly, it is proposed to appoint Mr. Srinivasan Sandilya, Mr. Priya Brat, Mr. M J Subbaiah and Mr. Prateek Jalan as Independent Directors under section 149 of the Act and Clause 49 of the Listing Agreement for terms of five years each. Further, pursuant to the provisions of Section-152 (6) of the Act, Independent Directors shall not be liable to retire by rotation.

The Company has received from Mr. Srinivasan Sandilya, Mr. Priya Brat, Mr. M J Subbaiah and Mr. Prateek Jalan declarations that they are not disqualified to act as Directors under section 164(2) of the Companies Act, 2013 and that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Srinivasan Sandilya, Mr. Priya Brat, Mr. M J Subbaiah and Mr. Prateek Jalan fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing agreement and is independent of the management.

Copy of the draft letters for appointment of above Directors, setting out the terms and conditions of their appointment, are available for inspection without any fee by the members at the Registered Office of the Company during 10:00 A.M. to 5:00 P.M on any working day.

Except Mr. Srinivasan Sandilya, Mr. Priya Brat, Mr. M J Subbaiah and Mr. Prateek Jalan, being the appointees and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5, 6, 7 and 8 respectively. Information pursuant to clause 49 of the Listing Agreement is provided under Annexure-A.

In respect to Item No. 9:

The members of the Company in their 28th Annual General Meeting held on March 15, 2010 had approved payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 1956, for a period of five years with effect from the financial year ended December 31, 2009.

The Board proposes for approval of the Shareholders, payment of remuneration by way of commission to Non-Executive Directors pursuant to Section 197 and such other provisions as may be applicable of the Companies Act, 2013, not exceeding 1% of the net profits of the Company, calculated in the manner provided under the Companies Act, 2013 every year for another period of five years effective from the financial year ended on December 31, 2014.

The commission will be paid to all or some of the Non Executive Directors in such manner and proportion as may be determined by the Board of Directors. The commission shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

The Managing Director and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice. Directors, other than the Managing Director of the Company, and their relatives may be deemed to be concerned or interested in the resolution set out at Item No. 9 of the Notice to the extent of the remuneration that may be received by such Directors.

In respect of Item No. 10:

Mr. Siddhartha Lal was reappointed as the Managing Director of the Company w.e.f. May 1, 2011 for a period of five years in the Annual General Meeting held on March 18, 2011. Under the leadership of Mr. Siddhartha Lal, the Company has witnessed significant growth, both in terms of revenue and profits.

Considering the contribution of Mr. Siddhartha Lal, the Board of Directors (on the recommendation of the nomination and Remuneration Committee) pursuant to sections 196, 197 and other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule V, proposes change in terms of appointment and remuneration of Mr. Siddhartha Lal as set out under Item no. 10 of notice of this meeting. However, the tenure of appointment of Mr. Siddhartha Lal as Managing Director will remain unchanged i.e. for a period of 5 years effective from May 1, 2011 upto April 30, 2016. Furthermore, to comply with the requirements of Section 152 of the Companies Act, 2013, it is proposed to make Mr. Siddhartha Lal liable to retire by rotation.

Except Mr. Siddhartha Lal, being an appointee, and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10.

The Notice read with Explanatory Statement should be considered as written Memorandum setting out the terms of Remuneration of Mr. Siddhartha Lal as Managing Director as required under Section 190 of the Companies Act, 2013. Information pursuant to clause 49 of the Listing Agreement is provided under Annexure-A.

In respect to Item No. 11:

In terms of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Foreign Institutional Investors (FIIs) can, in aggregate, hold upto 24% of paid-up capital of the Company. The said limit of 24% may further be increased upto the sectoral cap/ statutory ceiling, as applicable, by passing a resolution by the Board of Directors followed by passing of a Special Resolution by members and making necessary filings with the Reserve Bank of India ("RBI") or any regulatory authorities as may be required.

In order to facilitate higher FII investment in the Company, it is proposed to increase the present limit of FII shareholding in the Company from 24% to an aggregate limit of 49% of paid up equity share capital of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

Place: Gurgaon

Date: 18th February, 2015

By order of the Board of Eicher Motors Limited

Manhar Kapoor

Company Secretary & Compliance Officer

Membership No. FCS 5564

Annexure -A

Information pursuant to clause 49 of the Listing Agreement:-

Ms. Manvi Sinha

Ms. Manvi Sinha is a television journalist/ anchor and is presently working as consulting anchor with Times Global Broadcasting. Ms. Sinha has over 16 years of experience in television news/ media including a 5 year stint as the presenter of the prestigious India Business Report on BBC World. She has also been the Managing Editor of NDTV Profit.

A graduate in economics from St Stephen's College, Delhi University, Ms. Sinha combines a sound academic background with rich journalism experience.

Ms. Sinha does not hold by herself or for any other person on a beneficial basis, any shares in the Company. She is neither a Director nor a member of any committee in any other Company. Ms. Sinha is not related to any Director of the Company.

Mr. Srinivasan Sandilya

Mr. Srinivasan Sandilya is the Chairman of the Board. He is an Independent and Non-Executive Director. He has been associated with the Company since 1975 in various capacities. He is a Commerce graduate and holds a Post Graduate Diploma in Business Administration from IIM, Ahmadabad. He has over 45 years of business experience in various roles including, supervising operations and devising and implementing corporate strategy. He has been part of the growth journey of the Eicher Group and held various positions in different business units.

Mr. Srinivasan Sandilya, prior to joining Eicher Group in 1975, had worked with DCM group of Companies in the Finance function. After DCM, he joined Union Carbide India Limited where he worked for five years in Systems as well as Finance and Accounts.

Mr. Srinivasan Sandilya holds 1,27,66 Equity Shares in the Company. Mrs. Visalakshi Sandilya, his wife, holds 220 Equity Shares in the Company. Mr. Srinivasan Sandilya is not related to any Director of the Company.

Name of the Companies in which Mr. Srinivasan Sandilya holds the Directorship and the Chairmanship / membership of Committees of the Board are as follows:

Names of Companies/ entities	Designation on Board	Committees		
		Audit Committee	Stakeholder Relationship Committee	Other Committees
Eicher Motors Limited	Chairman (Non-Executive & Independent Director)	Member	Member	1. Member-Nomination & Remuneration Committee 2. Member- Compensation Committee 3. Chairman- CSR Committee 4. Member- Risk Management Committee
Tube Investments of India Limited	Director	Chairman	-	1. Member- Nomination & Remuneration Committee 2. Member, CSR Committee
Rane Brake Lining Limited	Director	Chairman	-	1. Chairman- Nomination & Remuneration Committee
GMR Infrastructure Limited	Independent Director	-	-	-
Mastek Limited	Chairman & Non-Executive Director (Independent)	Chairman	-	1. Member- Nomination & Remuneration Committee
Mastek UK Limited	Non-Executive Director	-	-	-
Lean Management Institute of India	Director	-	-	-
Association of Indian Automobile Manufacturers	President	-	-	-
National Skill Development Corporation	Director	-	-	-

Mr. Priya Brat

Mr. Priya Brat is an Independent and Non-Executive Director on the Board of the Company since July 23, 2001.

Mr. Priya Brat did MSc.(hons.) in Physics from Punjab University. He holds a diploma in Banking, Finance and Accountancy from the Indian Institute of Bankers, Mumbai and a Diploma in International Finance from the Development Management Institute, Geneva. He was associated with State Bank of India (SBI) in various capacities since 1959, and retired as its Dy. Managing Director in 1995. During his tenure with SBI, he also served as Director on the Boards of State Bank of Patiala, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Travancore and State Bank of Saurashtra. He was also on the Boards of MP State Development Corporation, MP State Electronic Development Corporation and OPTEL in Madhya Pradesh. Subsequent to his retirement from SBI, he served as President (Finance) at Indo Rama Synthetics (India) Ltd. (1996-1999).

Mr. Priya Brat does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Mr. Priya Brat is not related to any Director of the Company.

Name of the Companies in which Mr. Priya Brat holds the Directorship and the Chairmanship/ membership of Committees of the Board are as follows:

Names of Company/ entity	Designation on Board	Committees		
		Audit Committee	Stakeholder Relationship Committee	Other Committees
Eicher Motors Limited	Non-Executive & Independent Director	Member	Chairman	1. Member- Compensation Committee
Dhampur Sugar Mills Limited	Independent Director	Member	Member	1. Member- Remuneration Committee
Dhanuka Agritech Limited	Independent Director	Chairman	-	1. Chairman- Remuneration Committee
South Asian Enterprises Limited	Independent Director	Member	-	-
Trinova India Private Limited	Director	-	-	-

Mr. M.J. Subbaiah

Mr. M.J. Subbaiah is an Independent and Non-Executive Director on the Board of Eicher Motors Limited since April 27, 2009.

Mr. Subbaiah holds a Master's degree in Economics from the University of Mysore and is a fellow of the Indian Institute of Bankers. He has vast experience of over 35 years in financial services industry. He started his career in State Bank of India and was Dy. General Manager before moving to Shipping Credit and Investment Corporation of India (SCICI) as Executive Director on the Board.

Mr. Subbaiah does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Mr. Subbaiah is not related to any Director of the Company.

Mr. Subbaiah is not a Director in any other Company. Mr. Subbaiah is Chairman of Audit Committee and member of Nomination & Remuneration Committee of the Company.

Mr. Prateek Jalan

Mr. Prateek Jalan is an Independent and Non-Executive Director on the Board of Eicher Motors Limited since April 28, 2008.. He is a law graduate from Trinity College, University of Cambridge. He also holds a Master of Laws degree from the University of Michigan School of Law, Ann Arbor, U.S.A.

Mr. Jalan has been practicing as an advocate at different courts, tribunals and commissions including the Supreme Court of India since 1994.

Mr. Jalan is professionally associated with Supreme Court Bar Association, New Delhi, Delhi High Court Bar Association, New Delhi and the Bar Library Club, Calcutta High Court. He is also a member of the Oxford and Cambridge Society of India, New Delhi and a fellow of the Cambridge Commonwealth Trust, Cambridge.

Mr. Jalan does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is not related to any Director of the Company.

Name of the Companies in which Mr. Prateek Jalan holds the Directorship and the Chairmanship / membership of Committees of the Board are as follows:

Names of Company/ entity	Designation on Board	Committees		
		Audit Committee	Stakeholder Relationship Committee	Other Committees
Eicher Motors Limited	Independent Director	Member	-	1. Chairman-Nomination & Remuneration Committee 2. Member- CSR Committee
VE Commercial Vehicles Limited	Director	-	-	1. Member- CSR Committee
Associated Advisory Services Private Limited	Director	-	-	-

Mr. Siddhartha Lal

Mr. Siddhartha Lal is a graduate in Economics from St. Stephens College, Delhi University. He holds a Post-Graduate Diploma in Mechanical Engineering from Cranfield University, UK and has done Masters of Science in Automotive Engineering at the University of Leeds, UK.

Mr. Siddhartha Lal became the Chief Executive of Royal Enfield in the year 2000. He became Group Chief Operating Officer in January 2004. Subsequently, he took over as Chief Executive Officer of Eicher Group in the year 2006 and is presently the Managing Director and Chief Executive Officer of the Company. His rich experience in the automotive industry, both in India and overseas, has endowed him with deep insights and expertise on the industry.

Mr. Siddhartha Lal holds 2,94,694 shares of the Company. Mr. Siddhartha Lal is a member of the promoter group. The promoter group in aggregate holds 1,49,03,030 shares in the Company constituting 54.98% of Company's total Capital. Mr. Siddhartha Lal is not related to any Director of the Company.

Name of the Companies in which Mr. Siddhartha Lal holds the Directorship and the Chairmanship / membership of Committees of the Board are as follows:

Names of Companies/entity	Designation on Board	Committees		
		Audit Committee	Stakeholder Relationship Committee	Other Committees
Eicher Motors Limited	Managing Director	-	-	1. Member- Compensation Committee 2. Member- CSR Committee 3. Chairman- Risk Management Committee
VE Commercial Vehicles Limited	Chairman & Managing Director	Chairman	-	1. Chairman- CSR Committee 2. Member-Nomination & Remuneration Committee
Eicher Polaris Private Limited	Chairman	-	-	-

ATTENDANCE SLIP**Eicher Motors Limited**

CIN: L34102DL1982PLC129877

Registered Office: 3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi-110017**Phone: 0124-4415600 Fax: 0124-4415807, Website: www.eicher.in, Email: investors@eicher.in**

DP ID*	Client ID*/ Regd. Folio No.	No. of Shares Held	Name and Address of the Registered Shareholders

I being the registered Shareholder/ proxy for the registered Shareholder of the Company hereby record my presence at the 33rd ANNUAL GENERAL MEETING of the Company held on Friday, 20th March 2015 at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003 at 10.00 am and at any adjournment(s) thereof.

.....
Signature of Shareholder / proxy

* Applicable for investors holding shares in electronic form

PROXY FORM**Eicher Motors Limited**

CIN: L34102DL1982PLC129877

Registered Office: 3rd Floor-Select Citywalk, A-3 District Centre, Saket, New Delhi-110017**Phone: 0124-4415600 Fax: 0124-4415807**

Website: www.eicher.in, Email: investors@eicher.in

Form No. MGT-11

[Pursuant to section 105(6) of the
Companies Act, 2013 and rule 19(3) of the
Companies (Management and Administration)
Rules, 2014]

Name of the Member(s) :
Regd. Address :
Email :
Folio No./DP ID/ Client ID :

I/We, being the holder of shares of the above named company, hereby appoint

- Name: Address:
E-mail Id: Signature:....., or failing him
- Name: Address:
E-mail Id: Signature:....., or failing him
- Name: Address:
E-mail Id: Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Friday, 20th March 2015, at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003 at 10.00 am and at any adjournment thereof in respect of such resolutions as are stated below:

Ordinary Business:

- Adoption of Audited Financial Statements (including consolidated financial statements) for the financial year ended on 31st December 2014 together with the Auditors' and Directors' Report thereon.
- To declare a dividend of Rs. 50 Per equity share.
- To appoint M/s Deloitte Haskins & Sells (Firm Registration Number 015125N), Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of the 33rd (Thirty Third) Annual General Meeting until the conclusion of the 36th (Thirty Sixth) Annual General Meeting of the Company and to fix their remuneration.

Special Business:

- To appoint Ms. Manvi Sinha (DIN 07038675) as an Independent Director.
- To appoint Mr. Srinivasan Sandilya (DIN 00037542) as an Independent Director.
- To appoint Mr. Priya Brat (DIN 00041859) as an Independent Director.
- To appoint Mr. M J Subbaiah (DIN 00044799) as an Independent Director.
- To appoint Mr. Prateek Jalan (DIN 02170139) as an Independent Director.
- To approve payment of remuneration by way of commission to Directors (Other than Managing Director(s) and Whole Time Director(s)) of the Company.
- To consider change in terms of appointment and remuneration of Mr. Siddhartha Lal-Managing Director (DIN 00037645).
- To increase limit of investment by FIs in the Company to 49% of Company's total capital.

Signed this..... day of..... 2015

Signature of shareholder..... Signature of proxyholder (s).....

Affix Revenue Stamp Re. I/-

In order to be effective, this form should be deposited at the registered office of the Company, duly complete and signed, not less than 48 hours before the scheduled time of the meeting.

Notes



EICHER MOTORS LIMITED

Registered office
3rd Floor-Select Citywalk
A-3 District Centre, Saket
New Delhi – 110 017

tel (011) 29563722

www.eicher.in