

July 24, 2021

Online intimation/submission

The Secretary

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai-400 001

Security Code: 505200

The Secretary

National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor, Plot No. C/1,

G Block, Bandra Kurla Complex, Bandra (E)

Mumbai-400 051

Symbol: EICHERMOT

Dear Sir/Madam,

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

Subject: Integrated Annual Report for the Financial Year 2020-21 and Notice of the 39th Annual General Meeting

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Integrated Annual Report for the Financial Year 2020-21 of Eicher Motors Limited (“the Company”) along with Notice of the 39th Annual General Meeting of the Company scheduled to be held on Tuesday, August 17, 2021 at 1.00 P.M. Indian Standard Time, through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). The said notice forms part of the Integrated Annual Report of the Company for the Financial Year 2020-21 ended March 31, 2021 and which are being sent to the shareholders through electronic mode on their registered e-mail ids and are also available on the website of the Company at www.eichermotors.com.

This is for your information and records.

Thanking you,

For **Eicher Motors Limited**

Manhar Kapoor

General Counsel & Company Secretary

Encl: a.a.

World's Oldest Motorcycle Manufacturer in Continuous Production



1901
The Royal Enfield



1904
Belt Drive 2.25 hp Motor Bicycle



1910
Model 145 Lightweight V-Twin



1914
2.75 hp Works Racer



1916
2.25hp Model 200



1921
Model 201 2.25hp 2-Stroke



1922
Model 201 225cc



1924
Model 201A Ladies Model 225cc



1925
Model 352 2.75 hp Sports



1926
Model 180 V-twin with Sidecar



1927
Model 351 OHV Sports 346cc



1928
976cc Model 182 Sports V-twin



1929
Model 350 Side-Valve



1930
Model JL 500cc



1932
500cc Bullet



1933
Model Z Cycar 150cc



1935
LO Bullet 500cc



1936
Special Competition Model 500cc



1938
Model T 150cc OHV



1939
Model G 350cc Bullet



1941
WWII WD/CO 350cc



1942
WWII Model WD/RE Flying Flea



1947
Model G 350cc



1948
500cc Twin



1950
G2 350cc Trials Bullet



1952
Model RE2 125cc 2-stroke



1952
350cc Indian Army Bullet



1954
Meteor 700cc



1955
500cc Bullet Scrambles



1956
Super Meteor 700cc



1959
Constellation 700cc Twin Carb



1960
Crusader Sports 250cc



1962
Super Meteor Airflow 700cc



1964
Continental GT 250cc



1970
Interceptor 750cc Series II



1985
Bullet 350cc Standard



1990
350cc Bullet Superstar UK



1999
Taurus Diesel



2000
535cc Lightning



2001
Bullet 500cc Military Export



2002
Bullet 350/500cc Export



2002
Bullet Electra 350cc



2008
Classic 500cc



2012
Thunderbird 500cc UCE



2013
Continental GT 535cc



2016
Himalayan 410cc



2018
Interceptor 650cc



2020
Meteor 350cc

ROYAL ENFIELD



YEARS OF PURE MOTORCYCLING

C O N T

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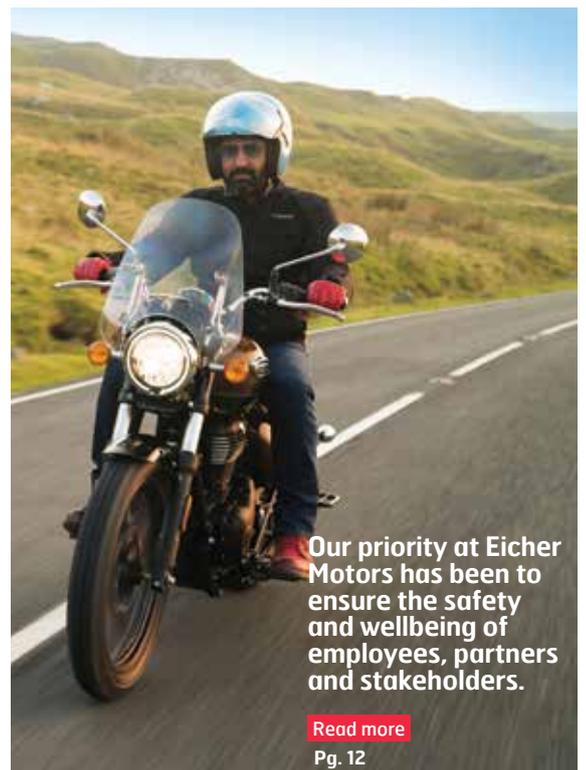
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Our priority at Eicher Motors has been to ensure the safety and wellbeing of employees, partners and stakeholders.

[Read more](#)

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E N T S

Royal Enfield, a key brand of Eicher Motors Limited (EML) believes in and defines the pure motorcycling way of life. For over 120 years, Royal Enfield has carried forward this legacy of pure motorcycling and helped its customers create memories and experiences.

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Forward-looking statement

Certain statements used in this Report regarding the Company's business operations, industry, objectives, business strategy, management plans and expectations may be forward-looking statements. These statements can be identified by usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. These statements are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. The Company does not assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Helping you navigate through the report



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Link to website



Further online reading

EICHER MOTORS LIMITED (EML) HAS BEEN AT THE FOREFRONT OF REDEFINING PERSONAL AND COMMERCIAL MOBILITY ACROSS THE WORLD. THE COMPANY CONTINUED TO DO SO EVEN IN A CHALLENGING FY 2020-21, REMAINING FOCUSSED AND ENSURING THE INTERESTS OF ALL STAKEHOLDERS WHILE CONTINUOUSLY BROADENING HORIZONS.

EML's ethos reflects the undying spirit of its iconic motorcycle brand, Royal Enfield, which has been a symbol of resilience, purposeful longevity, and authenticity through its 120-year journey. Today, a leading global player in the middleweight motorcycle segment (250cc - 750cc), Royal Enfield has a community of over 10 million riding enthusiasts globally. Preserver of the legacy of building simple, timeless, and accessible motorcycles since 1901, Royal Enfield blends technology with traditional craftsmanship alongside curating experiences that introduce riders to the world of pure motorcycling.

EML also has a joint venture with Sweden's AB Volvo, named VE Commercial Vehicles Limited (VECV), which is driving commercial vehicle modernisation in India and other developing countries with its engineering prowess and technological know-how.

Consolidated financial highlights

Revenue from Operations (Rs. Crores)

2020-21	8,720
2019-20	9,154
	↓ 4.7%

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

2020-21	20.4
2019-20	23.8

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

2020-21	15.3
2019-20	19.7

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

2020-21	31
2019-20	32
	↓ 1.8%

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

2020-21	1,381
2019-20	1,839
	↓ 24.9%

Period of comparison ■ 1.4.2020-31.03.2021 — 1.4.2019-31.03.2020

ABOUT THE REPORT

This is the first Integrated Report of Eicher Motors Limited, covering the reporting period from April 1, 2020, to March 31, 2021. This Report provides a summary of the organisation's approach to sustainability by presenting a comprehensive picture of its performance during the reporting period. Eicher Motors Limited has been reporting on its ESG performances over the years through its sustainability reports. The report has been prepared in accordance with the 'core' criteria of the Global Reporting Initiative (GRI) Standards. This year, it has adopted the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework to showcase ESG progress in this Report and present various factors of its value-creation framework, incorporating key financial and non-financial aspects. Through this Report, EML wants to create awareness on the impact of our sustainability projects as well as the company's intent to integrate sustainability across our business operations amongst the stakeholders universe. We are cognisant of the fact that there are areas of improvement and alignment with the IIRC framework that may be missing in this Report. This

report has been prepared in accordance with the 'core' criteria of the Global Reporting Initiative (GRI) Standards. The GRI Content Index can be found at the end of this report. However, we believe that we have set forth in the right direction and we will keep working on strengthening our performance and disclosure in the years to come.

The scope and boundary of the Report pertains to EML's Headquarters in Chennai along with 3 domestic manufacturing sites situated at Thiruvottiyur, Oragadam, and Vallam Vadagal and technical centre at Bruntingthorpe, UK. Subsidiaries and joint ventures are excluded from the scope.

We have a profound commitment to listen to the ideas and viewpoints of our stakeholders. Your comments, enquiries, recommendations or details on every part of our sustainability success are also acknowledged as it will further increase our potential sustainability reporting. We would welcome any feedback on the contents and approach of this Report at investors@eichermotors.com



Further, details on sustainability performance of EML is available on the website: www.eichermotors.com



**TO ENCOURAGE,
ENABLE AND
KICKSTART THE
ACTIVE, LIFELONG
PURSUIT OF
EXPLORATION
WE BELIEVE
THAT PURE
MOTORCYCLING
UNLOCKS THIS
PURSUIT,**





THAT'S WHY WE KEEP RIDING PURE

RIDE

*Invite people to
the world of pure
motorcycling*

RIDE MORE

*Inspire owners
to increase their
participation in this
wonderful pursuit*

RIDE PURE

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

ABOUT EICHER MOTORS LIMITED

Eicher Motors Limited (EML) is a globally reputable automobile company engaged in the manufacture of motorcycles and commercial vehicles. It is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company's motorcycle business is led by the iconic brand, Royal Enfield, the world's oldest motorcycle brand, still in continuous production. It is revered among motorcycle enthusiasts globally for its distinctive range of authentic, simple, engaging, and accessible motorcycles, and its range of apparel and accessories. Its ecosystem of definitive premium

motorcycling retail and service network, and community rides and events, deliver truly authentic experiences and propel riders towards the active pursuit of "Pure Motorcycling". Royal Enfield's expert teams at its modern Technical Centres at Leicestershire, UK, and in Chennai, India, are consistently working to take this experience up a notch. They are continuously taking inspiration from the brand's rich history to develop timeless, modern classics with an uncompromising blend of tradition and technology for unmatched performance. These products are handcrafted at the Company's state-of-the-art manufacturing facilities.

EML's commercial vehicle business is led by VE Commercial Vehicles, which is amongst the leading players in India's trucks, buses, engines and engineering components segment. Its premium, new-generation range of commercial vehicles are modernising commercial transportation in India and the developing world. The Eicher range includes trucks with 4.9 to 55 tonnage and 12 to 62-seater buses. VECV's advanced engine manufacturing plant, VE PowerTrain, is a global hub for medium duty engines for the Volvo Group with Euro VI competencies.

BUSINESS SEGMENT

Performance FY 2020-21

609,403

Motorcycles sold

94%

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

JOINT VENTURE

Performance FY 2020-21

41,268

Commercial vehicles sold

100%

All trucks and buses sold in India connected via advanced telematics

30.1%

Market share in India's light & medium duty (3.5 to 15 tonnes) CV segment

Motorcycles

ROYAL ENFIELD

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

Portfolio

- Motorcycles: Classic, Bullet, Himalayan, Interceptor INT 650, Continental GT 650, Meteor 350
- Apparel (men and women exclusive): Protective riding apparel, urban casual wear and riding accessories
- Motorcycle accessories, protective, seats, bodywork, controls, wheels, luggage and engine

Commercial Vehicles

VE COMMERCIAL VEHICLES

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

Portfolio

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

ROYAL ENFIELD: GEOGRAPHIC FOOTPRINT

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

4

Fully-owned subsidiaries –
Royal Enfield North America Ltd.
Royal Enfield (Thailand) Ltd.
Royal Enfield Brasil Comercio de Motocicletas Ltda
Royal Enfield UK Ltd.

750+

RETAIL OUTLETS ACROSS MORE THAN 60 COUNTRIES

132 Exclusive stores across UK, Colombia, USA, Mexico, UAE, France, Spain, Italy, Indonesia, Thailand, Philippines, Australia, New Zealand, Portugal, Malaysia, Brazil, Vietnam, South Korea, Japan and Argentina

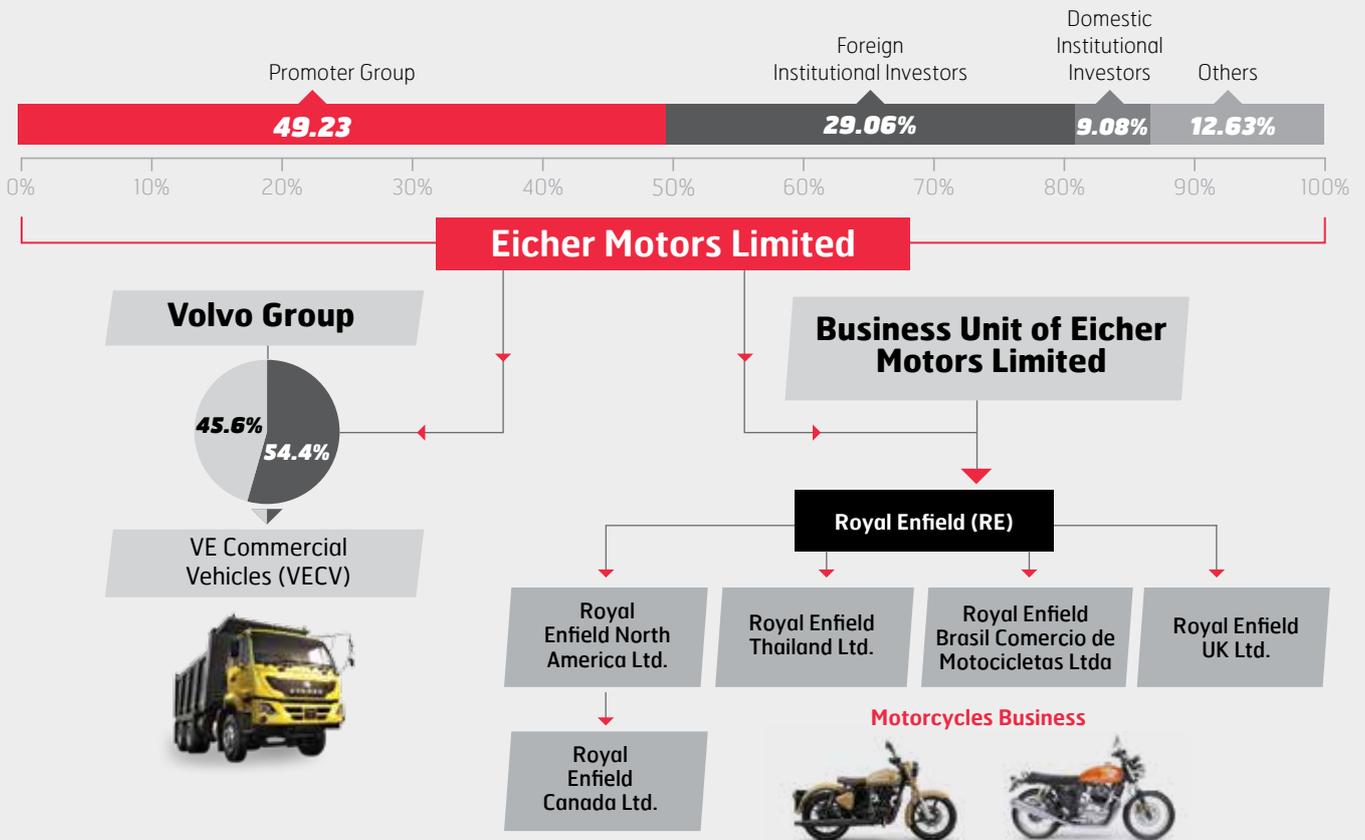
2

Technical Centres Leicestershire, UK
Chennai, India

2,050+

Studio Stores and Dealerships in India

SHAREHOLDING PATTERN (As on March 31, 2021)



FINANCIAL POSITION – CONSOLIDATED

BALANCE SHEET				
	(Rs. Crores)			
	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Net Fixed Assets (Property plant & equipment, Intangibles, CWIP and Investment Property)*	1,834.90	2,324.32	2,689.69	2,747.59
Investment in joint venture	1,764.27	1,943.92	1,892.05	1,926.21
Investment in mutual funds, bonds & fixed deposits, loans to VECV	4,925.51	5,896.60	6,747.70	8,157.03
Other non-current assets	204.85	193.49	149.17	176.48
Current assets				
Inventories	394.64	633.38	572.35	874.60
Debtors	68.00	84.29	86.76	158.16
Cash and Bank Balances (excluding fixed deposits)	103.06	47.29	59.61	108.38
Other current assets	227.00	263.54	252.39	410.16
Total assets	9,522.23	11,386.83	12,449.72	14,558.61
Equity share capital	27.26	27.28	27.30	27.33
Other equity	7,002.81	8,891.44	9,953.63	11,410.75
Net worth	7,030.07	8,918.72	9,980.93	11,438.08
Non-current liabilities	226.92	370.15	450.21	491.72
Current liabilities	2,265.24	2,097.96	2,018.58	2,628.81
Total equity and liabilities	9,522.23	11,386.83	12,449.72	14,558.61
No. of Shares #	27,25,55,490	27,28,25,700	27,30,45,700	27,33,35,922
Book Value per Share (Rs.) #	257.93	326.90	365.54	418.46
Market Value per Share (Rs.) #	2,837.27	2,054.77	1,309.59	2,603.95
Market Value to Book Value per Share	11:1	6.3:1	3.6:1	6.2:1
Market Capitalisation (Rs. Crores)	77,331.22	56,059.41	35,757.79	71,175.31

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

The total number of shares, book value per share and market value per share have been computed for all the periods after considering the shares split.

Net Fixed Assets (Rs. Crores)

31.03.2021	2,747.59
31.03.2020	2,689.69
31.03.2019	2,324.32
31.03.2018	1,834.90

Net worth (Rs. Crores)

31.03.2021	11,438.08
31.03.2020	9,980.93
31.03.2019	8,918.72
31.03.2018	7,030.07

Book Value Per Share# (Rs.)

31.03.2021	418.46
31.03.2020	365.54
31.03.2019	326.90
31.03.2018	257.93

Market Capitalisation (Rs. Crores)

31.03.2021	71,175.31
31.03.2020	35,757.79
31.03.2019	56,059.41
31.03.2018	77,331.22

OPERATIONAL HIGHLIGHTS – CONSOLIDATED

PROFIT AND LOSS ACCOUNT				
	(Rs. Crores)			
	2017-18	2018-19	2019-20	2020-21
Sales Volume :				
Commercial Vehicles (Nos.)	65,932	72,969	48,721	41,268
Motorcycles (Nos.)	8,20,121	8,22,724	6,97,582	6,09,403
Net Revenue from operations	8,964.96	9,797.06	9,153.58	8,720.35
Manufacturing and other expenses	6,157.33	6,893.95	6,973.23	6,939.10
Earnings before interest, tax, depreciation & amortisation (EBITDA)	2,807.63	2,903.11	2,180.35	1,781.25
EBITDA to Net Revenue (%)	31.3%	29.6%	23.8%	20.4%
Depreciation & amortisation expense	223.30	300.28	381.54	450.73
Earnings before interest & tax (EBIT)	2,584.33	2,602.83	1,798.81	1,330.52
EBIT to Net Revenue (%)	28.8%	26.6%	19.7%	15.3%
Finance Cost	5.34	7.33	18.88	16.45
Other Income	280.10	443.39	543.25	453.19
Share of profit of joint venture - VECV	256.56	258.40	31.71	31.13
Profit before tax	3,115.65	3,297.29	2,354.89	1,798.39
Provision for taxation	935.93	1,077.04	527.45	451.50
Profit after taxation (PAT)	2,179.72	2,220.25	1,827.44	1,346.89
Share of loss of Joint venture from discontinued operation - EPPL*	(220.05)	(17.52)	-	-
Net Profit after tax	1,959.67	2,202.73	1,827.44	1,346.89
Other comprehensive income / (expense)	9.97	(6.20)	11.18	34.35
Total Comprehensive income	1,969.64	2,196.53	1,838.62	1,381.24
Total Comprehensive income including share of profits from Joint Venture from continuing operation to Net Revenue (%)**	24.4%	22.6%	20.1%	15.8%
Basic Earnings per Share (Rs.)#	71.97	80.78	66.95	49.30
Diluted Earnings per Share (Rs.)#	71.83	80.69	66.92	49.24

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

** Total comprehensive income excludes share of loss of Eicher Polaris Private Limited.

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

Net Revenue from Operations (Rs. Crores)

2020-21	8,720.35
2019-20	9,153.58
2018-19	9,797.06
2017-18	8,964.96

EBITDA (Rs. Crores)

2020-21	1,781.25
2019-20	2,180.35
2018-19	2,903.11
2017-18	2,807.63

Total Comprehensive income including share of profits from Joint Venture from continuing operations ** (Rs. Crores)

2020-21	1,381.24
2019-20	1,838.62
2018-19	2,214.05
2017-18	2,189.69

MESSAGE TO THE SHAREHOLDERS

OUR PRIORITY AT EICHER MOTORS HAS BEEN TO ENSURE THE SAFETY AND WELLBEING OF EMPLOYEES, PARTNERS AND STAKEHOLDERS.

Royal Enfield

25.9%

Market share in 125cc+ motorcycle segment in India

Eicher Motors

20.4%

Consolidated EBITDA Margin

15.8%

Consolidated Net Profit Margin

Dear Shareholders,

I sincerely hope you and your families are staying safe and healthy. It has been a very tough last few months, as the pandemic gained frightening proportions early this year, and many of us were closely affected by coronavirus.

2020-21 has been a vacillating year for the world, as several countries battled the pandemic. While countries such as Europe and the United States of America are gradually getting back to normalcy, many other parts of the world continue to remain impacted by the pressures of the pandemic.

Our priority at Eicher Motors has been to ensure the safety and wellbeing of employees, partners and stakeholders. To stand by employees and their families in times of need, we built several financial aid and support programmes. Over and above the Rs.50 crores committed last year towards COVID relief and long-term rehabilitation, we committed a fresh corpus of Rs.20 crores this year to further our relief efforts. Our programmes as a part of this commitment focus on building long-term medical infrastructure, aiding remote and rural communities, and enabling local administrations with immediate response measures. We've commissioned an Oxygen Manifold Plant at All India Institute of Medical Sciences (AIIMS), New Delhi. We've also undertaken several livelihood initiatives for families that lost their employment and have partnered with local NGOs across the country to develop long-term programmes aimed at rebuilding communities in remote areas.

While business was affected due to the economic impact of the pandemic, we continued to remain focussed on our long-term objectives, while safeguarding against near term threats. Both at VECV and Royal Enfield, we witnessed disruption of production, supply-chain and retail

operations, and faced pressure on profitability on account of increase in input costs due to rise in commodity prices and regulatory changes.

Our journey through the financial year 2020-21, has not been much different from Royal Enfield's journey over the last 120 years. Made Like a Gun since 1901, Royal Enfield will be 120 years old in 2021. Over the last century and more, Royal Enfield has navigated through some tough corners and turbulent weather. The last 120 years have been a journey of undeterred resilience over time and terrain; continuing to build timeless classic motorcycles, and creating pure motorcycling experiences.

Several achievements and initiatives undertaken by VECV and Royal Enfield, over the last year, demonstrate this resilience and our purpose-driven focus at Eicher. We are confident about our robust fundamentals, and are crystal clear about our objectives and plans. Our razor-sharp business focus, long-term thinking and commitment, and our ability to be agile and navigate short-term challenges has helped us not just to overcome a tough year, but emerge stronger and wiser than before.

Before I begin to detail our financial and operational achievements, I would like to draw your attention to the new format we've adopted for reporting. It has been our endeavour to develop a strategic vision for an overall sustainable organisation. We have been making steady progress on Environmental, Social and Governance (ESG) performance parameters. While we have been showcasing our efforts through the Sustainability Report over the last couple of years, this time we have transitioned to an Integrated Report format.

The Integrated Reporting format aims to explain how an organisation's strategy, governance, performance and prospects lead to creation of

value over time for its shareholders. Based on the Global Reporting Initiative (GRI) framework, the Integrated Report gives a more holistic view of the organisation's value creation for all stakeholders by closely monitoring six different capitals - Financial, Manufacturing, Intellectual, Human, Social and Natural Capital.

ROYAL ENFIELD

For the year ended March 31, 2021, EML's consolidated net revenue from operations (reflecting the business of Royal Enfield motorcycles) was Rs.8,720 crores, EBITDA was Rs.1,781 crores, and Profit After Tax was at Rs.1,347 crores.

As we rode through a year rife with uncertainties and challenges, our first and foremost priority at Royal Enfield was to ensure the safety and wellbeing of our employees and staff, our partners, and communities at large. Over the last year, most of our employees continued to work from home. At our plant facilities, we continued production through the year and maintained the utmost priority for COVID appropriate protocols.

To support our employees during these tough times, we provided medical and COVID insurance facilities and set up Emergency Response Teams across regions to help affected people. We launched V-Care, an exclusive, free of cost online doctor consultation platform for our employees. We also set up an exclusive 70-bed, Covid Care Centre in Chennai. We have also promised 2-years' salary to the family and education assistance to children of employees who lose the battle against the disease.

Additionally, to keep employees engaged, motivated and ensure a continual learning curve for them, we curated several initiatives and learning platforms for employees to

come together, collaborate, share and learn. Royal Enfield Discussions & Talks – RED Talks, CEO circles, company town-halls, were all regular features on everyone's calendars.

During the year 2020-21, Royal Enfield sold 6,09,403 motorcycles, with the second half witnessing a very good pickup. Despite the pandemic and restrictions imposed by local lockdowns, we continued on our domestic expansion plans. With the launch of more than a 100 dealerships and more than 430 studio format stores during the year, Royal Enfield now has an expansive retail footprint of 2,056 stores in India. With this, we now have by far the largest premium motorcycle distribution network in India. Going beyond just reach, these stores are arguably the most aspirational stores in many of the smaller towns that we are present in, with premium look and feel, superior in-store customer handling and connect, seamless technology enabled service and parts availability. Launched in August 2019, our smaller format studio stores have expanded at a phenomenal rate, which is testament to its success.

We continued to pursue our global ambitions with significant expansion of stores and retail touchpoints across several countries. During the year, we rapidly expanded our presence and increased our exclusive stores count from 77 across 21 countries, to 132 exclusive stores across 26 countries. We now have an extensive network of more than 750 retail touchpoints across 60+ countries, outside of India.

With a view to continue expanding our global presence into newer markets, Royal Enfield made its foray into Japan, with the launch of its first standalone, flagship store in Tokyo, last year. Japan being an important motorcycle market in the world, this is a significant move for the brand. We also set-up our first ever completely knocked down unit – CKD – in Buenos

Aires in Argentina. We have plans to establish CKD facilities in Latin American and East Asian markets as well, where it would bring us strategic advantage.

The 120-year history of Royal Enfield has seen several ups and downs that the company has had to ride through. But through these difficult times the one thing that the company has been passionately consistent about, is the pursuit to build timeless, classic, gorgeous looking motorcycles that are great fun to ride.

Inspired by this legacy, and Royal Enfield's rich history of long-distance riding, we launched the all-new, easy cruiser, the Royal Enfield Meteor 350 in November 2020. Inspired by the Royal Enfield Citybike, the Lightning 535 from the 1990's and the longest running No.1 cruiser in India, the Thunderbird, the Meteor 350 is a gorgeous looking and thoroughly refined highway cruiser for global markets. Easy and comfortable with excellent ergonomics, the Meteor is absolutely enjoyable for long distance riding and highway cruising, while being great within the city as well. The Meteor is a charming combination of classic cruiser styling with modern capability and comes with a host of new features, including the Royal Enfield Tripper, a turn-by-turn navigation system.

Introduced through our first-ever all digital launch, the Meteor 350 has received accolades and appreciation from riders and motorcycle experts alike. Consumer response and bookings for the Meteor have been very encouraging, and the Meteor currently contributes to 20% of the portfolio, a significant increase as compared to the 8-10% contribution of its predecessor, the Thunderbird. This is a strong testament to our new product planning and development process, and bodes well for future product launches. This is also a strong testament to the build quality and

finesse of the new engine – now a new benchmark for Royal Enfield – and the all-new motorcycle. The motorcycle has bagged almost all the top awards in India, including the most prestigious Indian Motorcycle of The Year – 2021, which is awarded by a jury comprising all the top automobile editors in the country.

Following its success in India, we have launched the Meteor across international markets. The motorcycle is already earning rave reviews and accolades and has won the Best Modern Classic over 250cc award at the Thailand Bike of the Year Awards 2021. We believe the Meteor is a world-class motorcycle and will grow the highway cruising segment in India and the entry-level cruising segment globally.

This year also saw the launch of the Royal Enfield Himalayan with significant new updates. In three, new, terrain-inspired colourways, with a host of functional upgrades, the new Himalayan also gets the Tripper navigation system. Launched in 2016 with a purpose of creating a distinct sub-category under adventure touring, the Himalayan has been hugely successful, and has a growing community of adventure riders across the globe. With great perseverance and tenacity, we have continued to invest in the idea, the brand and the product that is the Himalayan, and over the last year and a half, we've seen sales really picking up. The motorcycle's versatility, simplicity and competence have made the Himalayan among the leading Royal Enfield motorcycles being sold across several geographies, including Europe, America, Latin America and South East Asia.

The 650 Twin motorcycles continued to impress global audiences, and the Interceptor 650 continued to bring in the accolades. The Interceptor 650 won the 'Best Modern Classic in Middle Weight category' second year in a row

in Thailand, also won the 'MCN's Best Retro Bike of the Year' second time in a row in the UK. The motorcycle also won the BikeSales' Bike of the Year award in Australia. It has been the highest selling motorcycle in the UK in the more than 125cc category for a sustained one year period. The Interceptor's sustained global success is a strong endorsement of its popularity and customers' confidence and also of our capabilities to design and develop world-leading motorcycles.

Both the Interceptor 650 and the Continental GT 650 were introduced with exciting new colourways that are redolent of their rich legacy and culture from the 1960's.

Production and manufacturing operations were affected last year because of pandemic infused disruptions. 2020-21 was a year that saw us bounce back on production from a complete shutdown in April last year. With utmost precaution, and ensuring that we followed all COVID appropriate protocols, we reopened our manufacturing facilities and gradually ramped up to optimum production capacity. While availability of parts and raw materials continued to be an issue through the year, our teams worked closely with partners and vendors to ensure sustained supply, and minimum disruption to operations.

Innovation was a key factor that helped us tide over 2020-21, and pivot through a year that could have impacted our operations more gravely. Focus on digital innovation was key, as consumers stayed home and relied on technology and e-solutions. At Royal Enfield, we took this opportunity to expedite several new digital projects that we were working on, to swiftly respond to consumer needs.

We launched the exciting new Royal Enfield mobile App last year, which was a key initiative to remaining connected

with consumers and enhancing their brand experience. The App enables customers to access and tap into all of Royal Enfield's motorcycling experiences and offerings at the touch of a screen. Designed for simplicity and quick adaptability, the App has everything, right from brand and product information, motorcycle and service booking facility, turn-by-turn navigation connected to the Tripper pod, to ride modules and easy do-it-yourself videos.

Along with the App, we launched an absolutely unique digital initiative called the Royal Enfield Make It Yours - MiY. A first-of-its-kind initiative in the Indian two-wheeler industry, MiY allows for personalisation options at the booking stage, with access to thousands of combinations of colourways, trims, graphics and accessories to create motorcycles that are unique. The initiative has been hugely successful, with more than 80% of all our bookings now coming via MiY, on models where MiY has been implemented. As a result of MiY, we have also seen terrific traction for the Genuine Motorcycle Accessories business with a 2X increase in accessories sales per motorcycle. Not only does this initiative allow for showcase and upselling of genuine parts and accessories, it also creates an engaging and immersive brand experience for customers. We have robust plans to scale this across all models in India, and to offer an increasingly larger variety of options for personalisation. We also have plans to take MiY to international markets, and are presently in discussions, considering various options for this.

We extended the digital interface to motorcycle servicing as well by adding a service module to the App, so as to redefine the service experience and also to make it contactless and safe for consumers. To service motorcycles at the doorstep of the consumer, we

launched Service on Wheels in June 2020. This initiative has seen quick acceptance and over a short period of time accounts for approximately 8% of all service bookings. Motorcycle pick-up-and-drop facility, Mobile Service Vans and customer drop-off from workshop to residence are also new initiatives brought in during the year.

Royal Enfield has a huge global motorcycling community and an even bigger online community. More than 7.8 million motorcycling enthusiasts across the world are connected with us online, making it the largest and fastest growing online motorcycle brand community. We have remained deeply invested in nurturing and growing this community by curating engaging campaigns and building conversations.

Given the situation last year was not conducive to conducting any community rides and events, we focussed energies on keeping enthusiasts engaged digitally. We ran several social media campaigns like the #TripStory, #MyBullet, Custom World Live, Art Of Motorcycling, Build Your Own Legend and several other unique engagement initiatives that had enthusiasts share and relive their motorcycling journeys. We kept driving conversations and keeping the journey alive, even if it wasn't on the road.

Apart from winning awards, the social media campaigns we ran resulted in a huge spike in our online engagement metrics. Our website visits have more than doubled to 66 million+ over the last year, and we have also witnessed increased Share of Search and Engagement Rate. In fact, according to Frrole - a California-based social intelligence and analytics firm - Royal Enfield was reported to be India's 2nd most engaging brand, after Netflix. We also witnessed a significant uptick in the number of online enquiries; our share of online enquiry increased to over 2.5X and share of online booking increased to over 5X as compared

to 2019-20. We are prepared to capitalise on this, as we have significantly strengthened our digital infrastructure.

Just as we focus on building classic, fun and evocative motorcycles, we are equally focussed on growing the culture of motorcycling by building an ecosystem that encourages and inspires riders to do more. Our range of motorcycling accessories, apparel, and our custom world initiatives are all aimed at providing a well-rounded experience and means for self expression for motorcycle enthusiasts.

We had some very exciting collaborations initiated by the Royal Enfield motorcycling Apparel division last year. Royal Enfield partnered with iconic lifestyle brand Levi's® to co-create an exclusive collection of CORDURA denim riding jeans and jackets, which was loved by fans of both brands. The Apparel division also collaborated with motorcycle protective apparel and body armour experts, Knox. Royal Enfield also launched its first ever exclusive range for women riders last year, which was much appreciated by the community.

Royal Enfield introduced the MiY initiative on Apparel offering thousands of personalisation options to allow enthusiasts an opportunity to custom-make their apparel and wear their personality, on or off the saddle.

Genuine Motorcycle Accessories have witnessed very encouraging growth over the last year. With MiY being available online, on the RE App, as well as at dealerships, enthusiasts find it easily accessible and engaging to create their own personalised motorcycle using a wide array of accessories for protection, comfort and style. We have considerably grown our accessories portfolio and are working on several new designs and concepts to further widen selection for consumers.

The last 120 years of Royal Enfield have been a journey of undying resilience. Riding through two world wars, surviving near shutdown in 1967, 1977, and 1989, and emerging victorious in rides that have tested the endurance of man and machine, Royal Enfield has remained relevant and desirable through the ages.

From humble beginnings at the Redditch factory in 1901, we have been the oldest motorcycle brand in continuous production. We have preserved the legacy of building simple, pared-down, authentic classic motorcycles.

Today, the largest player in the global middleweight motorcycle segment (250cc - 750cc) with an ambition to grow and expand that market, endorsing a strong and diverse product portfolio and more than ten million riding enthusiasts across the world, Royal Enfield is 120 years old and only just getting started.

VECV

Despite the challenges posed by the pandemic, last year was transformative at VECV as the company successfully transitioned its entire truck and bus range into the BS VI emission era. For the year ended March 31, 2021, VECV's consolidated net revenue from operations was Rs. 8,676 crores, consolidated EBITDA was Rs. 592 crores and Profit After Tax was at Rs. 57 crores.

VECV sold 41,268 vehicles, with strong fourth quarter sales owing to improving economic conditions. With a robust product portfolio, strong aftermarket support and consistent innovation, VECV recorded market share gains in all segments in FY2020-21. We outperformed the overall CV industry with a decline in sales of 15.3% over FY2019-20 versus a corresponding industry drop of 29.9%. We continued on our extensive domestic expansion plans with the launch of more than 80 dealerships

taking the overall retail touchpoints to 520. In line with our motto of 'Make in India for the World' our vehicle exports outperformed the industry and grew by 10% over the prior year. The component business also grew year-on-year, outpacing industry trends and gaining valued business from leading Indian and global equipment manufacturers. The upward trend is a result of consistent investment in innovation and technology, along with deep engagement with customers, dealers, suppliers and partners.

Through the entire year, VECV's first priority was the safety and wellbeing of employees, partners and communities. COVID appropriate protocols were implemented across offices and manufacturing facilities, and we stayed focussed on delivering for customers and partners during this time. Our entire team demonstrated great resilience, as did our customers and partners who helped deliver food and essentials, medicines, hospital supplies and vaccines across India and many parts of the world.

Aligned with our vision of driving modernisation in the CV industry, VECV positioned itself as a first-mover in digitising critical functions to improve business continuity and efficiency. Catalysed by the pandemic, the company made a significant investment in digital initiatives across functions, to offer pioneering value-driven solutions. This has helped us to significantly reduce overall cost of ownership for consumers, improve operational efficiency and provide better and market-ready products.

We took a giant step in revolutionising the trucking industry, by announcing Eicher LIVE - an industry-first connected vehicle solution that ensures 100% connected vehicles across our entire product portfolio. Beginning August 2020, all Eicher trucks and buses built on the EUTECH6 platform are equipped with pre-fitted hardware that enable them to be

completely connected while on the road allowing quick troubleshooting and minimum downtime.

During the year, VECV made a significant move with the acquisition of Volvo Buses India (VBI). The integration of VBI into the newly formed Bus Division at VECV strengthens the partnership between Eicher Motors and the Volvo Group. It also allows VECV access to Volvo's world-class technology in buses, and strongly positions VECV to shape the future of the Indian bus industry. Volvo buses are synonymous with modern, safe and world-class inter-and-intra-city public transportation, and we are extremely proud to have this iconic brand in our fold. With integration activities now concluded, VECV will look to leverage synergies across the board.

This year also saw Volvo Trucks enter the haulage industry. VECV partnered with, and delivered Volvo FM tractors and trailers to, leading logistics and e-commerce companies. This is a significant initiative, as the e-commerce industry has seen considerable growth in the recent past, and has immense potential in a fast-digitising country like India. Addressing critical challenges of speed and cost, we are able to provide trucking solutions that are used in Europe as part of some of the most efficient logistics systems in the world. We expect a significant shift to larger tractor-trailers in the express trucking industry, and this will further benefit us. It also has the potential to reduce the number of trucks on the road, lower fuel consumption and consequently, deliver lower cost of shipping for end consumers.

VECV entered the Industry 4.0 era with commercial operations starting at our new, state-of-the-art truck manufacturing unit at Bagroda, Bhopal, which is a perfect blend of excellent manufacturing with advanced digitised processes.

With this, VECV now has eight manufacturing facilities in the state of Madhya Pradesh. We had the Honourable Chief Minister of Madhya Pradesh inaugurate the new plant and flag off the new trucks that rolled out.

Aligned with developments in India for alternative and green fuels, VECV offers 13 CNG powered Eicher Truck and Bus models. These have gained strong customer acceptance with the Eicher Pro 2049 CNG being awarded the prestigious LCV Cargo Carrier of the year award for FY2020-21. Post the first successful deployment of Eicher Skyline Pro E electric buses in Kolkata in May 2018, VECV consistently aims to further develop electric vehicles to participate in government incentivised programmes. VECV continues its journey to drive modernisation in the Indian CV industry by delivering increased value to our truck and bus customers through a safer, cleaner and fuel efficient, innovative portfolio.

LOOKING AHEAD

While we maintain immense focus on our long-term strategic business plans and goals, we strongly believe in developing an overarching Environmental, Social and Governance (ESG) vision, with renewed commitments, targets and direction – which will be extended to our partners as well. We have made improvements in energy consumption and waste management systems, two of our manufacturing units have been certified water positive, and we steadily increase our renewable energy component as well. Our future commitment will be aligned with the global call for action against climate change and support the sector transition to a low carbon economy. Our development and CSR programmes will be linked to ESG action. We strive to build trust and leave a positive impact not only in our own manufacturing units, but across the entire product value chain.

The Electric Vehicles segment is gaining momentum with positive policy action. With an eye on the future, we are strategically working on developing our future EV products, while we continue to work on our internal combustion engine offerings. We have state-of-the-art capabilities in product development and manufacturing, coupled with a strong brand and an extensive distribution network. We are leveraging all that with our keen understanding of consumers to develop a complete range of premium electric vehicles and services for global markets, in our inimitable style of modern classic motorcycles.

As we emerge from the second wave of the pandemic, the nation is focussed on containing possibilities of a third wave, and fortifying infrastructure for the future. While the market situation seems uncertain at present, with preventive and control measures picking up pace, we do believe that recovery is not far away.

As we push forward with our investment plans for this year, we continue to remain firm-footed and have immense confidence in the long-term market potential – both for Royal Enfield as well as for VECV. The leadership teams, both at Royal Enfield and VECV, led by Vinod Dasari and Vinod Aggarwal respectively, are well experienced, committed and competent. We will keep working towards our long-term plans, and keep innovating so we are well prepared to tackle near term challenges while keeping a sharp eye on the long-term.

I thank each and every one of you for your sustained support, confidence and encouragement.

Do stay safe and healthy.

Siddhartha Lal
Managing Director
Eicher Motors Limited

PURE MOTORCYCLING WITH ROYAL ENFIELD



WE KEEP RIDING PURE. WE JUST LOVE THE FEELING OF RIDING OUT ON AN ENFIELD, PLAIN AND SIMPLE, AND OUR PURPOSE IS TO PRESERVE THAT FEELING. WHILE THE WORLD MOVES FAST, WE GO AT OUR OWN PACE, LIVING THE MOMENT, RIDING FURTHER, GOING DEEPER. WE'RE THE GUARDIANS OF WHAT'S AUTHENTIC AND REAL, FOR PEOPLE WHO ARE TRYING TO EXPLORE AND DISCOVER THEMSELVES. WE HAVE COVERED A LOT OF GROUND OVER THE LAST 120 YEARS, AND WE'LL KEEP RIDING FOR A WHILE YET. FILLING A RIDER'S LIFE WITH REAL, AUTHENTIC EXPERIENCES IS WHAT WE CALL PURE MOTORCYCLING.

PURE

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

MOTORCYCLING

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

120 YEARS: THE OLDEST MOTORCYCLE BRAND IN CONTINUOUS PRODUCTION

1901

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



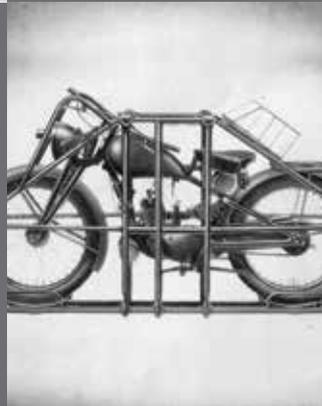
1926

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



1932

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



1943

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

1948

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



1952

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



1955

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



1964

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



1967

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

**1994**

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

**2008**

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

**2013**

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

**2016**

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

**2017**

A purpose-built technical centre opens at the Bruntingthorpe Proving Grounds in the UK and a team of over 100 experts begin work on research & development and long-term product strategy.

**2017**

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

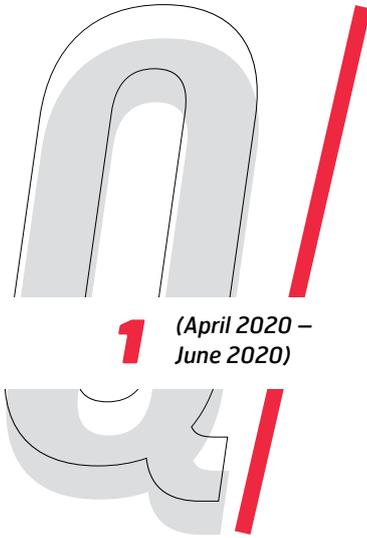
2018

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

**2020**

Royal Enfield launches the all-new easy cruiser, the Meteor 350, across India, Europe, Australia, New Zealand, Thailand and Philippines.

QUARTERLY HIGHLIGHTS



1 (April 2020 – June 2020)



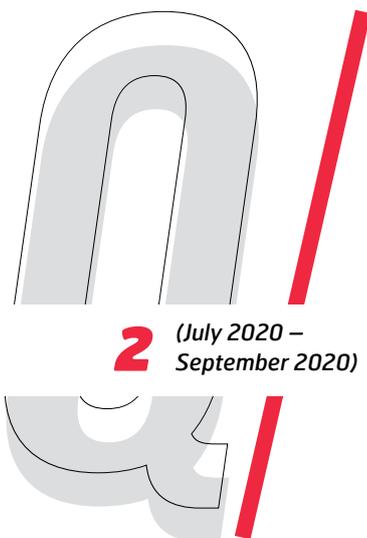
- With the onset of the pandemic in India, the Company prioritised the safety and well-being of its people as well as adherence to administrative directives by suspending operations and production for 44 days, starting March 23, 2020
- The Company committed a CSR outlay of Rs. 50 crores towards relief and support measures, including building of dedicated COVID-19 care facilities; providing food, provision and sanitisation material for communities; providing protective and

medical equipment to government and private hospitals, and contributing to government relief funds

- Royal Enfield resumed operations in a phased manner starting May 2020 with the manufacturing units, followed by re-opening of the retail network across India. Several digital and online conveniences and 'At-your-doorstep' services were also introduced to enable Contactless Purchase and Service Experience

- Launched the first-ever range of Women's apparel and riding gear in India. Crafted keeping in mind their riding habits and India's varied weather conditions, this aspirational yet accessible collection pays tribute to adventurous women who have been defying conventions to chart their own paths for a more equal world

- Unveiled an all-new custom motorcycle - 'Kamala' - based on the Continental GT 650, built by Cristian Sosa of Sosa Metalworks in Chennai, India, following its first premiere at The One Moto Show in Portland, Oregon, USA



2 (July 2020 – September 2020)

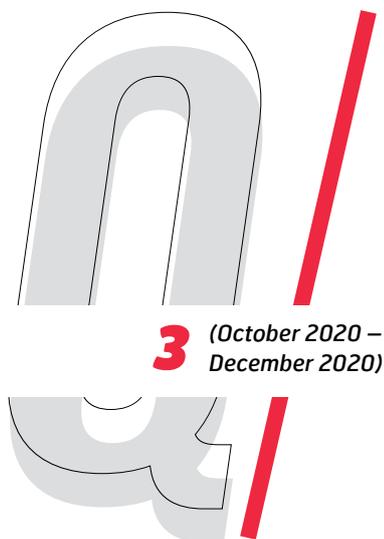
- Launched contactless and customer-friendly 'Service on Wheels' initiative, whereby a fleet of 800 purpose-built Royal Enfield motorcycles carrying genuine tools, equipment and spare parts, along with trained Royal Enfield technicians, were deployed to provide a safe and hassle-free motorcycle service experience at the customers' doorstep
- Johnny Lewis, riding for Team Moto Anatomy and Royal Enfield, created history for Royal Enfield by debuting it in its first American Flat Track (AFT) competition at Williams Grove Speedway in Pennsylvania, USA
- Interceptor 650 was rated the best-selling motorcycle in the UK for June 2020 and the No. 1 highest-selling naked style motorcycle in the UK for 12 months running till June 2020, along with the Royal Enfield Himalayan at No. 4. This is a first-of-its-kind feat by an Indian two-wheeler manufacturer, selling in the UK (Source: MCIA data)

- Royal Enfield and Levi's®, two iconic brands, collaborated to create a capsule collection, including CORDURA® denim jeans and jackets, and T-shirts that combine style, form and function

- Launched the Royal Enfield Mobile App (Android and iOS platforms) providing access to Royal Enfield's motorcycles, service experience and motorcycling experiences at the touch of a screen

- Inaugurated, in the presence of President Alberto Fernández, the first CKD (completely knocked down) unit outside India at Buenos Aires, Argentina, with partner Grupo Simpa to meet a growing demand and gain market advantage

- Announced 'Art of Motorcycling' campaign, inviting artists, creators, and motorcycling enthusiasts across India to express their love for motorcycling with creative illustrations and win prizes

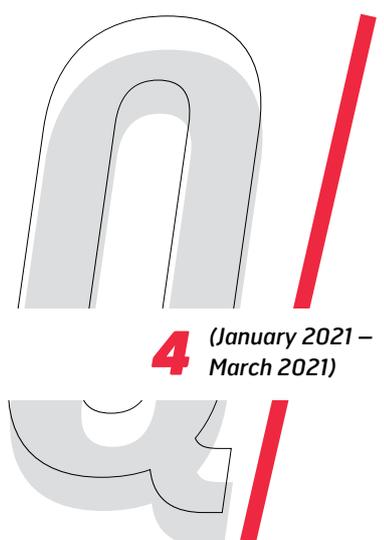


3 (October 2020 – December 2020)

- Johnny Lewis made history for Royal Enfield by recording its first win in the AFT competition at Daytona I, which also marked the first racing competition win for Royal Enfield in recent years
- Launched CE certified riding jackets equipped with best-in-class armours from Knox and D30, carefully crafted for different weather conditions and terrains
- Launched the all-new class-leading, supremely refined Meteor 350, which combines classic cruiser styling with modern capability to deliver easy, comfortable and enjoyable experience for cruising on open highways or navigating within cityscapes
- Rolled out a first-of-its-kind motorcycle personalisation service - 'Make It Yours' - to allow consumers to personalise

and accessorise their motorcycles with genuine Royal Enfield motorcycle accessories through a 3D configurator solution

- Interceptor 650 was awarded the 'Best Retro Bike of the Year 2020', a top honour from MCN, UK. Continuing its dominance, the motorcycle remained the best-selling middle-weight naked style motorcycle in the UK consistently between August 2019 and October 2020
- Royal Enfield introduced new variants of Classic 350, its best-selling flagship motorcycle, in vibrant, youthful and refreshing colorways of Orange Ember and Metallo Silver. Additionally, the new variants came with alloy wheels and tubeless tyres for enhanced styling and handling experience, and customisation option for creating distinct expressions



4 (January 2021 – March 2021)

- Launched Himalayan, the versatile adventure tourer, in distinctive, terrain-inspired colorways of New Granite Black, Mirage Silver and Pine Green across India, Europe and the UK. It came with a host of additional features like new

Tripper navigation pod, upgraded seat, rear carrier, front rack and windscreen, making it more capable, comfortable and engaging

- Forayed into Japan with the launch of the first standalone, flagship store in Tokyo along with its complete suite of Royal Enfield motorcycles, apparel and accessories, spares and services
- 'Make It Yours' services were extended to the Royal Enfield Apparel range, providing enthusiasts a chance to create their own distinctive style, reflecting their unique personality. Customers can choose from an array of more than 7,000 options to personalise their helmet and 15,000 options to personalise T-shirts using text, decals, graphics and colours, among others
- Initiated a unique motorcycle customisation campaign - 'Build Your Own Legend'. Enthusiasts were invited to express their love for the machines by submitting designs for a custom motorcycle based on the Meteor 350
- Launched 650 Twin motorcycles in five new, evocative colourways.



The motorcycles were also made available with a host of new 'Make It Yours' options, including seats, touring mirrors, flyscreen, sump guards, amongst other stylised offerings for customers to personalise their motorcycles

- Collaborated with Knox to co-create a range of CE certified external knee-guards called Conqueror, crafted to offer versatile yet accessible riding gear that meets global safety norms
- Mid Life Cycles' Royal Enfield Interceptor 650 Salt Racer set a new speed record of 132.050 mph (miles per hour) or 212.514 km/h at the annual Speed Week run at Lake Gairdner, South Australia

FINANCIAL POSITION – STANDALONE

BALANCE SHEET				
	(Rs. Crores)			
	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Net Fixed Assets (Property plant & equipment, Intangibles, CWIP and Investment Property)*	1,830.49	2,320.55	2,680.92	2,733.52
Investment in subsidiaries & Joint ventures	49.43	67.93	68.86	68.86
Investment in mutual funds, bonds & fixed deposits	4,925.50	5,896.60	6,747.70	8,157.03
Other non-current assets	207.17	194.71	148.41	174.99
Current assets				
Inventories	379.23	605.34	518.05	769.13
Debtors	78.02	106.61	133.97	256.18
Cash and Bank Balances (excluding fixed deposits)	99.88	22.07	35.40	76.93
Other current assets	224.95	263.60	245.70	388.27
Total assets	7,794.67	9,477.41	10,579.01	12,624.91
Equity share capital	27.26	27.28	27.30	27.33
Other equity	5,344.97	7,099.17	8,248.04	9,677.67
Net worth	5,372.23	7,126.45	8,275.34	9,705.00
Non-current liabilities	227.81	372.72	448.54	491.20
Current liabilities	2,194.63	1,978.24	1,855.13	2,428.71
Total equity and liabilities	7,794.67	9,477.41	10,579.01	12,624.91

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

Net Fixed Assets (Rs. Crores)

31.03.2021	2,733.52
31.03.2020	2,680.92
31.03.2019	2,320.55
31.03.2018	1,830.49

Net worth (Rs. Crores)

31.03.2021	9,705.00
31.03.2020	8,275.34
31.03.2019	7,126.45
31.03.2018	5,372.23

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

31.03.2021	8,157.03
31.03.2020	6,747.70
31.03.2019	5,896.60
31.03.2018	4,925.50

OPERATIONAL HIGHLIGHTS STANDALONE

PROFIT AND LOSS ACCOUNT				
	(Rs. Crores)			
	2017-18	2018-19	2019-20	2020-21
Sales Volume :				
Motorcycles (Nos.)	8,20,492	8,23,828	6,98,216	6,12,350
Net Revenue from operations	8,957.51	9,794.48	9,077.47	8,619.04
Manufacturing and other expenses	6,104.31	6,850.10	6,873.69	6,832.53
Earnings before interest, tax, depreciation & amortisation (EBITDA)	2,853.20	2,944.38	2,203.78	1,786.51
EBITDA to Net Revenue (%)	31.9%	30.1%	24.3%	20.7%
Depreciation & amortisation expense	222.34	298.93	377.92	446.03
Earnings before interest & tax (EBIT)	2,630.86	2,645.45	1,825.86	1,340.48
EBIT to Net Revenue (%)	29.4%	27.0%	20.1%	15.6%
Finance Cost	3.04	2.99	10.86	9.20
Other Income	332.43	508.04	615.34	452.03
Profit before exceptional item and tax	2,960.25	3,150.50	2,430.34	1,783.31
Exceptional item (Discontinued operation-EPPL)*	(311.98)	(17.52)	-	-
Profit before tax	2,648.27	3,132.98	2,430.34	1,783.31
Provision for taxation	935.36	1,078.54	526.52	453.61
Profit after taxation (PAT)	1,712.91	2,054.44	1,903.82	1,329.70
Other comprehensive income / (expense)	10.85	(5.77)	7.02	24.05
Total Comprehensive income	1,723.76	2,048.67	1,910.84	1,353.75
Total Comprehensive income excluding exceptional item to Net Revenue (%)	22.7%	21.1%	21.1%	15.7%
Dividend for FY 2017-18, paid in FY 2018-19	299.93	-	-	-
Dividend for FY 2018-19, paid in FY 2019-20	-	341.11	-	-
Interim Dividend paid in FY 2019-20	-	-	341.32	-
Basic Earnings per Share (Rs.)#	62.91	75.34	69.75	48.68
Diluted Earnings per Share (Rs.)#	62.79	75.25	69.72	48.61

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

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

Net revenue from Operations (Rs. Crores)

2020-21	8,619.04
2019-20	9,077.47
2018-19	9,794.48
2017-18	8,957.51

EBITDA (Rs. Crores)

2020-21	1,786.51
2019-20	2,203.78
2018-19	2,944.38
2017-18	2,853.20

Total Comprehensive income excluding exceptional item (Rs. Crores)

2020-21	1,353.75
2019-20	1,910.84
2018-19	2,066.19
2017-18	2,035.74

Equity Dividend** (%)

2020-21	1,700
2019-20	1,250
2018-19	1,250
2017-18	1,100

** Equity Dividend of 2019-20 represents interim dividend paid in 2019-20

RIDING THROUGH THE PANDEMIC

The world witnessed an unprecedented crisis in FY 2020-21. Communities, businesses and individuals were severely impacted. EML remained resilient and agile, helping to provide relief and rehabilitation to communities alongside ensuring the safety and well-being of its employees, partners and customers.



BUSINESS CONTINUITY

With the onset of the COVID-19 pandemic and the subsequent lockdown, EML suspended operations across its manufacturing facilities, offices and retail network. Employees continued to work from home while manufacturing restarted on May 6, 2020, following Government directives. The manufacturing unit at Oragadam was the first to commence operations in a staggered manner, followed by Tiruvottiyur and Vallam Vadagal facilities. Employees and shop floor staff residing close to the manufacturing plants were aligned to avoid long-distance travel and minimise contact during transportation. The units were trained and equipped to comply with norms of social distancing and sanitisation within the Company premises. The remaining operations resumed gradually – starting with partial operations of 120 dealers in mid-May. By July 2020, the entire retail network was operational.

EMPLOYEE ENGAGEMENT AND WELFARE

As the Company prioritised the safety of employees by restricting in-person operations and enabling remote working, it became necessary to adopt

unique measures to manage teams and ensure work success. Several activities and programmes were initiated to engage employees, ensure continuity and keep their morale high. Learning, skill enhancement and holistic well-being of employees and their families was at the core. Key initiatives undertaken included:

- **RED Talks (Royal Enfield Discussions and Talks):** A signature programme hosted by internal teams that brought in an eclectic mix of internal and external speakers, including eminent guest speakers, experts, and entrepreneurs to share experiences, learn together, and boost the culture of collaboration and open learning
- **CEO Circle Meetings:** A great platform for candid conversations on updates and overall well-being between global teams and the CEO over virtual meetings
- **Learning & Development:** Programmes curated to drive the culture of learning and skill development, including:
 - Online self-learning that registered 2,767 people covering 81,000 hours of online learning

- Launch of Learning Experience Platform (LXP)
- Emerging Leaders programme with 35 Team Managers covering total of 2,520 hours
- New learning courses and interventions for international teams

■ **Employee Care and Operation**

REStart: Health and safety of employees remained priority as the Company decided to resume operations after lockdown. Various initiatives were undertaken towards this, including creating awareness and SOPs relating to COVID-19, implementing social distancing measures across plants, and arranging for PPE Kits prior to resumption. REstart activities included strictly following all regulatory protocols, 100% temperature checking, providing transport facilities with reduced capacity, and changing of shift timing for sanitisation. Further, various initiatives towards medical assistance such as vaccination for employees and dependents, COVID-19 insurance plan, hospital tie-ups, 100% medical expense reimbursement and provision for testing were made available to employees.

The initiatives were met with resoundingly positive response from the employees. Employee online engagement was at an all-time high during the lockdown with programmes like RED Talks, Leadership Townhalls, Online Posts on RE Currents - an internal sharing platform.

The Company also took into consideration the intense and serious

situation with the COVID-19 outbreak and committed to putting people first via a host of programmes. These included:

Medical & Insurance

- Dedicated COVID-19 Insurance policy for all employees in addition to the Group Medical Insurance
- Appropriate financial support to COVID-19 impacted employees
- Vaccination sponsorship for employees and immediate family
- Central COVID-19 Command Centre - Emergency Assistance Team for on-ground urgent support
- 24x7 v-Care platform launched for Virtual Teleconsultation and Psychological Counselling

Care & Financial Assistance for families in the event of an employee losing their life to COVID-19:

We understand that there can be nothing more unfortunate than losing a life. While there is no way to compensate for that, we undertook a series of initiatives to help the affected family beyond the committed payouts

- Insurance cover of 3 times the CTC under Group Term Life Insurance. This insurance cover will continue for the immediate family for 5 years after the demise of the employee
- The Company will support the immediate family of the deceased employee via disbursement of their current salary for a period of 2 years, subject to a maximum limit of CTC Rs.50 lakh per annum
- Education Assistance for school or college-going children. Payment of a lump sum of Rs.5 lakhs per child (max 2 children) along with the settlement
- Vocational training to the spouse & children (Graduate) or opportunity of traineeship at Royal Enfield should the children be college-going or employable

Further, in the event of an employee or their immediate family member(s) (spouse, children or parents) coming down with COVID-19, they were allowed to avail 10 working days of paid COVID Care Leave.

PRIORITISING CUSTOMER SAFETY AND CONVENIENCE

As the pandemic continued to impact lives, many cities were put under prolonged lockdowns and restrictions that severely limited the movement of people. To ensure the safety of customers and prioritise their convenience in these challenging times, Royal Enfield implemented several innovative measures for Contactless Purchase and Service Experience. These initiatives drove customer engagement and improved purchase and ownership experience, whilst ensuring maximum customer safety.

Various engaging and convenient online programmes and 'At-your-doorstep' services were rolled out to bring the world of Royal Enfield to the customer's fingertips, right from exploring and buying motorcycles and apparel, to motorcycle personalisation and motorcycle servicing. A simple 3-step approach – Online Discovery, Home Test Ride and Online Booking – was devised to enable customers to bring home their favourite Royal Enfield motorcycle without as much as walking into a store.

Taking the digital sales and service initiative ahead, a simple, adaptable and engaging **RE App** was launched that provided access to all of Royal Enfield's experiences and offerings.

To further unlock convenience for customers, Service on Wheels initiative was launched whereby a fleet of 800 mobile service-ready motorcycles with authorised Royal Enfield technicians was deployed to facilitate service and repair requirements at doorstep of customers and even for roadside assistance. Further, payment mechanisms across all processes were digitised.

PLEDGING SUPPORT TO COMMUNITIES

EML committed an outlay of Rs. 50 crores towards immediate relief and support measures to tackle the pandemic as well as towards medium and long-term rehabilitation support. In addition to this, there was a contribution made to Government relief funds by way of voluntary employee contribution. Effective deployment

of funds was ensured by undertaking a detailed assessment study, which helped identify the most immediate and near-term requirements, including relief material for communities, financial assistance to the Government and helping ramp up medical infrastructure. Key support initiative in these areas included:

- Providing food, provisions and sanitation consumables
- Setting up sanitation facilities for underprivileged local communities in partnership with reputable NGOs
- Distributing of personal protective equipment for medical personnel across government hospitals in Chennai
- Augmenting healthcare support by working with government and private hospitals to build dedicated COVID-19 specialty wards, including isolation areas, and equipment towards patient care
- Distributing food and sanitation supplies and COVID-19 healthcare testing kits to truck drivers
- Supporting production of critical medical equipment and supplies, including ventilators, which also drove employment and ushered new-age technologies like 3-D printing for rapid scaling up of parts for the medical equipment

In its commitment to ensure medium and long-term relief and rehabilitation, EML provided livelihood training to labourers impacted by the COVID-19 pandemic to make them job-ready. Reskilling initiatives were also undertaken keeping in mind the new-age skill requirements of the post-pandemic world.

With the pandemic continuing to impact millions of citizens, especially post the devastating second wave, EML committed an additional Rs. 20 crores towards long-term medical infrastructure projects, healthcare and livelihood aid to communities and supporting local administrations.

MANUFACTURING: PRIORITISING SAFETY AND SUSTAINING OPERATIONS

Royal Enfield has a rich 120-year legacy of continuous production during which it saw major wars and pandemics. Even in those times, it continued manufacturing world-class, legendary motorcycles while prioritising the safety of its people.

Taking ahead this epitome of good manufacturing practices during the current times, unique methods have been adopted to ensure sustained business operations across the Company's manufacturing plants with increased focus on safety and well-being of the employees.



Royal Enfield has state-of-the-art production facilities in Chennai, India (Vallam Vadagal, Oragadam and Thiruvottiyur) as well as Technical Centres in the UK and India, that house the best teams assembled from across the world. Together they conceptualise and manufacture motorcycles for India and international markets. FY 2020-21 saw the Company make concerted efforts to prioritise the safety and well-being of its workforce while manufacturing best-in-class machines.

Even amidst the uncertainties, the Company paid full salary to its employees (including contact and outsourced employees) and minimum wages to vendors during the lockdown.

CREATING AWARENESS OF SAFETY PROGRAMMES **Remote working activities**

With employees adjusting to a completely new way of working, the Company supported them in adapting to the new normal. To help them

cope, increased emphasis was laid on driving employee engagement, creating awareness and enhancing safety norms at the manufacturing facilities amidst the growing cases of the pandemic. Virtual engagement activities were conducted for shop floor employees of Oragadam and Vallam plants, which saw excellent response and participation. A virtual 'COVID proof – kaizen' competition was held among employees, encouraging them to come up with innovative safety ideas.



The refreshing initiative saw 65 Home Kaizens or change agents coming forward with unique safety improvement ideas.

Prestart and REstart activities

A detailed plan was put in motion to ensure all safety protocols were adhered to and operations were undertaken seamlessly.

Key pre-start safety activities include:

Conducted 749 hangout sessions with employees to spread awareness on COVID-19 readiness and give training at the Global Technical Organization

Organization-wide SOPs (Standard Operating Procedures) were created and PPE kits were made available

Markings suggesting social distancing were put in place. Extra tea spots, dining areas and production lines were installed with partitions and separators across all the production lines to ensure social distancing

Self-Declaration forms formulated to ensure a routine check on the health status of the employees as well visitors at the manufacturing facilities

Key REstart safety activities include:

Ensured adherence to all COVID-19 guidelines and protocols including sanitisation of all vehicles entering the factory, 100% temperature checks, sanitisation across the plant

Hired additional buses with seat dividers to maintain protocols during transportation

Changed the shift timings to ensure half-an-hour gap during shift change for sanitising the plant premises

Provided masks to all employees and ensured regular self-declaration pertaining to their health

Medical assistance and well-being

Given the severity of the disease, various proactive measures were undertaken to ensure employee well-being that included creating isolation rooms across all plants and office locations. A Rs. 3 lakh COVID-19 insurance was provided to all employees covering their immediate family and expenses; any amounts exceeding that were borne by the Company. Tie-ups were made with hospitals to ensure immediate treatment and admittance for medical assistance. To support the Company's early detection efforts, the team organised Antigen and RT-PCR tests across all locations covering 5,609 and 13,735 employees, respectively. In FY 2020-21, treatment (hospitals / home quarantine) was provided to 1,284 employees who tested positive and another 1,695 contact traced employees were given 14 days quarantine leave.

Supporting interstate migrant workers (Contract Labourers)

Helped 1,200+ interstate migrant workers with getting Government-offered groceries

Interstate migrant workers living in the villages near EML plants were supported by distributing 33,500 packages of food (breakfast, lunch and dinner)

Ensuring people availability

Royal Enfield ensures high intellectual capital by employing skilled workforce from diverse geographies. To meet the production requirements in a post-pandemic environment, the Company recruited 5,600+ students from several districts in Tamil Nadu. The new joinees were given HR and safety induction following the COVID-19 safety protocols.

Rewarding employees for pandemic support

The Company rewarded around 4,410 employees who worked / supported during the pandemic for their dedication and commitment.

Greener operations

Environmental stewardship becomes particularly important to the Company as a manufacturer of products contributing to emission factors and potential climate change. EML is committed to adopting the highest standards of environmental performance with emphasis on mitigating any potential adverse impact caused by its operations. In addition, EML also prioritises transforming its supply chain with sustainable attributes. With the assistance of a third-party firm, the Company has sought to chart the threats associated with climate change in its supply chain operations, which included risks related to water, energy, emission, human rights, safety and so on. With this initiative, the Company has identified threats and undertaken corresponding actions to mitigate the critical factors of its supply chain. Operating in a volatile market, the Company understands the importance of developing a greener, cleaner, and more intelligent business. (Please refer to the section on Natural Capital for more details.)

LAUNCH OF THE ALL-NEW EASY CRUISER - THE METEOR 350

Royal Enfield, the global leader in the mid-sized motorcycle segment, has a rich legacy of producing cruisers that have been loved by riders through generations. From the Citybike in the 1990s, the Lightning (India's first highway cruiser) in 1996, the first generation of the all-conquering Thunderbird in 2002, all the way to the Thunderbird 2008 UCE twin-spark and the 2018 Thunderbird X – these motorcycles combined laidback highway cruising with contemporary city chic to define India's cruiser segment. Taking ahead this legacy is the all-new, class-leading, thoroughbred cruiser, the Meteor 350. Carrying the signature Royal Enfield styling but upgraded with many firsts, this outstanding machine is set to be the 'easy cruiser' for India and global markets.



THE METEOR 350: RIDE INTO THE GOLDEN AGE OF CRUISING

The all-new Meteor 350, a supremely refined, easy and accessible cruiser, builds on Royal Enfield's rich heritage and experience of long-distance cruising. With a charming combination of classic cruiser styling and modern capability, the Meteor delivers a great cruising experience for novices and veteran riders alike. Its poise, agile handling and up-rated braking ensure an unmatched ride experience on highways and within the city.

The Meteor 350 inherits its name from the iconic Royal Enfield Meteor, a magnificent touring motorcycle of 1952 with a reputation that has stood the test of time. The new Meteor 350 easy cruiser, while carrying Royal Enfield's signature styling, has many upgrades and firsts, making it an equally outstanding machine.



THE METEOR 350 INHERITS ITS NAME FROM THE ICONIC ROYAL ENFIELD METEOR, A MAGNIFICENT TOURING MOTORCYCLE OF 1952 WITH A REPUTATION THAT HAS STOOD THE TEST OF TIME.



DESIGNED FOR A BONA FIDE CRUISER EXPERIENCE

Designed and developed by the talented teams at Royal Enfield's Technical Centres, the Meteor 350, with next level quality and refinement in terms of performance, ride experience, mechanical, and fit and finish, is an attractive and top-class modern motorcycle.

It has all the fundamental characteristics of an easy cruiser – a 349cc air-oil cooled single-cylinder engine that generates 20.2 bhp and 27 Nm of torque at 4,000 rpm, resulting in significant low-down grunt. An overdrive fifth gear and a 7-plate clutch further deliver stress-free and

economical highway cruising with easy gear changes. A balancer shaft aids a smooth ride experience, while retaining that essential Royal Enfield 'thump'. Its throttle response of electronic fuel injection has been optimised for dependable starting and effortless linear acceleration.

The Meteor 350's twin downtube spline frame has been purpose-designed to inspire confidence along the twisties, be rock-solid on the highway and ensure easy manoeuvrability on busy city streets. This is aided by low seat height, 41mm forks with 130mm of travel and twin tube emulsion shock absorbers with 6-step adjustable preload at the rear and forward-mounted foot pegs.

VARIANTS AND PERSONALISATION

The Meteor 350 is available in three editions. The Fireball has vibrant red or yellow fuel tanks with matching wheel rim lining and blacked-out theme. The Stellar has red, blue or matte black tanks with matching body components, chrome handlebars, exhaust and backrest. The Supernova is the top-of-the-line version with dual-tone blue or brown finish with matching body parts and machined wheels.

All editions are fitted with alloy wheels and tubeless tyres for comfortable and authentic cruiser appearance, resolute braking with dual channel ABS, LED lights, uncluttered handlebar controls and premium switchgear. It has a USB port to enable charging on the go.

Along with the launch of the Meteor 350, came Royal Enfield's 'Make It Yours' (MiY) initiative, an inventive and unique motorcycle personalisation tool that allows owners to tap into thousands of possible personalisation combinations when they ordering their motorcycle via the Royal Enfield App, on the website or at a dealership. In addition to the 7 standard colourways

under the 3 editions, MiY provides an additional 8 colourway options for customers.

FITTED WITH THE ALL-NEW ROYAL ENFIELD TRIPPER

The Meteor 350 comes with Royal Enfield Tripper, a convenient turn-by-turn navigation pod that connects to the Royal Enfield App. It delivers a simple and sharply intuitive two-wheeler navigation with native Google Maps integration for real-time directions, a first for any Indian-made motorcycle. Giving clear and efficient information, it is discrete and unintrusive to ensure the riding experience is not cluttered with distractions.

FACILITATING SELF-EXPRESSION WITH EXCLUSIVE ACCESSORIES AND GEARS

The Meteor 350 is supported by a suite of Genuine Motorcycle Accessories designed and developed exclusively for it. Further individual self-expression is ensured through a selection of riding gear, including helmets in complementary colours, T-shirts, and personal accessories, keeping the Meteor 350 and cruiser lifestyle in mind.



ROYAL ENFIELD APP DELIVERS A SIMPLE AND SHARPLY INTUITIVE TWO-WHEELER NAVIGATION WITH NATIVE GOOGLE MAPS INTEGRATION FOR REAL-TIME DIRECTIONS, A FIRST FOR ANY INDIAN-MADE MOTORCYCLE.



THE METEOR 350 IMPRESSES ONE AND ALL

The Meteor is a symbol of finesse and sophistication in a motorcycle and the new motor is a world of a difference compared to the old UCE engine. Royal Enfield has produced an authentic feeling, yet well-rounded and impressive product.

AutoCar India

Royal Enfield has managed to find a balance between meeting the needs of RE loyalists, who demand that the bike retain the old-school character of the older engines, and a new generation of buyers, who demand greater reliability and refinement for their money.

GQ India

The Meteor 350 is the most refined single-cylinder offering from Royal Enfield. Among the different aspects of the Royal Enfield Meteor 350 that will definitely strike the right chord with its target audience, first is the smooth 350cc engine, which is by far the best single-cylinder motorcycle from RE that I have ridden so far and second is the premium build quality of the components, that has left a positive initial impression.

Overdrive

"The Meteor 350 is all new from the wheels up, and is a clever mix of high tech, retro style, and comfort. It is just the perfect motorcycle to soak in the evening air and greening tree tunnels at a relaxed pace along the twisting two-lane route."

Forbes

The finesse with which this bike delivers the performance is what really sets it apart from its predecessor. This indeed is a meteoric rise for the Royal Enfield 350s!

Bike India

The Meteor 350 nails the classic cruiser vibe with its design, looks, and relaxed ergonomics, offering an easygoing ride with predictable power and handling. It's a welcome air-cooled entry in the small-displacement cruiser market.

CycleWorld

The highlight is a second small dial with a colour TFT screen for the 'Tripper' navigation system. The new engine comes with a lot of promise for future RE models. It is smooth, and vibrations, especially at low revs, are very well contained. There has been a lot of effort put in with the addition of a primary balancer shaft and a lot more geeky stuff that the average rider wouldn't understand.

BBC Top gear

Far more capable in every way, better looking and even boasting technology that meets a modern market's increasing demands, its (Meteor's) accomplishments are far greater than the sum of its parts. The price is just about spot on and, as more and more people look for affordable alternatives to crowded public transport, the timing is impeccable.

Australian Motorcycle News

CRUISING THROUGH AWARDS AND ACCOLADES



INDIAN MOTORCYCLE OF THE YEAR



ENTRY MODERN CLASSIC MOTORCYCLE OF THE YEAR



MOTORCYCLE OF THE YEAR, PEOPLE'S CHOICE



CRUISER OF THE YEAR



MOTORCYCLE OF THE YEAR



THE METEOR 350: READY TO CRUISE INTO INTERNATIONAL MARKETS



THAILAND

Following its successful launch in India, Royal Enfield launched its super refined all-new easy cruiser, the Meteor 350, in Thailand in November 2020 in a unique virtual hybrid event. Riders in Thailand have enjoyed the famous 650 Twins, and the new Meteor 350 will give them new means for pure motorcycling. The Meteor 350 launch here is part of the long-term strategy to cater to the rising demand for affordable leisure riding in the core middleweight segment.

EUROPE

The Meteor 350 was launched in the European market in December 2020. With the exceptional success of the 650 Twins and the Himalayan motorcycles, Royal Enfield has a proven track record in carving out new segments within the European motorcycling market. The Meteor 350 is geared to build on this success. Targeted at city commuters and weekend cruisers, small capacity upgraders and returning riders, students, first-timers and experienced bikers, it further strengthens Royal Enfield's reputation of building motorcycles that are appealing, accessible and approachable for a broad demographic.



OTHER ASIA-PACIFIC REGIONS

Taking forward the global ambition, the Meteor 350 was launched in Australia and New Zealand in January 2021, followed by the Philippines in March 2021. These are key markets for Royal Enfield in the Asia-Pacific region where a huge new audience of commuters is upgrading to Royal Enfield's robust long-distance leisure riding experience.

REFRESHING THE PORTFOLIO

Royal Enfield has launched new variants of some of its most iconic and best-selling motorcycles. These new motorcycles come in eye-catching colours and functional and aesthetic upgrades to step up on their original versatility and pure motorcycling experience. The models come equipped with a host of personalisation features to allow riders to create a distinct motorcycle reflective of their personality.



THE CLASSIC 350

Fusion of Classic British Pedigree with Youthful Style

Introduced in 2008, the Royal Enfield Classic is a tribute to the retro look of British motorcycles of the post-World War II era. It is designed on the lines of J2 of the 1950s Royal Enfield that sported the retro classic styling and pioneered the conventional swinging arm rear suspension. Retaining this quintessential classic British styling, the Classic 350 is simple, harmonious and proportioned, with a timeless design. Powered by Royal Enfield's 350cc unit construction engine, all its body frame and parts reflect the native imagery of British motorcycles in the aftermath of World War II.

Carrying forward the rich legacy of this best-selling, flagship motorcycle, two new colour variants - Metallo Silver and Orange Ember - were introduced. Conceptualised in bright new hues and designed to evoke a youthful and refreshing motorcycling experience, they come equipped with alloy wheels and tubeless tyres for added style quotient and enhanced handling experience. They perfectly complement the personality and preferences of evolved and new-age riders.

**RETAINING THIS
QUINTESSENTIAL CLASSIC
BRITISH STYLING, THE
CLASSIC 350 IS SIMPLE,
HARMONIOUS AND
PROPORTIONED, WITH A
TIMELESS DESIGN**



THE NEW HIMALAYAN COMES WITH THE ROYAL ENFIELD TRIPPER, WHICH IS A TURN-BY-TURN NAVIGATION POD

THE 650 TWINS

New colourways with an array of make-it-yours options

The 650 Twins - Interceptor 650 and the Continental GT 650 - marked a new chapter for Royal Enfield and for the mid-sized motorcycle segment. They have achieved significant global success, with the Interceptor growing the 500cc+ category by more than four times in India, and becoming the best-selling naked motorcycle in the mid-sized category in the UK in 2020.

Taking ahead this journey, the 650 Twins were given a new avatar with five new eye-catching colourways along with an array of MiY options for personalisation. The MiY options include seats, touring mirrors, flyscreen and sump guards, amongst others, that add to the style and enhance the riding experience.

The new colourways of Interceptor 650 include two Standard (single tone) colourways - Canyon Red and Ventura Blue with blacked out rims and mudguards; two Custom (dual tone) colourways - Downtown Drag and Sunset Strip; and an updated Mark 2 chrome variant, an ode to the original Interceptor 750, which became a part of California's sun-drenched culture in the 60s.

The new Continental GT 650 cafe racer comes in Rocker Red Standard (single tone) colourways inspired by the Continental GT of the 60s; a British Racing Green Standard colourways; two new Custom (dual tone) colourways - Dux Deluxe and Ventura Storm; and an updated chrome variant in Mister Clean.

THE ALL-NEW HIMALAYAN

Adventure touring now made more exciting

A simple, capable, and 'go-anywhere' adventure tourer, the Himalayan was the culmination of Royal Enfield's 50+ years of riding experience across the Himalayas. With its versatility, features, accessibility and competence, it has not only created a new category within global adventure touring motorcycles, but has also established itself as a truly global and most sought-after motorcycle. It has consistently undergone modification in design and functionality based on feedback from the motorcycling community, resulting in an improved overall ride experience.

Retaining the originality and versatility of the motorcycle, three new distinctive, terrain-inspired colourways - New Granite Black (mix of matte and gloss), Mirage Silver, Pine Green - were launched across India, Europe and the UK. The new Himalayan comes with the Royal Enfield Tripper, which is a turn-by-turn navigation pod, improved seat cushioning, rear carrier with additional plate, adjusted front rack and a new windscreen. This makes the versatile adventure tourer even more capable and comfortable. Additionally, customers now have the option to personalise and accessorise their motorcycle with Royal Enfield's MiY.

THE BEST-SELLING NAKED MOTORCYCLE IN THE MID-SIZED CATEGORY IN THE UK IN 2020.



ENHANCING ACCESSIBILITY, SEIZING OPPORTUNITIES

Royal Enfield has nurtured, fostered and is now leading the mid-sized motorcycle segment, globally. Its wide range of differentiated and evocative motorcycles combine rich British pedigree with unmatched modern-day craftsmanship and performance. Royal Enfield experiences take riders on a journey of pure motorcycling and self-expression.



EXPANDING RETAIL FOOTPRINT IN INDIA

Despite a challenging environment, Royal Enfield continued to expand its retail footprint across India, with a focus on deeper penetration across geographies and forging relationships with motorcycling enthusiasts in the interiors of the country. The Company's reach in India increased from 1,521 stores across ~1,200 cities to 2,056 stores across ~1,750 cities. With the launch of more than 100 dealerships and more than 430 Studio Stores in India during FY 2020-21, Royal Enfield further grew its network across urban

and rural markets. This was achieved with the introduction of the 'Hub and Spoke' format, wherein new dealers were appointed for main dealerships in primary markets along with 2-3 studio stores in nearby smaller markets.

TAPPING INTO SMALLER MARKETS ACROSS INDIA WITH STUDIO STORES

Royal Enfield has a deeply entrenched presence across India. Studio Stores, one of the flagship initiatives of the Company to reach Tier II and III cities, are facilitating in unlocking the Royal Enfield experience for enthusiasts

across diverse, deeper regions within India. Smaller in size, at 500-600 sq ft, these unique concept stores require minimal investment and have lower breakeven threshold. Most of these have already reached the breakeven volume and continue to see significant demand for servicing activities. These stores offer the same quintessential retail experience alongside the entire range of motorcycles, service and spares with ease of access.

Given these advantages, Studio Stores have received an extremely positive response from dealers and customers alike, following which Royal Enfield accelerated the programme to set up more stores. In just two years since launch, 1,031 Studio Stores have been opened across multiple locations, including Dragmulla (Kashmir) and Hansi (Himachal Pradesh) in the North, Vadavalli (Tamil Nadu) and Valancherry (Kerala) in the South, Modassa (Gujarat) and Phulera (Rajasthan) in the West, and Ratua (West Bengal) and Gossaigaon (Assam) in the East.

ENHANCING GLOBAL ACCESSIBILITY

A wide sales and after-sales network is critical to support global customers for ease of purchase and servicing requirements. Royal Enfield is catering to this by significantly increasing its global network to 766 touch points in FY 2020-21, including 132 (77 in FY 2019-20) exclusive stores, 634 multi-brand outlets.

Deepening presence in South-East Asia with Japan foray

The overall footprint of Royal Enfield in the region has increased to 123 locations, with Thailand witnessing significant expansion. With growing rental demand in the region, Royal Enfield has been tying up with leading rental partners to provide motorcycle enthusiasts an opportunity to explore scenic locales.

Royal Enfield began a new journey with its foray into Japan and the opening of its first standalone, flagship store in Tokyo. Located in the Sugunami ward of Tokyo, the store houses a complete suite of offerings and provides unique Royal Enfield experiences to introduce enthusiasts to the world of pure motorcycling. Japan is one of the most iconic automobile markets with an evolved motorcycling ecosystem and a matured riding culture. Royal Enfield's evocative and accessible motorcycles are a perfect getaway for a huge commuter base seeking out real adventures and experiences.

Strategic approach in Europe

Europe, the largest market for Royal Enfield outside of India, has the biggest overseas network for the Company with total 420 retail stores including 36 exclusive stores.

Strategic measures are being implemented in cities with high potential. The quality and quantity of retail networks across the continent is being enhanced through successful conversions of bigger, better quality

dealers. This was supplemented by setting up 36 exclusive stores in FY 2020-21.

Gearing up to cater to Americas' rising demand

The Americas region is a high-potential market for Royal Enfield, with a strong and sustained volume growth. The focus is on improving the network, which stood at 49 exclusive stores and over 170 dealers in FY 2020-21. Royal Enfield entered the Mexico market in July 2020 and now has 7 exclusive stores there.

To cater to the growing demand and to gain market advantage, Royal Enfield opened a completely knocked-down assembly unit (CKD) in Argentina with its distributor in the region, Grupo Simpa, for local assembly. The event was graced by Alberto Fernández, President of Argentina. This is the first time in Royal Enfield's modern history that motorcycles are being assembled and produced outside India. Based at Grupo Simpa's facility in Campana, Buenos Aires, the unit has already assembled over 1,000 Royal Enfield motorcycles.



DIGITAL INNOVATION: ENHANCING CONSUMER EXPERIENCE

With the pandemic restricting movement of people across the country, Royal Enfield has been busy innovating on the digital front, to ensure that its consumers stay safe and enjoy services and convenience at the swipe of a finger. During FY 2020-21, the Company has fast-tracked several projects that have empowered consumers with more options to remain connected with the brand and its products and services, while enhancing the overall discovery, purchase and ownership experience.

This is just the beginning of Royal Enfield's larger digital journey, as it aims to introduce a plethora of new digital features to facilitate seamless interaction, higher functionality and outstanding customer experience.

ROYAL ENFIELD APP

Enhancing purchase, ownership and brand experience

The Royal Enfield App, launched in FY 2020-21, enables customers to unlock the Royal Enfield experience in the palm of their hands. Designed for simplicity and quick adaptability, it helps drive higher brand engagement and product experience. It allows for seamless and hassle-free experience of exploring, customising and booking motorcycles as well as booking motorcycle servicing as per preference. Safe and secure online payment options complete the contactless experience for the customers. It also features information about products, services, initiatives and events, along with DIY guides and quick assistance modules.

The app takes Royal Enfield's culture of pure motorcycling and the enthusiasm of its vibrant community up by a notch by allowing them to create or join bespoke rides through a unique Rides Module feature.





MAKE IT YOURS (MIY)

Taking personalisation to the next level

Royal Enfield motorcycles, known for their old-school, simple design, have been an ideal canvas for customisation and self-expression for motorcycle enthusiasts. Taking this journey ahead, Royal Enfield rolled out the Make It Yours (MiY) initiative as a unique personalisation service in FY 2020-21. It enables customers to personalise and accessorise their motorcycles with thousands of combinations of colourways, trims, graphics, and genuine motorcycle accessories in an engaging and exciting 3D configurator model. This allows motorcyclists to make their machines as unique as themselves and an extension of their personality. MiY is integrated with the Royal Enfield App to offer consumers a seamless experience on a single platform. It is also available on the Company website and across all Royal Enfield stores pan India.

The MiY initiative was kickstarted with the 650 Twins. Following a successful response from all quarters, it was extended to the Meteor 350, Classic, and Himalayan motorcycles as well as to Royal Enfield's wide range of gear and apparel. The MiY feature to personalise riding and lifestyle essentials using text, decals, graphics, colours, shape, internal fabric and visors, amongst others, completes the experience for passionate riders. It provides unique options of more than 7,000 helmets and 15,000+ T-shirts based on individual style and preference.

A first-of-its-kind, engaging and exciting platform, MiY has truly broadened the horizons of how customers can purchase, own and experience Royal Enfield products and services.

ROYAL ENFIELD TRIPPER

Efficient, discreet, and unintrusive

A TBT (Turn-By-Turn) navigation pod, Tripper is a highly focussed navigation display device for real-time directions, built with Google Maps platform. Introduced first on the Meteor 350 and later the Himalayan, it is sharp, intuitive, and displays the best route to reach a destination using Google Maps' two-wheeler navigation, a first for any Indian-made motorcycle. Paired via the Royal Enfield App to the rider's smartphone, the Tripper is simplicity itself, clearly and efficiently giving the required level of information whilst remaining discreet and unintrusive.

GAINING TRACTION ON DIGITAL

Royal Enfield's community, which congregates throughout the year and celebrates the joy of riding, is its biggest strength. With the pandemic restricting travel, these key engagement mechanisms were impacted. The Company deployed a host of digital initiatives as unique as the brand itself to keep the community engaged and motivated, focussing on the themes of exploration and authentic motorcycling experiences. Royal Enfield is building its digital community by undertaking sustained and meaningful digital campaigns to nurture, grow and enhance engagement among its community.



During FY 2020-21, Royal Enfield ran multiple campaigns to keep its community connected and engaged, enthused about riding and reliving their motorcycling experiences through its digital and social media platforms. The differentiated campaigns brought together a diverse yet inclusive Royal Enfield community - from avid riders and aspirants to custom builders and motorcycling clubs - and enabled them to bond on their common passion: Pure Motorcycling.

TRIP STORY

The Company's initiatives during the initial phase of the lockdown were focussed on keeping the riding

community engaged via authentic, purpose-driven content during unprecedented times. One such campaign was #TripStory, a call to riders who love the wind in their hair, and two wheels on the tarmac. The activation called for enthusiasts to share their memorable ride stories and tag their friends to share theirs. The campaign generated an engagement of 7.6 million with a reach of over 63.5 million and received over 24,000 mentions from Royal Enfield riders and enthusiasts.

ART OF MOTORCYCLING

Themed around self-expression, the campaign aimed to encourage the community to express themselves

freely, follow their passion for riding and progress on the journey of exploration. The digitally activated campaign resulted in bringing a diverse audience from Tier II and III cities along with the Royal Enfield community, ranging from avid riders and aspirants to artists, illustrators, and graphic designers under a common umbrella. The campaign was primarily run on Instagram and the Royal Enfield website and saw over 10,500 registrations from across the country, of which 60% hailed from Tier II and Tier III towns and cities. Over 4,500 posts, more than 9.2 million views and a reach of 15.8 million ensured that the campaign was a resounding success with motorcycling enthusiasts within and beyond the Royal Enfield fold.

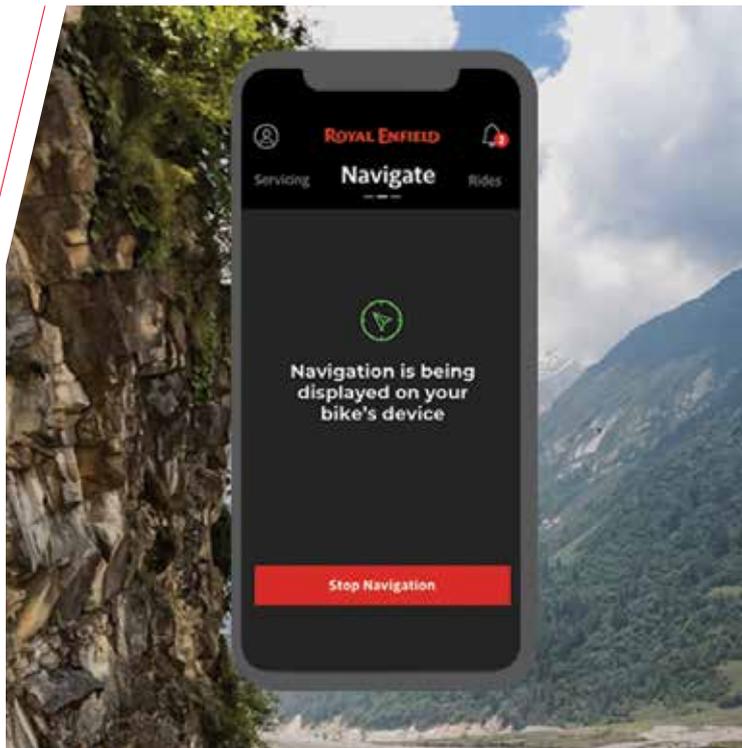
METEOR 350 LAUNCH

The culmination of Royal Enfield's increased focus on digital as a channel for community engagement was the launch of the all-new Meteor 350. A completely digital-led product launch in the true sense of the term and a first in the Company's history saw concerted campaigns being run on Facebook and Spotify in conjunction with creative innovations focussed on high engagement, and consumer convenience and experience.

A unique campaign was run on Spotify and Instagram as well as on Royal Enfield's Make It Yours Configurator with primary focus on 'Cruising'. Spotify ads comprised the quintessential sound of the motorcycle engine revving that riders would hear on a ride to create a sensory experience. This was also captured via the AR filters on Instagram. The digital launch of

the motorcycle received a warm reception from consumers/intenders from across the country. The launch caused quite a buzz across digital channels with #RoyalEnfieldMeteor trending organically on Twitter and Google India. The launch campaign drove over 29,000 conversations online, and November 2020 saw over 10 million website visits and a 24% increase in searches for Royal Enfield, with over 70,000 enquiries coming within a month of the motorcycle launch.

The website visits in 2020-21 grew more than 2X to 66 million from 29 million in 2019-20. The share of search for Royal Enfield in 2020 stood at 29%, a 600 basis points increase as compared to the previous year. Reported as India's 2nd most engaging brand only behind Netflix, Royal Enfield doubled its engagement rate for its campaigns to 8.5% in 2020-21 from 2019-20.



SUSTAINED DIGITAL ENGAGEMENT ACROSS THE YEAR

Total reach (Million)

Q4	387.9
Q3	123.3
Q2	293.6
Q1	133.2

Total engagement (Million)

Q4	27.8
Q3	25.1
Q2	22.9
Q1	15.1

Total views (Million)

Q4	393.4
Q3	70
Q2	180.4
Q1	67.9

Average engagement per brand post

Q4	10,727
Q3	8,379
Q2	10,653
Q1	13,065

Engagement rate (%)

Q4	6.2
Q3	6.7
Q2	7.5
Q1	15.1

REDEFINING THE RETAIL AND SERVICE EXPERIENCE

Customer satisfaction through retail and service excellence is a huge focus for Royal Enfield. These experiences go hand in hand with its legendary and timeless motorcycles to enable passionate riders to embark on a journey of pure motorcycling with absolute peace of mind.

Royal Enfield continues to push forward towards enhancing purchase and ownership experience and brand interface. In FY 2020-21, multiple unique digital and online conveniences and ‘at-your-doorstep’ service initiatives were launched to enable contactless purchase and services. These initiatives offer hassle-free, convenient and safe experiences to customers. Launched as a pandemic response, they have been devised with an enduring vision and will go a long way in unlocking meaningful customer engagement.

CONTACTLESS PURCHASE EXPERIENCE

Safety and convenience of purchase

Royal Enfield initiated a simple 3-step motorcycle purchase process to enable customers to bring home their favourite Royal Enfield without leaving the comfort of their home. It involves online discovery of motorcycles on the website, where they select variants and colour options along with genuine accessories to enhance the motorcycle’s appeal and functionality, and view the kitted-up motorcycle. This is followed by contacting the closest local dealer for Home Test Ride, after which the customers can make e-payment for Online Booking and the motorcycle can then be delivered at their doorstep.



RIDE SURE**Worry-free motorcycling experience**

'Ride Sure' assures buyers of a hassle-free ownership experience, offering three attractive warranty packages – extended warranty, annual maintenance, and extended roadside assistance. Covering aspects of unscheduled repairs, preventive maintenance, parts replacement (including parts like brake pads, accelerator cables, and clutch cables) and emergency services, the programme delivers complete peace of mind to the owners.

**SERVICE ON WHEELS AND PICK-UP AND DROP****Safe, convenient and quality assured service at doorstep**

'Service on Wheels', a unique, customer-friendly initiative, was introduced in FY 2020-21 with the aim of providing motorcycle servicing facilities at the customer's doorstep as well as roadside services. A fleet of 800 mobile service-ready motorcycles that are purpose-built, and equipped to carry tools and spare parts have been deployed across country-wide dealerships. These motorcycles are capable of undertaking more than 80% of all typical service and repair requirements, including scheduled maintenance service, minor repairs, critical component testing, parts replacement, electrical diagnosis, and more.



Customers can book Service on Wheels via the nearest dealership or on the Royal Enfield App. High-quality services are ensured through a trained authorised service technician who strictly follows all safety guidelines.

ENHANCING PURE MOTORCYCLING ECOSYSTEM

Royal Enfield has a longstanding commitment to nurture authentic self-expression and unlock pure motorcycling experiences for riders. Its range of apparel and riding gear, motorcycle accessories, motorcycle custom programme, and rides and events influence and encourage riders across the world to do more with their motorcycles, and ride more.

EXCLUSIVE WOMEN'S APPAREL AND RIDING GEAR RANGE

Partnering women in their pursuits of exploration

Royal Enfield launched a unique range of apparel and riding gear for India's brave and adventurous women, designed to provide a comfortable riding experience across all weather conditions.

This first collection includes riding jackets, trousers, gloves and helmets with a selection of T-shirts, shirts and jeans. The range has been made aspirational yet accessible to support women in their pursuit of exploration. The collection incorporates the features of safety, comfort and style, the hallmark of all Royal Enfield Protective and Lifestyle Apparel ranges.

WOMEN'S APPAREL AND RIDING GEAR LAUNCH WAS CELEBRATED WITH '#DEEDSNOTWORDS' DIGITAL CAMPAIGN BY BRINGING POWERFUL STORIES OF THOSE ADVENTUROUS WOMEN WHO HAVE BEEN DEFYING CONVENTIONS TO CHART THEIR OWN PATHS AND MAKE THE WORLD A MORE EQUAL PLACE.





CAPSULE COLLECTION WITH LEVI'S®

Bringing together the passion of two iconic brands

Royal Enfield and Levi's® are two iconic brands that have a rich history and symbolic values of originality, independence, self-expression, and authenticity. Bringing together their commonality in product and quality approach, the two joined hands and launched a stylish and functional capsule collection that grabs attention of motorcycle riders and denim fans of both brands.

The exclusive collection includes CORDURA® denim jeans and jackets with high abrasion resistance that is built to last. Armour slots for shoulder, elbow and knee, a 3D pocket with a hidden zipper, and high visibility reflective tape add to its safety features. The collection also includes a wide range of graphic T-shirts that have been designed by multi-disciplinary artist Toria Jaymes, who works under the guise of "Stay Outside" and has a strong, authentic design language, and is a rider herself.

**THE COLLABORATION
BETWEEN ICONIC
ROYAL ENFIELD AND
LEVI'S® BRANDS IS A
CELEBRATION OF ALL THE
COUNTLESS MEMORIES,
ENDLESS JOURNEYS AND
ADVENTUROUS TIMES
THAT THEY HAVE BEEN A
PART OF FOR THE RIDERS
BOTH ON AND OFF
THE SADDLE.**

CE CERTIFIED JACKETS

Designed for all weather, terrain and adventure

Royal Enfield launched an all-new range of jackets to enhance the overall motorcycling experience with a clear focus on safety. Seamlessly integrating performance and endurance, these jackets are comfortable, stylish and carefully crafted for different weather conditions and terrains.

These jackets are designed to provide international standard safety performance. While most protective riding gears only have their armours CE certified, Royal Enfield jackets have CE Certification with Class A protection for the garment in addition to CE certified armour. This ensures that the jackets have undergone multiple tests, including abrasion resistance, impact

protection, ergonomics, tear strength, seam strength, innocuousness and dimension stability. Also, the armour used is from Knox and D30, which is amongst the best-in-class and most trusted for internal impact protection.

The jacket comes in 3-tiers based on riding needs. The City Riding range for hot weather; the classic, versatile Highway Touring range fit for all adventure trails; and the flagship High-altitude, All-terrain range crafted to perform everywhere at the highest level. Variants and colour options are available under each range. To ensure a smooth experience and assist riders in selection, an interactive page has been created with filters based on the weather conditions, riding needs and desired protection levels.

CO-CREATING RIDING GEAR WITH KNOX

Highest level of protection for safest travel experience

Royal Enfield continued on its mission to ensure a safe and pure riding experience. It partnered Knox, an expert and innovative protective apparel and body armour maker, for using their armours in its new range of jackets, gloves, and trousers. The jackets were equipped with Knox's CE Level 1 Flexiform and CE Level 2 micro-lock armour for shoulder and elbow. The gloves come with best-in-class knuckle and palm protection, padding, cuff adjusters, screen-friendly fingertips, accordion stretch panels, abrasion resistance leather, polyester air mesh and waterproof features. A few gloves also had Knox knuckle protectors and Knox scaphoid protection system. Taking this partnership ahead, Royal Enfield co-created with Knox a range of CE certified Level 2 external knee-guard – Conqueror. These versatile collections deliver world-class safety standards with application across riding needs and conditions.



RIDING ON NEW CIRCUITS AND UNCHARTED TERRAINS

Royal Enfield has a rich history of building resilient and enduring motorcycles that have won the hearts of riding communities and the respect of professional riders for their extraordinary performances and unforgettable prowess over challenging terrains. Each year, Royal Enfield continues to reignite this legacy by taking its legendary motorcycles and their riders to newer circuits to test its limit and kickstart journeys of self-exploration.

GUTSY DEBUT AT THE AMERICAN FLAT TRACK (AFT) COMPETITION

In September 2020, Royal Enfield and motorcycle racer Johnny Lewis from team Moto Anatomy introduced the Twins FT Production Twins racer to the flat track world, setting a major milestone in Royal Enfield's 120-year-old history by debuting in AFT competition (Production Twins class) with a gutsy performance. The motorcycle, jointly developed by road racing chassis builder Harris Performance and engine tuning specialists S&S Cycle, underwent months of testing and development.

The motorcycle lived up to the racing motorcycle phrase – competitive straight out of the box – as the official practice session was the first time Lewis rode it due to tight timing. Yet, he shocked the field, taking a 3rd place semi-final finish and an incredible 6th place finish in the main race. Eventually in the final race, Lewis carved his way and finished in 7th place, despite having to pull off the track after a weakened head gasket failed.

DAYTONA I REDEMPTION

Working closely with partners, the team made improvements and adjustments to the Twins FT package, testing many new parts and setups in the lead-up to the final races.



With an exceptionally well performing chassis and improvements to the motor, Lewis was high on confidence in the finale at Daytona I. And rightly so, as Lewis led from start to finish to give Royal Enfield its first ever win in the series, which also marked the first racing competition win in Royal Enfield's modern history. In the second race, Lewis once again put in a great performance and grabbed 2nd place.

The podium finish at Daytona was a perfect end to Royal Enfield's development season for the American Flat Track championships, showing what the team and the motorcycle are capable of. The team has been spending the past few months in testing, with a focus on motor development, to be prepared for the 2021 AFT season.



"Just over a year ago we decided to go flat track racing in AFT. The goal for our first year was to learn and work towards competitive results. We couldn't have hoped for a better end to our first season with this weekend's 1-2 finish. Following up on the first race's 1st place finish, grabbing 2nd in race two goes to show that the Moto Anatomy Powered by Royal Enfield team is ready to fight for podiums."

Adrian Sellers,
Head of Royal Enfield Custom Programme

SPEED WEEK AUSTRALIA
Interceptor 650, a racer by birth, sets new speed record

Motorcyclists aspire to explore new possibilities and push boundaries and Royal Enfield endeavours to aid every such pursuit. One such feat was enabled by Interceptor 650 for Geelong-based Harness Racing Australia team Mid Life Cycles, headed by experienced salt racers Andrew and Kate Hallam.

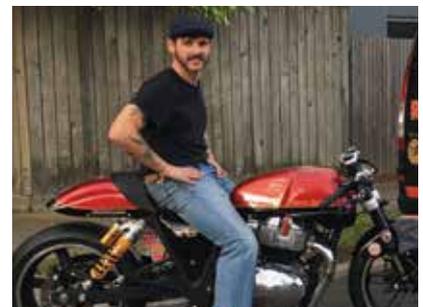
Entering in the Class M-F 650 (for 650cc un-streamlined motorcycles running on commercial unleaded fuel) the team riding on Interceptor 650 broke the four-year-old class record on each of its runs, highlighting the capability of Royal Enfield's twin engine.

Racer Charlie Hallam first broke the record on the first run, setting a provisional record of 122.691 mph,

improving it to 129.570 mph on the second run, and then to 130.370 mph in the third one. Despite the extraordinary result from a 650cc single-cam, air-cooled Twin, Charlie believed there was a little more to come. On his fourth run, under increasingly stormy skies, he set a new record of 132.050 mph or 212.514 km/h with a stunning 133.779 mph top speed.



ENTERING IN THE CLASS M-F 650 (FOR 650CC UN-STREAMLINED MOTORCYCLES RUNNING ON COMMERCIAL UNLEADED FUEL) THE TEAM RIDING ON INTERCEPTOR 650 BROKE THE FOUR-YEAR-OLD CLASS RECORD ON EACH OF ITS RUNS, HIGHLIGHTING THE CAPABILITY OF ROYAL ENFIELD'S TWIN ENGINE.



ASTRAL RIDE**Passion for photography meets motorcycling spirit**

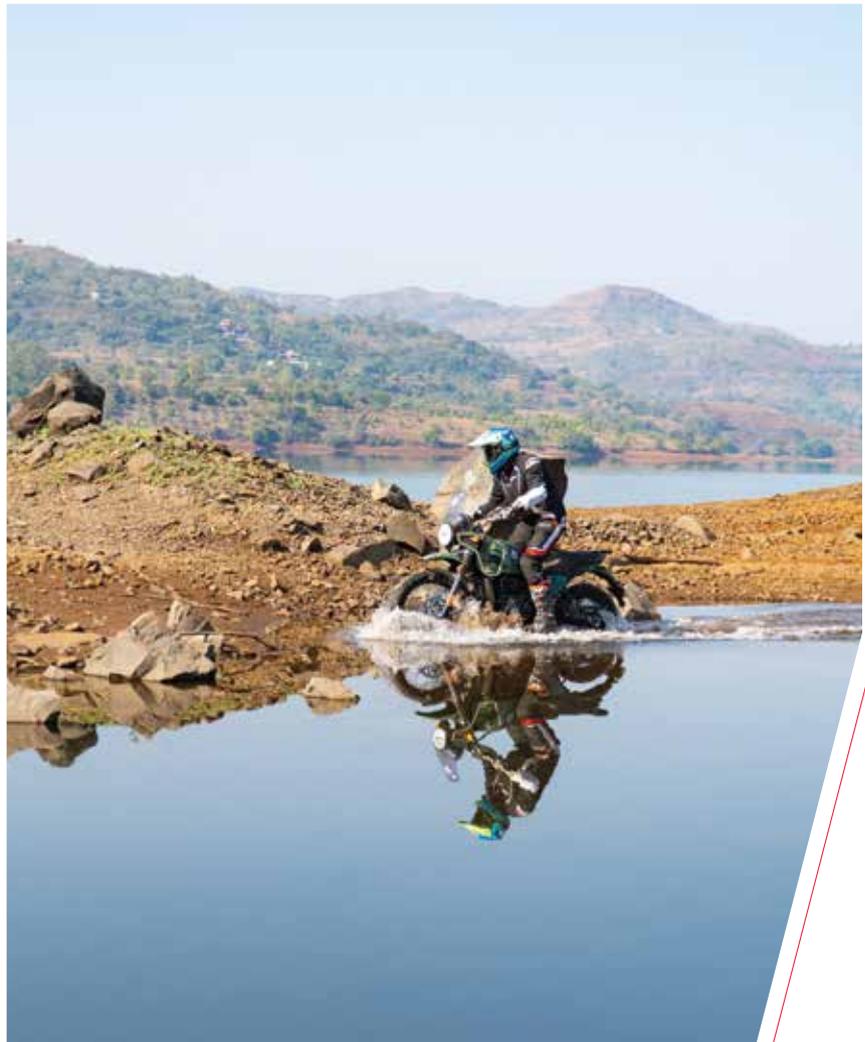
Royal Enfield has always created exciting and engaging avenues for riding enthusiasts to express themselves while exploring the world. 'Astral Ride' is an initiative that brings together the shared passions of motorcycling and photography and makes for an epic adventure for the participants at the most picturesque locations across India. The second edition of the Astral Ride held at Rann of Kutch was a 7-day excursion that saw 16 passionate participants ride the Meteor 350 cruiser from Ahmedabad to the famous salt plains of Rann of Kutch, one of the best

places to capture cosmic marvels and one that is on every photographer's bucket list. It took the riders through concrete city jungles to the blissful yet unforgiving white deserts to provide for a unique ride experience. At the same, the ride enabled the participants to take their photography quotient to the next level by helping them learn about astral and travel photography on the go, riding through some of the most beautiful locations in the region.

UNROAD MAHARASHTRA 2021

Nudging adventurers to explore the lesser known

Royal Enfield Unroad nudges adventure riders to go beyond touring on highways to an off beaten track and explore the lesser known, more inaccessible parts of the countryside. Helping riders understand the versatility of their motorcycle and its capability to tackle challenging terrain, Unroad is designed to impart a technical mindset and approach to tackle daunting tracks and trails in the pursuit of adventure. Unroad Maharashtra 2021 saw 20 riders traverse across uncharted territories - from Panshet and Mose to Jogoba and Tav - within Maharashtra over 4 days as they honed their skills to manoeuvre different and difficult terrains.



**UNROAD IS DESIGNED TO
IMPART A TECHNICAL MINDSET
AND APPROACH TO TACKLE
DAUNTING TRACKS AND TRAILS
IN THE PURSUIT OF ADVENTURE.**

FOSTERING THE SPIRIT OF CREATIVITY AND CUSTOMISATION AMONG MOTORCYCLISTS

The legendary and timeless Royal Enfield motorcycles have always been the perfect canvas for customisation and self-expression among the motorcycling community, given their simple yet evocative design language. Believing in the power of self-expression, the Royal Enfield Custom Programme team has been heavily invested and committed to developing a seamless global custom motorcycling ecosystem. It works closely with builders, content makers and event curators world-wide to promote and support motorcycle customisation.



BUILD YOUR OWN LEGEND CAMPAIGN

Elevating and growing the custom ecosystem in India

Royal Enfield carried out its first ever motorcycle customisation campaign, 'Build Your Own Legend', to foster creativity and promote custom motorcycling in India. Themed around self-expression, it provided a platform

to encourage the community to express themselves freely, follow their passion for riding and progress on their journey of self-exploration.

The campaign invited motorcycle enthusiasts to design (sketch or render) a custom motorcycle based on the Meteor 350 along with a small description of the

idea. Of these, top 3 unique concepts would be shortlisted and the winners would get a chance to visit Royal Enfield Technical Centre and work closely with the Industrial Design Team and custom motorcycle builder to bring their design to life.



KAMALA CUSTOM

A hallmark Sosa bare metal style

Kamala, built by Cristian Sosa of Sosa Metalworks, is an all-new custom motorcycle based on the Continental GT 650. While inspired by vintage board track racers, it is a completely original creation with lean form and large thin wheels perfectly proportioned to frame the 650 Twin motor at its core.

Presented in bare metal, Kamala lets the materials speak for themselves – steel, aluminium, brass, each reflecting the light differently. Its metal work truly stand out with the build being hand-fabricated based on the 650 Twin right from the frame to body, suspension and paint scheme, a hallmark of Sosa style. Taking the form of a beautifully narrow swept tank, the metal work is perfectly formed around a bespoke rigid chromoly steel frame.

Its sinuous girder fork connects the wheel to the frame at the front, and a beautifully detailed springer seat arrangement holds the rider perched behind the motor. All these parts perfectly complement the pure metal construction and simple retro forms of the 650 Twin motor, working together in a composition that is both tough and delicate at the same time.



CHAI SHOP RACER

Capturing the essence of raw metal finish perfectly

Chai Shop Racer is Paul Smith's (Jugaad Goa) take on the famous Cafe Racer style. With a unique style of building his motorcycles devoid of any paint, the Chai Racer captures the essence of a raw metal finish perfectly, giving a different look and feel by working with surface finishes to achieve the desired result.

Built on a Continental GT 650, the Chai Shop Racer is an ode to the tea stalls that Indians fondly frequent. It sports all the commonly found metals, alloyed to put this work of art together. The frame is of mild steel make and body panel of aluminium sheet. Solid aluminium blocks have been machined out to make the large retro style hubs mated to the stock wheels shod with old school rubber. And of course, the brass accents without which none of Smith's builds leave his garage.

KAMALA FIRST PREMIERED AT THE ONE MOTO SHOW IN PORTLAND, OREGON, USA, IN FEBRUARY 2020 AND WON ONE OF THE TOP AWARDS AT THE SHOWCASE.



ULTIMATE LONDON / URBAN BRATSTYLE MOTORCYCLE

The pandemic resulted in the cancellation of one of the best custom bike shows in Europe, the Bikeshed London. Royal Enfield and Bikeshed have had a great history and synergy. To showcase the relationship and in lieu of not having a show, a collaboration was forged to develop a "lockdown build" with the aim of creating the perfect London Bratstyle motorcycle. The whole process of building a custom motorcycle was documented and showcased on social media, so enthusiasts could engage from their homes. The motorcycle was then launched at an exclusive (COVID-19 compliant) event at Bikeshed London.

MANAGEMENT DISCUSSION AND ANALYSIS



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

BUSINESS REVIEW

Two-Wheeler Industry performance

In 2020-21, the two-wheeler industry sales volume was 15.1 million units, a decline of 13% from 17.4 million units in 2019-20. The motorcycle industry sales volume was 10 million units in 2020-21, a decrease of 11% from 11.2 million units in 2019-20. The motorcycle industry performed better than the scooter industry. The scooter industry sales volume was 4.5 million units in 2020-21, a decline of 20% from 5.6 million units in 2019-20.

The year 2020-21 was an unprecedented year as the outbreak of COVID-19 pandemic affected economies and livelihoods across the globe. The instances of lockdown across the country and states, and the spread of the deadly disease resulted in suspension of operations at offices,

plants and dealerships, primarily in the beginning of the year which impacted business activities. The price increases on account of regulatory changes, supply chain disruption and acute commodity pressure further aggravated the situation. However, a buoyant demand from rural segment and a gradual recovery in urban segment, also supported by the preference for personal mobility, helped the motorcycle industry register a strong growth of 20% in the latter half of the year as compared to the same period in 2019-20.

Royal Enfield performance

Royal Enfield’s total sales volume including exports was at 6,09,403 motorcycles in 2020-21, a decline of 13% from 6,97,582 motorcycles in 2019-20. Your Company’s sales performance was also impacted by COVID-19 led demand and supply disruption. The production operations gradually returned to the pre-COVID level as supply chain constraints eased over a period. A faster recovery in demand and an excellent response to the launch of Meteor 350 resulted in a strong order book. In India, your Company’s sales volume was at 5,73,728 motorcycles in 2020-21, a decrease of 13% from 6,58,920

motorcycles in 2019-20. India continued to be the largest market for your Company given the share of India in your Company's total sales remained almost stable at 94%.

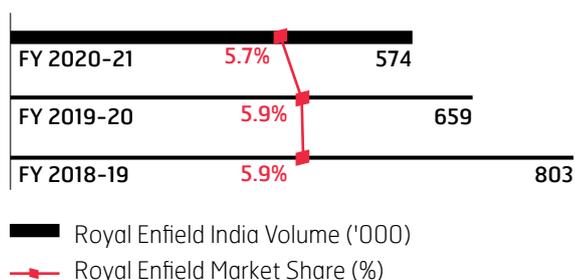
In international markets, Royal Enfield recorded a good performance despite the limitations placed at the beginning of the year. The total export volume was at 35,675 motorcycles in 2020-21, a decline of 8% from 38,662 motorcycles in 2019-20. North America and Latin America witnessed a growth in the sales volume for the year. A quick recovery in demand, launch of Meteor 350 and expansion of the distribution network helped your Company register a 50% growth in its export volume in the second half of the year over the same period in 2019-20. Your Company's focus on growing international business has resulted in an increase in the share of export volume to 5.9% in 2020-21 from 5.5% in 2019-20.

Your Company also faced the situation of tight availability of certain auto parts and raw materials which affected the ramp-up of production. An increase in motorcycle prices primarily driven by the transition to the new BS VI emission norm and the steep rise in commodity prices had also dampened consumer sentiment. Your Company managed the supply situation well to ensure pick-up in production levels. A calibrated approach towards passing on the material cost pressure, and launch of new products and online initiatives helped your Company improve and sustain the demand momentum.

For the year 2020-21, Royal Enfield's market share in the motorcycle industry in India remained stable at 5.7%. A ramp-up in the production and launch of Meteor 350 led to a significant improvement in the market share to 6.3% in the second half of the year. Addition of more than 500 stores including studio stores also improved accessibility of the product in smaller cities in India.

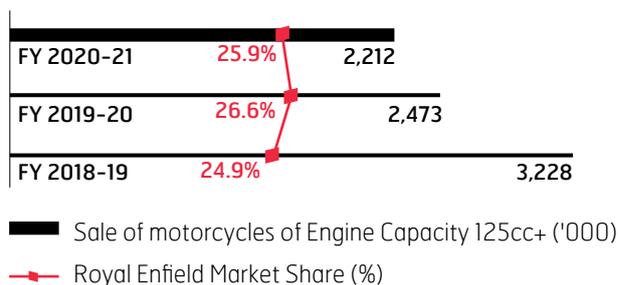
The performance of the motorcycle segment with engine displacement of above 125cc was similar to the overall industry performance. The segment sales volume declined 11% to 2.2 million units in 2020-21 from 2.5 million units in 2019-20 on account of COVID-19 led disruption. Royal Enfield market share in the segment slightly declined from 27% in 2019-20 to 26% in 2020-21.

Royal Enfield's Market Share in India



Source - SIAM

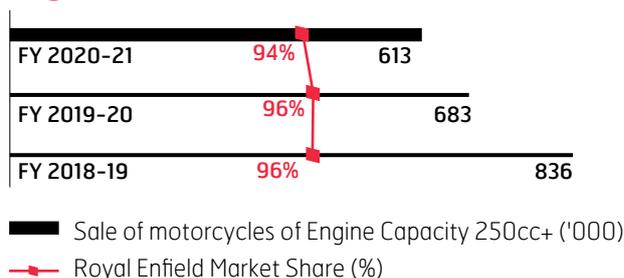
Royal Enfield's Market Share in 125cc+ Segment



Source - SIAM

The industry volume for motorcycles with engine displacement of above 250cc declined 10% on a year-on-year basis. New launches in the segment from the industry players maintained customer excitement and supported premiumisation from the mass market two-wheeler segment. Your Company continued to hold leadership position in the segment with 94% market share.

Royal Enfield's Market Share in 250cc+ Segment



Source - SIAM

With an aim to fuel consumer demand and incentivise purchase, your Company took several steps, including introduction of easy and accessible financing, expansion of the retail network across the country, and launch of new motorcycles. In such difficult times of pandemic, your Company also adopted new ways of doing business which included the first ever digital launch for new products, bolstering of digital enquiry and booking process, and introduction of innovative financing products.

Product Enhancements and Portfolio Expansion

Your Company has long-term plans to expand its product portfolio in the middleweight segment to offer more choices to customers across the globe. Staying committed to this plan even through times of uncertainty in the industry, Royal Enfield introduced the next-generation platform with the Meteor 350 in November 2020, an all-new motorcycle in

the cruiser segment. This also marked the first ever digital launch of a motorcycle for your Company. The very creative and unique way of using technology for the launch not only delighted the Royal Enfield community and enthusiasts but also helped your Company reach a much wider audience.

Meteor 350 is an all new, ground-up motorcycle that provides a completely new and enhanced riding experience in the middleweight segment and expands your Company's product portfolio. An easy cruiser with a smooth and refined engine, the Meteor 350 has great potential in India, India-like markets and even in evolved markets like the US and Europe as an entry level cruiser. Adding modern technology to retro styling, Meteor has the all new 'Tripper' navigation pod, enabling easy access to turn-by-turn navigation without interfering with the easy and fun ride experience. Meteor 350 garnered a lot of positive reviews from experts, media, and customers alike and was praised for its excellent build quality, performance and riding experience. The motorcycle received a very encouraging response not only in the traditional cruiser markets but also all across the nation, resulting in a large order book. Meteor 350 should help in expanding the cruiser segment as its demand far exceeds the demand for Thunderbird, your Company's earlier offering in the cruiser segment.

Your Company also launched the Himalayan in new colourways along with a host of functional upgrades and the Tripper navigation. Himalayan, in a short span of 5 years, has opened up a new category within global adventure touring. Its simplicity, versatility and competence have earned incredible response from riders across the world.

In order to cater to all sets of customers by offering more choices, new colour variants were offered on Classic 350, Interceptor 650 and Continental GT 650. The 650 Twins also offered additional features and a host of personalisation options.

Taking a huge step towards advancing motorcycle personalisation in the 2-wheeler industry, your Company launched the Make it Yours (MiY) initiative. It's a first-of-its-kind initiative allowing a buyer to personalise, accessorise and configure a motorcycle at booking stage through a 3D configurator. MiY offers thousands of possible combinations with choices across style, safety and comfort. MiY initiative is transformative across the entire Company. A large part of the portfolio is moved to MiY as Classic, Meteor 350, Himalayan and Twins are available with personalisation options. The new initiative has received a very good response as a large number of customers are booking through MiY. Penetration of personalisation and accessorisation is increasing as most customers of the Meteor 350 are opting for it given Meteor has the widest range of choices for accessories. Widening of choices under MiY across the product portfolio will also help enhance the customer spend on a motorcycle.

Royal Enfield has consistently evolved new ideas and initiatives to enhance the way consumers engage with the brand and has sought to transform their overall purchase and ownership experience. With a lot of customers moving to digital engagement and transactions during the pandemic, Royal Enfield strengthened its digital presence through the launch of the Royal Enfield App and by way of improvement in the online purchase process over the company's website.





The Royal Enfield App provides customers a whole new way to discover, purchase, own and engage with Royal Enfield. It offers a seamless experience in a time-efficient manner. Through the app, customers can explore the MiY options and customise their motorcycles, book a motorcycle, explore the community and ride schedules, schedule service appointments and even learn a few tricks via the Do-It-Yourself videos on the App. Additionally, the App connects to the Tripper device on the motorcycle and allows riders to navigate to their destination. The digital presence resulted in the share of online enquiries increasing to over 2.5X and the share of online booking increasing to over 5X in 2020-21 from 2019-20.

Dealership Network Expansion

In 2019-20, Royal Enfield introduced the concept of a studio store which was primarily meant for smaller and remote locations with minimal investment. The opportunity to set up a studio store was provided only to the existing Royal Enfield dealers to ensure delivery of a uniform customer experience conforming to the brand standards. The initiative was aimed at strengthening the competitive position of Royal Enfield and improving brand accessibility for prospective buyers in such locations. After opening a record number of studio stores (600 stores) in 2019-20, your Company added another 431 studio stores in 2020-21. Despite the COVID-19 induced lockdowns and restrictions during the year, the total tally was increased to 1,031 studio stores by the end of March 2021. All these stores were opened by existing Royal Enfield dealers which is a testament to the trust the dealer partners have in your Company and potential of studio stores in expanding the dealer

business. Thus, Royal Enfield network expansion continued even during the most challenging times of the pandemic. Though the pandemic has slowed the ramp-up of operations at these stores, most of them have already started making profits.

In addition, Royal Enfield added 104 regular stores taking the total count of stores to 1,025. Hence, Royal Enfield retail touch points across the country including regular stores and studio stores crossed the 2,000 mark, standing at a total of 2,056 stores. The addition of more than 100 regular stores was achieved by introducing the 'Hub' format where a new dealer in a small location was appointed along with 2-3 studio stores which would act as 'spokes to the hub' at nearby potential locations. This way your Company was able to penetrate deeper into the markets where existing dealers were not able to contribute because of long distances and other operational constraints.

At Royal Enfield, along with supporting the dealers and service partners to succeed, your Company is also upskilling them by improving their technical know-how and ways of working. Your Company understands the crucial role played by its dealers and service partners in the times of the pandemic. Your Company encourages implementing the required health and safety measures and precautions owing to the COVID outbreak and engages on regular basis to ensure the same. Your Company also emphasises on protecting human rights in all its operations including dealers and provides equal opportunity to all. Going forward, your Company intends to collaborate with dealers and service partners for its end-of-life vehicle management and circular economy initiatives.



Financing

Aspiration among consumers for Royal Enfield motorcycles is rising across the country. Improvement in the availability of finance can help people fulfil their aspirations by financing their purchase. Also, financing is important in view of varied demographic profiles of the customers and their affordability levels. It becomes further important in the times of increasing pressure on the income sources and rising prices of motorcycles.

Your Company worked with financiers to ensure availability of financing for its customers across all stores. In order to support customers in managing their payment schedule better, your Company coordinated with financiers to introduce new financial products with a focus on lower down payment, lower EMI and longer loan tenure which yielded positive results. Your Company also organised finance campaigns with financiers on their online platforms. Financiers are now financing motorcycle accessories, apparels and soft products along with motorcycles which is also driving the sales of non-motorcycle business.

During the year, your Company also expanded its network of financing partners by tying-up with a couple of Non-Banking Financial Companies (NBFCs) to improve access to financing for its customers especially in smaller cities and towns. Expansion of the partner network also benefited customers through reduction in their cost of financing and improvement in the conversion rate.

After-Sales

Royal Enfield promotes the idea of pure motorcycling which encapsulates riding, owning, maintaining and caring for motorcycles. To ensure smooth and hassle-free ownership and fun riding experience, your Company is constantly working towards offering consumers complete peace of mind by taking care of their motorcycles. With a focus on delivering best-in-class service experience, Royal Enfield took several initiatives during the year.

- Strengthening its digital presence in the service domain, your Company introduced online features to offer frictionless after-sales experience to its customers.
 - A service module was added in the Royal Enfield App to facilitate easy identification and location of workshops in the vicinity for consumers, and make a service booking for the motorcycle.
 - A new RE Mechanic App was launched to support the troubleshooting of the Electronic Fuel Injection (EFI) system which replaced the carburetor system for transitioning to new BS VI emission norms. The app makes the overall troubleshooting process easily accessible and affordable to mechanics both for authorised network and freelance mechanics. It supports Meteor 350 in the first phase and will be extended to other models in a phased manner.

- In order to build a resilient supply chain with a lean inventory and also ensure parts availability at the retail counter and workshop, Royal Enfield completely revamped its parts operations from suppliers to sales outlets. This benefited both the Company and customers in many ways.
 - Auto replenishment of parts at 100% channel partners
 - Parts branding which helps customer to differentiate between genuine and spurious parts
 - Eco-friendly and more durable parts packaging and branding
 - High velocity retail programme to improve parts penetration in the market through advocacy
- Your Company continued to take a series of service excellence initiatives to improve its customer satisfaction.
 - In a bid to provide service support at the doorstep of customers, “Service on Wheels” initiative was launched in 2019. This programme can address up to 80% of all typical service related issues at the doorstep of the customer. Encouraged by an excellent response to the initiative in terms of gaining back the discontinued customers, your Company added a fleet of 800 motorcycles in 2020 under this programme. The programme has improved the reach of doorstep servicing facilities in over 600 cities
 - Motorcycle pickup and drop facility has been started in all the metros and state capitals. This will offer customers hassle-free service experience without visiting a workshop
 - Your Company commissioned 13 mobile service trucks to improve service reach especially in upcountry markets. The truck can station itself at a location and has the entire set-up to service a motorcycle
 - Royal Enfield tied-up with one of the leading bike taxi companies for customer drop off from workshop to residence or office and vice versa
 - Optimisation of top repair activities will result in reducing the time for resolution of frequently occurring repair issues

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

¹ As per MCIA data from January 2020 to December 2020.

Motorcycle Accessories

Royal Enfield motorcycles are known for their ease of personalisation and customisation, and over the years, consumers have inspired your Company with their customised or personalised Royal Enfields that reflects their own personality in a certain sense. Your Company's accessory sales have experienced the strongest ever growth regardless of the pandemic. As an experiential brand, Royal Enfield built on that excitement with the incredible launch of the “Make it Yours (MiY)” programme where customers can choose a new model via the Royal Enfield App, website or dealer to create the motorcycle of their dreams with their own choice of accessories which come fitted from the Company. This is a truly unique and engaging experience for the customer unlike any other. MiY was first launched with the 650 Twin motorcycles in October 2020, followed by the Meteor 350, Classic and Himalayan. Like Meteor 350, all new models in future will be launched and available via MiY from day 1.

The team has been working towards creating new concepts and designs in motorcycle accessories, to offer even more exciting products for customers to choose from. The portfolio now stands at over 180 products from 125 products in 2019-20 and there is a plan to increase it further. Meteor 350 was digitally launched seamlessly in November along with 37 brand new accessories.

Each accessory is designed and developed alongside the motorcycle itself and tested extensively in parallel to deliver world-class quality and durability, all backed by a comprehensive 2-year manufacturer's warranty for complete peace of mind. Accessories for the Meteor now come with a 3-year warranty which is a first for the business. In terms of popularity, the protection category continues to be very strong with products like engine guards, sump guards selling well. Cast alloy wheels are also proving a popular choice among the consumers, as are seats and seat covers.

During the year, the team was also focussed on improving the distribution model for accessories. Products like engine guards are being distributed through motorcycle depots which has significantly improved their availability for the dealers. Following the success of a pilot programme to sell accessories via select service workshops, the initiative has now been rolled out pan-India and has resulted in an important additional sales channel for your Company and dealers to leverage. Dedicated sales executives for stocking and selling the accessories to customers during servicing will help drive the business further.

Apparel and Riding Gear

Rider apparel and gear is a huge form of self expression for motorcycle riders. The jacket, gloves, protective riding gear, the helmet and other safety guards on the rider, are all part of the motorcycling lifestyle that each rider aspires to lead. Inspired by the consumers' interest in motorcycle

personalisation and customisation, Royal Enfield launched the MiY initiative in an attempt to promote this culture. Taking further inspiration from this, your Company introduced the MiY initiative to its range of apparel and riding gear as well. Consumers now have an exciting range of personalisation options across helmets and T-shirts. There are now more than 7,000 options to personalise helmets, and more than 15,000 options to personalise T-shirts using text, decals, graphics, colours, and several other choices. Motorcycling enthusiasts can now wear their personality, on or off the saddle.

In order to provide Royal Enfield brand lovers with an opportunity to engage and express themselves through another lifestyle brand with legacy, your Company tied-up with Levi's®. Both the brands share values and have a rich history which formed a natural connection. A co-branded collection was created keeping in mind the comfort and style of the motorcycling community and other consumers alike.

Royal Enfield collaborated with Knox, experts and innovators of protective apparel and body armour, to build a range of high protection, CE certified and accessible riding gear. Under the partnership a new range of riding jackets, gloves, and riding trousers was launched by Royal Enfield to carry Knox armour. The launch is part of the long-term collaboration in line with Royal Enfield's commitment to provide protection, comfort and aesthetically designed riding gear and accessories.

Propagating a culture of pure motorcycling, it was natural for Royal Enfield to create a collection of clothing especially for the women riding community. Inspired by the 'Motorcycling Way of Life', your Company launched its first-ever exclusive women's apparel and riding gear range. The clothing range was designed to be aspirational yet accessible and support women in their pursuits of exploration.

Your Company acknowledges the growing consciousness among its stakeholders on understanding their organisation's efforts towards environmental and social performance. In line with its philosophy and sustainability action, your Company will also include the apparel division in its efforts. Utilising recycled and certified raw material, partnering with sustainable suppliers, and also communicating through eco-labelling, are some of the initiatives that Royal Enfield intends to implement. Your Company is exploring ways to integrate environmental and social sustainability principles in the apparel and accessories it offers.

International Business

After recording a phenomenal performance in 2019-20, Royal Enfield's international business delivered a sustained and resilient performance in such unprecedented times. The pandemic-led lockdown situation in various countries presented difficult times for the Royal Enfield team and dealer network. However, development of new systems and finding



of new ways of working resulted in continued brand traction across the markets.

During 2020-21, a number of key initiatives were taken in global markets that laid solid foundations for sustained brand growth, enhancing customer experience, further strengthening the dealer network and promoting greater brand awareness across regions and targeting entirely new audiences and customer segments.

Launch of Meteor 350, entry into new markets such as Japan and Cambodia, introduction of digital campaigns, curation of custom motorcycle events and excellent response from the riding community and enthusiasts supported the steady performance of the brand in international markets. Despite the pandemic-driven constraints on supply and distribution, the overall sales volume was slightly lower by 8% on a year-on-year basis to 35,675 motorcycles for the year 2020-21. The 650 Twins maintained strong demand momentum in export markets. The Interceptor 650 was UK's highest selling 'naked motorcycle' for the calendar year 2020¹. Both North America and Latin America witnessed strong performance and concluded the year with a growth in volume.

Royal Enfield's Export Volume

FY 2020-21	35.7
FY 2019-20	38.7
FY 2018-19	19.7

■ Royal Enfield's Export Volume ('000)

Source - SIAM

In line with the vision to expand the middleweight motorcycling segment globally and also to increase its footprint in important global markets, your Company expanded its distribution network and set up local assembly operations. Expansion of retail distribution primarily through exclusive stores in the key markets of the UK, Thailand, Brazil and Colombia improved brand accessibility and experience. Royal Enfield also set-up its first motorcycle assembly unit in Argentina to produce motorcycles outside India. Argentina is among the biggest mid-size motorcycle markets in Latin America. Plans are in progress for setting-up local assembly units across specific markets in Asia Pacific and Latin America regions.

Product Launches Picking Up

Encouraged by great response to the 650 Twins and guided by the plan to grow the scale and expanse of international business in the overall portfolio, your Company took the new Meteor 350 to the primary international markets soon after its launch in India. Meteor 350 has been successfully launched

in the UK, Europe, Australia, New Zealand and Thailand. The motorcycle has received great reviews from experts and media. It has also been accepted extremely well by the customers and dealers. Within a few months of its launch, Meteor 350 won the 'Best Modern Classic Over 250cc' award in Thailand, a key market for Royal Enfield.

Additionally, the new Euro 5 Himalayan and 650 Twins motorcycles - with a host of exciting new colourways - were introduced in the European market and they look set to further build upon the phenomenal success of the marquee models.

In the Americas, Classic and Bullet were migrated to BS VI emission norms and the Himalayan was launched in its Euro 4 version with switchable ABS in new colourways. The Classic 500 Tribute Black edition was introduced in limited numbers and immediately sold out in select markets across the Americas.

Brand Building - Different Times Call for Different Measures

The problems and restrictions, posed by the pandemic, encouraged your Company to reimagine its brand building beyond the conventional channels. Leveraging on digital capabilities, innovative ways of engaging with diverse communities were found for almost all purposes. Successful digital launch of new products and leadership interaction with media across geographies in a distinctive hybrid format via both online and offline channels was a first for your Company.

In order to address the constraints on rides and physical events, digital campaigns on social platforms were curated to keep a diverse community of brand advocates, ambassadors, influencers and enthusiasts engaged with the brand. Numerous innovative campaigns such as DIY sessions, #MyTripStory, #CustomShowcase, testimonials from customers were created through the year on social media for increasing brand awareness and product thrust. These campaigns provided people with an opportunity to share their own riding experiences, stories, interests and showcase their customised motorcycles. The main intent of the programme was to reach out to new audiences, tap into wholly new markets and generate interesting, authentic and original content from Royal Enfield riders and enthusiasts. With a guiding principle of building community, fostering genuine brand experiences and strengthening customer ties with the dealer network, your Company continues to promote formation of riders clubs across locations. The riders' clubs embody Royal Enfield's "Pure Motorcycling" ethos. The clubs share programmes of dedicated rides, events and brand experiences which help in building strong communities that are approachable for all Royal Enfield riders. The community is growing ever stronger as your Company continues to bring a creative, passionate and diverse group of individuals to the wider Royal Enfield family.

¹ As per MCIA data from January 2020 to December 2020

Continued media engagement along with the company management resulted in presenting the Royal Enfield success story, brand heritage and its plan to become a global leader in the middleweight motorcycle segment, to the world.

Thousands of press stories covered 120 years of rich history and legacy of Royal Enfield, product portfolio, media rides and market specific announcements.

The international business teams focussed on devising key city strategy. The intention is to implement strategic development programmes in specific cities which have the highest middleweight motorcycle potential and where positive growth opportunities have been identified. Out-of-store experiential programmes, test rides and city tour campaigns were held across the key cities for intenders to experience the various motorcycles in the portfolio.

A concerted focus was placed on developing brand exposure and awareness to new or alternative customer segments through customisation and design events in the UK and Asia Pacific. Collaboration with Bike Shed in London and launch of Bolt-On-Build project to engage with prominent customisers and influencers in Thailand, Indonesia and Australia resulted in unique and creative custom projects. In Europe, the Royal Enfield custom team along with a few major custom houses conducted a brand building exercise and storytelling through a weekly series of 'Custom World Live' during the lockdown period. The customisation capabilities of Royal Enfield motorcycles were further strengthened with the launch of exclusive custom kits for Himalayan and the 650 Twins by renowned custom houses in Asia-Pacific.

To focus on younger audiences, an excellent initiative - "Style Your Own" - was launched. Style Your Own is an inaugural student design competition through which Royal Enfield collaborated with a number of prestigious universities and design institutions across Europe to creatively engage with the next generation of designers, engineers, illustrators, tastemakers and motorcycle enthusiasts.

In order to further strengthen brand awareness in the US, Royal Enfield partnered with "American Flat Track (AFT)". Opening of a slide school in collaboration with Moto Anatomy has provided Royal Enfield with an opportunity to showcase its motorcycles to the enthusiasts and grow the sport of motorcycling. Royal Enfield debuted the Twins motorcycle in 2020 to compete in the AFT races. The team Moto Anatomy X Royal Enfield ended the year on a high note after taking podium position in the third race at the AFT season Finale at Daytona Race-Track.

Every year Royal Enfield organises 'Cause Rides' which helps create a positive impact on the communities by providing an opportunity to riders to explore and understand the landscapes and culture of these destinations. Considering the health and safety of riders and communities at utmost importance, your Company refrained from organising 'Cause Rides' on the larger scale during 2020-21. However, your Company intends to conduct such rides in the years to come.

Larger Footprints Driving Customer Reach

Expansion of the retail and service network in key geographies significantly improved accessibility of Royal Enfield motorcycles and enhanced brand visibility. Across regions, your Company continued to strengthen the network by securing a number of successful conversions of bigger and quality dealers. This was supplemented by an assertive drive to set up more Royal Enfield exclusive stores and further enhance the holistic brand experience for the end customer. Your Company increased its exclusive store count from 77 in 2019-20 to 132 in 2020-21 and Multi-Brand Outlets (MBOs) to over 630.

In the Asia Pacific region (APAC), the overall footprint of Royal Enfield grew to 123 retail touch points with major expansion undertaken in Thailand and Australia. Along with expansion of footprint within the region, your Company also forayed into Japan and Cambodia markets during the year. Japan is a critical two-wheeler market with high potential for old school, classic-styled motorcycles. Similarly, Cambodia is one of the most sought-after motorcycling destinations in the world.

In APAC, rental business model also plays an important role in managing the 'Usership before Ownership' facet. Hence your Company has tied up with leading rental partners to provide the motorcycle enthusiasts with an opportunity to explore the region as well as experience the Royal Enfield motorcycles.

The Americas region performed very well in 2020-21 and has a great potential for Royal Enfield. The regional team worked on expanding the retail network and ended the year with around 50 exclusive stores and over 180 MBOs. Your Company launched its first assembly facility outside of India through its partner in Argentina in September 2020. The facility immediately started operations and has been catering to the entire demand of the country. Royal Enfield entered the Mexico market in July 2020 and expanded the exclusive store network to 7 outlets after considering prospects.

European region is one of the largest markets for Royal Enfield outside of India and has been delivering well. The region also has the largest distribution network with about 420 retail outlets including 36 company exclusive stores. Your Company added stores in almost all the major markets of the UK, France, Germany and Italy during the year.

Winning over Consumers and Earning New Accolades

The 650 Twin motorcycles - the Interceptor 650 and the Continental GT 650 - continued to build on their strong audience base and gained further traction across all markets. Himalayan also maintained its strong demand momentum and recorded the highest ever export volume in 2020-21. The new Meteor 350 was launched in a couple of key markets in the later part of the year and received excellent response from the customers and enthusiasts.

Royal Enfield's market share in the middleweight motorcycle segment in Asia-Pacific improved from 4.5% in 2019-20



to 5.7% in 2020-21. A standout performance in Australia, New Zealand and Korea resulted in over 10% market share in the middleweight segment. In 2020, Royal Enfield achieved market share of 3-6% in the middleweight segment in the US, the UK, Europe, Colombia and Argentina, propelled by the 650 Twins and Himalayan. Launch of 650 Twins in Brazil, one of the world's largest two-wheeler markets, is also helping Royal Enfield grow its market share. The Twin motorcycles have been highly appreciated for their aesthetics, authenticity to era and their performance and provide a very accessible and attractive proposition for riders of all ages and experience.

Since the launch of the 650 Twins in September 2018, these motorcycles have been receiving continual praise, accolades and positive reviews from experts and customers alike. The Interceptor 650 managed to defend its prestigious crown in the UK for 'MCN's Best Retro Bike of the Year' for 2020 (joining a very esteemed class of motorcycles that have managed to win back-to-back titles) as well as became the UK's highest selling 'Naked Motorcycle' for the calendar year 2020². It also had consecutive wins in Thailand and Australia by receiving the 'Best Modern Classic in Middle Weight' and 'Best Retro' awards in a row. In the year of launch in Brazil, the Interceptor 650 won the Gold medal of Classic/Retro segment's awards of 2020.

In Thailand, Himalayan won the 'Best Touring Light Weight' motorcycle award for the second consecutive year, presented by the Grand Prix group. In Brazil, Himalayan won the Gold medal of Trail / Big Trail segment awards of 2020 at the Moto Premium magazine. Within a few months of its launch in Thailand, Meteor 350 secured the "Best Modern Classic over 250cc" award.

These achievements by Royal Enfield motorcycles are a very strong endorsement of your Company's testing, development and quality process, as well as the popularity and customers' confidence in the brand.

Exploring New Markets

As part of a differentiated approach to build brand awareness in the new markets, your Company is focussing on countries which have a high influx of tourists and engaging with reputed organisations offering motorcycling tours and rental solutions. The Company strongly believes that this approach will help motorcycle enthusiasts from across the world experience Royal Enfield for longer durations across exotic destinations and return with positive memories of their trip and of the brand. The approach should also help build aspiration for the brand among the local population in these countries enabling Royal Enfield to set up a retail network over a period of time.

² As per MCIA data from January 2020 to December 2020

Despite all the constraints that your Company faced this year, the Royal Enfield brand is becoming stronger and more relevant to customers across the world. The network is expanding with better quality dealers and the confidence is growing that the brand will continue to gain market share in the global middleweight motorcycle segment.

FINANCIAL REVIEW

The year 2020-21 began with a pandemic induced lockdown in India and other countries. A swift recovery in demand along with measures taken by your Company to adapt to the new working environment, supported overall performance of the company. After a complete washout in the first quarter due to shutdown of business activities followed by constraints, both demand and production picked up very well in the later part of the year. Overall volume of Royal Enfield declined by 13% to 6,09,403 motorcycles in 2020-21. Your Company's revenue from operations declined only 5% to Rs.8,720 crores in 2020-21 from Rs. 9,154 crores in 2019-20. Realisation improved on account of price hikes taken, primarily to offset

the significant increase in input costs due to regulation driven transition to the new BS VI emission norm and an exceptional rise in commodity prices. A robust performance by accessory and apparel business also helped the overall revenue of the company. Revenue from India business decreased 5% to Rs. 7,873 crores in 2020-21 from Rs. 8,323 crores in 2019-20. An excellent performance in export markets resulted in a 2% increase in revenue to Rs. 847 crores from international business in such a difficult time.

In a bid to grow its non-motorcycle segment share, your Company undertook a slew of initiatives across after-sales, accessories, apparel and solutions businesses. Introduction of Service-on-Wheels, launch of Make-it-Yours, expansion of accessory and apparel range and retail distribution are steps in the right direction to enhance customer experience. A great acceptance and rising penetration of all such initiatives has underpinned a healthy performance of the non-motorcycle business. Total revenue from spares and services, apparel and accessories remained flat at Rs. 1,091 crores in 2020-21 despite the pandemic led disruption to the demand.

Net Revenue (CAGR -6%)

FY 2020-21	8,720
FY 2019-20	9,154
FY 2018-19	9,797

Net Revenue (in Rs. crores)

Net Revenue from India Business (CAGR -9%)

FY 2020-21	7,873
FY 2019-20	8,323
FY 2018-19	9,418

Net Revenue from India Business (in Rs. crores)

Net Revenue from International Business (CAGR 50%)

FY 2020-21	847
FY 2019-20	831
FY 2018-19	379

Net Revenue from International Business (in Rs. crores)

Net Revenue from Sale of Spares Parts, Apparel and Services (CAGR 2%)

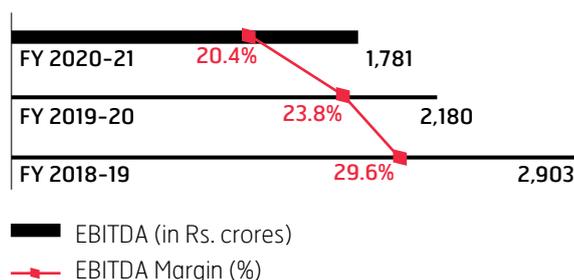
FY 2020-21	1,091
FY 2019-20	1,089
FY 2018-19	1,039

Net Revenue from Sale of Spare Parts, Apparel and Services (in Rs. crores)

*CAGR - Compounded Annual Growth Rate

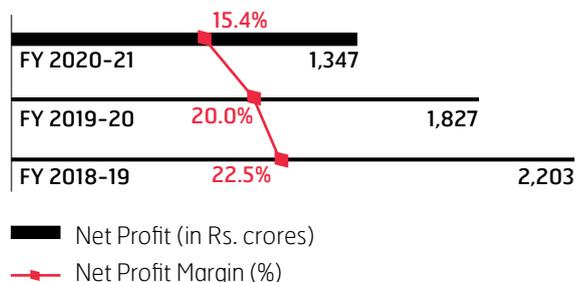
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of your Company decreased by 18% to Rs. 1,781 crores in 2020-21 from Rs. 2,180 crores in 2019-20. A decline in revenue and significant increase in input costs impacted the profitability. EBITDA margin also decreased to 20.4% in 2020-21 from 23.8% in 2019-20. Sharp increase in commodity prices, especially precious metals, loss of operating leverage on account of lower volume and COVID-19 caused expenses weighed on the margin. Successive pricing actions by your Company helped offset the impact on profitability to an extent.

EBITDA and Margin



Consolidated Net Profit After Tax ("PAT") decreased by 26% to Rs. 1,347 crores in 2020-21 from Rs. 1,827 crores in 2019-20. A decrease in EBITDA, and increase in depreciation and amortisation as your Company continues to invest in its capability building, affected the overall profit.

Net Profit and Margin



Your Company's financial position remains robust with total cash and cash equivalents, and investments (other than in subsidiaries and Joint Ventures) of Rs. 7,806 crores. It generated a healthy cash flow from operations at Rs. 1,714 crores and also provided support to its vendors and dealers in their tight liquidity condition. Your Company continued to invest in its product development activities and setting up operation facilities along with a special focus on growing its digital capabilities. The total capital investment for the year stood at Rs. 555 crores.

Key Financial Ratios

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

Your Company has decided to report following key financial ratios:

Particulars	UOM	Standalone		Consolidated	
		2020-21	2019-20	2020-21	2019-20
Inventory Turnover ratio	Times	8.2	9.2	7.3	8.6
Current Ratio	Times	3.6	3.4	3.4	3.2
Operating Profit Margin	%	15.6	20.1	15.3	19.7
Net Profit Margin	%	15.4	21.0	15.4	20.0
Return on Net Worth	%	15.1	24.8	12.9	19.5
Debtors Turnover Ratio	Times	3.6	6.0	6.2	9.5

Ratios where there has been a significant change from 2019-20 to 2020-21:

Net profit margin was impacted by a 13% decline in sales volume and increase in input costs mainly material costs. Consequently the margin reduced to 15.4% in 2020-21 from 21.0% in 2019-20 on a standalone basis. Return on Net Worth also decreased to 15.1% in 2020-21 from 24.8% in 2019-20 due to lower net profits compared to the previous year.

Your Company exports to over 60 countries, which contribute about 10% to the total sales. A large part of this sales is on credit. Debtors Turnover ratio decreased to 3.6 in 2020-21 from 6.0 in 2019-20 on a standalone basis due to a slightly lower credit sales and increase in average debtors.

OPERATIONS REVIEW

Production Management in Pandemic

The year began with nationwide lockdown amid the pandemic situation which led to suspension of operations at manufacturing facilities and offices. Resumption of production activities after the lockdown was enabled through proper coordination with the company staff and government authorities while ensuring complete safety of employees and all immediate stakeholders. Special arrangements for transport and stay at hostel facilities near the plants were made for staff to secure their safety outside the workplace. Engaging with government authorities for permissions and

adhering to safety protocols issued by health departments, your Company restarted operations at its manufacturing plants and offices. An all-round effort to safeguard interest of the workforce while ensuring minimal disruption to the business resulted in a gradual ramp-up of production activities.

On the logistics front, particularly for shipments to overseas destinations, availability of containers, congestion at ports, frequency of shipping lines etc. posed challenges to the industry. Your Company handled these constraints by taking both short-term and long-term measures including restructuring of contracts, expansion of service provider base, rerouting of despatches with a combination of feeder and mother vessels. The right measures resulted in accomplishing export business plans and supporting global aspirations of your Company.

Your Company acknowledges global climate change as a major environmental concern. It has prioritised its efforts in reducing energy and water use, waste generation, and GHG emissions associated with its manufacturing facilities to mitigate the negative effects and ensure a sustainable future. In addition, your Company is also looking at extending

its initiatives to its value chain partners including suppliers, dealers, consumers as well as end of vehicle life management. To this effect all of its manufacturing facilities are 'Zero Liquid Discharge' plants, two of which have been certified as water positive. Your Company's energy savings initiatives have resulted in a 15% increase in savings over the last year. It has successfully completed renewable energy installations and intends to enhance the capacity year-on-year. In addition to this, your Company became signatory to the 'WASH Pledge' across all operations during the year.

Setting up Facilities to Support New Initiatives

Launch of Meteor 350 on a new platform was successfully received by customers and community alike. Bringing in a new platform to life without causing disruption to the production of existing products, was achieved through a great collaboration between the manufacturing and product strategy teams. With an intent to maximise overall production, the team engaged in meticulous planning to deliver a smooth ramp-up of production of Meteor from its testing stage by creating exclusive initial capacity. With addition of some exclusive equipment in fabrication and vehicle assembly, the line was made ready to produce the all-new Meteor 350.



In order to support the first-of-its-kind personalisation initiative 'MiY', a complete back end system was created and integrated with the enterprise system. The team coordinated with various feeder shops and set up one-of-its-kind stores for storing all exclusive parts from the shops. Once the system triggered a production schedule for a booking under MiY, feeding and assembling of the right part to the right motorcycle was completed through a well-designed network. The entire system is made robust enough to cater to hundreds of thousands of unique bookings under MiY across the product portfolio.

With a focus on expanding global presence, your Company has started setting up Completely Knocked Down (CKD) facilities in key export markets. To enable CKD operations in Argentina and other countries (Thailand, Brazil, Colombia), it is necessary to establish robust backend facilities in India. The facilities include an assembly line for production of a motorcycle kit and a separate facility for its packing. In addition to this, a lot of checks and balances have to be introduced in the processes and IT systems to ensure accuracy and safety in handling and shipping of parts to multiple countries. The backend facilities are common for supporting the assembly operations across the geographies. Last year, a front end assembly facility was established in Argentina. Your Company achieved a great feat by successfully starting the operations in pandemic time through an entirely digital coordination.

As your Company strives to become the industry leader in customer satisfaction, actions have been directed to provide timely service and ensure spare parts availability across the network. At Oragadam, a centralised spare parts warehouse is set up with advanced infrastructure such as high rise racks with shuttle pallets, automated conveyors with computer aided scanning and labelling, sorting and staging. The facility increased daily productivity 3-fold and helped in successfully implementing the replenishment model, enabling wider reach yet leaner inventory of spare parts at all locations of the channel partners.

Strong Product Development Capabilities with Focus on Technology

COVID-related restrictions impacted product development activities during the year. The lockdown situation across the UK and India caused a shutdown of your Company's technical centres in these countries in the months of April and May. This resulted in a halt in physical testing of motorcycles, engines and components and also affected the work of designers and engineers who had limited access to the necessary tools.

Royal Enfield started production of the Meteor 350 in September, which showcased an all-new 350cc single cylinder engine. Although the engine is relatively simple in configuration - air-oil cooled and two valves - it is completely new and designed to the highest modern standards for emissions and driveability. Likewise, the vehicle, despite a 'retro' appearance, is an all-new thoroughly modern design

that competes with the best in the world in terms of user satisfaction.

The Meteor 350 has been exceptionally well received and won several best motorcycle awards. This is a testament not only to the quality control processes in place in the manufacturing plants, but also to the high standards of design and validation applied throughout the development of the motorcycle. The new world-class and state-of-the-art facilities at both the technical centres are contributors to this success.

Your Company has been working on continuous improvement of its development capability, revising and updating testing standards based on learnings from recent projects, and has established a design engineering knowledge base to ensure that the lessons learned are captured and made accessible to all design engineers. The analysis team has been developing automated systems for performing finite element analyses as well as using high power cloud-based computing to reduce the time taken to perform the simulations. Initial sets of results are quite encouraging with an achievement of significant reduction in time to perform chassis durability simulations, for example. This allows the team to perform these analyses more frequently, resulting in a higher level of confidence in the design before committing to tool initiation. To capitalise further on automation benefits, work is continuing on a wider range of analyses.

Supply Chain Management

Supply chain partners of your Company rose up to the occasion and contributed significantly to resumption of supplies and services post lifting of COVID-led lockdown. Despite restrictions in various containment zones and problems around migrant workforce movement, the partners made a swift recovery in their operations while adhering to 'the new normal' work practices and safety regulations. This was achieved through real-time collaborative connections and interactions by your Company with supply partners to manage the daily production effectively. The support received in these testing times reflects the strong relationship your Company has built with its supply partners and service providers.

The team handled difficulties in availability of raw materials, electronic components, logistics services, import restrictions etc. through effective planning and execution. The impact of a steep increase in prices of noble metals on material cost was managed through focussed engineering efforts by your Company along with supply partners who also absorbed new process technologies.

"Shoki Ryudo Kanri" (SRK) process has become a way of life in all-new products and upgrades launched by your Company. The digital launch of the all-new, ground-up Meteor 350 and successful ramp-up of its production in 2020-21 is a testimony to the rigour with which supply partners adopted the SRK process which has resulted in remarkable product quality and riding experience to the customers, at par with international standards.

Your Company is committed to continue to collaborate with its supply partners and service providers on delivering many new products with new technologies and taking initiatives on early supplier involvement, sustainability, customer service, logistics network re-engineering, digitisation, in order to align with your Company's long-term growth plans.

In line with its sustainability commitment, your Company also assesses its suppliers on social and environmental performance criteria, apart from quality assessments. It focusses on local procurement and green packaging to reduce emissions and other adverse environmental impacts through its supply chain. Till date, it has assessed over 300 suppliers on its supplier assessment criteria including Tier-2 suppliers. Your Company believes that it will emerge stronger and better in terms of responsible supply chain initiatives in the years to come.

Product Quality

In your Company's constant pursuit of being number one in customer satisfaction, varied initiatives were taken in different areas from the perspective of quality during the year. In an endeavour to relentlessly deliver even in the pandemic time, Royal Enfield maintained its rigour to reach out to domestic and international dealers and collect feedback straight from the customers to identify opportunities for further improvement in the product quality.

Setting up systems such as 'Customer Satisfaction Motorcycle Evaluation System' resulted in improving customer experience through analysing and enhancing ride and comfort aspects. In order to ensure quick response on quality improvement actions, digitisation initiatives were undertaken to reduce cycle time for analysis and resolution. All features and characteristics of the motorcycles were carefully evaluated to deliver the best-in-class build quality. As a result, the newly launched Meteor 350 was crowned with many laurels including the most prestigious Indian automotive awards "The Indian Motorcycle of the Year 2021 (IMOTY)". The motorcycle has further raised internal quality benchmarks.

Your Company was upgraded from a Quality Management System certification to an Integrated Management System certification in Safety, Health, Environment & Quality (SHE-Q). This certification validates that your Company conforms to the highest quality standards and its commitment towards providing a safe and conducive working environment to its employees. It has helped in increasing employee performance and customer satisfaction through continual improvement.

Various innovative ideas enabled your Company to improve the reliability of the product by continuous focus on eliminating perennial failures on all the processes. For example, no incident has been reported on the persisting problem of fuel tank leakage since June 2019.

In view of global expansion with many new products in the offering, your Company will continue to strive to deliver on global quality standards for a better customer experience.

BRAND BUILDING, CUSTOMER EXPERIENCE AND ENGAGEMENT

Focus on Customer Safety and Convenience

2020-21 was a year unlike any other. A year when brand and customer engagement underwent significant changes. Royal Enfield, as a brand and marketing organisation, focussed on customer convenience and safety as its key priorities. Your Company undertook a host of initiatives to ensure a quality, safe and seamless experience for customers across channels and platforms, powered by a robust digital ecosystem and an integrated in-store experience. A wide range of safety measures were also introduced with an aim to ensure the well-being of employees, vendors, partners and dealers' ecosystems across markets and regions.

Keeping in line with requirements of the new normal, Royal Enfield rolled out a wide array of offerings to make the customer journey with the brand more accessible and convenient - right from the pre-booking stage to purchase and servicing stage. Through several digital and online programmes and 'At-your-doorstep' services, the Company provided customers a seamless and hassle-free experience with the brand. Your Company also harnessed the evolving customer sentiment in preference of digital consumption by stepping up on community engagement with contextual campaigns across different platforms keeping pandemic and cultural sensitivities in mind. The Company's programmes over the last year have focussed on keeping the riding community engaged via authentic and purpose-driven content. Additionally, your Company created multiple avenues to drive brand consideration during and post the lockdown phase in the country.

Customer-Centric Initiatives - Many Firsts for the Brand

With a vision to accentuate customer experience, while ensuring maximum safety and convenience, your Company introduced **Contactless Purchase and Service Experience** initiatives. These included online discovery of the entire product portfolio, **home test rides** and **online booking** facility on the Royal Enfield website and later on, the app. The customers were also given an option to connect with their closest local dealer and complete payment formalities through **e-payment options** available across Royal Enfield dealerships which was then followed by the option of home-delivery of the selected motorcycle. On the service front, the Company deployed **Service on Wheels** - an 800-strong fleet of mobile service-ready motorcycles accompanied by authorised Royal Enfield technicians who provide service at the customer doorstep while strictly adhering to all safety related guidelines.

As part of its digital push and consumer prioritisation, your Company launched the **Royal Enfield Mobile App**. Centred on engagement, utility and contactless digital experience, the RE App enables customers to access all of Royal Enfield's motorcycling experiences and offerings at the touch of a screen. Right from exploring a motorcycle and viewing it with



colour and accessory options in the **App Configurator**, a customer can book and pay for his or her customised Royal Enfield motorcycle through the mobile application. Equipped with a **Service Booking module**, the App allows a customer to conveniently select his or her preferred location, date and time for the service, or even book a Service on Wheels from the convenience of his or her home. The **Rides module** allows a customer to curate a bespoke ride through and also invite other riders in the community to join the same ride or vice versa. The RE App received a tremendous response for customers and enthusiasts. There have been about 700K downloads since its launch, across Android and iOS devices.

Royal Enfield also debuted the **Make it Yours (MiY)** initiative last year that endeavours to nurture a culture of motorcycle customisation and personalisation. MiY is seamlessly integrated into the RE App allowing customers to select, customise and book their motorcycles directly through the App. Enabled via an all-new 3-D Configurator, MiY provides customers access to thousands of possible combinations in personalisation options with choice of colourways, trims and graphics, as well as genuine motorcycle accessories, right at the time of motorcycle booking. MiY was also introduced on Royal Enfield's wide range of apparel later last year as well. The response to MiY, like the RE App, has been very positive. On the Royal Enfield website, the configurator has been used by around 2.7 million people with a total of 20 million pageviews. More than 70% of the bookings of all MiY onboarded motorcycles are coming through the MiY Configurator.

Surge in Community Engagement and Accessibility

Royal Enfield has always embraced technology and diverse mediums - primarily digital - to elevate customer experiences across different touchpoints in their journey with the brand. Your Company introduced programmes which enabled intenders as well as customers to experience the Royal Enfield brand from the comfort of their homes and at the touch of a button. The Company created evocative avenues, engaging campaigns, for its active, vibrant and **7.8 million+** strong online community to keep conversations going throughout its digital and social media platforms. The differentiated campaigns brought together a diverse yet inclusive Royal Enfield community - from avid riders and aspirants to custom builders and motorcycling clubs- under a common umbrella and enabled them to bond on their common passion - Pure Motorcycling.

Your Company's digital first consumer engagement strategy (RE App launch, Trip Story, Build Your Own Legend and Art of Motorcycling etc. campaigns) coupled with high-decibel virtual launches (Meteor 350, new Himalayan) as well as fervent focus on personalization (MiY) was appreciated immensely by the customers and drove impactful output. The website visits more than doubled to 66 million in 2020-21 from 29 million in 2019-20. The share of search for Royal Enfield in 2020-21 stood at 29%, a 600 basis points increase as compared to the previous year. Reported as India's 2nd most engaging brand only behind Netflix, Royal Enfield

doubled its engagement rate for its campaigns to 8.5% in 2020-21 from 2019-20.

Active Marketing to Prime the Customers

Subsequent to building efficient and exciting digital mechanisms to deliver exceptional customer experiences, your Company introduced a range of retail programmes to explore potential opportunities with intenders. Keeping in mind the tight liquidity situation, the Company designed schemes such as extended warranties which were squarely aimed at relieving the pain points of customers. The financial reward focussed initiatives were taken and further amplified through strong and consistent messaging across social and digital channels which drove impressive results, right after majority of the Company's retail network was reopened post the lockdown.

First Ever Digital Launch

2020 saw your Company undertake its first ever digital launch, that of an all-new, ground-up motorcycle in the cruiser segment, the Royal Enfield Meteor 350. First introduced in India in November, the motorcycle has since been launched virtually across Asia-Pacific and European markets where Royal Enfield has a presence.

The Meteor 350 adds another chapter to Royal Enfield's legacy of producing cruisers loved by riders, and establishes the core proposition of cruising as a category. At the heart of

the Meteor is a brand new air-oil cooled engine with overhead camshafts and a counterbalancer for a refined ride while retaining the character and feel of Royal Enfield Motorcycles. A brand new chassis, comfortable cruising posture, a new and refined engine, tubeless tires, dual channel ABS, Tripper navigation (powered by Google) and USB charging, paired with Royal Enfield's Make It Yours initiative - make Meteor 350 the only modern factory custom cruiser in the segment.

The digital launch of the motorcycle received a warm reception from consumers and intenders from across the country. November 2020 saw around 10 million website visits and a 24% increase in searches for Royal Enfield, with over 70 thousand enquiries for Meteor 350 coming within a month of the motorcycle launch. Additionally, the Meteor 350 has won numerous awards and accolades globally- including the prestigious Indian Motorcycle of the Year Award (2021) and the Best Modern Classic over 250cc award at the Thailand Bike of the Year Awards 2021 amongst others.

The consumer sentiment towards Royal Enfield continued to be positive and despite the pandemic induced scenario, your Company witnessed that the share of its online enquiry increased to over 2.5X and share of booking increased to over 5X given improvement in the conversion rate across the product portfolio as compared to 2019-20.



RISK MANAGEMENT FRAMEWORK

Royal Enfield continuously monitors its ecosystem and reviews risks associated with its business. The Company has a framework involving senior members of the management team. Key risks are identified and mitigation strategies are crafted accordingly. Some of the key risks identified and tracked by your Company are described below:

1. Coronavirus Disease (COVID-19)

Capital: Financial, Manufactured, Human and Social & Relationship

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

The COVID-19 pandemic severely impacted economies all over the world with India being no exception. Restrictions were imposed on movement of people and goods. Imposition of lockdowns across states and cities severely impacted availability of labour and disrupted supply chains. Operations were suspended and later curtailed on a periodic basis to comply with administrative directions.

Owing to the impact of the pandemic on disposable incomes of households and tightening of discretionary spending, there may be a short-term impact on sales volumes of the automobile industry, including those of your Company. Shutdown of operations and the subsequent restrictions on the business activities resulted in deferment of your Company's product launch plans. Customers were also reluctant to step out of their homes to visit a store and check out the product.

In an unprecedented time, your Company undertook innovative measures not only to drive demand but also to enhance customer experience. A strong product pipeline, distribution network expansion, digital campaigns for brand building, online platform for booking and initiatives to enhance customer experience are oriented towards growing the customer interest in the brand and its products. Digital launch of Meteor 350, a first ever in the company's history, expanded the overall reach and was received very well by the community. Ensuring safety and convenience of customers was of paramount importance. Your Company introduced initiatives to support test ride, delivery and services at the customer doorstep. Dealers, employees and workmen were supported appropriately during these times.

Your Company performed a detailed assessment of its liquidity position and the recoverability of assets as on the balance sheet date and concluded that based on the indicators of future economic conditions, the carrying value of the assets will be recovered. Your Company believes that it has fully considered the possible impact of all the known events arising from COVID-19 pandemic in its assessment. However, the impact assessment of COVID-19 is a continuing process. Your Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

2. Commodity Pricing and Availability

Capital: Financial, Manufactured, Natural, Social and Relationship

Material issue: Economic Performance, Manufacturing Efficiency, Responsible Supply Chain, Customer Centricity and Responsible use of Materials

There has been an increased pressure on commodity prices and availability especially with regard to the Platinum Group Metals (PGM). PGM are key materials in complying with the emission norms. Owing to their limited production and supply chain constraints, the Company has identified them as a material factor. Some of these commodities are imported and there can be additional impact due to adverse foreign exchange fluctuations.

The team managed the difficulties in availability of raw materials, electronic components, logistics services, import restrictions etc. through effective planning and execution. The impact of a steep increase in prices of PGM on material cost was managed through focussed engineering efforts by your Company along with supply partners who also absorbed new process technologies. Your Company will continue to adopt mitigation strategies to limit the business impact of commodity pressure.

3. Availability of Financing

Capital: Financial, Manufactured and Social & Relationship

Material issue: Economic Performance, Manufacturing Efficiency and Customer Centricity

Access to financing is important to improve the overall affordability of a customer, a key catalyst for demand. A meaningful increase in prices by the two-wheeler industry on account of substantial increase in the input costs further prompted the need for financing. Moratorium caused lack of rotation of cash and stringent credit norms affected the availability of financing to the customers. In the first quarter, the financing penetration was reduced due to the tight liquidity situation. However, it later improved with the gradual recovery in business activities and return of cash in the system. Your Company witnessed a decrease in the share of motorcycle sales through financing to 46% in 2020-21 from 53% in 2019-20.

Your Company is constantly working towards improving access to financing for its customers. During the year, your Company coordinated with its financiers to organise finance campaigns and introduce new financial products with a focus on lower down payment, lower EMI and longer loan tenure which helped the customers manage their cash flow better. Expansion of network of financing partners by tying-up with other Non-Banking Financial Companies (NBFCs) also improved availability of financing for its customers especially in smaller cities and towns. The wider partner network also benefited customers through reduction in their cost of financing and improvement in the conversion rate.

Every year, the Global Risk Report published by the World Economic Forum (WEF) categorises global risks into likelihood and impact. In 2021, environmental and societal risks were among the highest likelihood and impact risks of the next ten years. Having said this, your Company understands the need to include climate change and sustainability risks as part of its formal risk assessment. This will help your Company in enhancing its preparedness and future-proofing its operations.

4. Environmental Regulations and Compliance

Capital: Manufactured, Financial, Natural

Material issue: Regularity Compliance, Climate Change, Energy & Emissions, Water Management, Waste Management and responsible use of materials.

Your Company is exposed to a continuously changing regulatory landscape related to legislation, rules, and policies that have an influence on its products and operational sites. The Company is ensuring that its operations conform to environmental laws to prevent any infringement of laws and regulations, which may result in considerable fines and penalties.

5. Climate Related

Capital: Manufactured, Financial, Natural and Intellectual

Material issue: Climate Change, Energy & Emissions and Innovation Management

Climate related risks include (not limited to) physical safety of operations due to natural disasters, Chronic risk of resource scarcity for operations & supply chain and extreme weather events. The Company ensures preparedness to build resilience against climate change induced impacts by committing to a low carbon economy. The Company strives to invest in design innovation, enhancement in resource (energy & water) efficiency in operations, scale up of renewable energy and disaster management plan covering floods

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

and weaknesses, if any. Furthermore, the statutory auditor reports on the adequacy and effectiveness of the internal financial controls in respect of financial reporting.

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

REINVENTING HUMAN RESOURCES - A NEW SCALE OF INNOVATION IN THE COVID ERA

As 2020 presented unprecedented times to businesses across the world, there was limited scope to do things the usual way. The norms of 'normal' were fast changing and the timeframe to adapt was miniscule. At Human Resources, your Company's first priority was to take care of its stakeholders in the time of distress and get the business back on track.

Breaking boundaries at almost every level, your Company accounted for people safety, and empowered decision making across teams to help them move faster and align well with the changing environment. New working arrangements were put in place with detailed communication to facilitate a seamless transition and adoption of digital collaboration tools. Organisation-wide engagement showed record levels of improvement as teams drove innovations to engage and inspire employees, dealers and supply partners through digital means.

Operation 'REStart' was a strategic plan developed to manage operations post the lockdown. Working with local officials and state machinery, it was commendable to see the HR and Operations team get the manufacturing units restarted. In terms of COVID care, whether it be the specially curated COVID insurance plan, doctor consultations/hospital assistance or COVID vaccination support, your Company was able to create extraordinary relationships with its people and partners.

Royal Enfield has been building robust processes around staffing, talent management and capability enhancement by putting the right framework in place and imparting skills across varied roles. The objective remains to drive people towards contributing to the overall success of the organisation while continuously learning new skills. There has been a renewed focus on digital learning during the year and it has shown great progress in terms of online learning hours and range of programmes. Leadership Development programmes at various levels are being extended to create a future pipeline of leaders in the organisation. On the continuous improvement agenda, programmes like Kaizen and REImagine have been able to successfully involve and inspire the workforce to think beyond limits and make improvements across streams.

Your Company provides a range of monetary and non-monetary benefits to its employees that go beyond what is allowed by statute. Its commitment to provide every employee with a respectful and empowering work experience has culminated in one of the lowest turnover rates in the industry.

Implementation of a comprehensive Occupational Health and Safety (OHS) management system has ensured health, safety and well-being of all permanent and contract workers at the manufacturing facilities. Your Company also extends its safety priority to the external stakeholders dealing with a probability of being impacted by its business operations. The Oragadam plant reached 17 million safe manhours without any Lost Time Injuries (LTI).

As your Company sets foot on another year, it looks back with pride at its collective achievements, resilience and agility during the pandemic. Your Company's next steps would be to build further on this roadmap and continue to enhance people practices along with its innovation agenda while being ready for future challenges and opportunities.

INFORMATION TECHNOLOGY

Technology is a key pillar to support your Company achieve its vision of becoming a global motorcycling brand. With a focus on transforming it from a technology driven to a technology led organisation, your Company is investing in technology to make it a backbone for all the business activities. From a customer interface for his or her purchase or service requirement to a factory operation, everything is being digitally integrated to build a smooth and efficient system, and deliver a superb customer experience.

Royal Enfield transitioned from its existing data centre based 'Dealer Management System (DMS)' to cloud based system 'Microsoft Dynamics (MSD)' in about 1,800 stores in India. MSD is also being launched in international business locations with rolling it out in Thailand in 2020-21 and planning its next launch in Brazil. MSD provides a complete 360 degree monitoring of both the customer and vehicle. Integration of both the Customer Relationship Management ("CRM") and DMS modules into MSD helps manage the customer conversion funnel. Starting from lead generation and following it through enquiry, test ride, booking to delivering a motorcycle can be entirely monitored for better customer engagement. The tool also supports in recording all the after sales interactions with the customer and work carried out on the motorcycle. A database of customers with a record of all past engagements will be very useful in delivering complete customer satisfaction.

In its digital transformation journey, your Company is capitalising on its enterprise system for its new initiatives aimed at enhancing customer experience. Launch of RE App and a 3D configurator under the MiY initiative should drive the trend of customers shifting from traditional ways of buying to a completely new digital purchase journey. MiY enabled personalisation option with a range of choices and ease of navigation will promote the customer interest in the online platform. In order to support this digitisation, your Company launched the RE App on both the popular operating platforms - Android and iOS. RE App hosts multiple modules such as Booking, MiY, Service, Rides, Do-it-yourself, navigation

through Tripper etc. to provide a frictionless experience to its customers and riding community for their different needs.

A full integration of the enterprise system from customer interface to production back end along with MiY will make the business operations more efficient. Receipt of online booking by the Company directly from the customers will eliminate the need for maintaining stock at the dealer end. Production will be linked to the customer booking. This new order-to-delivery process will help your Company shift from 'Made to Stock' to 'Made to Order'. Digital quality inspection will also be equally important to match the final product with the customer booking given every bike can be different under MIY. Digital intervention through the enterprise system SAP and Product Lifecycle Management (PLM) will ensure delivery of the right product to the right customer.

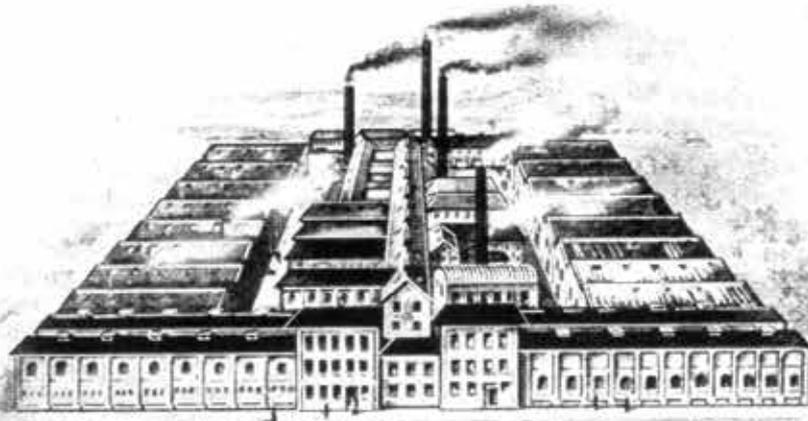
Another digital innovation is the Royal Enfield Mechanic App which was launched along with the Meteor 350. This aims to retool and upskill the entire mechanic ecosystem and authorised service centre network. The Mechanic App is a digitised platform that offers e-diagnostics for easier, faster and precise diagnosis and resolution of most service needs. It supports diagnosis of more than 50 issues in the Meteor 350 Engine Management System (EMS) in 11 vernacular languages providing easy access to the mechanics across the country. By simply plugging in a dongle, riders can interface their motorcycle with the RE Mechanic App via a smartphone. The App has been rolled out across all the Royal Enfield authorised workshops.

In order to support the enthusiasts in expressing their personality through Royal Enfield apparel and gear, your Company upgraded its online apparel store to the new technology platform 'Magento'. The new website is mobile friendly and presents a modern user interface. The customers find it very engaging with a range of new interactive designs in offering. A 3D configurator on the platform allows customers to design and personalise their helmets and T-shirts.

Launch of various initiatives which are developed through use of advanced technology, is planned across the business segments. In the era of digitisation, your Company is committed to lead the global middleweight motorcycle segment with the deployment of technology at its core.

CAUTIONARY STATEMENT

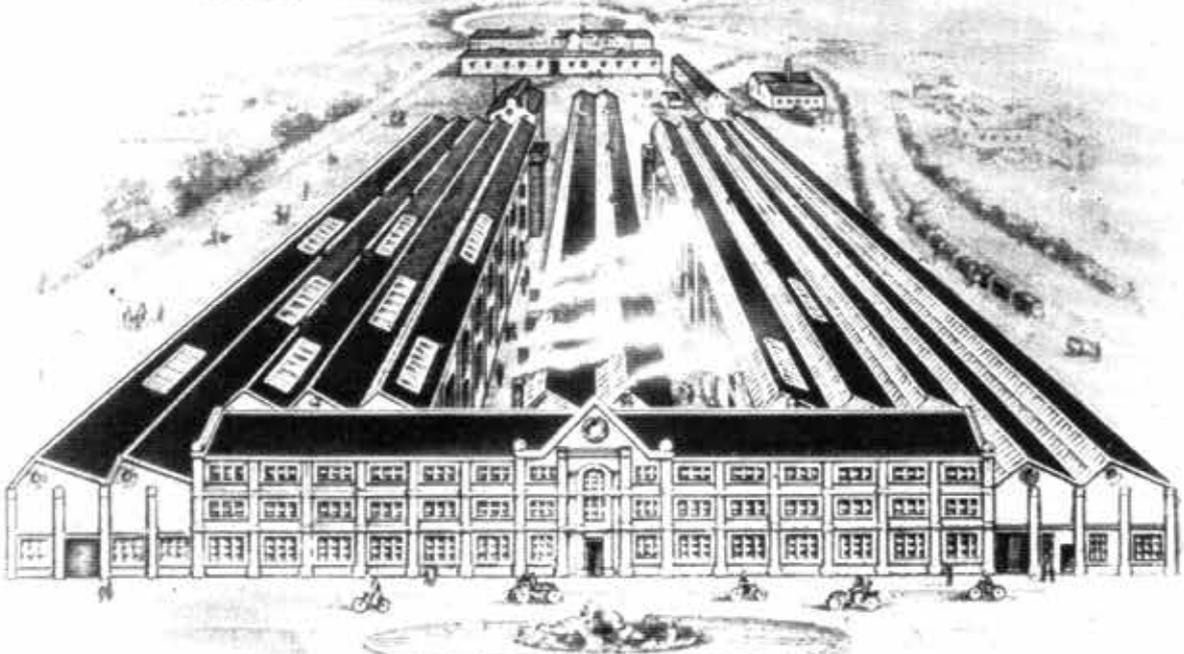
Certain Statements in the Management Discussion and Analysis describing your Company's view about the Industry, objectives and expectations, etc. may be considered as 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially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



HUNT END WORKS.

1851-1906

Where
Royal Enfield
Motor Cycles are made



REDDITCH WORKS & HEAD OFFICES.

1906-1967



Enfield India and Royal Enfield works, Tiruvottiyur, 1955 - present



Royal Enfield Oragadam, 2013 - present



Royal Enfield Vallam Vadagal, 2017 - present

Capacity, capability and competency - the evolution of Royal Enfield production

From the coal and steam driven Hunt End works to the state-of-the-art plant at Vallam Vadagal, Royal Enfield's manufacturing capabilities have evolved over the past 120 years to become truly world class.



**YEARS OF PURE
MOTORCYCLING**

OUR APPROACH TO VALUE CREATION

Royal Enfield, a key brand of Eicher Motors Limited (EML) believes in and defines the pure motorcycling way of life. For over 120 years, Royal Enfield has carried forward this legacy of pure motorcycling and helped its customers create memories and experiences.



EML believes that true value is created when every aspect of the value chain is given due attention while building on positive impact. As a creator of unique products and experiences, it understands the role every stage of the product life cycle has to play – beginning from design to end-of-life vehicle management. EML strives to support and collaborate with all the stakeholders to craft a sustainable product, in its truest sense. The design of Royal Enfield motorcycles rests on optimal resource utilisation, increasing use of recyclable components and is mindful of end of vehicle life. The Company strives to engage with its suppliers on ESG elements and includes

them in its sustainability journey. It is committed to green manufacturing operations through enhanced environmental performance while maintaining the highest degree of ethical behaviour and working standards.

In light of growing customer demand, EML continues to enhance accessibility across regions and strengthen the distribution network by widening its retail footprint. The Company recognises the importance of superior after-sales support for a hassle-free experience and prioritises building and reinforcing partnerships with dealers and suppliers.

Furthering its commitment to enable a circular economy, EML aims to develop a holistic roadmap for End-of-Life Vehicle (ELV) management that includes safety, design optimisation, collaborating with local vendors and increasing the share of recyclable materials.

The value creation represents an overview of the Company's business and associated activities that help in long-term value creation aligned to the strategic objectives, core values and material issues, which are of importance for EML and its stakeholders. Further, also highlights EML's alignment and contribution to the United Nations Sustainable Development Goals (SDGs).



INPUTS



FINANCIAL CAPITAL

- Rs. 8,275 crores of net worth as at March 31, 2020
- Zero net debt as of March 31, 2021
- Rs. 544 crores of capex
- Deploy financial resources for long-term sustainable economic growth



MANUFACTURED CAPITAL

- Manufacturing sites located in Chennai, India
- Key raw material –
 - Aluminium: 27,737 MT
 - Steel: 83,859 MT
 - Rubber & Plastic: 8,015 MT
- Focus on innovation, improving efficiency, enhancing productivity and increase safety and reliability of operations



INTELLECTUAL CAPITAL

- 2 regional research and development (R&D) centres located in Chennai, India and Bruntingthorpe, UK
- 6 internal and 4 external audits conducted
- 420 R&D employees
- Rs. 299 crores spent on R&D (3.4% of revenue)
- Continued focus on innovation aligned to dynamic market trends



HUMAN CAPITAL

- 5,005 regular employees
- 313 new employees joined
- Total 13,215 hours of training conducted
- Nurturing employee ability and skills to achieve shared organisational goals



SOCIAL AND RELATIONSHIP CAPITAL

- 5+ years of community engagement
- Partnerships with 9 non-profit organisations and administrative authorities
- Rs. 56 crores spent on community development projects
- 1,031 studio stores & 1,025 regular stores
- Collaborated with 6 stakeholder associations
- Strong and continued engagement with internal & external stakeholders through strategic collaborations and partnerships



NATURAL CAPITAL

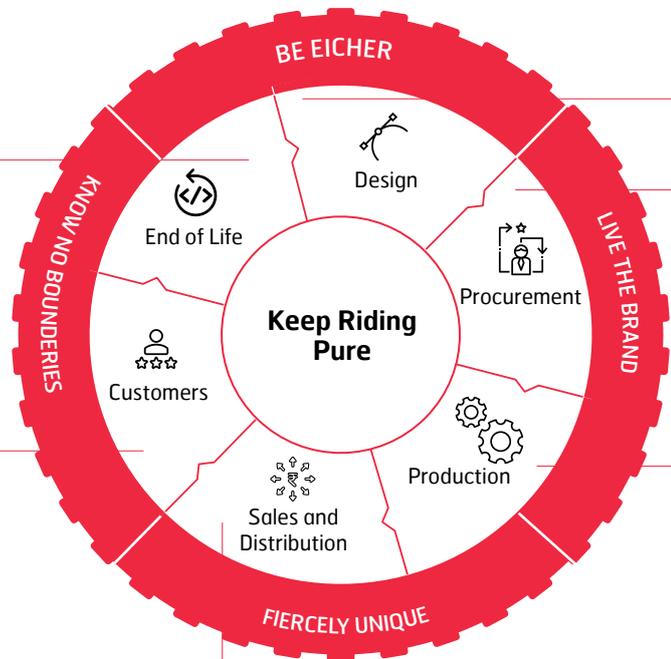
- 4,66,954 GJ of energy used in three manufacturing sites and HQ
- 1,82,348 m3 of water used in manufacturing
- 4,786 GJ of solar power generated
- Commitment towards efficient operations resulting in reduced environmental footprint

STRATEGIC OBJECTIVES

Promote safe, comfortable and environmentally friendly mobility

Ensure a smooth transition to changing policy scenarios

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



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

ENABLERS



Unique brand positioning



Customer value proposition



Motorcycling ecosystem

Support export growth and expand further in international markets

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

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

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

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



Innovation and technology



Operational excellence



Resource optimisation

OUTPUTS & OUTCOMES



FINANCIAL CAPITAL (STANDALONE)

- Rs. 9,705 crores of net worth as at March 31, 2021
- Rs. 8,619 crores of net revenue earned
- 20.7% of EBITDA margin
- Rs. 1,697 crores of operating cash flows during FY 2020-21
- Ensure business continuity, agility and resilience



MANUFACTURED CAPITAL

- 6,23,280 motorcycles produced
- 6,12,350 motorcycles sold
- 3 Zero Liquid Discharge units; 2 certified water positive
- 100% of water recycled and reused within the facility
- Maintain highest product quality standards to meet customer expectations with reduced environment and social impacts



INTELLECTUAL CAPITAL

- 471 designs approved
- 1 new vehicle launched – Meteor 350
- 37 new accessories launched
- Reduction in product development cycle
- Improved fuel economy of motorcycles
- Innovation for digital age with an emphasis on strong commitment, customer comfort and experience



HUMAN CAPITAL

- 5.46% gender diversity in regular employees
- Lost time injury frequency rate
 - Oragadam plant - Nil
 - Vallam plant - 0.02
- Zero fatality
- Trained and skilled employees
- Fostering a happy and healthy working environment for our employees



SOCIAL AND RELATIONSHIP CAPITAL

- Rs. 50 crores contributed to COVID-19 relief
- 307 suppliers assessed on ESG aspects
- Engagement with 0.8 crore online members of EML community
- Pioneer enriching experiences while creating shared value for a positive impact on people and planet



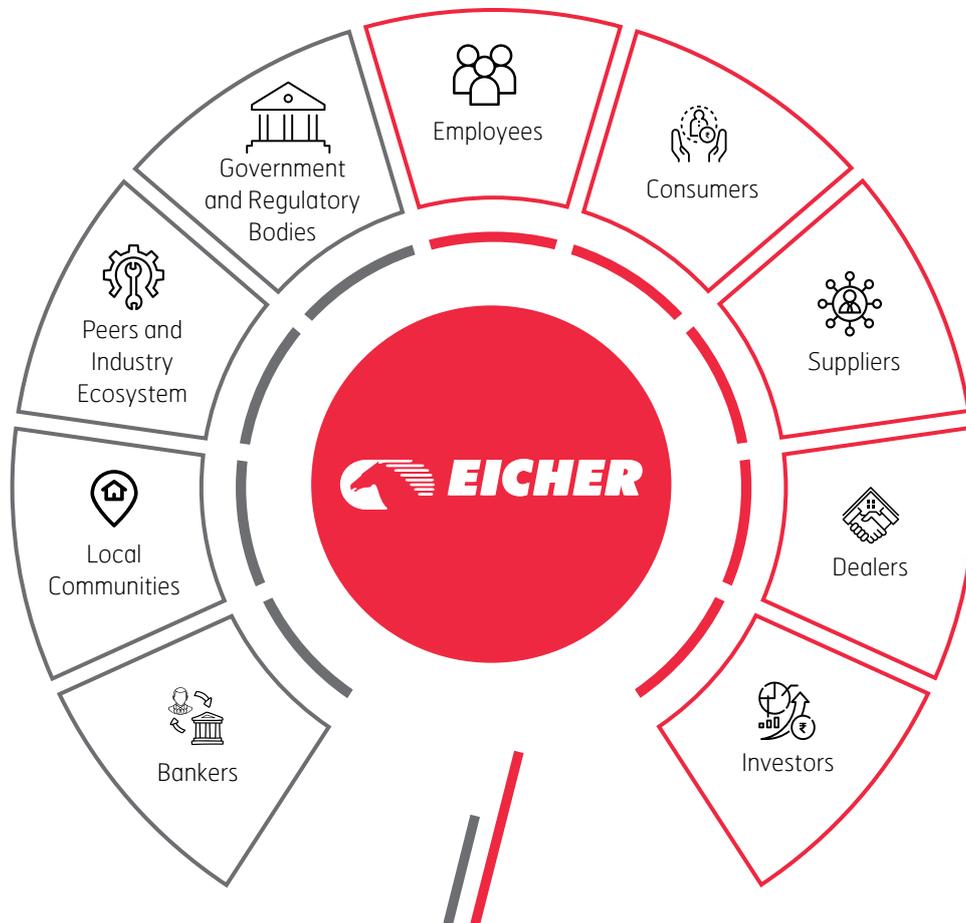
NATURAL CAPITAL

- 67,136 tCO₂e of Scope 1 and 2 emissions released
- 24,110 MT of recyclable product utilised
- 289 MT hazardous waste recycled
- 3,143 MWh of energy saved accounting to prevention of 1,824 tCO₂e of emissions
- Integrated pillars of sustainability from design phase to the consumer phase with an objective to mitigate the negative impacts on ecosystem



STAKEHOLDER ENGAGEMENT

EML believes in creating experiences that its stakeholders carry with them - whether it is in terms of doing business with the Company or riding its motorcycles or working together at their manufacturing facilities. As EML approached the 120th year of Royal Enfield unlocking pure motorcycling experiences for customers around the world, the Company engaged extensively with various internal and external stakeholders who have directly or indirectly contributed to its success story so far.



Some of EML's key stakeholders include employees, customers, suppliers, dealers, investors, bankers, local communities, peers and industry ecosystem, and government and regulatory bodies among others.

While Sustainability Governance helps the Company strategise across focus

areas, stakeholder engagement assists in identifying specific activities and initiatives for the topics emphasised. Key stakeholders have been identified based on the impact they create for the organisation and the extent to which they may be impacted by the Company's operations and activities. EML places tremendous importance on

the engagement with its stakeholders and prioritises the topics and concerns raised by them. Through these efforts, the Company aspires to create sustainable value for all. EML remains connected with stakeholders through periodic engagements on a variety of platforms. Some of these engagements are depicted below:

Stakeholder Group	Engagement Channels	Key Topics and Focus Areas	Frequency
Employees 	<ul style="list-style-type: none"> Awareness trainings Performance appraisals Annual employee satisfaction survey Grievance redressal mechanism 	<ul style="list-style-type: none"> Occupational health and safety Rewards and recognition Personal development and growth Empowering work environment 	Continuous
Customers 	<ul style="list-style-type: none"> Customer satisfaction survey Market surveys Rides and events 	<ul style="list-style-type: none"> Product and service quality Complaint resolution On-time delivery Product safety 	Continuous
Suppliers 	<ul style="list-style-type: none"> Supplier meets Training and awareness programmes Pre-onboarding and periodic assessments 	<ul style="list-style-type: none"> Planning and execution of work orders Innovation and product development Communication and engagement on sourcing plans Co-creation of new technologies 	Continuous
Dealers 	<ul style="list-style-type: none"> Dealer meets Marketing communications 	<ul style="list-style-type: none"> Communication of organisation's sales and marketing plan Product quality Incentives Enhancing customer experience 	Continuous
Investors 	<ul style="list-style-type: none"> Press releases and publications Investor meets AGM One-to-one meeting 	<ul style="list-style-type: none"> ESG performance Financial performance Future approach and projects Updates on new launches 	Continuous
Bankers 	<ul style="list-style-type: none"> One-to-one meeting Press releases Emails and calls 	<ul style="list-style-type: none"> Business expansion and diversification Manufacturing efficiency Risk management Financial performance 	Quarterly
Local communities 	<ul style="list-style-type: none"> Community outreach programmes Press releases and publications 	<ul style="list-style-type: none"> Education Skill trainings Healthcare Infrastructure development 	Continuous
Peers and industry ecosystem 	<ul style="list-style-type: none"> Industry associations - memberships External conferences Press releases 	<ul style="list-style-type: none"> Action on upcoming regulations and compliance, including environmental and social compliances Innovation and product development 	Continuous
Government and regulatory bodies 	<ul style="list-style-type: none"> Mandatory compliance reports Onsite inspections One-to-one meeting 	<ul style="list-style-type: none"> Statutory compliance, including environmental and social compliance 	Continuous

MATERIALITY

In FY 2020-21, EML conducted a formal materiality assessment through stakeholder consultations (external and internal) and gathered their inputs to arrive at and update areas of materiality. The process of determining materiality and the key ESG focus areas at EML, is largely based on the guidance provided by the International Integrated Reporting Council (IIRC) and draws from the six capitals of integrated reporting.

STEP 1: IDENTIFICATION OF STAKEHOLDERS

As a first step, internal and external stakeholders including employees, customers, dealers, experienced riders, mechanics and sector experts were selected. External literature was also considered to get a perspective of industry trends. The target groups were interviewed through various communication channels and a diverse approach was applied for the engagement. For example, the opinions and ideas of EML employees were captured through an internal online survey. Customers, on the other hand,

were divided into 5 archetypes based on the value they seek from their motorcycle, age and affluence and were interviewed in order to capture their insights.

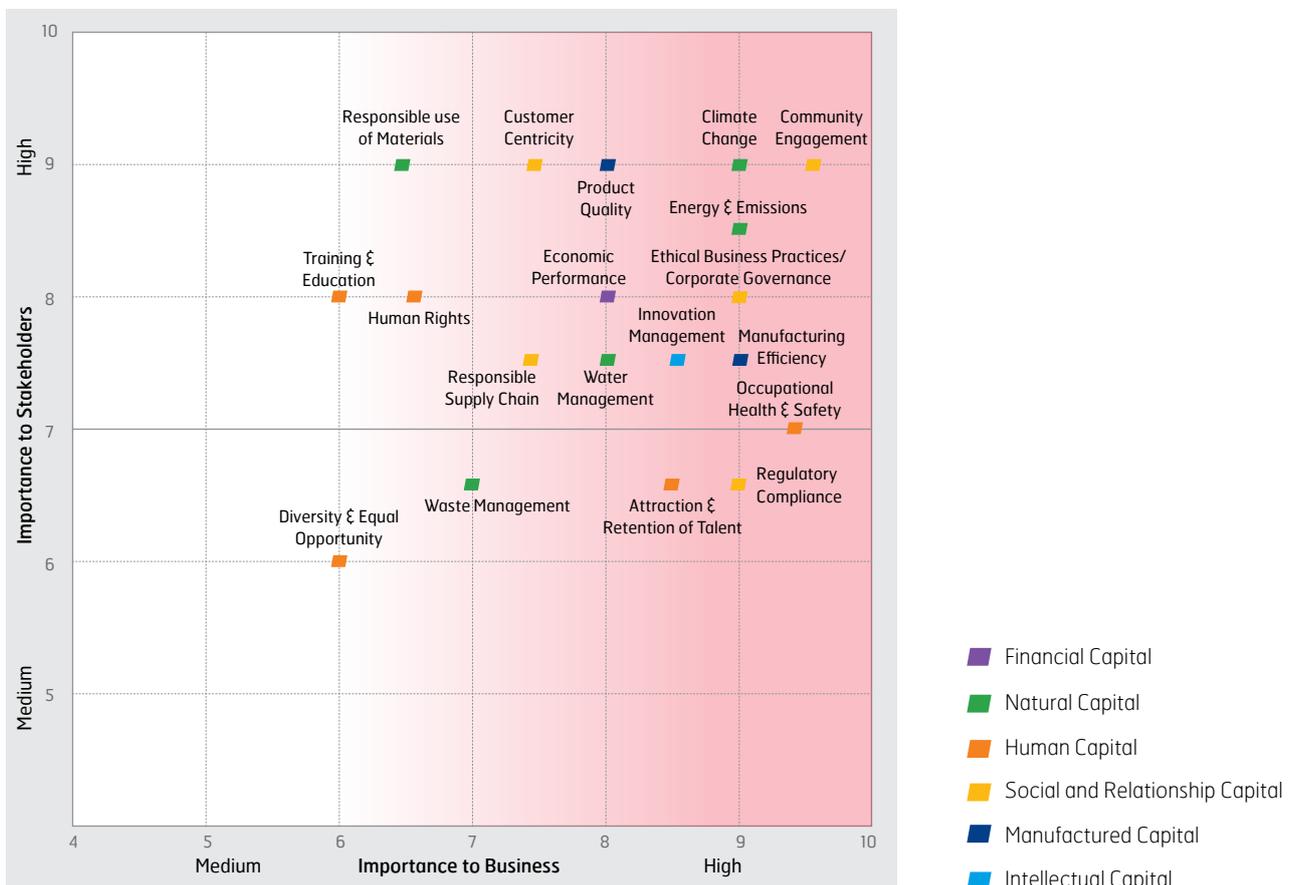
STEP 2: IDENTIFICATION OF MATERIAL ISSUES

Based on the previous years' materiality aspects and sectoral trends, a broad list of issues was identified. The stakeholder interactions strengthened this list and helped identify the most material aspects for EML. As part of the identification process, the Company also assessed the inter-linkage

between ESG and business, branding, environment and social impact of its activities.

STEP 3: PRIORITISATION

The assessment of focus areas led to their prioritisation and articulation of key ESG focus areas that would be the basis for a larger sustainability strategy and future action. Subsequently, the materiality matrix was developed based on stakeholder inputs and analysis of key ESG trends. The focus areas are also mapped with the six capitals and are elaborated in the upcoming sections.



The material issues have been identified based on their potential importance to business on the X-Axis (i.e., horizontal axis) and the importance to stakeholders on the Y-Axis (i.e., vertical axis). EML intends to focus on the 'high-high' quadrant which is important to both the business and to stakeholders and will strive to provide quantitative as well as qualitative information in disclosures for all focus areas in the matrix.

Keeping in view the constantly evolving business environment and penetration of technology, community engagement, economic performance and innovation management have been identified as critical for the organisation's growth. Climate Change, Energy and Emissions and Water Management have always been areas of focus at EML and the Company will continue to explore new ways of achieving resource efficiency and environmental

protection. Achieving operational efficiency at manufacturing units is crucial not only from an environmental sustainability perspective, but also from an economic performance point of view. During disruptive times such as COVID-19, sustainable sourcing of raw materials has been of utmost importance for business continuity. The Company also emphasises the health and safety of its employees and ethical business practices, which makes EML an employer of choice.

Through the materiality assessment, EML aims to address the impact it makes on the environment, people and the business. The materiality topics covered under each capital of <IR> Framework is represented by a different colour for ease of reference. As per IIRC guidance, EML has chosen to report in detail on the material topics, while providing an overview on additional areas; all of which are covered across the various sections of this report.



SUSTAINABILITY@EML

Over the last 12 months, the world has experienced severe social, health and economic shocks and coped with hitherto unimagined changes owing to the COVID-19 pandemic. The need to embed sustainability in businesses and peoples' lives has never been stronger and the imperative to have a healthier planet never more prominent. As an organisation which holds sustainability at its core, EML has responded by staying strong and empathetic in these challenging times. While entering the 120th year of providing Pure riding experiences to customers, the Company has stood firm in its commitment to creating sustainable and shared value for all.

EML works to establish more conscious ways of doing business by striving to minimise its footprint, making environment-friendly choices, and caring for its people and communities which help it grow. This helps the Company mature in its engagement with stakeholders, focus on the most pressing issues for the environment and communities, utilise cutting-edge technology and evolve as a brand of choice for all.

As an enabler of Pure Motorcycling, EML takes responsibility for promoting a healthy environment and creating sustainable communities in all the places people ride. It has taken various steps to protect the natural environment both while manufacturing motorcycles and during rides. The focus is on protecting and making

responsible use of natural resources and replenishing their ability to serve future generations. The Company also uses recyclable materials in the manufacturing process without hampering the quality and aesthetic appeal of the vehicles produced.

The Company's foundations have been strengthened by revolutionising R&D and manufacturing capabilities to enable world-class product development. These investments have allowed EML to enhance the iconic Royal Enfield experience for customers and expand the organisation's potential for success in dynamic markets. EML continues to be authentic and stays true to its promise of quality while complying with regulatory requirements in various geographies. It is the organisation's constant endeavour to

connect with and share passion with its customers while enabling them to actualise their ideal motorcycling experience.

EML also places emphasis on living in harmony with communities not just in the surrounding areas of its manufacturing locations, but also with the communities in and around riding routes. The Company takes care of its employees, suppliers, distributors and riders and seeks to contribute to elevate their experience with the organisation in every way possible. EML has made significant progress on various aspects of sustainability performance and aims to follow this up with a coherent approach to achieve performance targets in the coming years.

GOVERNANCE MECHANISM

A strong governance framework helps the Company steer its growth agenda while maintaining healthy relationships with stakeholders. It seeks to create value while delineating the approach to integrate sustainability in its products and relationships. A robust governance framework helps the Company strategise, implement and assess key sustainability matters. It also guides the organisation's engagement with varied stakeholders and translates

and communicates strategic inputs to the stakeholders. While decisions flow down from the top, EML's junior management and shop floor employees are encouraged to propose ideas and initiatives for implementation. The assessment and monitoring of strategic initiatives are governed by the Company's policy framework which is based on international standards and guidelines.

Going forward, EML is prioritising efforts to establish a formal Sustainability Council comprising representatives from cross-functional teams – manufacturing, human resources, brand, R&D, CSR, finance and procurement. The council will be primarily responsible for the seamless execution of the ESG commitments and also to provide periodic updates to the Board.

SDG ALIGNMENT

The United Nations Sustainable Development Goals (UN SDGs) are a global benchmark for sustainability cooperation and performance. Many of our core business activities and sustainability initiatives are closely aligned to the SDGs. The below illustration showcases the alignment of various initiatives with the SDGs.



Infrastructure provision and training to create livelihood opportunities enabling communities to come out of poverty - 35% Increase in House Income



Poornama Aahar (Nutrition) under Shikshak Pahel Programme



- Occupational health centre with 24*7 assistance for the employees
- Reducing the risk of road accidents through Safe Road User Initiative
- Providing clean energy to mitigate use of harmful gas emitting kerosene lamps that produce toxic fumes - 50% Reduction in Health Problems
- Access to healthcare in flood hit areas, Donations as a response to COVID-19 Pandemic



- Installing digital centres in schools, training on computers usage and updating relevant educational content - Digital Education for 800 Students
- Royal Enfield Academy - vocational training to youth in various locations across India



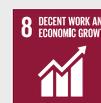
- Foster diversity and provide equal opportunity irrespective of gender or age
- Women entrepreneurs trained on running Homestays and women engineers involved in electrification, generate equal opportunity for women to learn and earn - 400 Women Empowered



- The Community RO units installed and running at Vattampakkam, Vadakkupattu and Valayakaranai
- Zero liquid discharge from the factories, rainwater harvesting system, Water treatment and recycling of sewage and trade effluent in STP and ETP
- Water conservation measures for the communities under CSR
- Signatory to WASH Pledge



- Installing clean and renewable energy through Solar Grids which enable communities to generate energy - 91.5 kW of Solar Capacity
- Solar rooftop plant installed at a manufacturing facility as a renewable energy source for lesser carbon footprint
- Energy efficiency measures at manufacturing units



- Right to freedom of association and collective bargaining for employees
- Protection of Human Rights across operations
- Boosting local business and job creation by engaging local suppliers
- Running a homestay and leading the tourism experience provides decent work opportunities for locals - 63 Homestays Setup



- Innovation in product and processes to minimise impact on planet and people without compromising on quality and customer preferences
- Manufacturing activity enhancing employment opportunities



- Having solar infrastructure, creating livelihood out of local resources making the villages self-sustainable - 130 Solar Water Heaters setup



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



- Energy saving projects to consume optimal resources and minimise emission
- The solar infrastructure mitigates use of carbon dioxide emitting kerosene lamps - 3,000 Tonnes of CO₂ Offsets

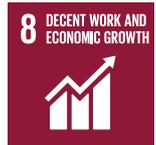


- Plantations and afforestation initiatives to restore balance in the ecosystems by improving green cover and enhancing carbon sequestration



- Eicher Group Foundation & GHE have collaborated for sustainable development of communities

FINANCIAL CAPITAL



ECONOMIC PERFORMANCE

EML's business execution is overseen and managed with the aid of well-established review systems and control measures. The organisation's senior management and Board members regularly assess the progress of business and monitor course changes that are implemented.



Market Capitalisation

(Rs. Crores)

31.03.2021	71,175
31.03.2020	35,757
31.03.2019	56,059
31.03.2018	77,331

Return on Equity

(%)

FY 2020-21	14
FY 2019-20	24
FY 2018-19	31
FY 2017-18	36

MAPPING OF KEY MATERIAL ISSUES

■ Economic Performance

1
Revenue from Operations

For the year ended March 31, 2021:
Rs 8,619 Crores

For the year ended March 31, 2020:
Rs. 9,077 Crores

2
EBIT

For the year ended March 31, 2021:
Rs. 1,340 Crores

For the year ended March 31, 2020:
Rs. 1,826 Crores

2
Net Worth

As at March 31, 2021:
Rs. 9,705 Crores

As at March 31, 2020:
Rs. 8,275 Crores

4
Net Debt

As at 31.03.2021 and 31.03.2020: **Nil**

5
Inventory Turnover Ratio

For the year ended March 31, 2021:
8.2 times

For the year ended March 31, 2020:
9.2 times

6
Market Share of the Business*

For the year ended March 31, 2021: **5.7%**

For the year ended March 31, 2020: **5.9%**

7
Operating Cash Flows

For the year ended March 31, 2021:
Rs. 1,697 Crores

For the year ended March 31, 2020:
Rs. 1,718 Crores

*represents market share in domestic motorcycle industry

FINANCIAL REVIEW

The COVID-19 pandemic was devastating not only for the economy and businesses, it also had a profound impact on human lives. The year 2020-21 began with a pandemic-induced lockdown in India and other countries, which led to massive shifts in the way businesses operate. After a difficult quarter 1 due to restricted economic activity, both demand and production picked up very well in the latter part of the year. A swift recovery in demand along with measures taken by the Company to adapt to the new

working environment, supported EML's overall performance.

While EML products are exported to more than 60 nations worldwide, India remains its biggest market contributing to 91% of total sales volume in FY 2020-21. The Company witnessed a 5% decline in revenue from Rs. 9,077 crores in 2019-20 to Rs. 8,619 crores in 2020-21, led largely by the shutdown of the domestic and international markets owing to the COVID-19 pandemic.

Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of the Company decreased by 19% from Rs. 2,204 crores in FY 2019-20 to Rs. 1,787 crores in FY 2020-21. A decline in revenue due to pandemic-induced lockdown in the first half of the financial year 2020-21 and significant increase in input costs impacted profitability. A sharp increase in commodity prices, especially precious metals, loss of operating leverage on account of lower volume

and COVID-19 related expenses further weighed on the margin.

EBITDA margin also decreased to 21% in the reporting year, from 24% in the previous year. A decrease in EBITDA and increase in depreciation and amortisation as the Company continues

to invest in its capability building, affected the overall profit. However, successive pricing actions by the Company helped offset the impact on profitability to an extent.

Earnings before Interest, Tax, (EBIT) of EML decreased by 27% from

Rs.1,826 crores in FY 2019-20 to Rs.1,340 crores in FY 2020-21. Net Profit After Tax ("PAT") decreased by 30% from Rs.1,904 crores in FY 2019-20 to Rs.1,330 crores in the reporting year. However, the Net Worth increased by 17% from Rs.8,275 crores in FY 2019-20 to Rs.9,705 crores in FY 2020-21.

FINANCIAL POSITION – STANDALONE

BALANCE SHEET				
	(Rs. Crores)			
	31.03.2018	31.03.2019	31.03.2020	31.03.2021
Net Fixed Assets (including CWIP and Pre-operative Expenditure)	1,830.49	2,320.55	2,680.92	2,733.53
Investments in subsidiaries & joint ventures	49.43	67.93	68.86	68.86
Investments in mutual funds, bonds, FDs & Bill discounting without recourse	4,925.50	5,896.60	6,747.70	8,157.03
Other non-current assets	207.17	194.71	148.41	175.00
Current assets:				
Inventories	379.23	605.34	518.05	769.13
Trade receivables	78.02	106.61	133.97	256.18
Cash and bank balances (excluding FDs)	99.88	22.07	35.40	76.93
Other current assets	224.95	263.60	245.70	388.27
Total assets	7,794.67	9,477.41	10,579.01	12,624.91
Equity share capital	27.26	27.28	27.30	27.33
Other equity	5,344.97	7,099.17	8,248.04	9,677.67
Net worth	5,372.23	7,126.45	8,275.34	9,705.00
Non-current liabilities	227.81	372.72	448.54	491.20
Current liabilities	2,194.63	1,978.24	1,855.13	2,428.71
Total equity and liabilities	7,794.67	9,477.41	10,579.01	12,624.91

Net Fixed Assets (Rs. Crores)

31.03.2021	2,734
31.03.2020	2,681
31.03.2019	2,321
31.03.2018	1,830

Net worth (Rs. Crores)

31.03.2021	9,705
31.03.2020	8,275
31.03.2019	7,126
31.03.2018	5,372

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

31.03.2021	355
31.03.2020	303
31.03.2019	261
31.03.2018	197

Earnings per share# (in Rs.)

FY 2020-21	49
FY 2019-20	70
FY 2018-19	75
FY 2017-18	63

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

Earnings per share has been computed for all the periods after considering the shares split as per Ind AS 33 - Earnings per share.

The Company's financial position remains robust with total cash and cash equivalents, and investments (other than in subsidiaries and Joint Ventures) of Rs. 8,234 crores. It generated a healthy cash flow from operations at Rs.1,697 crores and also provided support to its vendors and dealers as they experienced tight liquidity conditions. The Company further continued to invest in its product development activities and setting up of operation facilities, with a special focus on growing its digital capabilities. The total capital investment for the year stood at Rs. 544 crores.

ECONOMIC VALUE GENERATED & DISTRIBUTED

EML acknowledges that the creation and sharing of wealth in an equitable manner is essential for the country's sustainable socio-economic development. The Company's efforts to create value extend to its stakeholders across the entire value chain, local industrial clusters and to communities it engages with and impacts directly and indirectly.

EML's wealth creation activities enrich a vast network of internal and external stakeholders. Wealth created is

distributed in monetary form as various types of payments to employees, suppliers, capital providers and the government - in the form of taxes.

Direct Economic Value Distributed

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

(Rs. Crores)				
Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Operating Costs	5,779.90	6,125.18	6,053.18	5,972.21
Employee wages and benefits	547.86	679.53	765.12	803.95
Payment to providers of capital	275.26	302.92	683.30	1.89
Payments to governments by country ¹	807.09	908.46	628.31	456.60
Community Investments	30.85	45.39	55.39	56.37

¹ Represents income taxes paid to the Government of India.

Economic Value Generation - Revenue (Rs. Crores)

FY 2020-21	9,071
FY 2019-20	9,693
FY 2018-19	10,303
FY 2017-18	9,544

Economic Value Retained (Rs. Crores)

FY 2020-21	1,780
FY 2019-20	1,508
FY 2018-19	2,241
FY 2017-18	2,103

MANUFACTURED CAPITAL

MANUFACTURING EXCELLENCE



As the world navigated challenging times last year, EML remained focussed and resilient as the Company continued to work towards long-term strategic business objectives and bring in new initiatives that enhance customers' experience of the product and Royal Enfield brand.

In FY 2020-21, Royal Enfield, a unit of EML, sold 6,12,350 motorcycles of which 5,73,728 units sold in the domestic market and 38,622 units in markets overseas. The Company's international business grew from 5.6% in FY 2019-20 to 6.3% in FY 2020-21.

KEY PERFORMANCE INDICATORS

MAPPING OF KEY MATERIAL ISSUES

- Innovation Management
- Customer-Centricity

1
Operational Efficiency

No. of manufacturing facilities: **3**
Installed capacity: **10 Lakhs***
Motorcycles produced (Nos.)
6,23,280 in FY 2020-21 and
6,79,413 in FY 2019-20

2
Markets

No. of Motorcycles sold in domestic markets:
5,73,728 in FY 2020-21 and
6,58,920 in FY 2019-20
No. of Motorcycles sold in international markets:
38,622 in FY 2020-21 and
39,296 in FY 2019-20

2
Certifications

ISO 9001-2015, 14001-2015, 45001-2018, IMS certification 20-21 - all 3 manufacturing locations, spare parts division and HQ, **ISO 9001-2015** certification for UKTC

4
Initiatives

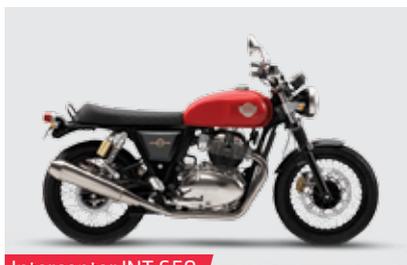
Capital Expenditure:
Rs. 544 Crores in FY 2020-21 and
Rs. 549 Crores in FY 2019-20

No. of improvement initiatives / Kaizens implemented: **5,456**

Savings due to process efficiency improvement: **Rs. 10 crores**

*The declared capacity has been revised to 10 lakhs, due to a change in model mix subsequent to new model / platform introduction.

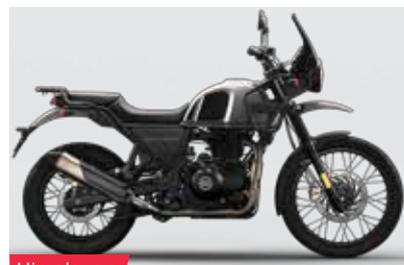
OUR PRODUCTS



Interceptor INT 650



Continental GT 650



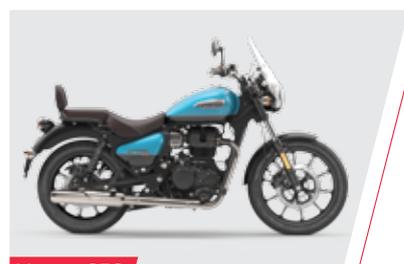
Himalayan



Classic



Bullet



Meteor 350

Royal Enfield is the global leader in the middleweight motorcycle segment (250 – 750cc). Over the last decade, Royal Enfield has exponentially grown its retail presence in India and has a significant retail footprint across 60+ countries across the world. EML's sharp focus on long-term business goals, combined with consistent innovation in its product portfolio have enabled it to lead and expand the segment globally.

Year 2020 saw Royal Enfield undertake its first ever digital launch of an all-new, ground up motorcycle in the cruiser segment, the Royal Enfield Meteor 350. First introduced in India in November, the motorcycle has since been launched virtually across Asia Pacific (APAC) and European Union (EU) markets where Royal Enfield has a presence.

The Meteor 350 adds another chapter to Royal Enfield's legacy of producing cruisers loved by its riders. It also embodies the essence of long-distance riding while establishing the core proposition of cruising as a category. At the heart of the Meteor is the new all new J-series 349cc engine. This is a brand-new air-oil cooled engine that provides a refined riding experience while retaining the character and feel of Royal Enfield motorcycles. A brand new chassis, comfortable cruising posture, a new and refined heart, tubeless tyres, dual channel ABS, Tripper navigation (powered by Google) and USB charging, paired with Royal Enfield's Make It Yours initiative – make Meteor 350 the only modern factory custom cruiser in the segment.



Technical specifications: Digital Launch: Meteor

FY 2020-21 also saw Royal Enfield strengthen its existing product portfolio with new colourways and variant launches of the iconic Classic 350, Himalayan and the 650 Twins. The new variants of the Classic 350 have been conceptualised in bright new hues and designed to evoke a youthful and refreshing motorcycling experience. The introduction of alloy wheels and tubeless tyres on the Classic 350 further add to the style quotient of the machines with enhanced handling experience for riding enthusiasts. The new Himalayan features the Royal Enfield Tripper, a simple and intuitive turn-by-turn navigation pod. It has also received a new windscreen and several

upgrades to the seat, the rear carrier and front rack making the versatile adventure tourer even more capable and comfortable than before. With the introduction of 5 new colourways, the 650 Twins are now still more appealing to motorcycling enthusiasts across the country. All three motorcycles come equipped with the Royal Enfield Make it Yours (MiY) offering, allowing customers to personalise and accessorise their motorcycle across all channels - the RE App, the website and at dealerships.

FY 2020-21 also saw Mid Life Cycles' Royal Enfield Interceptor 650 Salt Racer set a new speed record of 132.050 mph (miles per hour) or

212.514 km/h at the annual Speed Week run at Lake Gairdner, South Australia, breaking a four-year-old class record on each of its runs. The Mid Life Cycles' Interceptor was entered in Class M-F 650, for 650cc un-streamlined motorcycles running on commercial unleaded fuel. The old record of 119.961 mph was set in 2016. This recognition validates the tremendous progress Royal Enfield continues to make in its journey to aid and unlock evocative motorcycling experiences and EML hopes this will inspire many more motorcyclists to push their boundaries in the pursuit of excellence.

KEY DRIVERS

Operational Excellence

EML's quality vehicles are the product of traditional craftsmanship combined with technological know-how. The Company uses natural resources judiciously, pays attention to the health and safety of its workforce and innovates regularly

to offer exceptional products and services. Its manufacturing facilities are equipped with state-of-the-art capabilities and adhere to quality management and environmental management standards and certification, while maintaining production numbers to meet market requirements on time.

KPI	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Number of motorcycles sold in domestic and international markets (Standalone) (nos.)	8,20,492	8,23,828	6,98,216	6,12,350

During the national lockdown owing to the COVID-19 pandemic in FY 2020-21, the Company prioritised the safety and wellbeing of employees and adhered to the directives of the central and the local governments. Production was

temporarily closed down at the end of March 2020 and resumed in May 2020 in a phased manner, first at the facility at Oragadam followed by the Tiruvottiyur and Vallam Vadagal plants.

Royal Enfield motorcycles come with warranty provisions, which are enumerated below:

Sl.No.	Particulars	Amount in Rs. crores			
Warranty Provisions					
1	Warranty balance at the beginning of the period and the warranty payments (costs) that were realised during the fiscal year period, in each of the last four years	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
A	Warranty provision balance at the beginning of the period	55.21	64.35	65.62	77.44
B	Warranty payments (costs) made during the period	39.85	43.66	44.92	41.25

The Company provides warranty for general repairs of defects that existed at the time of sale, as required by law. While transitioning to the BS VI emission norms, the standard warranty was increased from two years to three years. EML also offers extended warranty packages to enable customers to avail hassle-free services in cases of unforeseen part failures beyond the standard warranty period.

In FY 2020-21, the Company did not undertake any product recalls of motorcycles and components owing to production defects.

Capital Expenditure

EML invests in upgrading and maintaining its facilities to comply with the latest standards and regulations to enhance manufacturing and assembling capabilities and to ensure safety of its workforce. The Company regularly assesses needs for technology and equipment upgradation in order to improve productivity and enhance equipment life. In FY 2020-21, owing to the decreased market demand and disruption in operations, expenditure on capital assets was slightly lower as compared to the previous year.

KPI	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Capital Expenditure (Rs. Crores)	745	784	549	544

Customer-Centric approach to product development

Customer needs and expectations lie at the heart of each business activity EML performs. In keeping with its commitment to build simple, timeless and accessible motorcycles for all, Royal Enfield vehicles not only adhere to guidelines provided by product development teams, they also incorporate insights gleaned from prevailing market trends and customer feedback and input. EML's manufacturing and assembling units ensure quality and customer safety at each stage to deliver seamless riding experiences.

New products

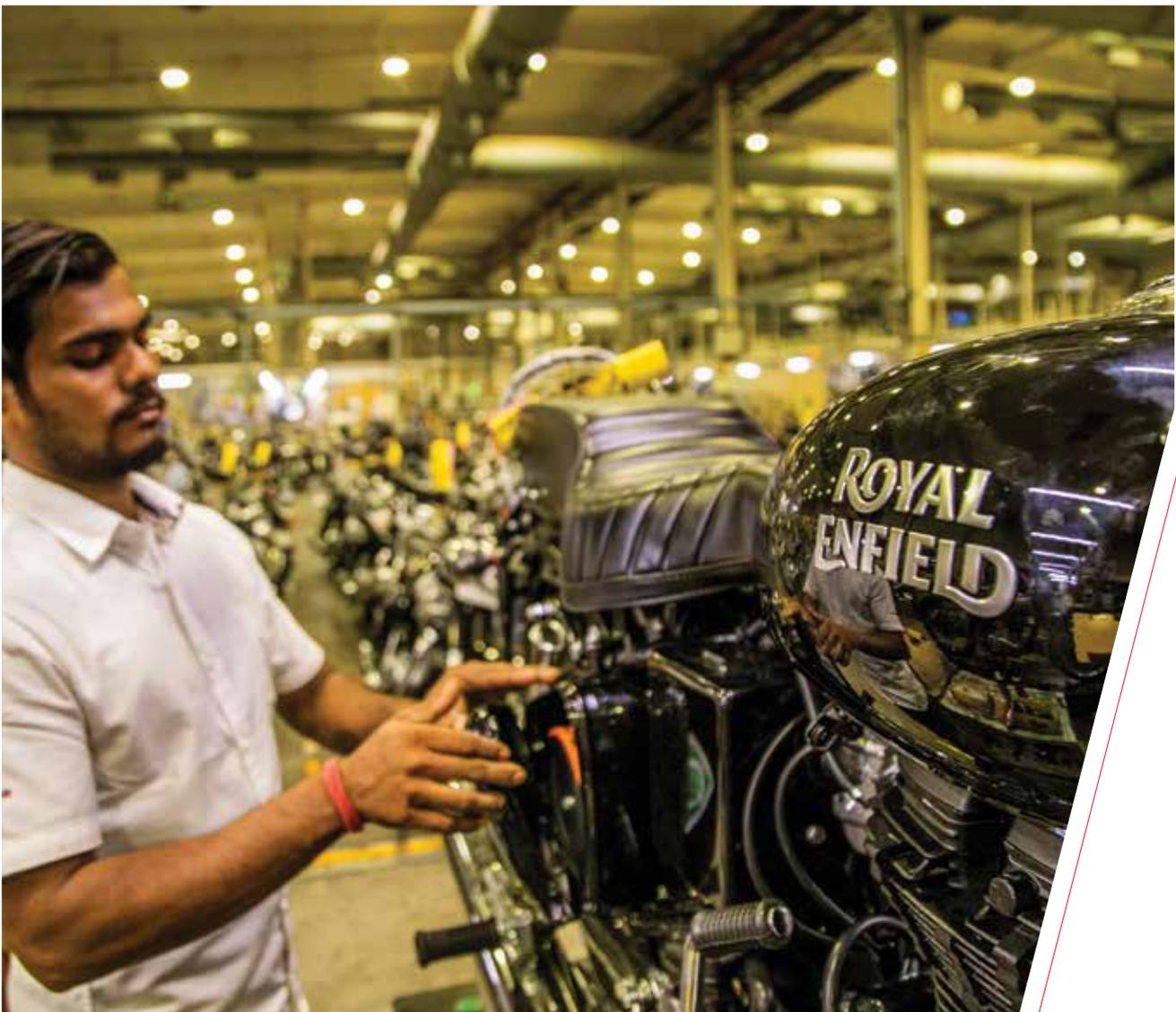
Supported by the efforts of product development teams to introduce unique products and accessories to markets, the launch of new vehicles and ramping up of production in FY 2020-21 spurred Royal Enfield's market share to 6.3% in the second half of the year. By consistently fulfilling customers' evolving needs, EML continues to maintain a strong footing in the competitive mid-size e-motorcycle segment.

Competitive Advantage

A combination of high-quality standards and competitive pricing have

enabled EML to unlock and retain a competitive edge in domestic as well as overseas markets. The Company stays true to the 120-year-old legacy of brand Royal Enfield and strives to strengthen the ethos of providing pure motorcycling experiences to its customers.

Built with a purpose and characterised by endurance and iconic designs, Royal Enfield continues to appeal to passionate riders from across demographics and geographies, thereby emerging as a strong player across markets.



BUSINESS PRESENCE

In addition to its expanding presence in India and abroad, EML has three state-of-the-art manufacturing facilities near Chennai, India namely Oragadam, Vallam Vadagal and Thiruvottiyur. The Vallam Vadagal facility commenced operations in FY 2017-18 and today contributes significantly to manufacturing activity. EML currently has a combined installed capacity of 10 lakhs* across all manufacturing units. The Thiruvottiyur facility supports the chrome plating process requirements

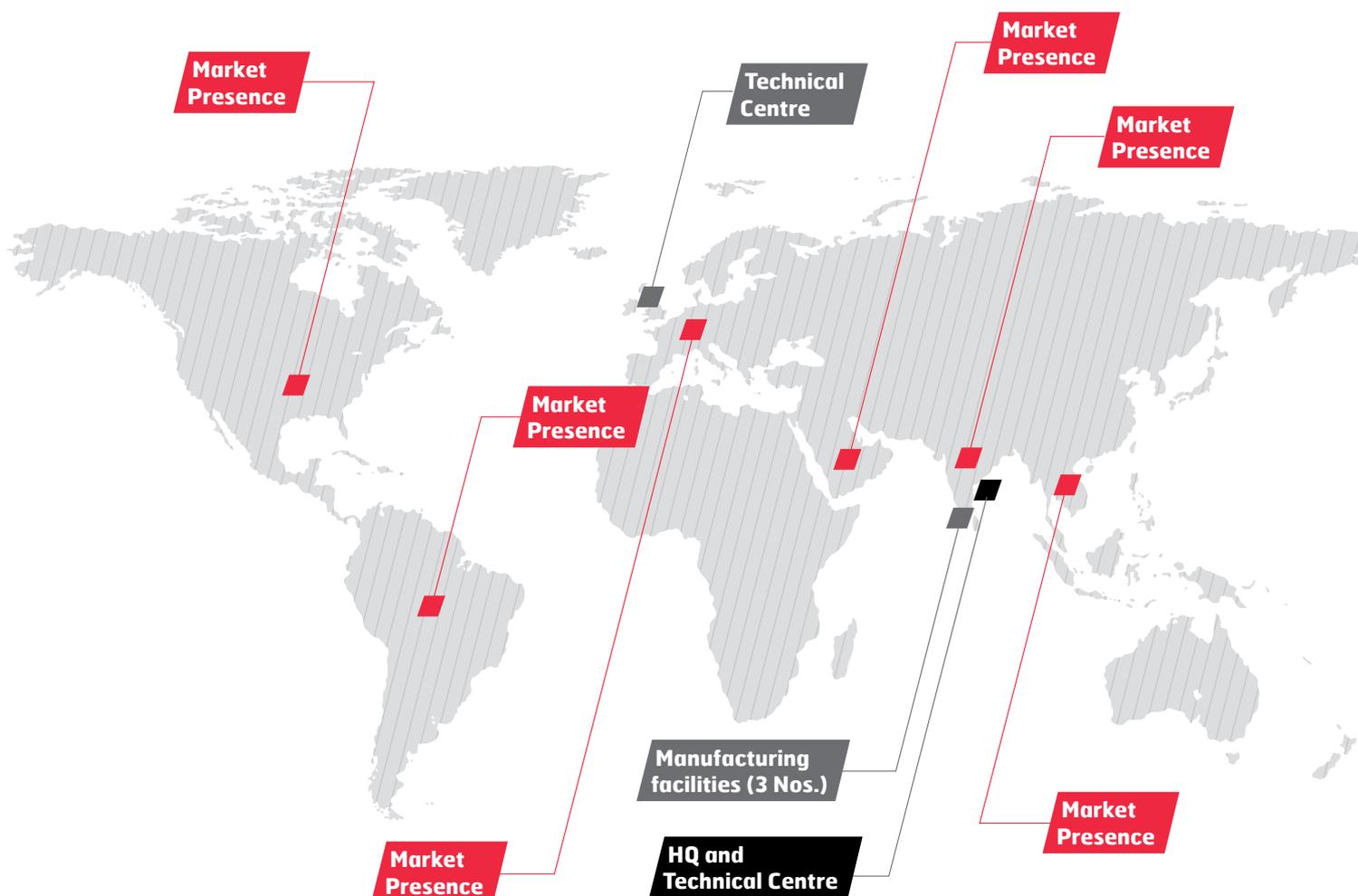
of Royal Enfield motorcycles across the portfolio.

With a focus on expanding global presence, the Company has started setting up Completely Knocked Down (CKD) facilities in key export markets. To enable CKD operations in Argentina and other countries (Thailand, Brazil, Colombia), it is necessary to establish robust backend facilities in India. The facilities include an assembly line for production of a motorcycle kit and a separate facility for its packing. During the current financial year, a front-end

assembly facility was established in Argentina. EML achieved a great feat by successfully starting the operations during the pandemic through an entirely digital coordination.

EML's corporate functions are conducted from two offices in India, located in – Gurugram, Haryana and Chennai, Tamil Nadu. The organisation also has two Research and Development (R&D) centres, one each in Chennai, Tamil Nadu and in Bruntingthorpe, United Kingdom (UK).

**The declared capacity has been revised to 10 lakhs, due to a change in model mix subsequent to new model / platform introduction.*



Certifications

EML is certified for ISO 9001-2015, ISO 14001-2015 and ISO 45001-2018 standards. In FY 2020-21, all three manufacturing locations, spare parts divisions and headquarters were certified for Integrated Management System (IMS). The Company's technical centre in the UK also received ISO 9001-2015 certification during the same year.

CASE STUDIES

Customised Vehicles:

EML launched the 'Custom Programme' in 2016 to inspire and foster creativity amongst motorcyclists, and to activate and promote the Royal Enfield custom ecosystem. Amongst the motorcycling community, Royal Enfield's motorcycles have always been the perfect canvas for customisation and self-expression, given the motorcycles' simple yet evocative design language.

Continuing to inspire and foster creativity amongst motorcyclists, Royal Enfield recently unveiled the 'Kamala' an all-new custom motorcycle based on the Continental

GT 650, built by Cristian Sosa of Sosa Metalworks. The Kamala is inspired by vintage board track racers - its lean form and large thin wheels perfectly proportioned to frame the 650 Twin motor at its core. While inspired by one of the most exciting vintage motorsports, it is also a completely original creation. Metalworks truly stands out as Cristian Sosa hand fabricated a build for Royal Enfield based on the 650 Twin right from the frame to body, suspension and paint scheme. The Kamala first premiered at The One Moto Show in Portland, Oregon USA in February 2020.

Tripper:

Royal Enfield Tripper, debuted with the launch of the Meteor 350, is a convenient turn by turn navigation pod which delivers a simple and intuitive navigation experience real time with native Google Maps integration, a first for any motorcycle manufactured in India. The Tripper connects with the Royal Enfield app and gives clear and efficient information, while ensuring an uninterrupted riding experience sans distraction.

WAY FORWARD

At EML, the design and production of motorcycles and accessories are thought through from the perspective of achieving sustainability objectives. The Company utilises recyclable materials in product manufacturing which reduces the usage of virgin material and minimises environmental impact of material extraction and procurement. EML is a signatory to the 'WASH' Pledge across operations and is committed in ensuring that everyone in the organisation has access to clean water and hygienic sanitation facilities. It also emphasises following the highest standards of safety at its plants and fulfils regulatory requirements diligently.

EML strives to achieve operational eco-efficiency, ensure stakeholder well-being including employees and customers, and focus on continuous innovation. The Company conceptualises products with the help of Intellectual Capital, depends on

Natural Capital to build them and makes it all possible with its Human Capital. The organisation looks forward to enhance the way in which it operates with the aim of strengthening its organisational standing as responsible, equitable and ethical.



INTELLECTUAL CAPITAL

**INNOVATION
MANAGEMENT**

Brand Royal Enfield stands for timeless, classic, simple motorcycles that are great fun to ride. Built with purposeful longevity in mind, Royal Enfield motorcycles are accessible and authentic to classic British post-war era styling and promise an engaging and pure riding experience. While EML stays true to its inimitable style of building classic motorcycles, it designs and develops machines that are globally relevant in today's fast-changing world. Design, innovation and an engaging digital ecosystem are key pillars to consistently build aspiration with global customers.

EML's customer base has expanded significantly over the years. Its relationship with customers has grown from strength to strength. The Company's legacy of 120 years is a testimony of its relentless emphasis on addressing and meeting customer needs through unique product features, unmatched quality and exceptional motorcycling experiences. Today EML is a global leader in the middleweight motorcycling segment (250 - 750 cc). Continuous research and development (R&D) and innovation are key pillars for it to lead and expand the premium mid-segment motorcycle market globally. The organisation has made extraordinary efforts to strategise, design and develop products that embody continuous technological advancements and superior rider comfort. All Royal Enfield products adhere to the latest regulatory requirements, specific to different regions of the world.

EML aspires to scale new heights in innovation. The Company continuously develops its in-house R&D capabilities, leverages the latest technology and maintains a strong pulse of customers' demands. Its teams are empowered with relevant skillsets and specialised technical knowledge to innovate new processes. Manufacturing facilities

are equipped with state-of-the-art infrastructure and well-trained workforce to transform novel ideas into motorcycles for the real world. It studies current and future market trends and emphasises environmental and social standards in product design. Customer preferences are given high

importance and the organisation strives to incorporate their needs in product design and also offer options for customisation. These endeavours come together to enable EML to produce and sustain the iconic Royal Enfield brand as well as extend its presence across the globe.



MAPPING OF KEY MATERIAL ISSUES

■ Innovation Management

KEY PERFORMANCE INDICATORS

1
R&D Centres

Number of R&D centres: **2**
R&D Team Size (No.): **420**

2
Innovation

Investments in R&D (excluding depreciation and amortisation expense):

Rs. 246 Crores in FY 2020-21 and
Rs. 227 Crores in FY 2019-20

Designs approved (No.): **470**

International models upgraded to Euro V emission norms

2
New Product

New 350cc Engine developed and brought to the market in the form of **Meteor 350**. It is developed as a global product meeting the regulatory norms required for different countries

Innovation @EML:

In 2015, EML initiated a re-shaping of its product development team. Subsequently, the organisation set up two world-class facilities dedicated to motorcycle design and development: The Royal Enfield UK Technical Centre in Bruntingthorpe, Leicestershire and the India Technical Centre, in Chennai, Tamil Nadu. The state-of-the-art facilities at these two technical centres enable EML to take full ownership of all aspects of motorcycle conceptualisation, design and development. Supported by these two centres, the Company has developed a five-year product pipeline to launch best-in-class vehicles in

the shortest possible time to market. Royal Enfield's first modern 649cc twin cylinder engine platform and motorcycles - the Interceptor 650 and the Continental GT 650 - are a result of this investment and innovation.



The Continental GT 650 and Interceptor 650 twins, released in late 2018



- 1. UK:** UK Technical Centre at Bruntingthorpe is a hub for product development and research activities, driving the mid-range motorcycle platforms. The centre has over 160 employees comprising engineers and designers with wide international experience in all aspects of motorcycle design and development, ranging from concept to pre-production. Spread across ~36,000 sq ft, the facility houses a state-of-the-art industrial design studio, workshop facilities, as well as advanced testing and validation infrastructure for engine, chassis and component development. It is an end-to-end integrated facility including access to a test track to test the durability of Royal Enfield motorcycles.

Chennai: The Chennai facility houses the engineering and design teams of about 260 employees under a single roof. The facility includes state-of-the-art engine, chassis and component test equipment and is fully integrated with the UK Technical Centre.



CASE STUDY: WORLD-CLASS TESTING AND VALIDATION CENTRE AT CHENNAI

Over the years, EML has developed a thorough testing and validation programme at system, sub-system and component levels in terms of NVH, performance, functional, structural and durability aspects. Advanced equipment and modern technological applications that adhere to global testing and validation standards are employed. The following are examples of the equipment and infrastructure used in the testing centre.

- Semi Anechoic Chamber for noise source identification using acoustic holography
- Road Simulator for Vehicle level accelerated structural durability by simulating torture track
- Climatic Chamber with Chassis Dynamometer for Performance Calibration in different environment conditions
- Chassis Dynamometers for Vehicle Performance, Thermal Mapping, EMS Calibration
- Engine Dynamometers for Engine Performance, Combustion Analysis & EMS Calibration
- Mass Emission lab for mass emission evaluations with Raw Emission analysis
- Raw Emission Analyser - Engine out raw emission measurement and analysis
- SHED chamber for Vehicle Evaporative emission evaluations
- Data Acquisition systems for vehicle parameter evaluations
- Vibration Shakers for Component level accelerated structural validation
- Rig level structural, functional and durability testing
- Vehicle level rain shower chamber for rain simulation conditions
- Fatigue Test Rig, Overload Test Rig and Impact Test Rigs for structural evaluation
- Electrical Rigs and environmental chambers for electrical component performance, functional and environmental evaluations

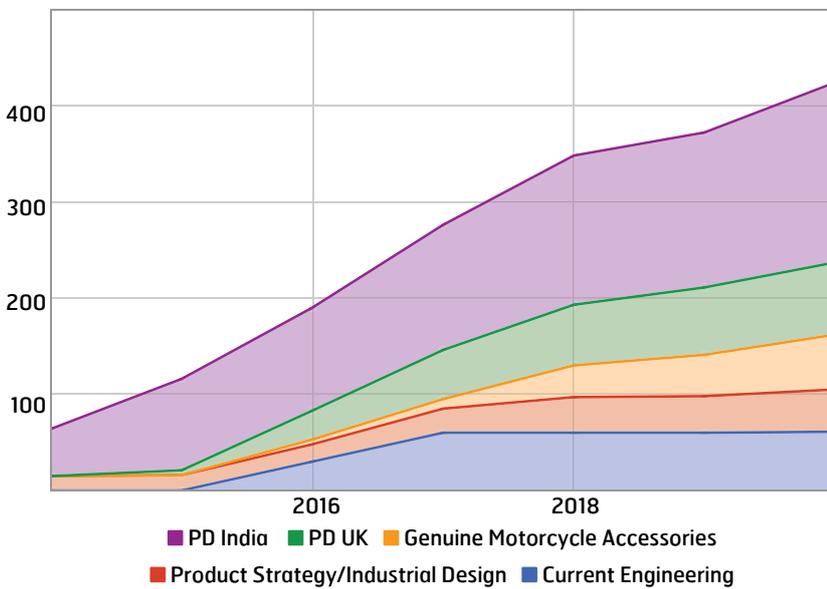
PRODUCT INNOVATION

New product development at EML has evolved considerably in recent years. The Unit Construction Engine (UCE) platform, first launched in 2008, has been enhanced to meet the latest statutory requirements of BS VI (India). The organisation has also upgraded its engines to meet Euro V emission norms and similar regulations in overseas markets. In view of future norms, it is currently working to upgrade On-Board diagnostics, and meet regulation

deadlines. The system to align with the same is under development by the in-house Engine Management System team. Apart from these efforts, it keeps abreast with future market requirements such as advanced concepts, connectivity and requirement of Electric Powertrain. Customers' demand for a higher quality in the products was acknowledged and paid higher importance while developing new products throughout the year.

While India remains EML's primary market, the Company aspires to expand its global presence with a truly global product portfolio and superior performance. Today it depends less on the expertise of external technical consultants in product development and relies strongly on enhanced in-house capabilities. EML's R&D teams work independently resulting in enhanced efficiency, shorter time to market and products that align well with the ethos of the Royal Enfield brand.

Development Global Growth



NEW PRODUCT DEVELOPMENT

At the start of 2015, EML began with a team of around 100 personnel dedicated to the new product development process. Having ramped up its R&D function to facilitate in-house product development, today the Company has 420 professionals with rich experience and expertise in their respective domains.



The New Product Development (NPD) process takes about 3-5 years and involves multiple teams working closely to identify new opportunities and translate them into market-ready products. Six teams perform specialised functions in the New Product Development process.



Programme Management

Coordinate development from concept to production

The Product Strategy team carries out comprehensive research to identify opportunities for product advancements and new products and draws up definitions of potential vehicles. They work closely with the Product Development team through the entire development process, to ensure new vehicles add value to customers' riding experience.

Next, the Industrial Design team comes into play with an important role in analysing various aspects of product design. This team visualises and develops the design of products.

The Product Development team is the largest of all involved in new product development and is segregated into several branches such as Engine Design, Chassis Design, Electrical and Electronics, Testing and Validation, CAD and CAE, PLM and Advanced Engineering. Using advanced technologies, the teams create simulations and perform engineering calculations and analyses. They design, test and validate powertrain, chassis and each component in order to ensure superior quality motorcycles.

EML accords high importance to listening to its customers. While constantly listening to them and incorporating their feedback on product performance, they are also invited to share their ideas on accessories which complement an exceptional riding

experience. The Genuine Motorcycle Accessories team builds on inputs from customers and the Product Strategy team defines and designs suitable accessories for Royal Enfield motorcycles. These quality accessories are developed along with the product, tested to the Company's requirements and made available for purchase along with the vehicle.

The product development process continues after the products enter the market. The Current Engineering team looks for continuous improvement

opportunities in products and allied services post launch and supports to maintain and enhance product quality and performance.

All of these processes are overseen by the Programme Management team, which ensures that projects are delivered on time and to specifications. The combined success of all of the teams reflects in the excellent performance of Royal Enfield motorcycles and satisfied customers.



CASE STUDY: PRODUCT ANALYSIS - TWINS

EML believes in selecting projects with care and executing them exceptionally well. In 2018, EML launched the 650 Twin motorcycles - the Continental GT 650 and the Interceptor INT 650.

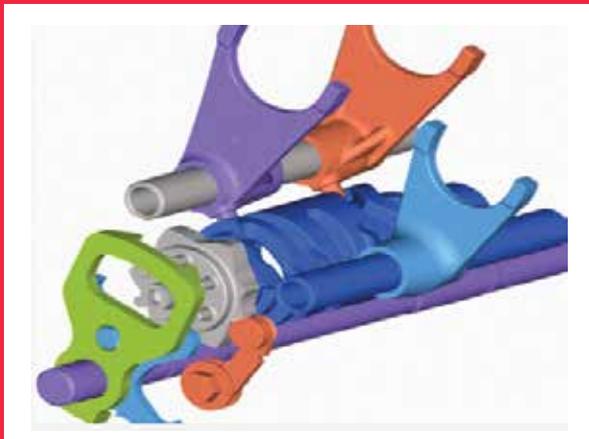
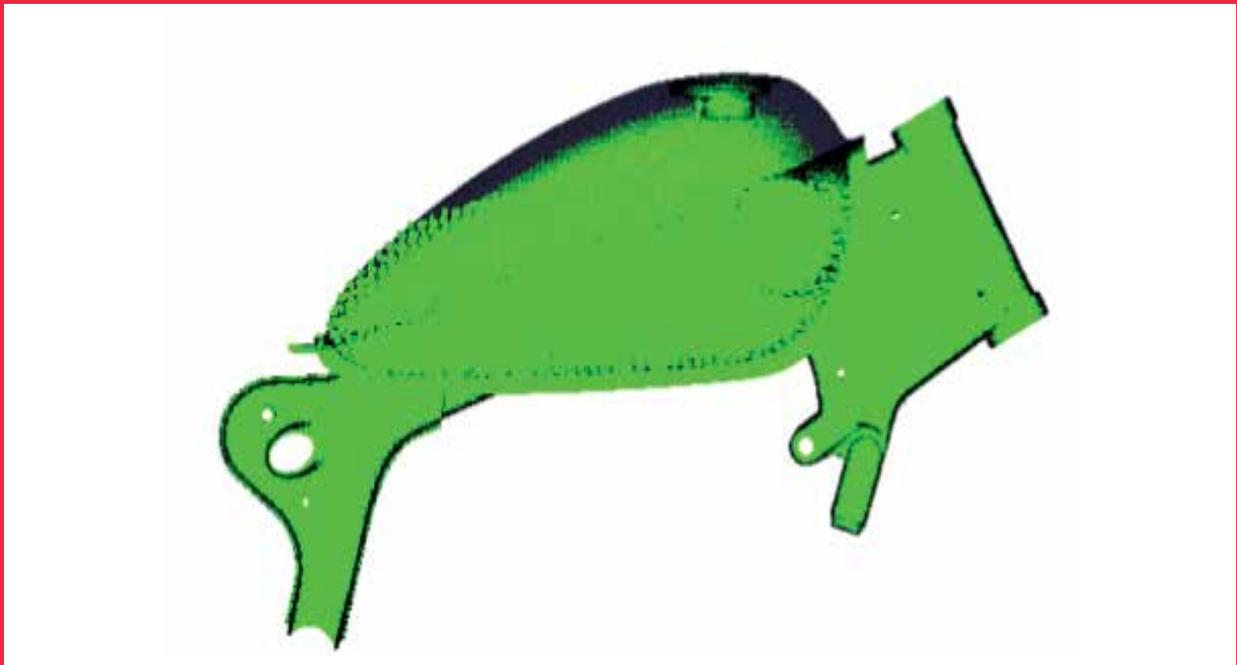
Product Analysis:

An important milestone in product development is the product design phase. The 650 Twins were virtually simulated to test components,

systems and the whole motorcycle to identify potential areas of improvement. Engine performance and durability, noise and vibration prediction, frame stiffness and strength optimisation, and component durability are some of the parameters on which products were analysed in the virtual set-up. Rider comfort was tested as well, using various advanced technologies. Production processes were simulated

in a similar set-up and analysed for feasibility on key aspects of manufacturing and assembling.

This rigorous process not only enabled optimal product design, it also minimised the number of iterations and supported the production of two novel products that lived up to their tagline of **"A Ton of fun"**.



NEW PRODUCT INTRODUCTION (NPI) PROCESS

Over the last four years, EML has invested significant intellectual capacity in developing its New Product Introduction (NPI) process. This helps in ensuring seamless communications between teams, maintaining product quality and performing frequent validations. There are five

interlinked phases in the new product introduction process which enable achieving maximum efficiency. This framework enables complete visibility of the process, provides guidance on requirements at any stage and facilitates smooth delivery of products.



In the Concept and Layout phase the main elements, key differentiators and overall look of a new motorcycle is conceptualised. Then the engineering requirements to design and manufacture the same are defined, which form the building blocks of the New Product Development process.

The Design phase involves primary and detailed designing of each component, keeping in view the engineering and aesthetic aspects of the product. EML sources required components with care as it emphasises sustainability of each product right from the design stage.

In the development and validation phase, the product prototype is validated against various test standards and requirements to ensure excellent performance, safety and aesthetics. After successful validation, the product is launched in national and international markets through EML's dealer networks and other channels. Simultaneously, manufacturing is also ramped up to meet post launch demand.

EML values feedback from customers and business partners, and believes they offer valuable learnings that can be acted upon in a timely fashion. This comprises the last stage of the NPI process.



A review is conducted at the end of each stage which allows teams to manage tasks and provide visibility of the project's progress; it also facilitates the test and development process to be agile. Each review defines a set of deliverables for every department involved in the NPI. Timelines for deliverables are agreed at project kick-off and are adhered to by the departments.

PROJECT CLASSES, GATE AND REVIEW MECHANISM

At EML, projects are divided into 8 project classes based on variation in complexity and the timeline. The main phases in the most complex project class include: Concept and Layout, Design, Engine Development and Vehicle Development. Post these phases, Alpha, Beta and Pilot versions of the motorcycle are developed for further processing. The Design and Pilot phases are the essential phases of any project regardless of complexity.

CASE STUDY: DIGITAL LAUNCH - METEOR

The COVID-19 pandemic has challenged the way businesses worldwide operate. In the face of stiff challenges, EML rose to the occasion and launched the new 'Meteor 350' digitally on November 6, 2020. The overwhelming success of the motorcycle in subdued market conditions stems from its purposeful design and refined performance as an easy cruiser.



EASY

- Easy turning
- Smooth and refined engine ability

CRUISER

- Laidback seating for relaxed posture
- Low seat height



TRUE TO ITS BRITISH AESTHETIC, TIMELESS IN ITS CHARM, METEOR IS EVERY BIT A CRUISER IN STYLE AND COMFORT

With high torque, smooth power delivery across the band, effortless in manoeuvring tight traffic

METEOR 350 LAUNCHED IN INDIA, THAILAND, UK, EUROPE AND AUSTRALIA

The 'Meteor 350' has been designed and developed under state-of-the-art technology at EML's Technical centres.

STYLE



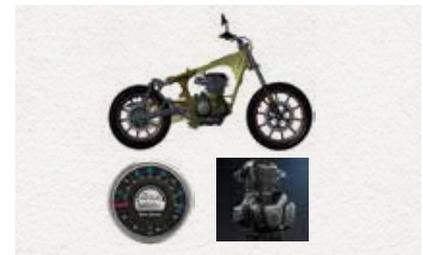
- Wide variety of premium Colours, Trims and Graphics (CTG) variants
- New design visor and windscreen
- Retro rotary design switch modules

CONVENIENCE



- Low and accessible seat height
- Wider tubeless tyres
- Padded backrest for better pillion support

TECHNOLOGY



- New twin downtube chassis
- Engine - New fuel injected air oil cooled + Counter balancer for a smooth and refined ride
- New digi-analog instrument cluster
- Tripper - USB charging + bluetooth connectivity + turn by turn navigation system

The motorcycle has received excellent feedback and reviews from Indian as well as global motorcycling experts and media, further cementing Royal Enfield's strong market position.

Make it Yours (MiY)

'Make It Yours' is a first-of-its-kind industry initiative that allows a buyer to personalise, accessorise and configure a motorcycle at the booking stage through an App-based 3D configurator. Customers can give their vehicle a unique look, opt for added comfort to cover endless miles and get the joy of a personalised ride. The 3D configurator is available on the Royal Enfield app, the Website and across 2,000+ stores.



AN ARRAY OF CHOICES FOR PERSONALISATION

Base Paint Colour



Seats and Backrest



Badges



Decals and Rim Tape



Flyscreen



Side Box



Sump Guard



Engine Guard



Footpegs



Silencers



Bar End Mirrors



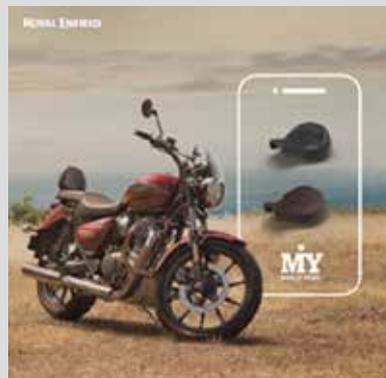
It offers thousands of possible combinations of personalisation with a choice of colourways, trims, graphics and factory-fitted genuine motorcycle accessories with a three-year warranty. The initiative enables the Company to pass on the cost benefit of replacing existing components to customers. The MiY initiative is available for the Classic, 650 Twins, Himalayan and Meteor.



PERSONALISE YOUR MOTORCYCLE YOUR WAY



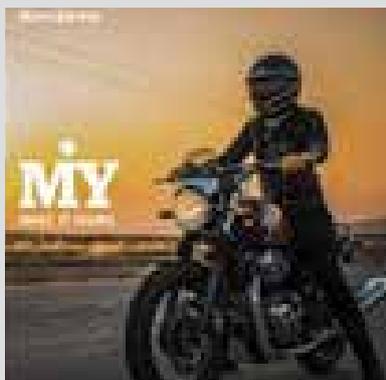
GIVE IT A UNIQUE LOOK



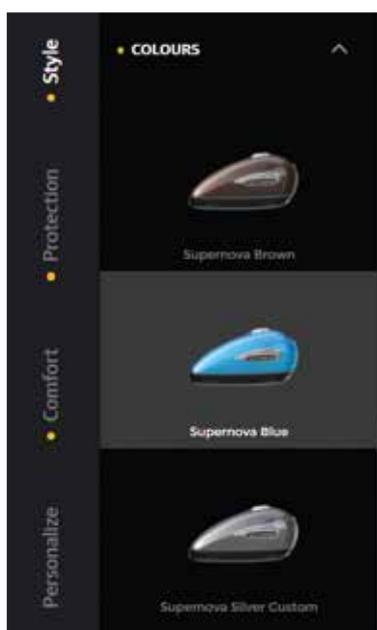
COVER ENDLESS MILES WITH ADDED COMFORT



CRUISE YOUR OWN WAY. FROM DAY 1.



GET THE JOY OF A PERSONALISED RIDE



ROYAL ENFIELD METEOR 350 SUPERNOVA

₹ 2,50,920
CALCULATE EMI



WAY FORWARD

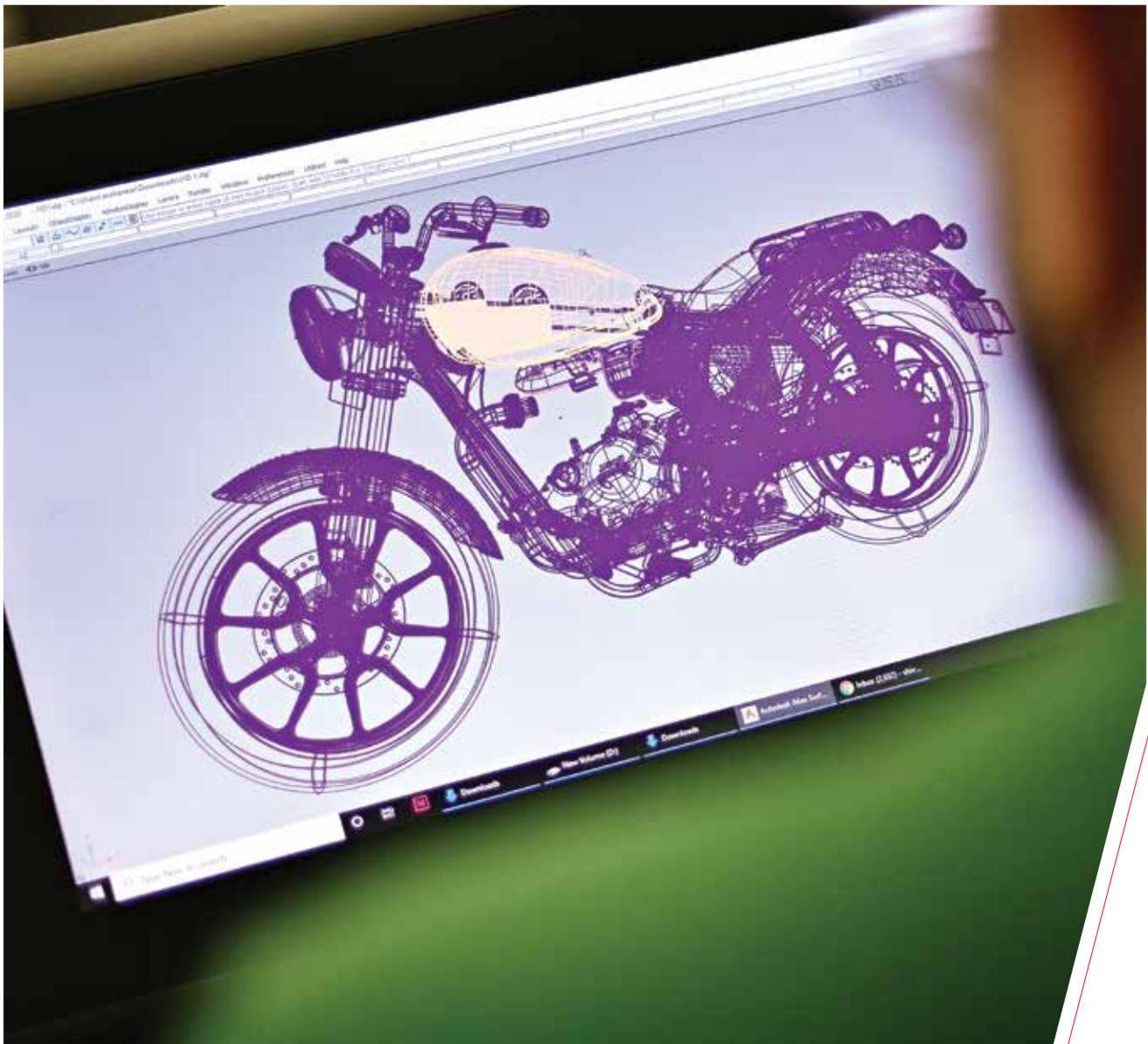
EML is mindful of the emerging trends in sustainability and their critical role in future designs and product development. Accordingly, the organisation has prioritised alignment with emission standard norms in India and overseas markets and is in the process of meeting the upcoming On-Board Diagnostics requirements in 2024-25. In tandem with being conscious of the impact its business creates on the environment and communities, EML accords utmost importance to the safety of motorcycle riders and will continue to conform to the highest standards of safety.

Adherence to regulatory and other standards is but one aspect of sustaining in the market. EML emphasises studying and analysing future market trends and consistently tracks the pulse of the market. Keeping its sights ahead, it translates advanced concepts into innovative products and services and also sets its vision towards enhanced connectivity of information.

Developing electric powertrain is of environmental and economic significance for the Company. The transition involves building capacity of the ecosystem for Electric Vehicles

and inspiring bold brand perspectives. EML strives to make a positive impact and align with the vision of 'Automotive Mission Plan: 2016-26' that focusses on safe, efficient and environment-friendly mobility for customers and encompasses Electric Vehicles as well.

Product stewardship, resource efficiency, and a circular economy will drive innovation. EML desires to truly make a difference to the environment around us, by constantly working toward reducing its footprint and contributing to green mobility.

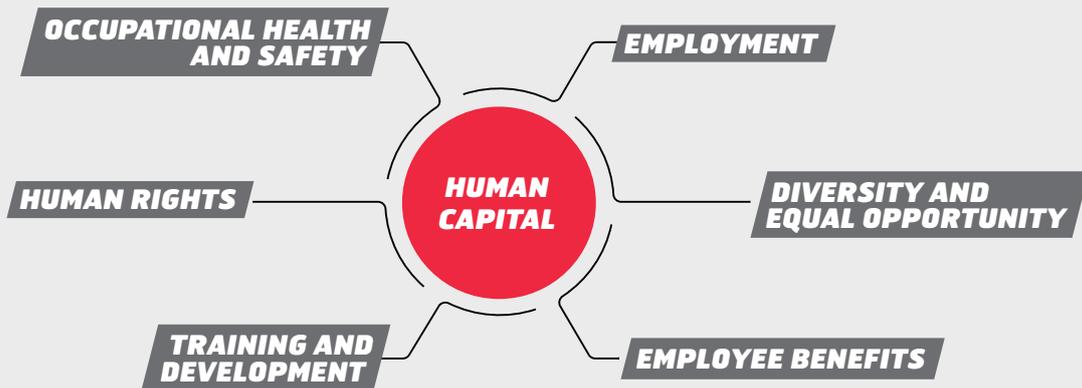


HUMAN CAPITAL

EMPLOYEE WELL-BEING



EML is a Company with a heart, and it reflects well in the way it does business and manages relationships. The Company believes in the potential of its people and is committed to create a work environment that is safe, flexible, fair and inclusive. EML celebrates differences and diversity in a culture built on the premise of trust, respect, collaboration and transparency. Its targeted investments in people are aimed towards creating a strong sense of alignment with the larger goals of the Company while building capabilities to help the workforce deliver on those aspirations.



MAPPING OF KEY MATERIAL ISSUES

- Training & Education
- Human Rights
- Diversity & Equal Opportunity
- Attraction & Retention of Talent
- Occupational Health & Safety

KEY PERFORMANCE INDICATORS

1 / Safety Management System
100% employees and workmen covered in FY 2019-20 and FY 2020-21

2 / Lost Time Injury Frequency Rate
 Oragadam plant – **0**, Vallam plant – **0.02** in FY 2020-21, Zero reportable accidents in FY 2019-20 and FY 2020-21

3
Training Hours

13,215 hours of training were imparted in FY 2020-21 compared to **29,110** hours in FY 2019-20

6
Employee Wages and Benefits

Contributed Rs. **700** Crores towards salaries, wages, bonus and allowances, i.e. **5%** increase from FY 2019-20

4
Gender Ratio

8.6% women in total workforce of FY 2020-21, i.e. **2.6%** increase in women workforce from FY 2019-20

7
Covid-19 Mitigation

“Restart” programme was launched as a preventive and safety measure

5
Parental Leave

120 employees availed in FY 2020-21; compared to **330** employees in FY 2019-20

EML'S APPROACH

The Company's people are invaluable and play a great role in the organisation's success. They are aligned with the Company's growth and significantly contribute to each milestone that it achieves. At the core of EML's corporate philosophy is the belief that people have the power to shape the growth of an organisation and an empowered workforce is the precursor to achieve every goal that it sets for itself.

A sharp focus on the well-being of the organisation's workforce (both permanent and contractual) combined with meaningful ongoing dialogue form the foundational social sustainability

principles that EML's business is built on. Human Resources (HR) plays a pivotal role in this journey and works on a need-based approach to address growth and empowerment.

Aligning with its commitment to employee well-being, the Company pays strong attention in minimising occupational hazards. Regular training management diagnostics are conducted to ensure the safety of its workforce. EML's zero-tolerance policy against child labour and sexual harassment at the workplace is further strengthened by proactive redressal of grievances through simplified and efficient channels.

All socio-economic rules and regulations are observed with strictest compliance by the organisation. Issues related to contract labour, for instance payment of wages, overtime, maternity benefits etc. are given due attention and recourse. Compliance is regulated and monitored in its facilities via regular audits and the Company is happy to highlight that in this reporting year, there was no instance of violation or non-compliance pertaining to any socio-economic regulation.

EMPLOYMENT

EML drives a relentless commitment to employee welfare and development. Its incentivised developmental opportunities for employees to foster managerial capabilities and help them grow into leadership roles is a testimony to this commitment. The Company has also initiated a meritorious performance metric to help employees strive towards higher goals and targets. The HR team enables an employee-friendly work

environment as well as an open-door systematised approach to resolution of grievances. Consequently, attrition rates at EML are one of the lowest in the automotive industry - an achievement the organisation is proud of.

Illustrated in the graph is the constitution of the Company's employees by gender and age. Although there is a higher presence

of men in its workforce, EML directs continuous focus on increasing gender balance and diversity on the shop floors as well as at the managerial levels. Women comprise over 8.6% of its workforce compared to 6% in the previous year. The Company expects the numbers to increase considerably in the future as it sustains efforts to promote gender diversity across roles and recruitment practices.

Employee count by category and age

	Staff / Executives	Workmen	Associate Engineers	NEEM and other trainees
<30	574	-	1,696	6,300
30-50	2,188	-	412	3
>50	106	29	-	-

Employee hiring and turnover

	Staff / Executives	Workmen	Associate Engineers	NEEM and other trainees
Male Hire	156	-	140	6,451
Female Hire	17	-	-	679
Male Turnover	-158	-30	-20	-3,295
Female Turnover	-27	-	-	-336



DIVERSITY AND EQUAL OPPORTUNITY

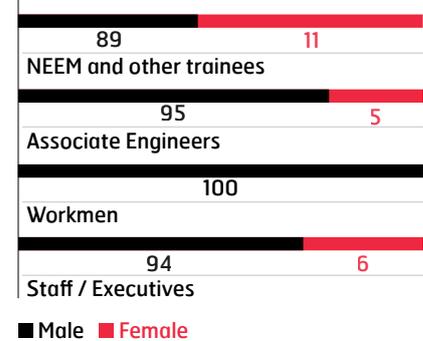
The Company is proud of a diverse culture and the ability to offer opportunities of growth to all employees and help them thrive both at professional and personal levels. Moving across the barriers of age, gender, religion, caste or any other form of discrimination, EML continually raises the bar higher when it comes to being an Equal Opportunity Employer.

Over the years, the Company's efforts have been directed towards strengthening and promoting gender diversity at the workplace. It welcomes participation from women and its practices are curated to support gender inclusion at all levels. The organisation currently has a woman member on its Board as an Independent Director.

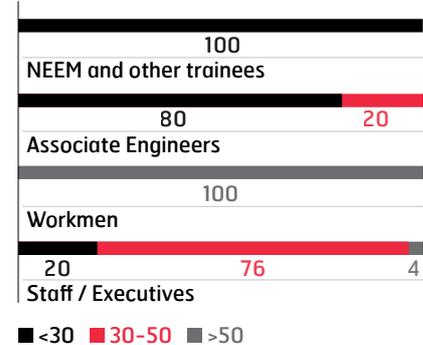
Compensation standards and structures are solely based on education, talent and experience of employees. All promotions and increment policies are implemented in tandem with the organisation's HR objectives which mandate compliance norms on guaranteeing equal opportunity and diversity. Annual performances for full-time employees are judged based on yearly performance appraisals. Equal pay across all genders has been a stated corporate practice for a long time. All remuneration is assessed and formulated by factors related to experience, performance and the number of years of employment in the organisation. The share of women in management positions in revenue-generating functions is 1.3%.



Gender Diversity (%)



Age Diversity (%)



The details below represent the comparative compensation and remuneration paid to employees across various levels.

Parameter	Associate Engineers	Staff & Executives	NEEM and other trainees
Ratio of Basic Salary (Women to Men)	0.9	0.9	1.0
Ratio of Remuneration (Women to Men)	0.9	0.9	1.0
Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees	404.2		N/A

LEARNING AND DEVELOPMENT

Over the years, training and support initiatives have been designed to enhance employees’ skills and capabilities. The organisation’s dedicated Learning and Development function caters to the training needs of its permanent as well contractual workforce. The annual training calendar sets off every financial year with internal and external training programmes along

with professional learning practices that are delivered by designated learning partners. The organisation has an efficiently curated process to identify skill enhancement and developmental needs of its people to make sure that they receive programmes that are most suitable and effective.

Employees are encouraged to make use of the available resources to improve skills, both professional as well personal. In the reporting year, a total 13,215 hours of training were imparted to 2,854 employees through a number of training programmes across the organisation. 2,484 employees also took up internal courses for skill upgradation while 76 employees were nominated for external skill upgradation programmes.

ASSOCIATE ENGINEERS (AEs) TRAINING – FINANCIAL PLANNING



ASSOCIATE ENGINEERS (AEs) TRAINING – HOMOLOGATION



NATIONAL EMPLOYABILITY ENHANCEMENT MISSION (NEEM) TRAINING



Associate Engineers (AEs), NEEM Trainees and Contract Resources undergo a calendarised training and development programme that covers both technical and behavioural aspects of work. Each new employee joining as an AE or Trainee undergoes a comprehensive induction programme covering key aspects of the organisation along with HR policies, processes, and safety practices before they formally become a part of their respective functions. In FY 2020-21, 6,455 NEEM trainees were inducted at the plants keeping COVID protocols in mind. The ‘Young Talent Programme’ was also introduced for Associate Engineers who professionally qualified to be trained and prepared to perform at a higher organisational level. The graph represents average hours of training for employee category and gender.

Average hours of training by employee category

Junior Management	1.8
Middle Management	15.4
Senior Management	14.5

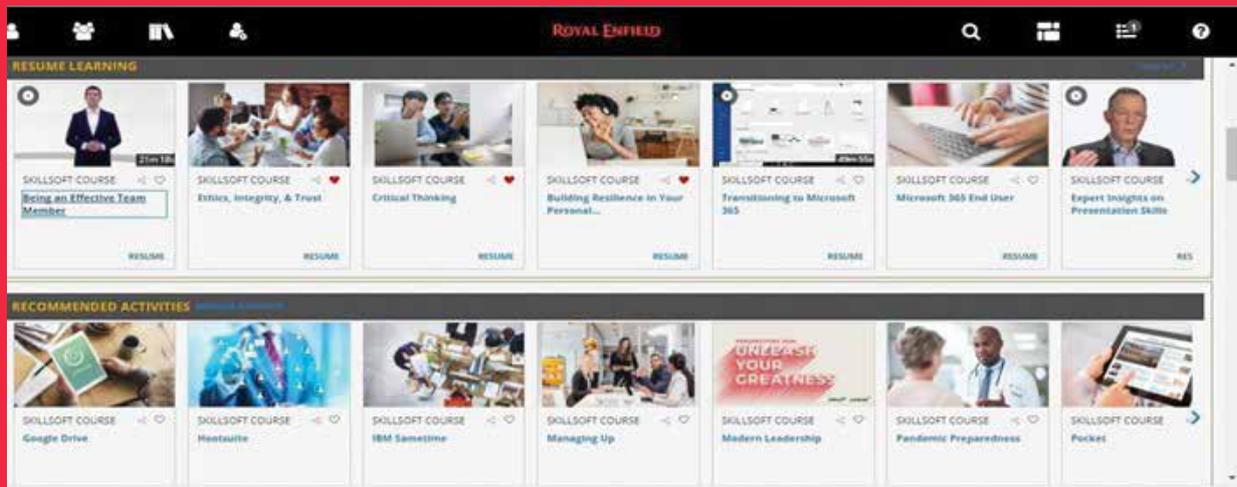
Average hours of training by gender

Male	9.3
Female	7.6

EML’s growth agenda is inclusive and makes sure that employees are involved and empowered in the quest for continuous improvement. This is backed by a robust feedback mechanism to facilitate regular performance reviews and career development indicators to employees, irrespective of their gender or professional category. The Company ensured that 100% of its employees received performance and career development reviews during the reporting period.

CASE STUDY - LEARNING EXPERIENCE PLATFORM

The learning environment at EML in FY 2020-21 was boosted with over 3,000 users consuming over 1,00,000 hours of knowledge. This enthusiasm motivated the launch of an LXP (Learning Xperience Platform) in RE - Accelerate. The LXP is a learning and collaborative platform that puts learning in the hands of the learner and integrates multiple learning methods, mechanisms and subject masters. The goal is to create learning and development with high quality content, case-lets and an extremely participative user experience.



EMPLOYEE ENGAGEMENT AND LEADERSHIP

Critical to business success, Employee Engagement is at the core of the organisation's strategy. Stemming from the intent to drive leadership and camaraderie among teams, tailored engagement programmes have lifted spirits in times of distress while also fostering an environment of creative learning.

During the reporting year, the Company launched multiple interventions to engage employees and drive commitment towards strengthening its vibrant culture that is a canvas for free and open sharing of thoughts and ideas.

CASE STUDY - RED TALKS

A virtual platform backed by the idea of connection and sharing of knowledge and thoughts, RED Talks are ideal for teams and stakeholders to connect over shared experiences. These sessions are carefully designed for different target groups with speakers (internal and external) and experts from all walks of life. From Electric Vehicles to Decluttering, from Mindfulness to Leadership & Brand Management, these talk shows have touched upon numerous business, emotional and learning aspects giving participants varied exposure and encouraging them to stay engaged.

RED Talks have now become a signature programme with a host of interesting topics, talented speakers and significant employee participants to its credit.

In short, these digital sessions have given EML's people the perfect platform to express their views, start a conversation and positively contribute to organisational success.

EMPLOYEE BENEFITS

EML's compensation practices are in absolute compliance with statutory requirements. These are strongly influenced by the organisation's commitment to employee wellbeing within the organisation and in the context of their lives outside of it. Healthcare is a priority and the health benefits provided to employees are intended to enable them to manage and maintain their own health as well as that of their dependents, along with other necessities.

In the table on the right are a list of benefits offered to full-time and contract employees. Among these, temporary and part time employees

are not entitled to receive Group Personal Accident benefit, Group Health Insurance, Joint Group Personal Accident benefits, Stock Ownership and Retirement Provisions.

The Company has also developed a special humanised self-learning Human Resources Bot to serve as a partner to employees. Royal Enfield Assistant or popularly known as REA is the HR Chatbot that assists employees with information related to employee services (payroll, letters, organisational information etc.) along with providing counsel and analysis on best working practices.

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES

- Life Insurance
- Health care
- Disability support
- Parental leave
- Retirement provision
- Stock Ownership*
- Transportation
- Food allowance
- Annual health check-up and health camp

*Provided to specific full-time employees

Expense incurred towards defined benefit and contribution schemes:

Particulars	(in Rs. Crores)			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Contribution to Provident Fund	9.28	13.84	13.70	9.89
Contribution to Superannuation Fund	0.49	0.40	1.14	1.19
Contribution to Gratuity Fund	4.50	4.35	4.70	4.31
Contribution to State Insurance Corporation	4.77	4.67	1.08	0.06
Contribution to Other Funds	7.57	10.45	11.26	12.43

Employee wages and benefits:

Particulars	(in Rs. Crores)			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Salaries, wages, bonus and allowances	454.50	585.67	666.99	699.45
Contribution to provident and other funds*	22.11	29.45	27.18	23.57
Employee welfare expenses	53.14	50.20	45.93	43.52
Share based payments	18.11	14.21	25.02	37.41

*excludes contribution to Gratuity Fund.

Parental Leave

Parental leave is provided to all regular employees in line with regulatory provisions. Women employees are given assured maternity leave and other appropriate support including ways and means to balance personal and professional responsibilities once they return to work.

Indicator	Male	Female
Total employees entitled for parental leave	1,784	67
Total employees that took parental leave in FY 2020-21	113	7
Total employees returned to work in the reporting period after parental leave ended	111	2
No. of employees returned to work after parental leave ended (in FY 2019-20), who were still employed twelve months after their return to work	191	12

KAIZEN AND TOTAL EMPLOYEE INVOLVEMENT

EML introduced 'Kaizen' in 2016 to create a culture of continuous improvement, wherein employees are encouraged to think new and creatively to solve business problems while collaborating for success at the workplace. Over the years, the initiative has become a driving force to help EML's people continuously improve and have a meaningful impact on their work. The programme recognises

the best implemented Kaizens across manufacturing units - employees with best and most number of Kaizens annually are incentivised with monetary rewards. In FY 2020-21, the Kaizen initiative saw a participation of around 70% in both Vallam and Oragadam and generated 5,291 Kaizens despite a 2-month national lockdown in April and May 2020.

The initiative was also extended to the NEEM Trainees and 'Staff on Contract' (SOC) in the reporting year through a new initiative called 'Puthumai Sei' (Let's do things in a new way). This has largely improved employees' involvement in quality improvement initiatives.

MONTHLY STAR KAIZEN AWARD CEREMONY



KAIZEN COORDINATOR MEETING



KAIZEN CONVENTION MEETING



The best teams and individual projects stand a chance to represent the organisation in external competitions conducted by national and international quality improvement organisations like CII, QCFI, ABK AOTS DOSOKAI etc. Over 680 employees in both Staff and Executives and the AE categories have participated in external competitions since 2017. Last year, 52 employees participated in various competitions and won 28 awards at zonal, national and international levels for their Quality Improvement and Kaizen projects. In the same year, a new initiative was also launched to drive QC projects through Small Group Activities which has induced a keen interest from staff level employees at the Company's plants.

INTERNATIONAL QC COMPETITION WINNERS



VIRTUAL CERTIFICATE FOR CII ENERGY CIRCLE COMPETITION



WINNING TEAMS PRESENTING TO CEO



HUMAN RIGHTS

The protection of basic and inalienable human rights is central to EML's operational conduct internally and also with respect to the larger supply chain ecosystem. The Company has put in place measures to ensure that vendor contracts align with recognised regulations, particularly those related to child labour, forced labour and sexual harassment. It maintains routine reviews to ensure thorough compliance and make sure that no action associated with EML's operation leads to human rights violations in any form. The organisation's strict policy of not engaging in business with entities which are associated with forced, compulsory child labour is non-negotiable.

EML is glad to affirm that none of its operations have been associated with risks of incidences including child labour or compulsory labour to date. Human Resources is committed to implementing the policy of 'no forced or compulsory' labour of any manner. Any conflicts arising in relation to such practices within the Company's operations can be addressed via the Grievance Redressal Mechanism as well as the Whistleblower policy. The organisation has an internal committee to deal with the complaints and grievances reported by whistle blowers. Transparency is ensured by mandating the whistleblower complaints to the Audit Committee of the Board.

EML has a "Zero Tolerance Policy" towards sexual harassment. It maintains a strict adherence to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013 and has crafted an internal policy in accordance to the same. The "Internal Complaints Committee" (ICC) is tasked with catering to the requirements of all employees in relation to sexual harassment. It is ensured that all employees are aware of the policy and their rights as detailed by the document. Employees are also provided training on discrimination and harassment at the workplace that covers all employees and workmen. With these initiatives being strictly monitored and complied with, the Company has ensured no incident of discrimination or harassment in the last fiscal year.



FREEDOM OF ASSOCIATION

EML is strongly committed to listening and sharing ideas and diverse viewpoints while promoting discussions and exercising the right to freedom of association. It believes in these basic tenets of human rights without which the development of any society is incomplete. It is commendable to see EML's people becoming active partners in this journey as they use internal

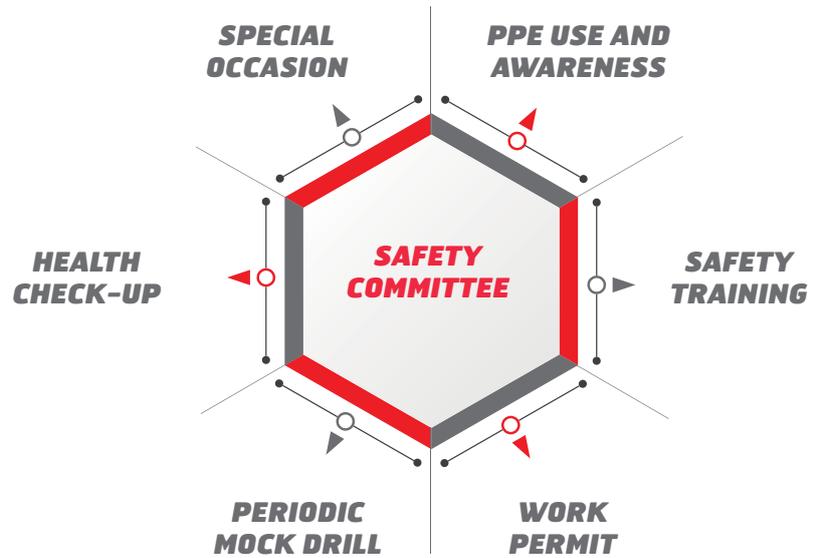
mechanisms meant for permanent workers in unions to exercise their right to voice opinions. The Company holds regular wage settlement meetings with internal and independent labour unions once every three years or as required by statutory norms. Recognised unions are present in all three plants where representatives of employees are elected democratically to enable

interactions with the management and get concerns addressed. The plant in Tiruvottiyur has had a union functioning in complete harmony for the last sixty years. Plant-based unions have also been formed at the relatively new factories at Oragadam and Vallam in 2020. Both these unions have been duly recognised by the Company.

OCCUPATIONAL HEALTH AND SAFETY

“Health is wealth” is just not an adage for EML but is very central to its functioning as it ensures definitive guarantees of health and safety to all employees. A comprehensive Occupational Health and Safety (OHS) management system is outlined and rigorously implemented to monitor safe working conditions. The system has been implemented across all manufacturing sites which covers all employees and workmen within the organisation’s premises as well as community dwellings around the area. All new recruits and workers are engaged with basic and mandatory safety training. These efforts have resulted in zero fatality or recorded work-related injuries and no health issues related to identified health hazards during the reporting period. The Lost Time Injury Frequency Rate (LTIFR) of employees and contract workers has also been limited to 0.02 and nil respectively.

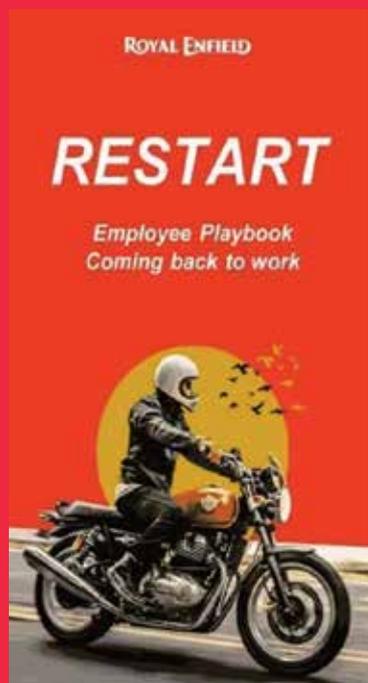
Additionally, the organisation has taken steps to establish a central safety committee with representation from management as well as from manufacturing facilities. Each manufacturing plant has one high-level safety committee and additional safety committees for each shop floor to ensure 100% compliance to safety protocols. The central safety committee conducts meetings once every quarter to deliberate and review the ongoing safety standards and make necessary amendments, if needed. Valid and operational work permits are generated and issued for various activities conducted in the manufacturing units. This includes hot and cold work, isolation, work at height and confined spaces etc. Strong and effective guidelines on fire, spill and electrocution are implemented in each unit. In addition, routine mock drills aimed at building awareness on observation of standard operating procedures during times of emergency are regularly conducted. EML is equipped with capabilities to combat any emergency in a diligent and responsible way.



OHS practices indicated above are routinely boosted with the concept of Kaizen or continuous improvement. The organisation also has a round-the-clock Occupational Health Centre (OHC) that caters to workers’ health by providing necessary medical and allied assistance. The OHC liaisons with a roster of doctors, nurses and pharmacists to conduct regular health check-ups for EML employees. During the Safety Month, the Company conducts competitions among the workforce to test and evaluate awareness levels on performance and safety standards of Personal Protective Equipment (PPE).



CASE STUDY - RESTART



The programme was launched as a guide to facilitate employees and help them take maximum precautions while coming back to office after the pandemic. The health and welfare of employees and their families has always been of utmost importance to EML and this initiative was an assurance to its people that all preventive checks and safety measures have been put in place as employees return to work.

A phased approach to getting teams back to work was put in place. An exceptional team on the ground made it seamless and secure for employees to return to work. Special transport arrangements along with stay (hostel facilities in Chennai were arranged) was managed by the team to get the Company's workforce to Chennai from the neighbouring districts of Tamil Nadu. From the upkeep of the manufacturing plants and offices to making sure that

employees travelled back to Chennai from across districts were all part of the initiatives undertaken. At the plants, the Company made sure that all protocols were followed, and employee safety was not compromised at any juncture. All in all, the Company made a mammoth effort to safeguard the interest of its people while making sure that there was minimal disruption to business and operations as it slowly got back on its feet.

For awareness and to encourage employees to observe safety norms relentlessly, EML celebrates National Safety Day on the 4th of March every year. The organisation also conducts a variety of events including quiz competitions, hazard identification exercises and mock drills at its facilities and recommends increased employee participation.

ROAD SAFETY AWARENESS TRAINING



SUPERVISORY SKILL TRAINING



EMERGENCY PREPAREDNESS TRAINING



CASE STUDY - WASH PLEDGE

EML is a signatory to the WASH Pledge with affirmed commitment to the guiding principles. Owing to the motive of providing access to safe drinking water, sanitation and hygiene to all employees at the workplace, EML has formulated action plans which cater to 3 major aspects.

The Company is proud to state that all its operational sites are WASH Compliant with an overall score result corresponding to meeting 87% of pledge requirements.



**WORKPLACE
SANITATION**



**WORKPLACE
HYGIENE**



**WORKPLACE
WATER SUPPLY**

WAY FORWARD

Despite the headwinds of external challenges, EML looks forward to continuously delivering exceptional business results with the collective efforts of its workforce. The Company aims to harness the power of Human Capital in multiple ways and achieve business excellence globally with the best people on board. Its open,

transparent and meritocratic people culture-based on EML values binds its diverse and geographically spread teams to strive for a shared purpose and common goals.

In doing so, EML's ability to identify and recruit the most suitable talent and provide them with an inclusive and inspiring work environment, stands out

as a key differentiator. Acknowledging its people as the foundation of its strength, EML continues to promote Human Capital programmes that collaboratively connect them in a way that drives creativity and innovation.

The Company believes this is what will bring out the best in its people, teams and the overall organisation.

SOCIAL AND RELATIONSHIP CAPITAL

CREATING SHARED VALUE



EML believes in creating shared value for all its stakeholders including suppliers, dealers, customers, investors, communities, regulatory bodies among others. The Company ensures ongoing engagement with each of its stakeholder groups through multiple touchpoints and channels.

Driven by a rise in demand from investors and other stakeholders, FY 2020-21 has witnessed a surge in ESG-related disclosures and transparency from organisations. EML began this journey several years ago and has endeavoured to keep its stakeholders abreast on ESG updates with transparency. This report, also the Company's first Integrated Report, is testimony to this endeavour.

MAPPING OF KEY MATERIAL ISSUES

- Responsible Supply Chain
- Customer-Centricity
- Ethical Business Practices/ Corporate Governance
- Community Engagement
- Regulatory Compliance

KEY PERFORMANCE INDICATORS



Supplier Assessments on Environmental and Social Criteria

307 suppliers were audited based on the revised assessment checklist



CSR Guiding Principles

Local Area Development, Responsible Travel and Road Safety



Customer-Centric Initiatives

3 in 1 Mobile Van for Sales, Services and Trainings
Contactless Purchase and Service Experience

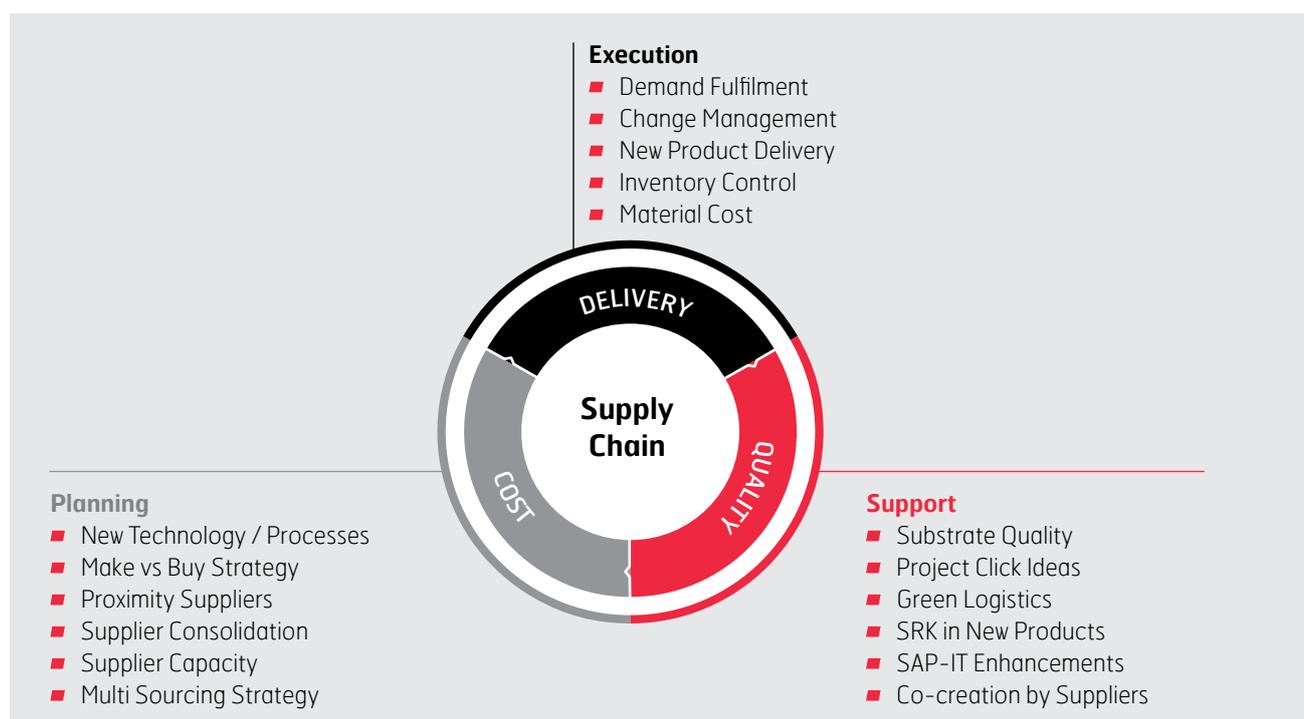
SUSTAINABILITY IN PROCUREMENT

Sustainable procurement is key to balancing profitability with environmental and social performance of the business. EML prioritises sustainability in its procurement function through various internal and external initiatives. The Company endeavours to account for and minimise the impacts of its processes in procuring raw and semi-finished

materials required for its operations. Its suppliers are an integral part of its value chain and the Company foresees that they will play a significant role in its growth and sustainability performance.

EML has defined a supply chain framework to channelise activities and the initiatives, which enables constant innovation and accountability

in its sourcing practices. Planning, Support and Execution are the three main pillars of the framework. Responsiveness is key to the sourcing strategy which is developed around the optimum balance between quality, cost and delivery metrics to meet customer requirements and changes in market dynamics.



SUPPLIER ENGAGEMENT

EML nurtures Sustainability in Procurement by building effective relationships with its suppliers and service providers and collaborates with them to improve the organisation's performance on various aspects of Sustainable Procurement. The Company ensures regular communications with suppliers through various channels. While both the digital and written medium are frequently employed, it also organises supplier meets on a larger platform to provide an opportunity to engage and ideate on important topics including quality, production, resource management etc. The supplier meets are attended by senior management from suppliers'

organisations as well as from EML. The Company shares and showcases its performance, strategic business plans, supplier contributions, and the new initiatives during these meetings.

Suppliers are also invited for hands-on sessions to the organisation's manufacturing facilities to witness first-hand experience of how EML uses their supplies in the actual production of Royal Enfield motorcycles. This initiative in turn helps generate solutions for issues that may arise in the production process.

EML believes it has a responsibility to support its supply partners to build

capacity towards ensuring sustainable growth for themselves as well as for the Company. Suppliers and service providers are enabled with necessary training, learning modules along with periodic audits in order to enhance their capabilities. They are included in the process of new product development, to familiarise them with EML's future requirements and for both sides to take stock of their capabilities. Supplier tech-shows enable them to showcase their capabilities and the new technologies they have ventured into, in turn enabling EML's product development teams to co-create with them new features for upcoming products.

Minimising Impact

EML takes responsibility for the environmental impact of its business in the upstream transportation of materials. The organisations mainly procure materials under specific categories such as Sheet Metal and Fabrication, Castings, Forgings, Proprietary (Mechanical and Electrical) and Others (including Rubber and Plastics). It understands the mutual responsibility of minimising

environmental impact from transporting goods and takes the lead in this respect.

The Company prioritises procurement from Proximity Suppliers, namely, those who are situated in and around its areas of operations, i.e. Chennai, India, so as to minimise cost and emissions in transporting materials. In FY 2020-21, 60% of EML's total spending was directed towards Proximity Suppliers. This ensures continued supply of

materials and business continuity, particularly during unprecedented events such as last year's pandemic-related national lockdowns which restricted interstate movement of goods. Owing to the Proximity Suppliers strategy, the Company ensured the safety of its stakeholders, minimise environmental impacts of transportation and, importantly, ensured minimal impact on business due to the supply of local materials.

Suppliers are also classified into categories based on the criticality of the item sourced. Critical/Strategic suppliers are identified for critical parts (but not limited to) by the cross-functional team after applying the following filters and reviewed on a monthly basis for action:

- Single source parts with long lead time for development, high supplier switching cost and niche product with limited suppliers
- Based on consistency in QCD performance (Quality, Cost and Delivery) and the response from the suppliers
- Based on financial and environmental risk assessment of select suppliers through formal / informal mechanism
- Suppliers' participation in co-creation of new product development / technology upgradation

Broad categories of suppliers and spend share:

Broad Category	Number of Suppliers	Spend Share (In %)	Geographies/Countries where suppliers are based
Direct Materials	208	86%	India, USA, Japan, China, Thailand, Malaysia, Brazil, Spain etc.
Indirect Materials	260	3%	India, Japan, Singapore, China, Malaysia, Thailand, USA etc.
One Time Purchases	1,484	11%	India

The organisation's focus on local procurement also boosts businesses of suppliers in the SME category while providing means of livelihood to local populations. The strategy goes hand-in-hand with its CSR programmes, through which it provides technical skill development opportunities to youth in disadvantaged communities.

Along with reducing emissions in the transportation of goods, EML also focusses on reducing waste generated. It has replaced corrugated boxes used in packaging with plastic ones which are made of recyclable, reusable and certified materials. Thus, the waste generated from packaging material has

reduced significantly. Over the years, the Company has gradually increased the share of such green packaging in its supply chain.

Supplier Assessments

Supplier assessments are an integral part of EML's sourcing strategy. The Company has an effective mechanism in place to conduct a holistic assessment of suppliers before and after onboarding with EML. The assessment is regularly reviewed and updated to comply with the latest quality system requirements. Some of the mandatory aspects include requirements on safety, environmental and legal fronts, product design capabilities, scheduling

and part handling and packaging and traceability. Supplier processes are continuously monitored and controlled through periodic audits and necessary steps are taken to close gaps identified in the audit process.

Till date, 307 suppliers were audited based on the revised assessment checklist which included compliance obligations, safety and environment related aspects. The Company was unable to physically visit and audit all its suppliers in light of the safety and wellbeing considerations during the COVID -19 pandemic.

CUSTOMER-CENTRICITY

Ever since its inception, Royal Enfield has been a brand of choice for motorcycle enthusiasts. Its unique designs, high quality products and aftersales service are as much a matter of pride for its customers as they are for the Company. EML's marketing strategy is underpinned by its philosophy of delivering exceptional experiences and value to customers through a focus on:



EML's concern for customers' health and safety is reflected in all aspects of the product development process, starting with the design. The Company monitors changing regulatory requirements and emission norms to prevent harm to people as well as the environment in which we live. The Company continuously experiments with new technologies to achieve maximum rider safety and to conform to all applicable product safety standards. It also incorporates design improvements in terms of ergonomics and stability to enhance rider comfort. To provide a safe and enriching in-store experience to customers, it has a comprehensive dealer on-boarding framework which includes detailed assessments on service quality and possession of all requisite fire safety and environmental clearances. EML strongly believes in making customers a part of its sustainability journey. The Company sees them not just as customers of its products but as agents of change. To engage with its customer base, EML conducts a plethora of rides and events with messaging on social and environmental causes. While it strives to provide its customers sustainable products, it has also extended efforts to embed sustainability in the retail experience. It is currently conducting pilot initiatives with a few dealerships to support them with achieving Zero Waste to Landfill. The Company also engages with its retail stores to build capacity on rainwater harvesting.



It has been EML's endeavour that the service experience of an EML customer post purchase is hassle-free, frictionless and refreshing. With this in mind, it has taken several initiatives such as:

STORES Project:

The STORES project is aimed at completely revamping the end-to-end motorcycle parts operation starting with the suppliers and all the way to the retail counter. This ensures a resilient supply chain and a lean inventory without compromising on the availability of parts at the retail counter and workshop.

Key achievements include:

- Auto replenishment of parts at 100% channel partners
- Inventory optimisation
- Parts branding which helps customers to differentiate between genuine and spurious parts
- Eco-friendly packaging and branding

The high velocity retail programme based on a pull rather than push model will improve penetration of motorcycle parts in the market.

Service Excellence Initiatives

In light of the restrictions implemented during the COVID-19 pandemic, EML introduced a slew of initiatives to ensure Contactless Purchase and Service Experience. From easy Home Test Rides, to e-payment options for motorcycle purchase and service, to pick-up and drop facilities, these initiatives aim to ensure maximum safety and convenience for the customer.

'At your door' facility enabled contactless service delivery. The online services were further extended through a contactless and customised Service on Wheels initiative to ensure secure and hassle-free motorcycle

services at customers' doorstep. The new service was initiated with a fleet of ~800 Service on Wheels motorcycles to provide a pickup and drop facility for products in all metros and state capitals. In addition, 13 mobile servicing trucks were commissioned to improve service reach, especially in upcountry markets. The Company also tied up with a leading bike taxi provider for customers to be picked up and dropped off at workshops and vice versa.

The Royal Enfield Mobile App (Android and iOS platforms) supports service modules providing access to service booking and searching for the nearest workshop location. This

initiative has helped to optimise top repair activities which in turn reduces repair time. The app also provides access to customising Royal Enfield's motorcycles, avail service experiences and unlock exciting motorcycling experiences at the touch of a screen.

EML launched the MECHANIC App to support mechanics in providing services to Royal Enfield customers. The application in conjunction with a dongle and probe wire set makes trouble shooting of EFI system easily accessible and affordable to mechanics across the organisation's authorised networks as well as for ones working as freelancers.



3 in 1 Mobile Van

A tailored model van has been designed with a 3 in 1 facility that caters to Sale, Service and Training Operations. The custom-made model is built on the VECV 1110 vehicle with all modular fit-outs. This initiative is unique to EML and is the first foray of its kind by an auto sector Original Equipment Manufacturer (OEM). As a pilot project, EML has strategically deployed 8 vehicles in various regions across the country, broadly used for training and as mobile sales counters in upcountry southern markets.



Riders Accessories

Two iconic brands, Royal Enfield and Levi's partnered to produce a series of collections, including jeans and jackets from CORDURA® denims and T-shirts, combining style, shape and function. CE qualified cabal-jacks, carefully designed for various environments and terrains, have been launched in collaboration with Knox and D30. A range of CE certified external knee-guards called Conqueror was also crafted to offer versatile yet accessible riding gear that meets global safety norms. The first-ever range of women's apparel and riding gear in India was introduced keeping in mind their riding habits and India's varied weather conditions. This aspirational yet accessible collection pays tribute to adventurous women who have been defying conventions to chart their own paths for a more equal world.

Customer Feedback

In order to understand customers' experience with sales and service, EML launched a survey over the Royal Enfield app, reaching out to more than 10,000 customers. The Relationship Index Model was used to arrive at a score which showed satisfactory feedback from a majority of respondents. The organisation also conducted a quantitative primary research covering 50+ cities across 20 locations to acquire gainful insights on customer needs and expectations from EML.

INVESTOR RELATIONS

EML's constant efforts to generate revenue and maintain an effective cash flow over the years has resulted in a solid history of continuous dividend payments to shareholders.

The Company's stakeholders are entitled to unbiased and authentic information which is shared at frequent intervals to keep them updated on the organisation's operations and strategies. EML enables open discussions to establish long-term and continued relationships with the Investment Community. These efforts towards transparent communication are intended to enhance shareholders' decision-making capabilities. It is a priority for the Company to address

the needs, grievances and interests of its investors. It has adopted multiple mechanisms of engagement such as one-on-one interactions, meetings, conferences, feedback surveys, calls and presentations. In turn, these continued efforts help the organisation receive timely feedback from its valued shareholders.

All investors' applications including requests for share transfer, transmission, transposition, issuing of duplicate shares, the payment of overdue dividend, etc. were processed within the stipulated timeframe. The Company does not have an outstanding investor complaint in the reporting year.

A broad array of regulatory and other documents, such as the annual integrated report, financial reports and press releases provide details on EML's business, strategy and financial performance. Extensive information is also available on the Company's website (www.eicher.in). It has a dedicated investor relations team readily accessible by the investment community via email (investors@eichermotors.com) or phone (+91-124-4445070) throughout the year to address all queries and requests of shareholders for information and services.

ETHICAL BUSINESS PRACTICES

EML's systems and processes are designed to help it maintain high standards of ethical conduct. Business ethics and integrity form an essential part of its day-to-day operations. To ensure their alignment to ethical business practices, the Company make all stakeholders aware of its commitment to ethical, moral and legal business conduct.

We have a Code of Conduct for Directors and Senior Management. Directors and employees at Group level provide annual affirmation to the compliance of said Code. During the year under review, a few cases were identified, and strict disciplinary actions were taken in adherence to all anti-corruption and anti-bribery laws.

All the governance body members, employees and business partners of EML are made aware of the laws and our

operating procedures and are expected to adhere to the same. While on-boarding the Company, all employees are also required to sign requisite undertaking confirming adherence to the laws and Company's policies related to anti-corruption. Training on anti-corruption policies and procedures is a part of Induction training given to employees under ethics and integrity within the organisation.

COMMUNITIES

Communities are integral to EML’s ecosystem. The Company strives to create shared value for society and to operate in a responsible manner. It endeavours to coexist in harmony with surrounding communities, understand their needs and pain points, and provide effective support through appropriate channels.

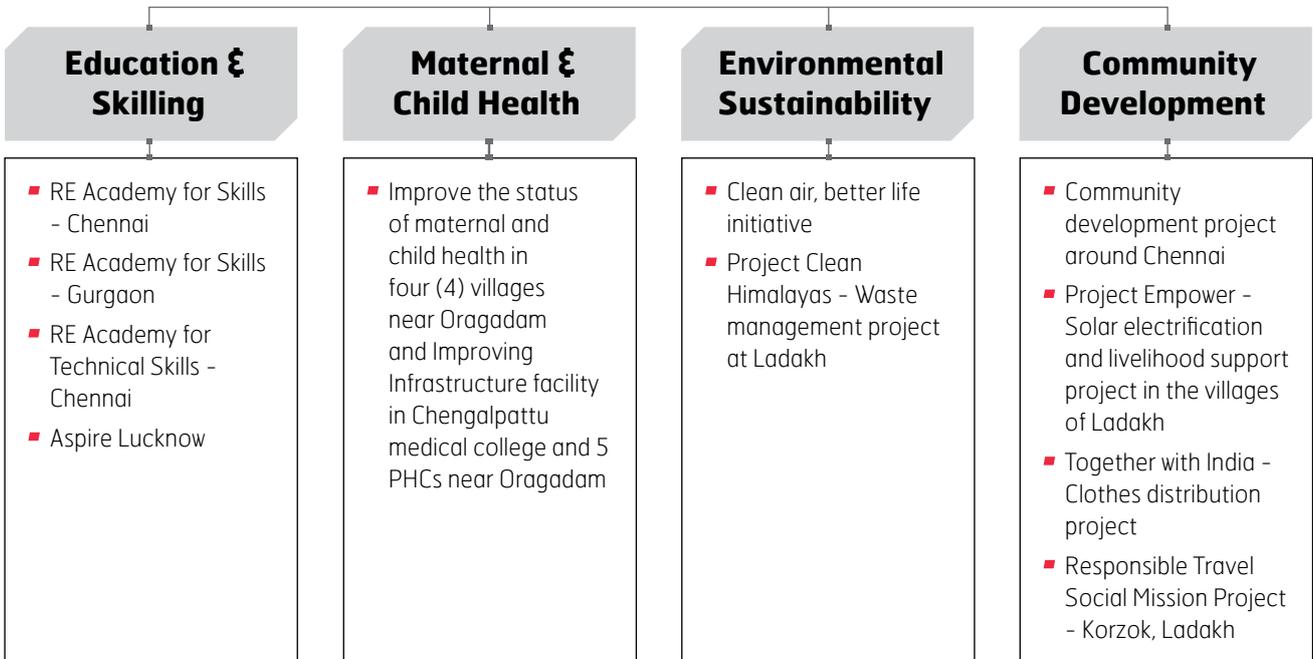
EML’s community interventions are guided by its Corporate Social

Responsibility (CSR) Policy pursuant to Section 135 of the Companies Act, 2013 and relevant rules prescribed therein (“Act”). Most of the community initiatives are implemented through the Eicher Group Foundation (EGF) and align with broad themes identified by the organisation and its CSR Committee.

In FY 2020-21, EML continued to contribute to skill development,

maternal and child health, environmental sustainability and community development programmes across various parts of the country. It also provided support in the form of COVID-19 kits, essential equipment for hospitals and conducted various pandemic-related relief activities to support communities navigate life-altering challenges.

CSR SPEND FY 2020-21 RS. 56 CRORES



THE GUIDING PRINCIPLES OF CSR PROJECTS:**A. Local Area Development- Improving the lives of communities where we operate**

- Strengthening healthcare infrastructure and facilities, access to clean drinking water, sanitation and hygiene
- Education for children
- Creation of livelihood opportunities through skill building

B. Our Social Mission – Responsible Travel

- Environment sustainability through development of water conservation and waste management systems, targeted afforestation, and take other such measures that facilitate sustainable travel, as required
- Preserve and protect the natural assets and local environment at destinations that are frequented by travellers
- Generate socio-economic benefits to local communities in environmentally sensitive travel destinations by supporting enhancement of skills, livelihood opportunities, market-linkage for their products and services, and such activities to effectively promote their local culture and heritage

C. Road Safety- Integral part of our agenda

- Focus on raising awareness, training, and positive behavioural change

A. LOCAL AREA DEVELOPMENT - IMPROVING THE LIVES OF COMMUNITIES WHERE WE OPERATE

MATERNAL AND CHILD HEALTH

During April 2020 - March 2021, EGF in collaboration with Ekam Foundation provided specialised and quality healthcare to the children and mothers of four villages - Sennakuppam, Nattarasampattu, Vallam and Valayakaranai in Kancheepuram.

Activity	Project Updates [FY 2020-21]
Promoting Early Referral	33 medical camps conducted, 686 babies screened, 17 referred and treated
Immediate Life Saving Support	Support provided to 59 children. 9 children were provided repeated support. Total spending = Rs. 13,36,510
Youth and Community Mobilisation	62 training spells conducted; 1,086 mothers and community members were benefited
Baseline, Midline and Endline Assessment	Baseline and Midline assessments have been completed
Response to COVID-19	Hospital COVID-19 safety kit and ICU equipment support provided to 4 Medical College Hospitals and 27 Government Hospitals from 15 districts across Tamil Nadu. Total amount spent Rs. 4,38,87,437/-

EGF and Ekam organised periodical screening camps to identify Retinopathy of Prematurity [ROP] in new-born children and facilitate the right treatment at the right time with the support of Radhatri Nethralaya. In FY 2020-21, 686 new-borns were screened, 17 of them were referred and treated successfully. Direct and immediate medical support was also provided to 59 children, facilitated by funding from EGF.

All babies admitted to the Neonatal Intensive Care Unit (NICU) were screened to determine whether they are at risk for any developmental delays. The EGF and Ekam partnered to reach 2,050 babies through various channels

to ensure continuous tracking and monitoring. Additionally, counselling and awareness programmes were made available at the time of discharge with respect to breastfeeding, post-surgery care, and kangaroo mother care in order to ensure that mothers are equipped with the knowledge they require to take care of themselves and their children. Mothers in obstetric and paediatric wards received counselling on nutritional intake post pregnancy.

Along with the initiatives for new-born children, Ekam regularly conducts awareness programmes on maternal and child health, awareness on Government schemes, and the importance of food and nutrition for

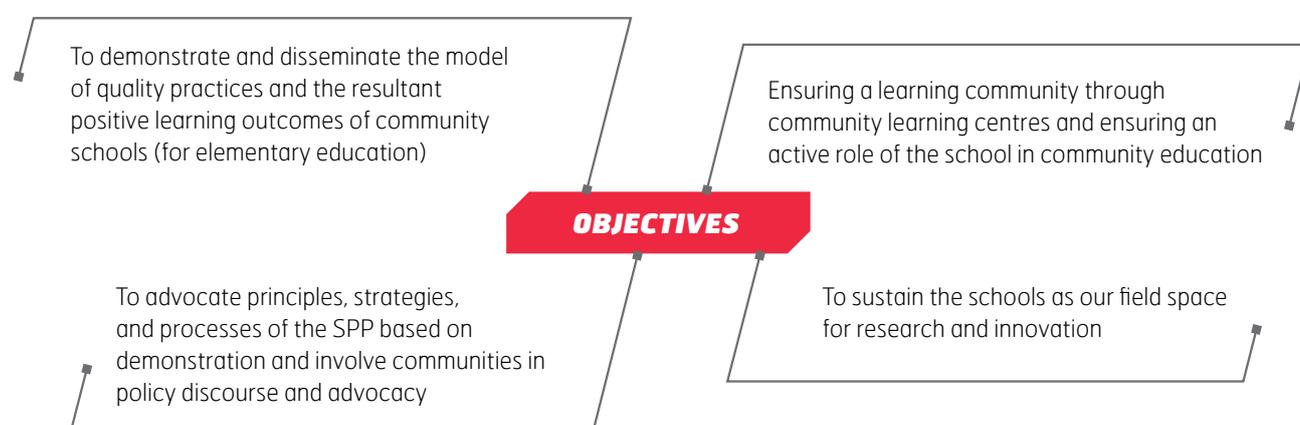
new mothers. With support from the EGF, from April 2020-Mar 2021, 62 awareness programmes were delivered which benefited 1,086 mothers, community members and youth in selected Panchayats.

Apart from initiatives in the areas of focus, 4 Government Medical College Hospitals and 27 Government Hospitals across Tamil Nadu were supported with safety kits and ICU medical equipment in response to the COVID-19 outbreak.

To support other initiatives in the sphere of health and wellbeing, current practitioners of kitchen gardens in selected Panchayats were provided formal training to enhance their knowledge and practice.

SHIKSHAK PEHAL PROGRAMME

Shikshak Pehal Programme (SPP) has been running for 20 years with financial support from the Goodearth Education Foundation (GEF), the EGF and the MM Lal Charitable Trust. GEF has been a constant encouragement for SPP endeavours and has been the financial backbone since 2000, supporting the following objectives:



The programme supports 31 Bodhshalas of Thanagazi and Umrain blocks of Alwar district and approximately 5,203 children (preschool to grade 8th). 'Bodh' is the NGO partner and 'Bodhshalas' are the names given by the NGO to the schools run by them. These Bodhshalas have been developed

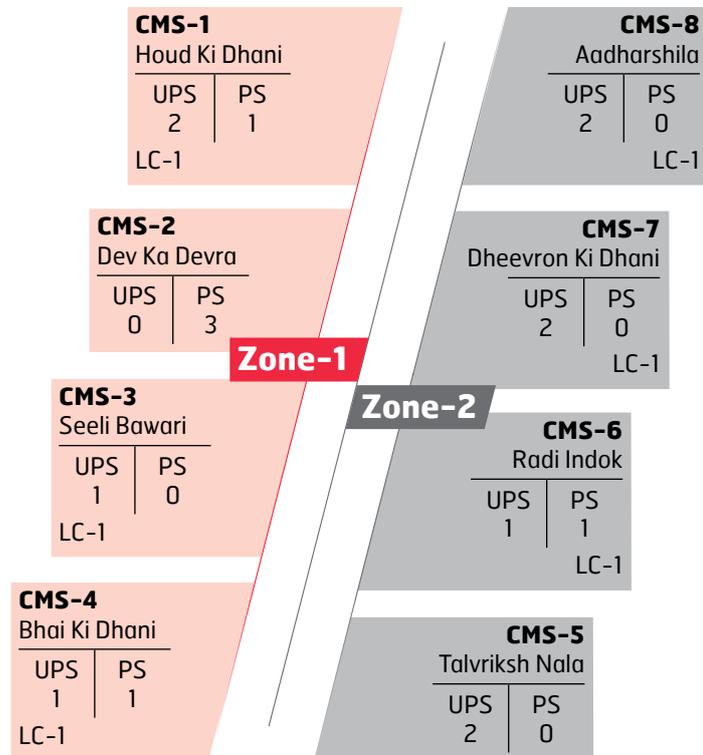
gradually over a period through educational innovations. Presently, there are 19 Upper Primary Bodhshalas having classes from preschool to grade 8, and 12 primary Bodhshalas having pre-school to class 5; five are Learning Centres (enrolment being very low). Various programmes are conducted

throughout the year involving all sections of the community through the Bodhshalas. The impact assessment of this programme has also been carried out by a third party.

The programme provides students a holistic education in terms of facilities, instructional materials and health. Regular support and knowledge are provided through Review and Planning Meetings (RPM) on a monthly basis. RPMs ensure active teaching and education throughout schools followed by engaging in frequent socioeconomic scenario evaluation of students as well as successful planning and academic success evaluation. Teachers at Bodhshala utilise new ways to ensure that learning processes are exciting and relevant to student needs.

The implementation of strategy and activities were disrupted due to COVID-19 and had to be modified according to the given circumstances and situation. The efforts and initiatives were designed and executed such that the effect of lockdown on students' learning was minimal and the academic engagement continued to be meaningful.

PROGRAMME IMPLEMENTATION STRATEGY 2020-21



PHASES OF ONLINE INTERVENTIONS

PHASE-I (APRIL TO MAY 2020)

The orientation of Principals and staff on COVID-19 safety measures.

Online study circle with entire project staff initiated.

Online classes were attempted with students as a prime strategy through WhatsApp and mobile calling.

The Online intervention was stopped due to emphasis on shiksha-ghar emerging as a viable option.

PHASE-II (OCT TO NOV 2020)

Initiated online classes using Zoom for 6-8 grade students as a composite strategy along with shiksha-ghar.

Dedicated resource persons for five subjects were identified and trained.

One-hour online classes, three-days per week were given for each subject.

Online academic support was provided to teachers.

Low and irregular participation observed.

PHASE-III (DEC 20 TO JAN 21)

Sustained efforts resulted in an increase in student participation.

Online classes for Sanskrit subject added for students of class-8.

Reorganisation of shiksha-ghars based on grades and mobile data issues, irregularity of students.

Online academic support was provided to teachers.



Visit by Zonal I coordinator, Umrain, at Houd ki Dhaani



School support by English ERC at Dev ka Devra



Visit by Zonal coordinator, Umrain, at Taalvriksh Nala, using technology



Use of Mobile in classroom by Volunteer



Introduction session - Meeting for orienting the resource group on the online teaching-learning process

RE Academy for Skills:**a. RE Academy for Skills, Chennai:**

EGF focusses on providing skill development opportunities to aspiring candidates from local communities, enabling them to earn a livelihood. The project partner, 'Aide et Action' has been in continuous contact with candidates of the iLEAD programme during the period of lockdown. As per the earlier plan, training was to be provided in classroom sessions. However, owing to the lockdown and the need to ensure safety of the communities, online content was developed for Customer Relations and Retailing (CR&R), Information Technology enables Services (ITeS), Industrial Electrician, Automotive (Two-Wheeler Mechanism), Hospitality/ Housekeeping, Fitter and AutoCAD courses. The virtual trainings were conducted on various platforms to suit candidates' requirements. The trainers made sure that every candidate learned through these sessions, guest lectures, industrial visits and faculty inter-exchange programmes with other iLEAD centres.

In addition, capacity building programmes were conducted to identify and address psychological problems faced by the youth. Post-training, employment opportunities were also provided to almost all the candidates and their full or partial salaries continued during the times of lockdown as well. This has been a huge relief to their families as the income was available in challenging circumstances.

b. RE Academy for Skills, Gurgaon:

Since the official launch of the project on January 23, 2018, RE Academy has trained 1,903 deserving candidates and enabled at least 80% of them to get a job or start their own business. In FY 2020-21, the initiative reached skill development programmes related to various trades such as automobile, ITeS, customer relations & retail, computer operator, electrician, fashion designing

and hospitality to a total of 465 candidates. 76% of the candidates found employment or started their own enterprise after completing the training.

c. RE Academy for Technical Skills, Chennai:

The EGF appointed the Centre for Entrepreneurship Development (Tamil Nadu) as the implementing agency of their flagship scheme, "Empowering the Youth through Technical Training and Placement in the Automobile Sector". The programme focusses on five technical courses i.e., Automobile Engine Assembly, Automobile Vehicle Assembly, Industrial Welding, Machining and Maintenance.

A technical expert was deployed to oversee lab set-up, appointments and training of the technical trainers. To facilitate seamless operations of the technical programmes, it was ensured that technical labs were equipped with all the necessary equipment, hostels and other amenities were renovated, training delivery mechanisms were well structured, and trainers were trained on various aspects required. The labs were installed with vehicles, cut sections, exploded

models, working models, electronic circuit boards, training charts, Computer Numerical Control (CNC) machine and other relevant tools and equipment for the students. Cricket kits and volleyball were also provided for the leisure activity of the students. Guest lectures were organised, candidates were engaged in intensive practical sessions and external delegates were invited for technical assessment of trainees. Trainees were also encouraged to visit EML's Oragadam manufacturing facility to witness vehicle making and get an understanding of the industry environment.

At the end of course, candidates were supported to find employment. Soft skills training programmes were also offered which helped the candidates to bag excellent opportunities in the market. During the period of November 2020 to March 2021, a total of 332 candidates were trained and certified in the technical programmes with a 100% success rate. The trainees were placed in reputed companies with an average 92% placement rate. Observing the overwhelming response and success of the programme, the partnership with CED was extended in November 2020 for the next two years.

Aspire, Lucknow – RE Academy for Technical Skills, Lucknow:

The Aspire Skill Development Centre engages with socially and economically deprived youth to provide them with an opportunity to develop skills which can support them in earning a living.

After the onset of the pandemic, all the learning and assessments were shifted to virtual platforms and were completed successfully. To avail maximum benefits for the candidates, new batches for On-Job Training (OJT)

were also introduced. A total of 480 candidates in 19 batches benefited from a variety of skill development trainings provided by Aspire, Lucknow. EML recognises that there will be a skill gap in the post lockdown period due to labour migration. In response, the organisation has proposed to start new batches on the virtual platform to add bench strength which will help in bridging this gap.

ENGAGING ACTIVITIES DURING CLASSROOM TRAINING IN SEPT'20**PRACTICAL TRAININGS**

B. EML'S SOCIAL MISSION - RESPONSIBLE TRAVEL

RESPONSIBLE TRAVEL SOCIAL MISSION PROJECT

EGF and Global Himalayan Expedition (GHE) collaboratively initiated the Responsible Travel Social Mission Project at Korzok, near Tsomoriri, Ladakh. A need-gap analysis was conducted through multiple rounds of ground surveys followed by many rounds of discussions with community members, commercial tour operators, guest house owners and other stakeholders to chart the course for Responsible Travel Project. Based on these interactions, multiple sub-projects were designed to identify requirements of tourists and communities in general. The sub-projects are key elements to develop a destination, which evokes responsibility amongst tourists and is future ready at the same time. Following are the brief descriptions of each of the elements:



a. Renovation of the community centre, Korzok Village

- The Korzok village community centre was renovated
- 3 window frames, 3 doors and 50 glass panels were installed
- Complete floor of the community centre was covered with carpet
- A complete solar grid was installed at the centre for reliable energy access
- More than 130 students, 10 teachers and 20 volunteers participated



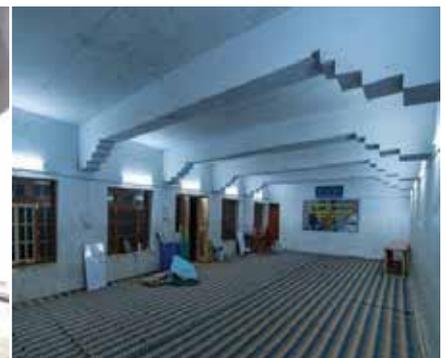
Transportation of material to Korzok



Unloading and storage at Korzok



Renovation of the community centre



b. Winter Tuition, Tsokar

- More than 32 students, 5 teachers and 10 volunteers participated
- Facilities were provided to study during harsh winter and the pandemic
- Total 55 solar water heaters were installed



Children and villagers during the programme



Installation of solar water heaters



Installation of solar streetlights



Grid Installation



LED lights on top of house

c. Installation of the Solar LED streetlights

- 25 solar LED streetlights were installed at locations decided in discussion with villagers.
- These are self-operated lights which switch on automatically in the dark and remain operational even in winter.

d. Demchok survey

The border village of Korzok does not have a reliable source of energy. Hence, a survey was conducted to provide electrification facilities which led to shortlisting of 42 houses that need electricity. EML is being supported by the Ladakh Administration in this initiative as the project is envisaged to promote border tourism.



GHE Team surveying Demchok village



PROJECT CLEAN HIMALAYAS - WASTE MANAGEMENT PROJECT IN LADAKH

Supported by the district administration of Leh, the main aim of the project is to reduce waste sent to landfill and to maximise garbage reuse and recycling in Pangong and Kharu in Ladakh. The Rural Development Department in collaboration with EGF and select NGOs carried out mass sensitisation and cleanliness drives among the local population in the target areas prior to launching the project. Local women’s associations and public representatives (Sarpanch and Councillor) participated actively in these awareness camps. Through presentations, short plays and documentary films, the awareness

campaigns aimed to make local populations cognisant of the hazards of solid waste and the importance of waste segregation. Priority was given to segregation at source (primary segregation) and reduction in waste generation.

After the awareness campaigns, two types of dust bins were distributed to the people followed by registration for waste collection. All these activities are carried out with the support and involvement of local Gram Panchayats and village representatives. Further, workers selected for the projects were

trained on the waste segregation process and regular visits to the waste segregation centre were ensured to monitor the initiatives.

At Kharu centre, around 7,281 kgs of waste was collected and recycled during the year, thus diverting waste from landfills, and preventing burning and discarding in water bodies. A remarkable improvement was observed in sanitary conditions and hygiene of the surroundings and a substantial reduction in pollution level was noted in the intervention areas.

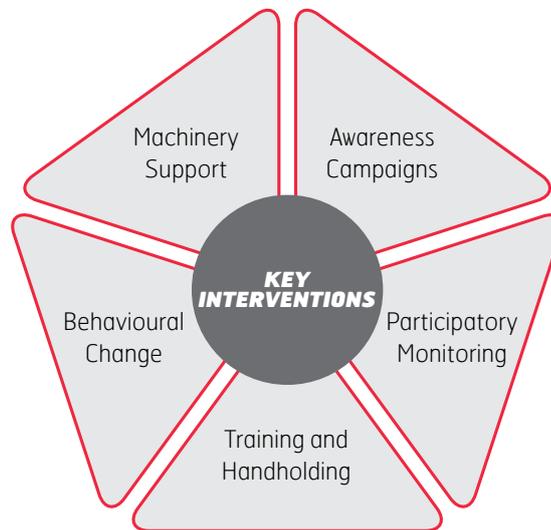
CLEAN AIR BETTER LIFE

CII Foundation (CIIF), in partnership with EGF is working in Raikot Block of Ludhiana covering a cluster of 10 villages with 11,664 acres of farmland and 1,328 farmers, to eradicate crop residue burning and bring a holistic change to agricultural practices.

management methods. Composting practices are also being promoted through which 17 quintals of stubble have been used in 3 pits of compost along with 36 kg of cow dung and 38 litres of chemicals.

Preliminary discussion with the farmers revealed that the results of the intervention are quite satisfactory, and farmers are willing to continue the non-burning practice in the next season as well.

During the interventions, local village-level volunteers were chosen to support the cause. Cluster-level technical training as well as mass awareness programmes were organised to build capacity among farmers. Moreover, on a need basis, regular technical support is provided by the volunteers to the farmers



As per the baseline assessment, crop burning was 73% of the land, and after the intervention, it was limited to 10%. Of the total paddy straw in the 10-village cluster, 94.8% was managed with modern agriculture machines. The project was successful in preventing 20,755 tonnes of straw from being burned.

In addition, 42 units of farm machinery were procured and donated to the Farmer Producers Organisation (FPO) Khushaal Seed Producers Association for operating a community tool bank. Farmers from the project villages were encouraged to rent out these machines and adopt mechanised straw



Certificates being distributed to farmers practicing Zero burning



Wall painting rectified for awareness drives

FARMERS' CASE STUDY

▪ Sarabjit Singh, Halwara Raikot, Ludhiana

"We have been practicing stubble burning for ages as it's the easiest way to clear the field. The main reason for the burning of the field is the lack of machinery availability and its affordability. As our village was adopted, we got an opportunity to access the machinery at a cheaper rate along with the technical assistance to help on the ground. After using the machinery, volunteers asked for feedback as the review will help them check the machinery before handing it to other farmers"



▪ Mani Singh - Litran, Raikot, Ludhiana

We have been working with the organisation for the last 2 years. In the initial days, we were told that we will be provided with machinery on rent at an affordable price and in return we had to commit not to burn our stubble. Unlike other corporates, EML stood with its commitment by providing training and conducting regular meetings with us. They supported us throughout the period and even during the pandemic. We have been using the Happy Seeder for the last 2 years and are now practicing zero burning. This has resulted in a reduction of irrigation cycles by 20% i.e., from 5 cycles to 4 cycles. Also, the total expenses have reduced as the cost of weedicides for the fields has drastically decreased. As per observation, crop yield is expected to increase by 5-7%.



Green Highway:

EGF undertook a green initiative in the Oragadam to Sriperumbudur state highway, which is close to EML's manufacturing facility. The vacant land area was developed and beautified with plantation activity with the support of the State Industries Promotion Corporation of Tamil Nadu (SIPCOT). The effort has resulted in sustainable, scalable and environmentally beneficial development of the community.



SOLAR ELECTRIFICATION AND LIVELIHOOD SUPPORT PROJECT IN THE VILLAGES OF LADAKH

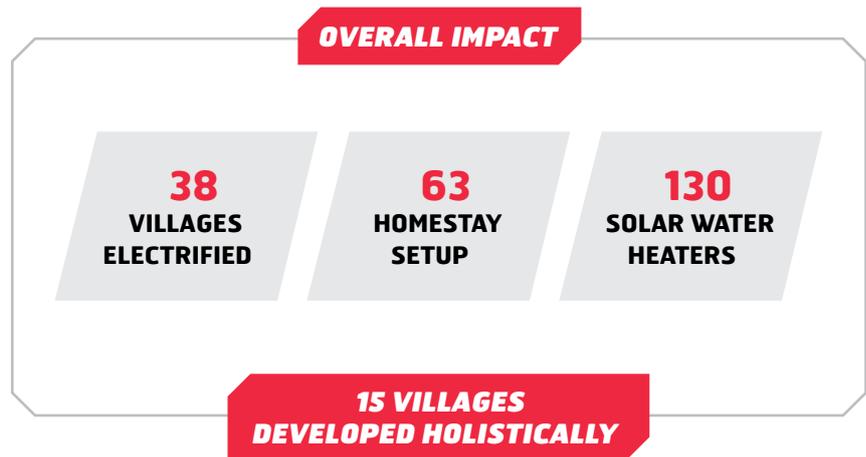
EGF partners with the Global Himalayan Expedition (GHE) to enable holistic development of rural communities in Ladakh.

GHE considers a village as progressing towards holistic development when its basic requirement of electrification is fulfilled, and livelihood opportunities are created for community members. With respect to the latter, communities are assisted to create income generation opportunities out of local resources and the required skill sets are also accordingly provided. Key aspects of environmental sustainability such as clean energy, reduced use of fossil fuel, and eco-friendly infrastructure are incorporated into the interventions.

In FY 2020-21, EGF and GHE addressed the holistic development needs of 15

villages. These communities received sustainable energy infrastructure in the form of solar micro-grids or solar water heaters or both. Additionally,

the communities also created a new livelihood option in homestays, thus encouraging tourism to their area and attracting related financial inflows.



a. Electrification Impact: The electrification activity commenced in 10 villages in Ladakh and its nearby areas. The activity was performed in two phases i.e., October to December and January to March, despite the challenges of severe winter cold. Electrification in these 10 villages has created an extended impact on the community's health, local economy, and the environment. As a result of using less kerosene, the electrified villages saw annual savings of approximately Rs. 12 lakhs. Moreover, community members no longer use kerosene lamps that emit toxic CO₂ gas. Now, these 10 villages annually offset 50 tonnes of CO₂ and communities live in a healthier environment. The GHE also provided community members with approximately 200 jobs and enabled them to earn a livelihood.

b. Holistic Development: In many of the communities, people used cow dung and kerosene as a source of fuel, which emit harmful gases

that pollute the environment and have adverse health impacts e.g. respiratory ailments. The GHE team set up solar water heaters for communities and made residents aware of how to use these solar water heaters and their benefits. As a result of this intervention, pollution levels in the area have drastically decreased, enabling people to breathe cleaner air.

c. EML also provided solar electrification to schools and hostels nearby to benefit students and staff members.

d. Setting up Homestays: In 20 villages, the GHE team enabled a number of residents to set up homestays and trained them in running and managing these new tourist facilities. Together with local authorities, GHE selected appropriate locations which are attractive to tourists and offer potential to generate income for homestay owners. The best materials and designs were used in

creating and setting up homestays and local carpenters were employed to design and build Ladakhi toilets and other infrastructure for the homestays.



Wooden toilet seat designed and developed by GHE

34 HOMESTAYS SETUP

50 YOUNG ENTREPRENEURS TRAINED

60 WOMEN ENTREPRENEURS TRAINED ON HOMESTAYS

SUSTAINABLE VILLAGE UPLIFTMENT PROGRAMME (SVUP)

In FY 2020–21, the EGF continued to focus on the development of villages situated in and around its operations near Chennai, India, where several community development programmes were conducted.

a. Spoken English classes: This programme is conducted for students of Classes 6th to 9th and was implemented in collaboration with the English Learning Foundation (ELF). Owing to the pandemic and state lockdown, schools were temporarily closed for a considerable duration, which interrupted the delivery of spoken English classes. The EGF plans to provide mobile tablets to students in order to resume these classes through online platforms.

b. Installation of solar lamps:

Twenty-two solar streetlamps were installed in important locations of Vallam GP as per the requirement of the community. The solar streetlamps provide uninterrupted lighting during the night- and enhance community safety. The streetlights come with motion sensors which adjust the level of illumination depending on detected movement, hence also resulting in conserving energy.

c. Maintenance of Community RO of 500 LPH capacity: Three RO drinking water units have been provided to communities in Vadakkupattu, Valayakaranai and Vattampakkam villages, and enable uninterrupted access to clean drinking water. The HIH team takes care of their repair and maintenance. Along with their installation, the communities were also made aware of how to utilise the RO units appropriately.

No. of Households reaping the benefit of Safe Drinking Water

Panchayat	Beneficiaries (No. of households)
Vadakkupattu	218
Valayakaranai	150
Vattampakkam	136
Total	504



Community RO unit - Valayakaranai



Community RO unit - Vadakkupattu



d. Renovated Ponds: During the SVUP project, ten ponds were deepened, desilted, renovated, filled with water to the brim by the monsoon rainfall in 2020. The surrounding communities were greatly benefited by the stored water. The initiative also improved the water table in nearby borewells and open wells, thus continuously addressing water needs of the community and livestock during the summer months.



Community RO unit - Vattampakkam



TOGETHER WITH INDIA – CLOTHES DISTRIBUTION PROJECT

Along with its partner 'Clothes Box Foundation', the EGF has been providing clothes to the needy in various parts of the country. In FY 2020-21, the Foundation distributed approximately 14,000 garments to support communities in Maharashtra, Rajasthan, Manipur, Tamil Nadu, Karnataka, Madhya Pradesh, Uttarakhand and Himachal Pradesh.

The work was highly appreciated by local bodies and the EGF is continuing its efforts to help communities to meet their basic needs.



Acknowledging the commendable work performed by the 'Clothes Box Foundation', the Delhi Police made a special request for winter jackets to be distributed to the downtrodden society members and frontline workers performing duty during the pandemic.



COVID RELIEF ACTIVITIES

The Eicher Group Foundation responded to the COVID-19 crisis through a wide distribution of Family Essential Kits in Kerala and Tamil Nadu. The kits were distributed and financial assistance was extended in order to support migrants, Irula

families, widows/women headed poor households, manual scavengers, the physically challenged, poor minority families, poor daily wage workers, street vendors, people with chronic illness and people from the transgender community.

The EGF also supported COVID relief in 7 districts of Tamil Nadu with essential kits to 11,328 families and financial assistance to 19,538 families. In Kerala, EGF distributed 2,040 kits in Kottayam and Ernakulam Districts.



In Gurugram, families in need were supplied with around 1,000 ration kits and 2,000 sanitisation kits. The ration packets contained basic groceries and daily use commodities like atta, rice, pulses, salt, dry spices powder, sugar, tea, mustard oil, and dalia (broken wheat) etc. Each ration packet was put together to suffice for a family of 4 for one month. The sanitisation kits included home disinfectant, soaps, liquid hand wash, hand sanitiser, face masks and sanitary napkins/pads for women. In a second phase of providing relief supplies, around 800 relief packets were distributed.



The Foundation also reached out to 3,200 most vulnerable families living in the slums of Bhubaneswar Municipal Corporation, Khurda district of Odisha in two phases and to 1,500 families living in the slums of Pune City, all of who had lost their livelihood due to the lockdown.

Ration kits were also distributed to 8,512 families across the rural areas of Balia, Banda, Ghaziabad and Laitpur in Uttar Pradesh and Hamirpur in Himachal Pradesh. The initiative was facilitated by local police and the officials of the respective Municipal Corporations.



WAY FORWARD:

Over the years, EML has laid emphasis on protecting the interests of stakeholders, engaging with them on a regular basis and creating value for all. The Company's investors, suppliers, dealers, customers and communities play an important role in achieving its business objectives. The Company endeavours to achieve holistic development of the ecosystem while continuously broadening its horizons.

- **Suppliers and Dealers:** EML strives to achieve sustainability in its value chain by exploring and implementing sustainability initiatives in suppliers' and dealers' operations. The organisation empowers them to enhance their capabilities in order to meet business goals while maintaining environmental and social wellbeing.
- **Customers:** EML continuously explores ways to offer quality and authenticity to its customers through innovative products and services. The Company engages with customers regularly and addresses their queries and suggestions to ensure they have exceptional riding experiences.
- **Communities:** The wellbeing of communities surrounding EML's manufacturing units in and around riding locations is vital to Royal Enfield's continuing to be a leading brand of choice. EML aspires to create positive change in different parts of society by providing required support that adhere to its guiding principles.

NATURAL CAPITAL

GREENER BUSINESS OPERATIONS



Being conscious of the environmental impact of its operations is fundamental to the way EML does business. Protecting and conserving the natural ecosystem is a key focus area that demonstrates the Company's endeavour to minimise its footprint both in manufacturing operations and across the value chain.

EML's business practices have evolved over time, with continuous innovation and improvement towards minimising its environmental impact. The Company has implemented numerous initiatives in improving energy efficiency, increasing use of renewable energy, water management, and use of recyclable materials as well as afforestation. The precautionary principle guides its commitment to environmental performance, emphasis on proactive resource conservation and ecosystem rejuvenation.

MAPPING OF KEY MATERIAL ISSUES

- Ethical Business Practices
- GHG Emission and Emission to Air
- Regulatory Compliances
- Responsible use of Materials
- Energy Management
- Waste Management
- Water Management

EML'S APPROACH

Sustainability at EML transcends conventional practices of reducing negative impact. The organisation emphasises an ethos that catalyses long-term, sustainable outcomes for employees, communities, and natural ecosystems. Its successful journey of 120 years has been focussed on building automobiles that meet the changing needs of discerning customers, partnering with stakeholders to ensure efficient business models, and safeguarding the interests of the environment in which we operate.

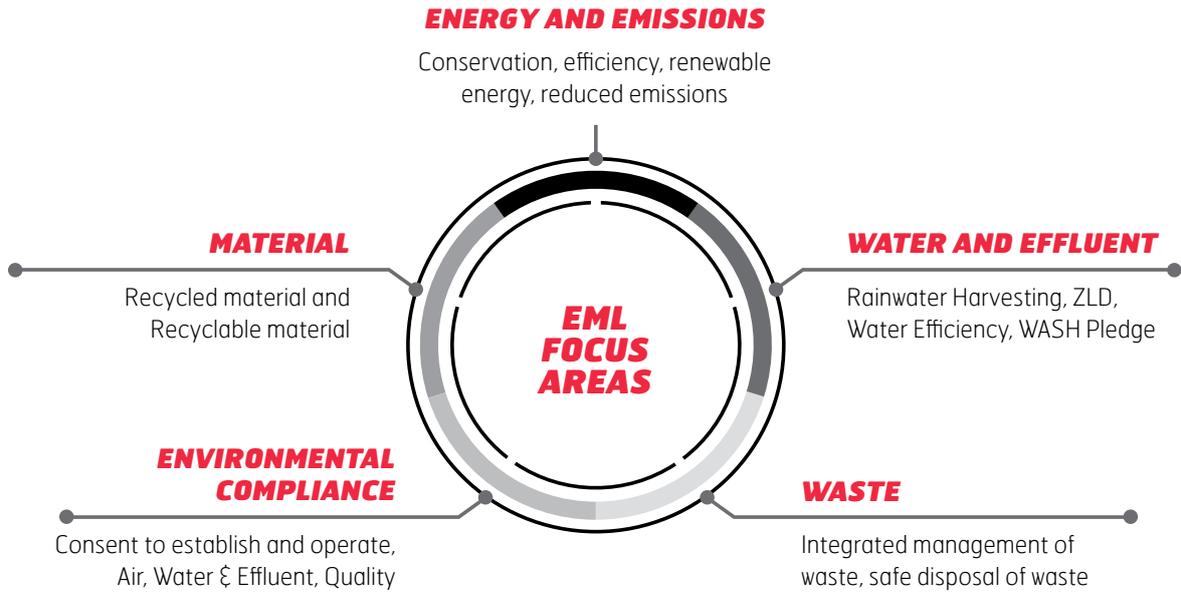
EML acknowledges climate change as a major global challenge and is deeply committed towards mitigating environmental risks and adapting to it. The Company believes that every individual has the right of access to an environment that is healthy, clean and abundant in resources. Thus, it takes proactive measures to minimise adverse impacts as a result of the Company's operations, and to sustain and rejuvenate the ecosystem.

The Company prioritises resource efficiency and minimises waste and GHG emissions at its manufacturing facilities. It has introduced closed loop water management systems, material recycling, and a range of other energy-saving measures at its facilities. In the near future, green energy will play a larger role in the energy mix utilised in its operations.

EML's endeavours are driven by its aim to offer customers of the future a superlative experience of owning and riding its motorcycles, much as customers have done in the past. Thus, EML focusses on reducing environmental impact across its value chain, beginning from design conceptualisation through material selection and manufacturing, extending to customer experience and end of vehicle life management. Efforts are currently underway to extend initiatives that minimise the environmental impact of the organisation's business partners including suppliers, dealers and customers.

GOVERNANCE

EML has well established processes and structures that enable the Company to enhance its environmental efficiency, conduct business ethically, and accept responsibility for the impact its operations have on society and the environment. A culture of strong corporate governance and a corresponding structure are the cornerstone of the organisation’s growth and evolution. The Company’s senior management maintains close oversight of the long-term growth. With well-defined policies, codes of conduct and fair approach to all stakeholders, EML conforms to internal processes of accountability and transparency as well as to ethical, technical, and legal norms of conducting business.



KEY PERFORMANCE INDICATORS

1
Energy

4,66,954 GJ of energy consumed in FY 2020-21, **8.4%** reduction from previous year

11,315 GJ of Energy saved in FY 2020-21, 15% increase from previous year

Energy Intensity in FY 2020-21 i.e. **0.74 GJ** per motorcycle

4
Waste

986 MT of Hz waste generated in FY 2020-21, **23%** decrease from previous year

289 MT of waste recycled in FY 2020-21, **34%** decrease from previous year

277 MT of waste sent to landfill in FY 2020-21, **27%** decrease from previous year

2
Emission

13,484 tCO₂e of Scope 1 emission released in FY 2020-21, **14%** decrease from previous year

53,652 tCO₂e Scope 2 emission released in FY 2020-21, **7%** decrease from previous year

5
Material

1,33,186 MT of renewable material procured i.e. **98%** of total procurement in FY 2020-21

24,110 MT of recyclable products procured i.e. **18%** of total procurement in FY 2020-21

26% reduction in packaging material usage in FY 2020-21, compared to FY 2019-20

2
Water

182 Megalitres of water withdrawn in FY 2020-21, **16.6%** decrease from previous year

193 Megalitres of effluent Recycled in FY 2020-21, **1.5%** increase from previous year

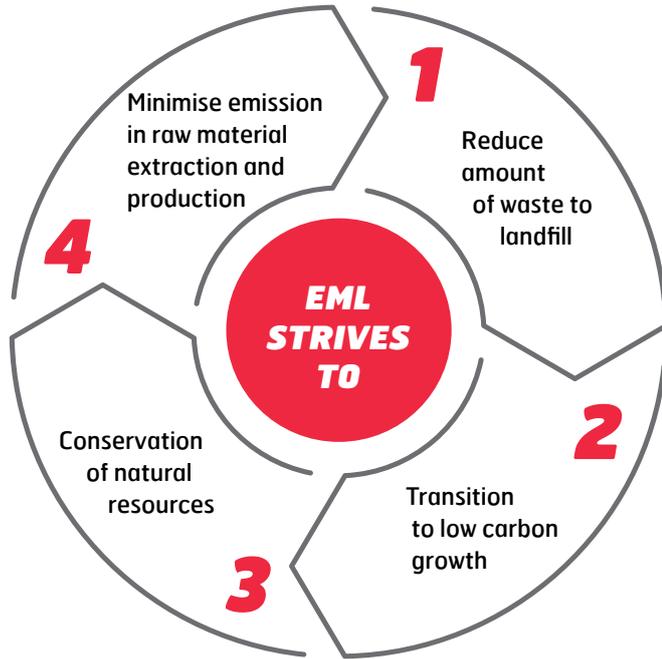
Water Intensity in FY 2020-21 is **0.29 KL / Motorcycle** compared to **0.33** in previous year

6
Green cover

15,000+ trees planted as on FY 2020-21

MATERIALS

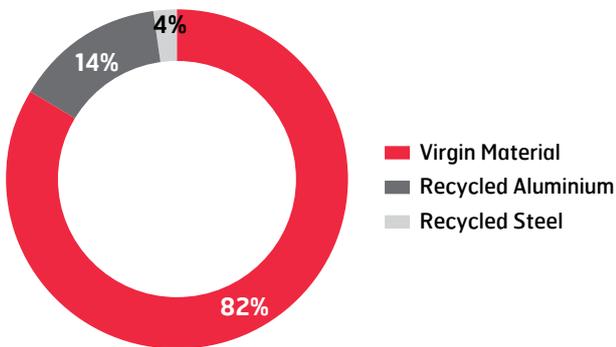
The use of recyclable and sustainable materials in vehicle design has the potential to minimise waste and maximise the life span of extracted raw materials. Comprising more than 85% recyclable material, automobiles are considered to be amongst the world’s most recyclable consumer products. In alignment with its focus of being environmentally responsible and allowing customers to maximise utility, EML aims to make optimal use of recyclable materials in its motorcycles with focus on sourcing materials responsibly and ensuring maximum recyclability of components at the end-of-life of the products.



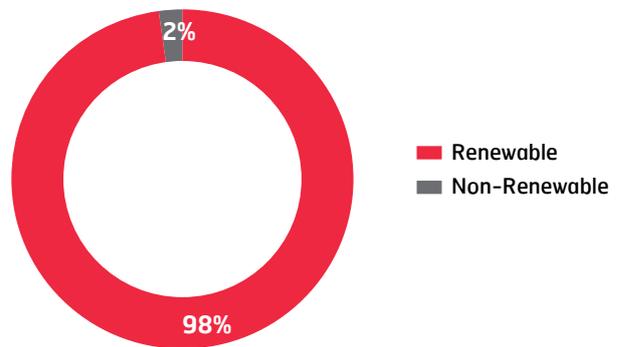
EML’s raw material consumption includes a large proportion of recyclable materials.

Materials	Virgin Material (MT)	Recyclable Material (MT)	Total Material (MT)
Renewable	1,09,076	24,110	1,33,186
Non-renewable	2,601	0	2,601
Total	1,11,677	24,110	1,35,787

PRIMARY MATERIALS USED IN PRODUCTS



MATERIAL TYPE



CASE STUDY - PACKAGING MATERIALS

EML embarked on the journey to reduce packaging waste by implementing waste control measures and changing the way all forms of packaging waste is managed. This was done by adapting effective waste management principles across the value chain. The organisation strives to minimise the

use of virgin material in packaging and currently uses it only in steel crates for export.

The Company implemented an initiative called ZERO one time use plastic at 'Finished Bike Packaging' for a better environment by exploring the use of alternative composite packaging material. The initiatives

resulted in 26% reduction of one-time plastic usage in FY 2020-21 compared to the previous year.

Materials used and alternatives:

- Cross-linked polyethylene (XLPE) Foam-Nonwoven material
- High-Density Polyethylene (HDPE) Foam-Natural Rubber

FG Motorcycle Package Transition



XLPE Packing



Carton Packing



Non-woven

Umbrella cloth: Procured by Transporters (Payment on rental basis) & Implemented for West, South and East.

Non-woven without Lamination: Implemented only for North (to be replaced by Umbrella cloth soon)

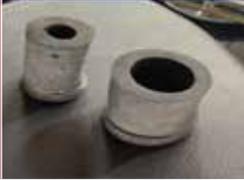


Umbrella Cloth (Reusable)



Non-woven without Lamination

Part-wise Plastic Elimination Status

S No.	Packing items in plastic	Before	After	Outcome
1	Handle Bar & Clutch lever cover			Elimination of 1,400 KGs out of 5,500 KGs plastic usage per month
2	Front Mudguard			Elimination of 1,800 KGs out of 5,500 KGs plastic usage per month

ENERGY MANAGEMENT

EML's strategic steps towards environmental sustainability are rooted within its objective of reversing the existing trend of consumption and restoring balance in the ecosystem. The organisation lowers energy intensity through attempts to minimise demand in its operations as well as by pursuing clean energy solutions that meet its operational needs adequately. It continues to invest in cutting-edge infrastructure and new technologies to reduce the energy and carbon footprint of its production processes.

Energy Consumption

The commissioning of a 999 kWh onsite green energy project at the Oragadam manufacturing facility marks a significant step forward in EML's renewable energy journey. The Company is increasing its proportion of renewable energy in the larger energy mix as it introduces enhanced onsite and offsite capabilities. Its three manufacturing facilities, as well as headquarters in Chennai, are included in the energy consumption computation and analysis, depicted in the chart.

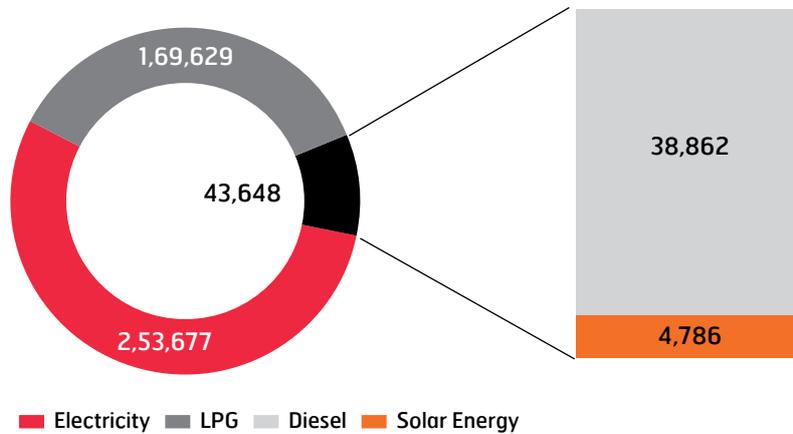
Energy Intensity

EML's operations have witnessed a decrease in energy consumption thereby reducing the energy intensity of motorcycle production as compared to the previous years. For FY 2020-21, the combined energy intensity is 0.74 GJ/Motorcycle for the three manufacturing units and the corporate office.

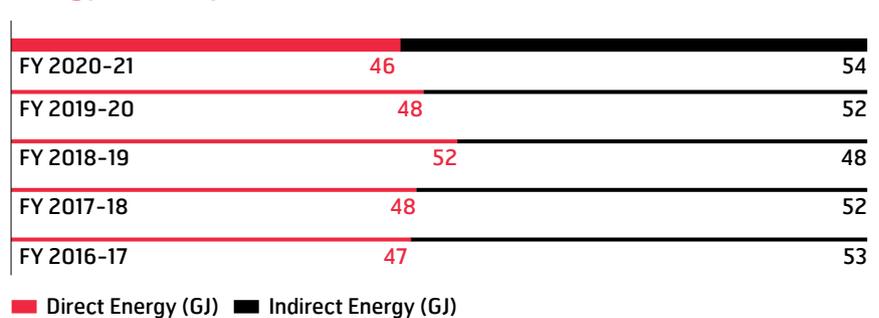
Energy Savings

EML has adopted a multi-pronged approach to reducing fuel consumption and increasing energy efficiency. The Company participates in a variety of voluntary energy conservation programmes that exceed existing legal and regulatory requirements. Through these efforts, it has saved 3,143 MWh of energy in FY 2020-21 and prevented 1,824 tCO_{2e} GHG emissions from its manufacturing plants and corporate office.

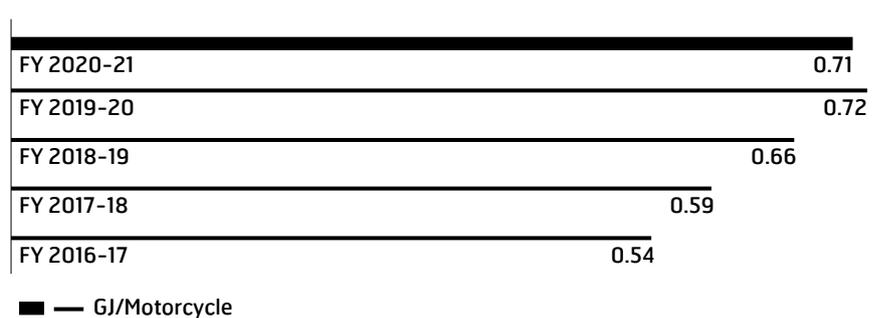
Energy Mix (GJ)



Energy Consumption

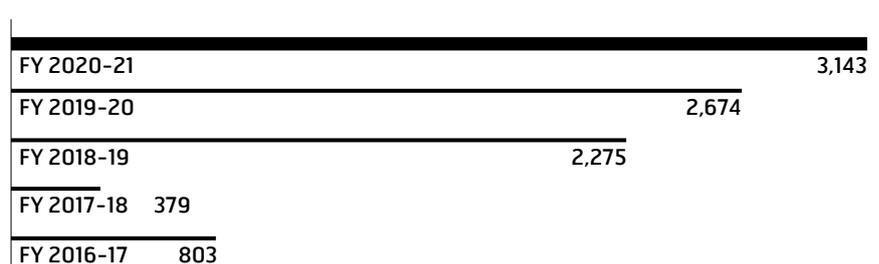


Energy Intensity (Manufacturing Units)*



* The figure represents the energy intensity trend year-on-year only for manufacturing units of EML.

Energy saved through energy efficiency measures (MWh)



Some of the projects implemented during FY 2020-21 are shown below:

- Power savings in compressor
- Power savings in lighting, ventilation and air conditioning at the manufacturing facilities and headquarters
- Power savings in paint shops at the manufacturing facilities
- Power savings from operations related to environmental facilities
- Power savings in vehicle assembly manufacturing facilities
- Other LPG and power savings in various operations
- Power generation in solar rooftop plant



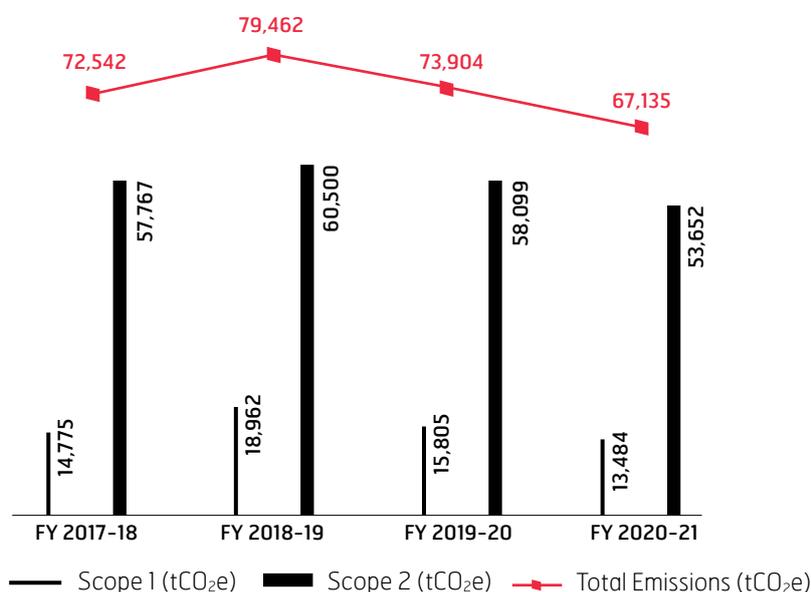
EMISSIONS

The Company's goal is to transition to low carbon growth. To reach this long-term aspiration, the strategy for manufacturing operations focusses on both efficiency improvements and increased use of renewable energy. EML tracks Scope 1 and 2 GHG emissions in accordance with the guidelines of the GHG protocol. Its manufacturing plans align with its goal of reducing GHG emissions while adhering to environmental regulations. As a result, the organisation has moved to BS VI emission standards, which specify strict emission norms that manufacturers must adhere to for automobiles.

EML provides data on direct emission sources (Scope 1) from manufacturing and indirect sources such as purchased energy (Scope 2). In FY 2020-21, GHG emissions in its manufacturing activities decreased by 9% relative to FY 2019-20. This is the combined result of energy conservation programmes as well as other factors, which led to a decrease in industrial footprint at its production sites and assembly plant.

The Company further seeks to gain climate positive status in its activities by reducing electricity demand, using green energy sources, and using carbon offsets to restore the ecosystem's balance.

Emission (tCO₂e)



Emission Intensity

With a robust energy management system in place, EML has substantially reduced its energy consumption. Hence, the intensity of emissions continues to be at par with the previous year despite an increasing trend over the span of 5 years. The organisation expects pollution intensity to decrease significantly in the short to medium term as it expands usage of renewable energy.

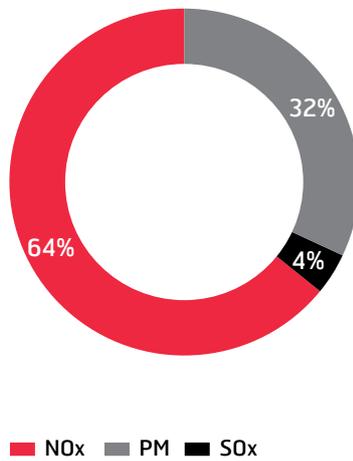
Emissions Intensity (tCO₂e/Motorcycle)

FY 2020-21	0.11
FY 2019-20	0.11
FY 2018-19	0.09
FY 2017-18	0.09
FY 2016-17	0.08

Air Emissions

Diesel generator sets, boilers, and paint bake ovens are some of the main sources of SO_x, NO_x, and Particulate matter (PM). The parameters are continuously tracked to ensure that they remain within the prescribed limits of the Tamil Nadu Pollution Control Board (TNPCB). The organisation carries out periodic testing on air quality and noise through third-party agencies that are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). EML also provides real-time testing for volatile organic compounds (VOCs), which are sent to the State's Care Air Centre. The table depicts its SO_x, NO_x and PM emissions for FY 2020-21, for its 3 plants and corporate office.

Air emission (Tonnes)



Plantation Drive

As a step towards climate mitigation action and to improve the condition of the environment, EML has planted 15,000 trees over 26 acres of land assigned by State Industries Promotion Corporation of Tamil Nadu (SIPCOT).

WATER MANAGEMENT

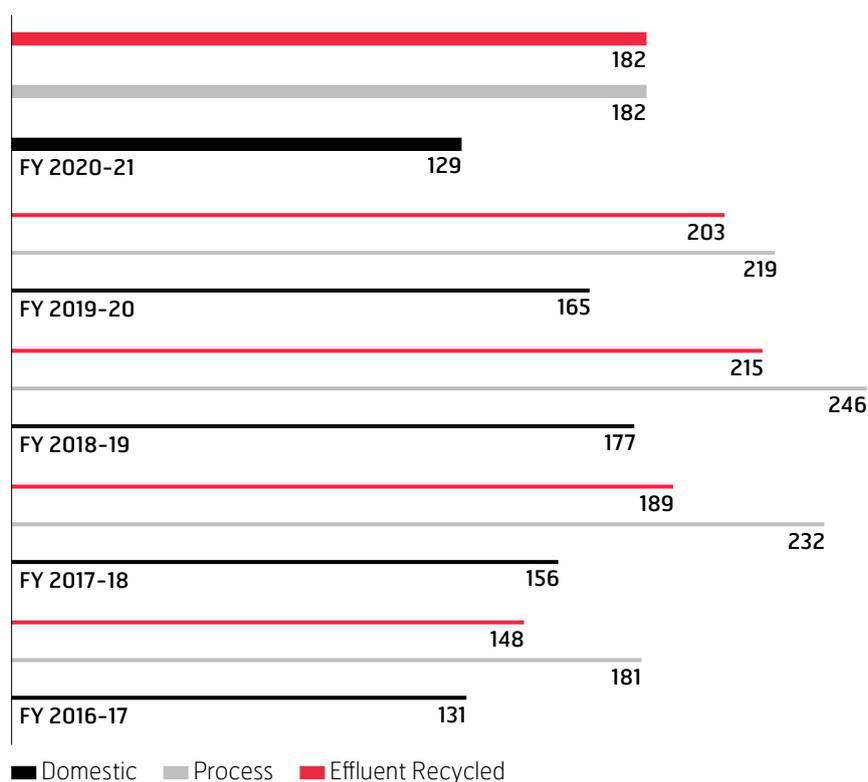
EML assumes responsibility to efficiently use and conserve water, and to continue to make it available as a shared resource for the larger social and environmental ecosystem in which it operates. As its manufacturing facilities are situated in water-stressed areas (as defined by the World Resources Institute (WRI) Aqueduct tool), it has developed a long-term plan that considers local water concerns and incorporates practices to ensure that its operations do not impede other stakeholders' access to water.

The Company has implemented closed-loop recycling systems for the effluent generated, treatment of the sewage water, and uses the resulting Tertiary Treated Reverse Osmosis (TTRO) water as makeup water in Air Handling Units (AHUs) and for gardening. Withdrawals of fresh water at its industrial plants have decreased as a result of these water treatment activities. In addition, EML has built rainwater collection systems for groundwater recharge, in order to reduce dependence on freshwater.

In FY 2020-21, EML extracted less water from surface and ground water sources compared to the previous year. Apart from this, the Company harvested 8.2 megalitres of rainwater at one of its processing facilities. Additionally, 182 megalitres of processed effluent was recycled into the facility with the help of its advanced water and effluent treatment systems, accounting for 100% of water consumed. The following are some of the steps that have been implemented to reduce water use and increase water quality in its activities.

EML MAINTAINS HIGH STANDARDS OF WATER MANAGEMENT AND ACCOUNTING. CONSEQUENTLY, THE ORAGADAM AND VALLAM PLANTS ARE CERTIFIED AS WATER POSITIVE IN A THIRD-PARTY WATER BALANCE ASSESSMENT.

Water Consumption and Effluent Recycled (Megalitres)



Key Initiative – Reduction of water consumption

- Efficient hand wash nozzles saving 20 KL/day at Vallam
- Replaced nozzles in plate washing taps at Oragadam and Vallam
- 10 KL/day fresh water used in flushing is replaced by recycled reverse osmosis (RO) water at Oragadam
- Saved 30 to 35 KL/day by using RO treated water from sewage treatment plant (STP) for chemical cleaning and backwashing of RO and ultra-filtration (UF) membranes respectively
- Reduced need for top up water consumption of 40 KL/day for chemical cleaning by using treated RO water from STP
- Reduced output of reject water by modifying one of the RO plants by replacing 4 “membranes with 8” membranes
- Organised water conservation drives for employees

Water Intensity

The benefits of the water management initiatives adopted are reflected in a decline in the measure of water intensity.

The figure represents water intensity trends year-on-year only for manufacturing plants of EML.

Water Intensity (KI/Motorcycle)

FY 2020-21	0.29
FY 2019-20	0.33
FY 2018-19	0.36
FY 2017-18	0.33
FY 2016-17	0.32

WASTEWATER MANAGEMENT

EML ensures ZLD at all its manufacturing facilities with the assistance of advanced recovery technology. Sewage water is also treated using aeration, clarification, Multi Grade Filter, Activated Carbon Filter, Ultra Filtration and lastly RO Filtration. Permeate water from RO is used as makeup water for AHUs, boiler and for cleaning of RO membranes. It monitors water quality in line with regulatory testing norms and all quality parameters such as Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Potential of Hydrogen (pH), Total Dissolved Solids (TDS) etc. are maintained below the prescribed limits. The organisation has introduced static mixer with auto dosing system of chemicals which has resulted in eliminating chemical overloading in treated effluent. In addition, the installation of auto pH Controller in the outlet of Activated Carbon Filter has enhanced the water recovery from RO membranes by 10%. It has also optimised the recovery of third stage RO by implementing smart solutions. Further, EML's personnel are encouraged to make suggestions on opportunities to save water at the manufacturing facilities.

WASTE MANAGEMENT

Waste management principles of Reduce, Reuse, and Recycle help EML maximise resource utilisation and minimise adverse environmental impacts of waste generated at each phase of the manufacturing process. The organisation also empowers employees to identify and implement waste-reduction initiatives across its facilities.

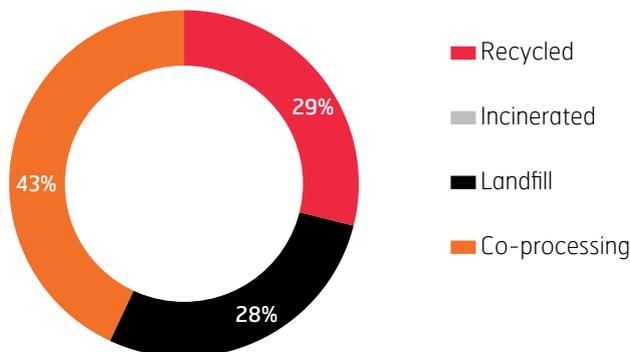
EML is committed to lowering the amount of waste that reaches landfills. It has steadily decreased the amount of brass consumed and reduced the quantity of paint sludge and powder discard generated. The Company keeps track of the amount of chemical sludge produced at its plants and ensures this is sent to a designated landfill for safe disposal. Oil waste has also been

minimised by optimising the frequency of oil changes in the engines of its motorcycles.

Hazardous Waste

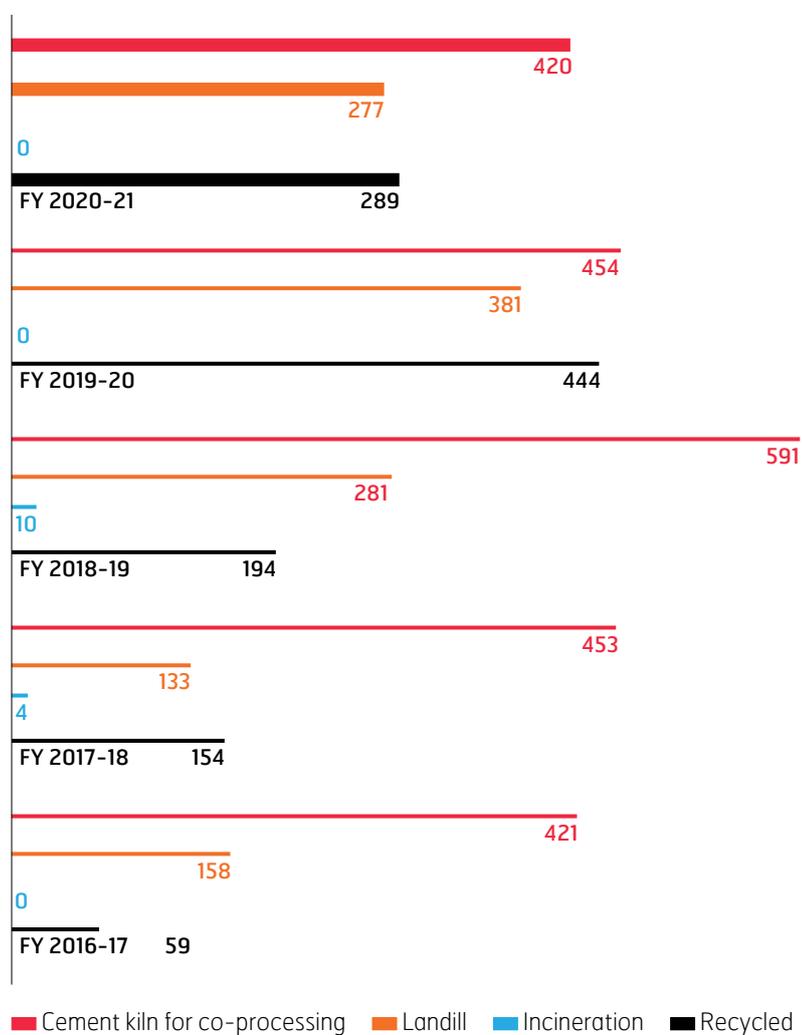
EML manages and disposes hazardous waste produced in manufacturing facilities with extreme caution, adhering to all regulatory guidelines for hazardous waste management and disposal. The Effluent Treatment Plant's chemical and phosphate sludge are disposed of in permitted landfills through authorised recyclers. To minimise waste sent to landfills, paint sludge, powder, and filter waste from the paint shop are sent to cement kilns for co-processing. Additionally, used oil, spent solvent, and hollow barrels are recycled by registered and authorised vendors.

Waste disposal method



The figure includes hazardous waste generated at EML's headquarters and manufacturing facilities

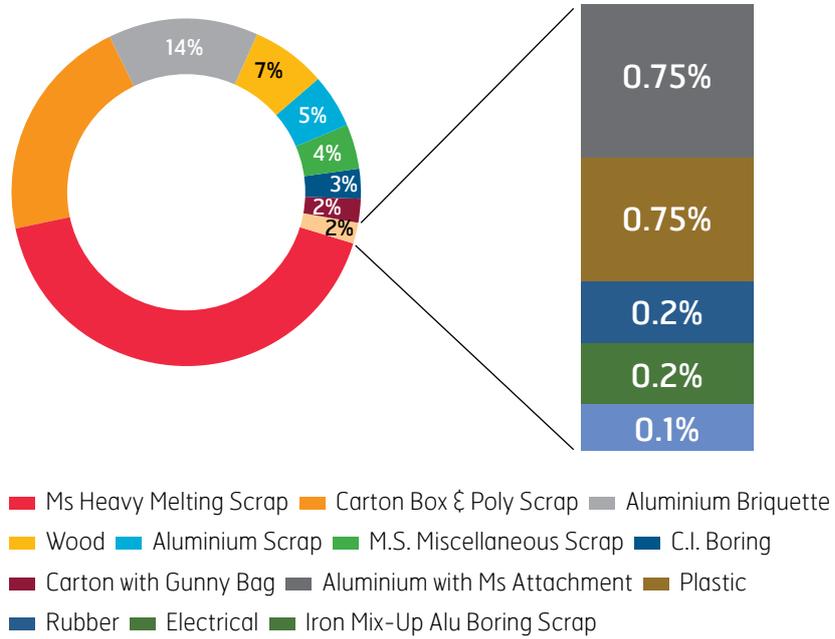
Hazardous Waste (Tonnes)



Non-Hazardous Waste

All non-hazardous waste generated in the organisation’s facilities is segregated before being handed over to authorised scrap dealers for further recycling and sale. Records of billing and disposal are diligently maintained to ensure responsible waste disposal. In all, 3,488 MT of non-hazardous waste was generated and disposed of during the reporting year.

Non-Hazardous Waste Generation



Vermicompost

The Company has installed vermicomposting units to manage sewage sludge. Approximately, 3 MT of manure is produced in a month which is further used as manure greening purposes in and around its plant premises.



ENVIRONMENTAL COMPLIANCE

EML complies with requirements of Consent to Establish and Consent to Operate as well as with all regulatory requirements pertaining to zero discharge of wastewater, air emission, safe transportation and disposal of hazardous waste. With respect to its products, EML adheres to local and international norms pertaining to vehicle emission. In this reporting year, there were no instances of non-compliance with any environmental law or regulations.

WAY FORWARD

Resource management is vital to EML's sustainability strategy and the Company consistently strives to improve and streamline processes in this respect. Implementation of the strategy includes a formal roadmap, goals, targets and governance. EML has adopted the following principles for sustainable implementation:

- Shifting from a conventional approach to Green Building principles that provide a range of benefits including enhanced productivity, reduced environmental impacts and reduction of operational costs.
- Achieve Zero Waste to Landfill: Through partnerships with authorised dealers and recyclers, the Company aims to achieve Zero Waste to Landfill status for its own operations and to institute mechanisms to have its facilities certified accordingly.
- Establish traceability mechanisms: To understand the flow of waste beyond its operations and to go beyond 100% diversion from landfill, the organisation plans to institute traceability mechanisms to track and manage data pertaining to waste generation at each stage of the product lifecycle.
- Infuse circularity in value chain: To transition from a linear to circular economy, EML plans to adopt a value chain-based approach to imbibe circular economy principles in design, procurement, manufacturing and end of life processes.
- Carbon Neutral: In addition to a continuing focus on energy conservation and efficiency, the organisation aims to achieve carbon positive status in its operations by reducing energy consumption, using renewable energy sources and using carbon offsets to restore the balance of the ecosystem. Its long-term strategy involves target setting and developing roadmaps to achieve those targets over the next few years.
- EML intends to use an adaptive water conservation approach in the future to ensure water neutrality in its activities. Installation of water-efficient sanitary fittings, complete use of rainwater harvesting capacity at its plants, and water offsetting programmes are among the interventions the Company plans to implement. Two of its plants are already water positive and EML will work towards achieving this status for all its facilities.



Boring cylinders at the Redditch Factory, 1937



Royal Enfield Oragadam Plant, Present Day

Precision, Skills and the Feminine Touch

From bicycles to stationary engines and lawnmowers to motorcycles, Royal Enfield's workforce has brought high levels of skill, craftsmanship and dedication to all aspects of manufacturing.

Women were central to production 120 years ago and continue to be today, including a groundbreaking women-only engine assembly line at Oragadam.



**YEARS OF PURE
MOTORCYCLING**

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

No.	Question	Response
1	Corporate Identity Number (CIN) of the Company	L34102DL1982PLC129877
2	Name of the Company	Eicher Motors Limited
3	Registered address	3rd Floor, Select Citywalk, A-3, District Centre, Saket, New Delhi-110 017
4	Website	www.eichermotors.com
5	E-mail id	investors@eichermotors.com
6	Financial Year reported	April 1, 2020- March 31, 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of motorcycles (Code 3091 of National Industrial Classification 2008, Government of India)
8	List three key products/services that the Company manufactures/provides (as in balance sheet):	Please refer EML IR 2020-21 - Manufacturing Excellence > Our Products
9	Total number of locations where business activity is undertaken by the Company:	Please refer EML IR 2020-21 – Manufacturing Excellence > Business Presence
	a) Number of International Locations (Provide details of major 5):	EML has subsidiaries in North America, Brazil, Thailand, United Kingdom and Canada and also a technology centre in Bruntingthorpe, United Kingdom. The Company has 42 exclusive stores across the UK, USA, Mexico, Colombia, Brazil, Argentina, France, Spain, Indonesia, Thailand, Philippines, Vietnam, Austria, Portugal, Australia, New Zealand and UAE.
	b) Number of National Locations	<ul style="list-style-type: none"> ◆ Registered office: New Delhi, India ◆ Corporate office: Gurugram, Haryana, India ◆ Manufacturing locations: Thiruvottiyur, Oragadam and Vallam Vadagal in Tamil Nadu, India. ◆ Technical centres at Chennai, India and Bruntingthorpe, United Kingdom
10	Markets served by the Company – Local/State/National/International:	Please refer EML IR 2020-21 – Manufacturing Excellence - Business Presence

SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Question	Response
1	Paid up Capital (INR)	Rs. 27.33 Crores
2	Total Turnover (INR)	Rs. 8,619.04 Crores
3	Total profit after taxes (INR)	Rs. 1,329.70 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) -	EML spent INR 56.37 Crores on CSR activities during the FY 2020-21. This was 2% of the average net profits of the Company for the last three financial years.
5	List of activities in which expenditure in 4 above has been incurred:-	Refer EML IR 2020-21 - Communities Refer Annexure-3 of Directors Report

SECTION C: OTHER DETAILS

No.	Question	Response
1	Does the Company have any Subsidiary Company/ Companies?	Yes, as at March 31, 2021, the subsidiaries of the Company are: 1) Royal Enfield North America Ltd. 2) Royal Enfield (Thailand) Ltd. 3) Royal Enfield Brasil Comercio de Motorcicletas Ltda 4) Royal Enfield UK Ltd. 5) VE Commercial Vehicles Ltd. 6) Eicher Group Foundation Step-down subsidiaries: 7) Royal Enfield Canada Ltd. 8) VECV Lanka (Private) Ltd. 9) VECV South Africa (PTY) Ltd.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Eicher Group Foundation (a not-for-profit company registered under Section 8 of the Companies Act, 2013) has been incorporated by Eicher Motors Limited and its subsidiary-VE Commercial Vehicles Limited, with the purpose of implementing the Group's CSR policy. Other subsidiaries do not participate in BR initiatives of the Company
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Suppliers and distributors are independent businesses that are within the circle of influence of EML, but function as independent entities. EML's suppliers and distributors are not involved in our BR initiatives.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR**

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

Name	Designation	DIN Number
Mr. S. Sandilya	Chairman, Non-Executive and Independent Director	00037542
Mr. Siddhartha Lal	Managing Director	00037645
Ms. Manvi Sinha	Non-Executive and Independent Director	07038675
Mr. Inder Mohan Singh	Non-Executive and Independent Director	07114750

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below
3	Does the policy conform to any national/ international standards?	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below
6	Indicate the link for the policy to be viewed online?	P1: https://www.eicher.in/codes-and-policies P2: Published in the intranet and to all contractors P3: Published in the intranet P4: https://www.eicher.in/uploads/1623138899_eicher-corporate-social-responsibility-policy.pdf P5: Published in the intranet P6: Published in the intranet P7: http://www.eicher.in/codes-and-policies P8: http://www.eicher.in/codes-and-policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	As per Note below

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

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

(b) If answer to the question at serial number 2 (a) against any principle, is 'No', please explain why: (Tick up to 2 options)

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

3. Governance related to BR

No.	Question	Response
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:	The Managing Director, Whole-time Director & Chief Executive Officer - Royal Enfield, and the Senior Management of EML review the BR vision, strategy and performance of the company annually.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	EML has been publishing a BR Report annually since FY 2015-16. It has also begun publishing a GRI-based sustainability report since FY 2018-19. The reports can be viewed at: FY 2015-16 (BRR): https://www.eicher.in/uploads/1530166609_BRR_FY_2015-16.pdf FY 2016-17 (BRR): https://www.eicher.in/uploads/1530166609_BRR_FY_2016-17.pdf FY 2017-18 (BRR): https://www.eicher.in/uploads/1532953236_BRR_FY_2017-18.pdf FY 2018-19 (BRR): https://www.eicher.in/uploads/1571826257_BRR_FY_2018-19.pdf FY 2019-20 (BRR): https://www.eicher.in/uploads/1597210099_Business%20Responsibility%20Report%202019-20.pdf FY 2018-19 (Sustainability Report): http://www.eicher.in/uploads/1574830131_sustainability-report-2018-19.pdf FY 2019-20 (Sustainability Report): https://www.eicher.in/uploads/1594985621_EML_Sustainability_Report_2019-20_Opt.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle No.	Description	Response
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Please refer EML IR 2020-21 – Ethical Business Practices– Company’s policy related to anti-corruption
1.2	Did the company receive any complaint relating to ethics, bribery and corruption during the financial year under review?	Please refer EML IR 2020-21 – Ethical Business Practices During the year under review, a few cases of corruption were identified, and strict disciplinary actions were taken.
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	All products Please refer EML IR 2020-21 – Customer Centricity
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	Please refer EML IR 2020-21 – Materials – Case study on ‘Packaging Materials’ Energy and Emissions - Energy Intensity in manufacturing units, Emission Intensity, Water and Effluents - Water Intensity, Case study on ‘Vermicompost’
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Please refer EML IR 2020-21 – Sustainability in Procurement – Supplier Engagement, Minimising Impact, Supplier Assessment
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Please refer EML IR 2020-21 – Sustainability in Procurement – Supplier engagement, Minimising Impact
2.5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Please refer EML IR 2020-21 – Materials - Primary Materials used in products – percentage of recycled material used in products

Principle No.	Description	Response
Principle 3: Businesses should promote the wellbeing of all employees		
3.1	Please indicate the Total number of employees.	Please refer EML IR 2020-21 – Employment– Employee count by Category and age Diversity and Equal Opportunity – Gender Diversity and Age Diversity
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Please refer EML IR 2020-21 - Employment - Total count of NEEM trainees
3.3	Please indicate the Number of permanent women employees.	271 Please refer EML IR 2020-21 – Diversity and Equal Opportunity – Gender Diversity - % of women in Staff / Executive category and Associate Engineer category
3.4	Please indicate the Number of permanent employees with disabilities	3
3.5	Do you have an employee association that is recognized by management?	Yes Please refer EML IR 2020-21 -Freedom of Association
3.6	What percentage of your permanent employees are members of this recognized employee association?	All permanent employees
3.7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	None Please refer EML IR 2020-21 -Human Rights
3.8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	<ul style="list-style-type: none"> ♦ The Company encourages the employees to make use of the available resources to improve skills, both professional as well personal. In the FY 2020-21, 90% of the employees were provided with skill upgradation training which include technical, functional, managerial and leadership programs. ♦ Safety training programs including behaviour based safety and road safety awareness programs were also provided to 25% of our employees. In addition, all new recruits and workers are engaged with basic and mandatory safety training.
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.		
4.1	Has the company mapped its internal and external stakeholders?	Yes
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. Please refer EML IR 2020-21 – Communities– Community Development project, Project Empower, RE Academy for skills, Shikshak Pahel Program
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	Please refer EML IR 2020-21 - Communities The CSR projects taken up by the Company are in accordance with the Guiding Principles as stated by the EML's CSR Policy. Principle 1: Local Area Development- Improving the lives of communities where we operate, popular travel destinations and other identified places Principle 2: Social Mission – Responsible Travel Principle 3: Road safety
Principle 5: Businesses should respect and promote human rights		
5.1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	Please refer EML IR 2020-21 - Human Rights
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the financial year under review, the Company received two complaints of sexual harassment which were investigated and appropriately dealt with as per the statutory provisions

Principle No.	Description	Response
Principle 6: Business should respect, protect, and make efforts to restore the environment		
6.1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	At present, the Company's environment policy does not cover Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs. However, we encourage all our stakeholders to implement robust environmental practices across their operations.
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc	Please refer EML IR 2020-21 – Greener Business Operations – EML's Approach Communities – The guiding principles of CSR projects
6.3	Does the company identify and assess potential environmental risks?	Yes
6.4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No The Company implements various energy efficiency initiatives across operations. Same can be referred on EML IR 2020-21 – Greener Business Operations – Energy Management
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Please refer EML IR 2020-21 –SDG Alignment, Greener Business Operations, Energy and Emissions – Renewable energy project, Energy efficiency measures, Communities- Solar electrification in Ladakh
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Please refer EML IR 2020-21 -Environmental Compliance
6.7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No instance of non-compliance Please refer EML IR 2020-21 – Environmental Compliance
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. The names are: 1. Society of Automotive Fitness and Environment (SAFE) 2. Society of Indian Automobile Manufacturers (SIAM) 3. Confederation of Indian Industry (CII) 4. Bureau of Indian Standards (BIS) 5. Federation of Indian Chambers of Commerce and Industry (FICCI) 6. Employers' Federation of Southern India (EFSI)
7.2	Have you advocated/lobbied through above associations for the advancement or improvement of public good?	Engagement with various industry & trade associations happens on issues such as automotive policy, 'Make in India', climate change, technology changes and other industry standards.
Principle 8: Businesses should support inclusive growth and equitable development		
8.1	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Please refer EML IR 2020-21 – Communities
8.2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?	Eicher Group Foundation Please refer EML IR 2020-21 – Communities
8.3	Have you done any impact assessment of your initiative?	Yes EML IR 2020-21 – Communities – Shikshak Pehal Program
8.4	What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	EML IR 2020-21 – Economic Performance – Economic value generated and distributed - Community Investments
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	EML IR 2020-21 – Communities

Principle No.	Description	Response
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner		
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?	EML focusses on delivering exceptional experiences for its customers through various customer centric initiatives such as Service Excellence Initiative, STORES Project, 3 in 1 Mobile Van and a wide variety of accessories for the riders. The Company also reached out to 10,000 customers through the Royal Enfield app in order to understand Customers' feedback related to sales and services. Customer complaints are monitored and resolved by the respective service / sales team in order to facilitate faster resolution. As at March 31, 2021, 1.2% of the total customer complaints received during the financial year 2020-21 are outstanding. The Company has 312 consumer cases pending as at the end of the financial year 2020-21.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	Yes
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Please refer EML IR 2020-21 – Stakeholder engagement & Customer Centricity - Rides, Rider Mania

DIRECTORS' REPORT

To the Members of Eicher Motors Limited

The Directors have pleasure in presenting the Thirty Ninth Annual Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2021.

FINANCIAL RESULTS

Your Company has earned a net revenue from operations of Rs. 8,619.04 crores during the financial year 2020-21. The profit before depreciation and interest expense amounted to Rs. 1,786.51 crores, which is 20.7% of the total revenue. After accounting for other income of Rs. 452.03 crores, interest expense of Rs. 9.20 crores and depreciation of Rs. 446.03 crores, profit before tax amounted to Rs. 1,783.31 crores.

Profit after tax amounted to Rs. 1,329.70 crores after an income tax provision of Rs. 453.61 crores. Total Comprehensive Income for the year, net of tax amounted to Rs. 1,353.75 crores.

The financial results are summarized below:

Particulars	Rs. in Crores	
	For the financial year ended March 31, 2021	For the financial year ended March 31, 2020
Net Revenue from operations	8,619.04	9,077.47
Profit before depreciation and interest	1,786.51	2,203.78
Interest	9.20	10.86
Depreciation	446.03	377.92
Profit before other income and tax	1,331.28	1,815.00
Other income	452.03	615.34
Profit before tax	1,783.31	2,430.34
Provision for tax (including Deferred tax)	453.61	526.52
Net profit after tax	1,329.70	1,903.82
Other comprehensive income	24.05	7.02
Total Comprehensive income for the year net of tax	1,353.75	1,910.84
Balance in statement of profit and loss brought forward from previous year	7,663.16	6,576.63
Amount available for appropriation (Excluding exchange difference in translation of foreign operations)	8,993.44	8,471.89
Dividend for FY 2018-19, paid in FY 2019-20	-	341.11
Interim dividend proposed and paid in FY 2019-20	-	341.32
Dividend proposed for FY 2020-21, to be paid in FY 2021-22	464.67	-
Tax on dividend	-	126.30
Earnings per share		
- Basic (Rs.) [#]	48.68	69.75
- Diluted (Rs.) [#]	48.61	69.72

[#] Previous year earning per share are adjusted due to sub division of each equity share of face value of Rs.10/- each into 10 equity shares of face value of Re. 1/- each, pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT HAVE OCCURRED AFTER MARCH 31, 2021 TILL THE DATE OF THIS REPORT

The second wave of the global health pandemic COVID-19 in the month of April and May 2021 in India and the lockdown

imposed by the State Governments resulted into closure of most of the retail outlets of dealers. Company's manufacturing facilities although continue to operate as per the business requirements and in compliance with the instructions and guidelines issued by the Government and local bodies.

The Company has considered the possible effects that may result from the COVID-19 on its operations. Management believes that it has taken into account external and internal information for assessing the possible impact of COVID-19

on various elements of its financial statement, including its liquidity position and the recoverability of assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

DIVIDEND

The Board of Directors at its meeting held on May 27, 2021, has recommended for approval of the shareholders, payment of dividend of Rs. 17/- per equity share (@1700%) of face value of Re. 1/- each out of the profits for the financial year 2020-21 in accordance with the Dividend Distribution Policy of the Company.

The dividend, if approved by the shareholders in the ensuing Annual General Meeting, shall be paid in the following manner:

- a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on August 10, 2021 (record date);
- b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests properly lodged with the Company on or before the close of business hours on August 10, 2021 (record date).

AMOUNTS TRANSFERRED TO RESERVES

During the financial year 2020-21, no amount was transferred to General Reserve of the Company.

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

Your Company has sold 6,12,350 motorcycles in the financial year 2020-21, 12.3% lower when compared to financial year 2019-20 sales of 6,98,216 motorcycles. Out of 6,12,350 motorcycles sold in financial year 2020-21, 38,622 motorcycles were exported, a decline of 1.7% over previous year export volume of 39,296 motorcycles in financial year 2019-20.

Net Revenue from operations for financial year 2020-21 was Rs. 8,619.04 crores, 5.1% lower when compared with previous financial year of Rs. 9,077.47 crores. Net Sales of spare parts, gears and services decreased to Rs. 991.44 crores in financial year 2020-21 from Rs. 1,075.18 crores in the previous financial year, registering a decline of 7.8%.

Your Company's profit before depreciation, interest and tax was Rs. 1,786.51 crores in financial year 2020-21, lower by 18.9% over Rs. 2,203.78 crores recorded in financial year 2019-20.

MARKET AND FUTURE PROSPECTS

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

The Company has not issued any sweat equity shares or equity shares with differential rights during the financial year 2020-21.

CHANGES IN SHARE CAPITAL & THE COMPANY'S EMPLOYEE STOCK OPTION PLAN, 2006 AND RESTRICTED STOCK UNITS PLAN, 2019

The Board of Directors of the Company at its meeting held on June 12, 2020 approved sub-division of equity shares of the Company and the same was also approved by the members at their 38th Annual General Meeting held on August 10, 2020 pursuant to which each equity share of face value of Rs. 10 each of the Company has been sub-divided into 10 equity shares of face value of Re. 1/- each with effect from August 25, 2020 (record date for sub-division). Capital clause of the Memorandum of Association has been amended suitably.

Pursuant to the above sub-division and with effect from August 25, 2020 (record date for sub-division), appropriate adjustments were made in the number of stock options that have been granted & yet to be exercised such that each such stock options shall stand converted into Ten (10) stock options of the same category and the respective exercise price for each such option shall be one tenth (1/10) of the exercise price fixed at the time of grant of such options.

The paid up Equity Share Capital of the Company as on March 31, 2021, was Rs. 27,33,35,922/-. During the year under review, the Company has issued 2,40,222 Equity Shares (Face value Re. 1/- each) pursuant to its Employees Stock Option Plan, 2006 ("ESOP, 2006") and 50,000 Equity Shares (Face value Re. 1/- each) pursuant to its Restricted Stock Units Plan, 2019 ("RSU Plan, 2019").

A Statement giving complete details as at March 31, 2021, pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company and the weblink for the same is https://www.eicher.in/uploads/1626351902_eicher-motors-esop-statement-2020-21.pdf

ESOP, 2006 and RSU Plan, 2019, for grant of stock options have been implemented in accordance with the aforesaid SEBI Regulations. A certificate from M/s S.R. Batliboi & Co.,

LLP, Statutory Auditors, in this regard will be available for inspection on the website of the Company under "Investors" Section on the date of Annual General Meeting. The Company has not changed its ESOP, 2006 and RSU Plan, 2019 during the year under review.

Further, details of options granted and exercised are included in Note no. 48 in the notes to accounts forming part of standalone financial statements.

DEPOSITS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with Section 149(7) of the Act and Regulation 25(8) of SEBI (LODR) Regulations, 2015 Independent Directors of the Company have given written declarations to the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of SEBI (LODR) Regulations, 2015. As on March 31, 2021, all Independent Directors of the Company have valid registrations with the Independent Director's databank maintained by Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In accordance with the provisions of Section 152 and other applicable provisions of the Act, Mr. Siddhartha Lal, Managing Director, retires by rotation at the ensuing 39th Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his reappointment.

The Board of Directors of the Company at its meeting held on February 10, 2021, re-appointed Mr. Siddhartha Lal, as Managing Director of the Company for a period of 5 (five) years with effect from May 1, 2021, after taking into consideration recommendations of the Nomination & Remuneration Committee of the Company and subject to requisite approval of the shareholders at the ensuing AGM and the approval of the Central Government. In the opinion of the Board, Mr. Siddhartha Lal possess requisite skills & expertise in the context of business of the Company. For details on skills/expertise/competencies of Mr. Siddhartha Lal, please refer Corporate Governance Report forming part of this Annual Report.

During the year under review, Mr. S. Sandilya and Ms. Manvi Sinha were re-appointed as Independent Directors on the Board of the Company w.e.f. February 13, 2020, with requisite approvals of the shareholders obtained at the 38th Annual General Meeting held on August 10, 2020. Mr. Vinod Agarwal retired at the 38th Annual General Meeting held on August 10, 2020 and was reappointed by the shareholders.

Further, the Board at its meeting held on May 6, 2020 has appointed Mr. Kaleeswaran Arunachalam as the Chief Financial Officer of the Company with effect from May 6, 2020 in place of Mr. Lalit Malik, who is continuing as the Chief Commercial Officer of the Company. There has been no other change in the Directors and Key Managerial Personnel of the Company during the financial year under view.

THE COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Hiring & Employment Policy:

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

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

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

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

Removal of Directors

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

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

The Company's Remuneration Policy

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

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

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

Loans/advances may be extended to employees for various personal purposes or to aid business functions, from time to time, on a case to case basis, in accordance with the relevant Human Resource guidelines/policies in force or as may be approved by the Chief Financial Officer, the Chief Human Resource Officer of the Company, or any person authorized by them, including for relocation viz. school deposits/expenses, travel/logistics expenses, housing advance, housing deposits/brokerage, any other expenses towards relocation; advance submission of tax deducted at source by the Company on behalf of employee; advance towards medical insurance premiums; loans granted to enable grantees exercise ESOPs and towards deposit of perquisite tax thereon; loans/advances covered under Employees Union recognized by the Company as per Union Agreement; medical emergency advances etc.

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

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

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

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

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

During the financial year under review, formal annual evaluation of the Board, its committees and individual Directors was carried out at the Board meeting held on February 10, 2021.

The Nomination and Remuneration Committee specified the criteria for effective performance evaluation of the Board, its Committees and Individual Directors of the Company. The performance of the Board and Committees was evaluated after seeking inputs from all the Directors on the basis of the criteria such as Board/ Committee constitution, frequency of meetings, effectiveness of processes etc. The performance of individual Directors (including Independent Directors) was evaluated by the Board (excluding the Director being evaluated) after seeking inputs from all Directors on the basis of the criteria such as thought contribution, business insights and applied knowledge. Once the evaluation process is complete, the Nomination & Remuneration Committee reviews the implementation of the manner specified by it for performance evaluation & effectiveness of the process.

MEETINGS OF BOARD OF DIRECTORS

Seven (7) meetings of the Board of Directors of the Company were conducted during the financial year under review. The details of Board/Committees/Shareholder meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

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

The details of loans, guarantees and investments made by the Company during the financial year under review which are covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

PARTICULARS OF RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered into by the Company during the financial year with related parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Requisite approval of the Audit Committee and the Board (wherever required) was obtained by the Company for all Related Party Transactions.

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

The Company has a Policy on materiality of and dealing with Related Party Transactions, as approved by the Board, which is available on its website www.eichermotors.com.

AUDIT COMMITTEE

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

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors, employees, dealers and vendors of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy or to report genuine concerns or grievances including instances of leak or suspected leak of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Whistle Blower Policy of the Company is available at https://www.eicher.in/uploads/1581075167_whistle_blower_policy.pdf

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

Highlights of performance of subsidiaries and joint venture Companies and their contribution to the overall performance of the Company during the year under review

Royal Enfield North America Limited (RENA)

RENA was incorporated in March 2015 as a 100% subsidiary of Eicher Motors Limited to manage the distribution and sales of Royal Enfield products and services including, motorcycles, spares, apparels and accessories in North America. It sold 3,820 motorcycles (excluding 324 motorcycles sold to Royal Enfield Canada Limited, 100% subsidiary of RENA) during the year 2020-21 and achieved revenue of Rs. 141.82 crores (including revenue of Rs. 11.17 crores by sales to Royal Enfield Canada Limited). As of March 2021, RENA had contracted with 121 multi brand outlets in USA.

Royal Enfield Canada Limited (RECA)

RECA is a 100% subsidiary of RENA. RECA was incorporated in April 2016 in Canada to manage the distribution and sales of Royal Enfield products and services including, motorcycles, spares and gear in Canada. During the year 2020-21, the company sold 324 motorcycles and achieved revenue of Rs. 11.91 crores. As of March 2021, RECA had contracted with 13 multi brand outlets in Canada.

Royal Enfield Brasil Comercio De Motocicletas Ltda. (REBRA)

Royal Enfield started its operations in Brazil through a direct distribution company by the name of Royal Enfield Brasil Comercio de Motocicleta LTDA in 2016. Over 4 years, the company has grown by an average of 50% year over year. During the year 2020-21, the company sold 2,718 motorcycles and achieved a revenue of Rs. 46.86 crores.

Royal Enfield (Thailand) Ltd (RETH)

Royal Enfield (Thailand) Ltd. was incorporated on September 18, 2018 and commenced sales operations from September 2019. The Company's footprints have grown to 15 exclusive stores, 3 studio stores and 15 authorized sales & service points. In the year 2020-21, the company received two awards from the Grand Prix group for Meteor being the "Best Modern Classic" and Himalayan being "Best Lightweight Tourer" motorcycle. During the year 2020-21, the company sold 2,373 motorcycles and achieved revenue of Rs. 98.75 crores.

Royal Enfield (UK) Limited (REUK)

Royal Enfield UK Ltd, was incorporated in August, 2019 and commenced sales operations from June 2020. The company's footprints have grown to 8 exclusive stores and 52 Authorized Sales & Service Points. In the year 2020-21, the company received 2 awards from the Motorcycle News for Interceptor being the "Best Retro of the year for 2019 and 2020". During the year 2020-21, the company sold 1,740 motorcycles and achieved revenue of Rs. 42.74 crores.

Eicher Polaris Private Limited (EPPL)

Eicher Polaris Private Limited, a joint venture company, was involved in manufacturing and sales of personal utility vehicles.

The Board of Directors and Shareholders of EPPL at their respective meetings held on February 18, 2020 approved voluntary liquidation (solvent liquidation) of EPPL and appointed an insolvency professional as the liquidator. The liquidation process is under progress currently.

VE Commercial Vehicles Limited and its step-down subsidiaries

Overview of performance covered separately in the Annual Report.

Report containing salient features of financial statements of subsidiaries and joint venture Companies

Pursuant to the provisions of Section 129(3) of the Act, a report containing salient features of the financial statements of the Company's subsidiaries and joint venture Company in Form AOC-1 is attached as **Annexure-2**.

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

No Company has become or ceased to be the Company's subsidiary, joint venture or associate company during the financial year 2020-21.

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a Corporate Social Responsibility Policy and identified Local Area Development, Social Mission (Responsible Travel) and Road safety, as themes which will be given preference while formulating Annual Actions Plans. The Company will continue to support social projects that are consistent with the Policy.

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

1. Mr. S Sandilya – Chairman
2. Mr. Siddhartha Lal
3. Mr. Inder Mohan Singh
4. Ms. Manvi Sinha

During the year under review, the Board at its Meeting held on March 31, 2021, appointed Ms. Manvi Sinha, Non-Executive Independent Director as Member of the Corporate Social Responsibility Committee.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

Pursuant to Section 136 of the Act, the financial statements, consolidated financial statements and separate accounts of the subsidiaries are available on the website of the Company

at www.eichermotors.com. The Company shall provide the copies of the financial statements of the Company and its subsidiary Companies to the shareholders upon their request received on investors@eichermotors.com. The consolidated total Comprehensive income of the Company and its subsidiaries amounted to Rs. 1,381.24 crores for the financial year 2020-21 as compared to Rs. 1,838.62 crores for the previous financial year 2019-20.

AUDITORS

(a) Statutory Auditors and Their Report

M/s S.R. Batliboi & Co., LLP, Chartered Accountants (Firm Registration Number: FRN 301003E/E300005) were appointed as Statutory Auditors in the 35th (Thirty Fifth) Annual General Meeting (AGM) of the Company for a period of five years, from the conclusion of 35th AGM till the conclusion of the 40th AGM of the Company, subject to ratification of their appointment at every AGM by the shareholders, if required pursuant to the provisions of the Companies Act, 2013 ("Act"). Central Government vide the Companies (Amendment) Act, 2017 has amended the provisions of Section 139 of the Act and ratification of appointment of Statutory Auditors in every AGM is no longer required. The Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules made thereunder to continue to act as Statutory Auditors of the Company.

The Statutory Auditors had carried out audit of financial statements of the Company for the financial year ended March 31, 2021 pursuant to the provisions of the Act. The reports of Statutory Auditors form part of the Annual Report. The reports are self-explanatory and do not contain any qualifications, reservations or adverse remarks. The Statutory Auditors had not reported any fraud under Section 143(12) of the Companies Act, 2013.

(b) Secretarial Auditors and Their Report

The Board of Directors has appointed M/s. Shweta Banerjee & Associates, Company Secretaries, to conduct Secretarial Audit for the financial year ended March 31, 2021. As required under Section 204 of the Companies Act, 2013, the Secretarial Audit Report is annexed as **Annexure-4** to this Report. The Secretarial Auditors' Report is self-explanatory.

One of the observations made by the Secretarial Auditor in its report is not conducting the Risk Management Committee meeting by the Company during the financial year 2020-21. Response on the above observation is as follows:

The process of risk prioritisation and mitigation has been presented, discussed and reviewed at the Board level regularly at meetings attended by the Committee members. Various measures have been adopted as outcome of such discussions, a comprehensive

risk inventory drawn, mitigation framework being designed, Centre of Excellence – Internal Controls set up etc. While a separate meeting exclusively of the members of the Risk Management Committee has not been held in the relevant period during the financial year ended March 31, 2021, its members have been actively involved in fulfilling the terms of reference. Furthermore, given the fact that review of industrial operations is considered key, holding a meeting / review of such operations has been a challenge in the wake of Covid crisis and travel restrictions (and risks associated with it).

Further, pursuant to provisions of Regulation 24A of the SEBI (LODR) Regulations, 2015, VE Commercial Vehicles Limited (VECV) is a material subsidiary of the Company in terms of Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015. The Secretarial Audit Report submitted by the Secretarial Auditors of VECV is also annexed as **Annexure-5** to this Report.

(c) Cost Auditor

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

M/s. Jyothi Satish & Co, a qualified Cost Accountant Firm (Firm registration No. 101197), has been appointed as the cost auditor to carry out audit of the cost records of the Company for the financial year 2020-21 pursuant to the provisions of the Companies Act, 2013. The Cost auditor shall submit its report to the Board of Directors within the time prescribed under the Companies Act, 2013 and the rules made thereunder.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS RESPONSIBILITY REPORTS

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

INTEGRATED REPORT

The Company voluntarily has prepared an Integrated Report this year which will help stakeholders to understand the Company's economic, environmental, social and governance performance more effectively and analyzing the financial and non-financial performance of the Company. With this, stakeholders shall also have a better understanding of the Company's long term perspective. The report is available on the website of the Company at www.eicheromotors.com.

ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company and the weblink for the same is https://www.eicher.in/uploads/1626338501_form_mgt-7-2020-21.pdf

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the Annual Financial Statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note no. 3 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profits of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively; and
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES

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

- 1) Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the financial year:

Sl. No.	Name of the Director/ KMP	Designation	Ratio of Remuneration of each Director to median Remuneration of Employees	Percentage Increase in Remuneration for FY 2020-21 over FY 2019-20
1.	Mr. S Sandilya	Chairman & Non-Executive Independent Director	11.1	10.51
2.	Mr. Siddhartha Lal	Managing Director	340.3	9.97
3.	Mr. Vinod K. Dasari	Whole-time Director and CEO-Royal Enfield	404.2	1.88
4.	Mr. Inder Mohan Singh	Non-Executive Independent Director	2.8	12.03
5.	Ms. Manvi Sinha	Non-Executive Independent Director	2.8	6.74
6.	Mr. Kaleeswaran Arunachalam	Chief Financial Officer	-	NA*
7.	Mr. Manhar Kapoor	General Counsel and Company Secretary	-	7.55

*Percentage increase in remuneration for FY 2020-21 over FY 2019-20 not applicable since Mr. Kaleeswaran Arunachalam was appointed as Chief Financial Officer w.e.f May 6, 2020.

Note: Mr. Vinod K. Aggarwal, Non-Executive Director, is not entitled for any remuneration by way of sitting fees or commission or otherwise, in the Company.

- 2) Percentage increase in the median remuneration of the employees in the financial year: 1%
- 3) Number of permanent employees on the rolls of Company as at March 31, 2021: 5,005 employees.
- 4) The average increase in median remuneration of the employees other than managerial personnel was 1% as compared to the increase in the managerial remuneration by 2%.
- 5) It is hereby affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

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

RISK MANAGEMENT

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

COMPLIANCE OF SECRETARIAL STANDARDS

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

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

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

ACKNOWLEDGEMENT

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

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

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

For **Eicher Motors Limited**

Siddhartha Lal

Managing Director

DIN: 00037645

Place: London, UK

Date: May 27, 2021

S. Sandilya

Chairman

DIN: 00037542

Place: Chennai, Tamil Nadu

ANNEXURE-1

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

(A) CONSERVATION OF ENERGY

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

1. Installation of dust collector and implementation of VFD operation on dust collector system during minimum operation resulting in saving of 201,951 Kwh.
2. Installation of Evaporative cooler in fabrication shop resulting in savings of 79,872 Kwh.
3. Implementation of economiser design modification in evaporator boiler of ETP at resulting in savings of 126,555 Kwh.
4. Compressor power consumption reduced by following activities resulting in savings of 567,303 Kwh.
 - i. Waste heat recovery from air compressor and transfer to washing machines and cut off of heaters.
 - ii. Compressed air leak arrest and reduction of compressed air set point by updating sigma air manager program.
 - iii. Installation of flow control system to Optimize the Air pressure.
 - iv. Introduction of pneumatic valve in input compressed air line and interlocking with energy saving mode for 50 machines.
 - v. Conversion of Pneumatic hoist to Kito Electric Hoist to eliminate compressed air usage.
 - vi. Injection of nanofluid in chiller compressor to improve heat transfer.
 - vii. Interlocking of external coolant system with machine to cut off coolant system from machine during idle time.
 - viii. Installation of AMS Yoke machine to reduce input compressed air pressure from 6 to 3.5 bars. Also installation of IFC controller to maintain air pressure at 5.5 bars.
 - ix. Switchover from IE 3 to IE 4 compressor motor.
 - x. Pressure optimisation, reduction in air compressor capacity and switch off of compressor during break times.
 - xi. Reduction in compressed air usage and air compressor load.
5. Enabled ECO mode in Makino machine, also modified logic to cut-off fixture power pack during machine idle time more than 4 minutes resulting in savings of 78,450 Kwh.
6. CED chiller temperature optimisation resulting in savings of 140,896 Kwh.
7. Installation of sensors as a part of utility light management, installation of LED lights and implementing dock level ramp light auto cut off in reverse parking sensor resulting in savings of 202,873 Kwh.
8. HVLS fans and fans at restrooms, canteens, tea points were fitted with timers for auto cut offs resulting in savings of 47,537 Kwh.
9. Integration of hot water generator distribution line for Plating shop resulting in savings of 42,900 Kwh.
10. Installation of Hydraulic power pack during idle time more than specified limits resulting in savings of 17,303 Kwh.
11. Optimising oxygen level in flue gas in paint shop burners resulting in a saving of 24,757 Kwh.
12. Old DG set running hours reduced by sharing of loads to other sets resulting in a saving of 26,043 Kwh.
13. Installation of Auto air actuator resulting in savings of 18,743 Kwh.

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

NIL

(iii) The capital investment on energy conservation equipment

Rs. 148.46 lakhs

(B) TECHNOLOGY ABSORPTION**Engine Design (J1)**

- i. Oil cooling circuit for cylinder head using double rotor oil pump.
- ii. Crank offset for reducing piston side forces.
- iii. New assembly tool for accurate timing of camshaft with respect to engine top dead centre.
- iv. Top gear with overdrive gear ratio.
- v. Silent chain for oil pump drive for NVH improvement.
- vi. Oil feed through crankshaft from crankpin to cool ACG.
- vii. Balancer cush drive implementation for NVH improvement.
- viii. Catalytic converters housed in a separate housing as a CAT box.
- ix. Implementation of a combined throttle body / ECU.

Vehicle Design (Meteor)

- i. Modularity introduced in Frame & Swing arm for platform so as to provide maximum carryover of assembly/sub-assembly / child parts.
- ii. Laser welding for fuel pump mounting bracket.
- iii. New offset chain adjuster mechanism.
- iv. Snap fit mountings implemented for side panels.
- v. Integrated the fuel pump and Fuel level sender as a single unit.
- vi. New ABS tone wheel design eliminated shims on wheel speed sensor mounting by allowing an increased range of air gap.
- vii. Implemented aiming adjustment of the headlamp within the nacelle.
- viii. Implementation of clip nuts to eliminate the need for re-tapping for aiding assembly.
- ix. Modular number plate mounting to allow registration plate requirements for major international markets.
- x. Metal sleeve added in clutch lever to maintain consistent lever play.
- xi. Integrated piece mudguard and battery carrier, reducing number of parts.
- xii. Swing arm bush optimised to eliminate final boring after pressing.

Electrical Design (Meteor)

- i. CAN integration in cluster and ECU's - low cost and high flexibility.
- ii. Turn by Turn Navigation with colour TFT based on Bluetooth connectivity.

- iii. Rotary type sealed side stand switch.
- iv. USB charger integrated into switch module.
- v. AHO enabling based on engine RPM to reduce load on starting and charging system.
- vi. Rotary type handlebar switches with spring return.
- vii. E-Diagnostics tool based on Bluetooth technology for RE Mechanics.

CAE

- i. Exhaust system noise sound synthesis. Virtual sound of motorcycle.
- ii. Crankshaft durability including dynamic effects.
- iii. Crankshaft primary gear dynamic misalignment prediction.
- iv. Prediction of cylinder head noise from finite element model.
- v. Manufacturing simulations: HPD Casting, Sheet Metal Forming, Injection moulding and Welding. Inclusion of manufacturing stress in durability analysis.
- vi. Belgium Pave track & two poster durability prediction in MBD simulations.
- vii. Optimization of Transmission loss in silencer using Commercial optimization software.
- viii. Virtual customer / Rider feedback on Braking & slalom tests - Effect of Bio motion in handling tests.
- ix. SAE Papers:
Fuel economy improvement of two wheeler by system simulation [21SIAT-1225].
The Application of Angle-Domain Windowing to Time-Domain Data for the Purposes of NVH Analysis of Motorcycle Engines Valve Operation Events. [21SIAT-1364].
Motorcycle Jump Test Dynamics and Durability Analysis [21SIAT-1472].
Motorcycle Two Poster Rig Simulation [21SIAT-1473].
Dynamic Implicit & Modal Analysis of Valve train system to identify Valve train Noise [21SIAT-1535].

Existing model improvements

- i. Introduction of GEN 10 Modulator along with indigenous Wheel Speed sensor as a technology advancement.
- ii. Introduction of Hazard warning switch in Himalayan.
- iii. Elimination of Secondary ALR Injection by optimising Emission levels through calibration in Himalayan.
- iv. Introduction of Blade Type Bulb in Classic & Bullet Pilot lamps.

- v. Introduction of Zinc Nickel Coating on Fuel Tank collar to enhance corrosion resistance.
- vi. Micro alloy steel frame tubes implemented for enhancing durability.
- vii. PGM loading reduction & Catalytic convertor optimisation through calibration for Classic models.
- viii. Anodized Calliper introduced for Himalayan & Twins models for select International markets.
- ix. Introduction of Turn by Turn Navigation system on Himalayan Variants.
- x. Introduction of Chrome Metalizing process on Rear View Mirror Plate to address field issues.
- xi. Introduction of Fuel injection system with Electronic E Purge on Himalayan.
- xii. Introduction of indigenously developed CEAT tyre for all International models to reduce import of Tyres.
- xiii. Fuel Injection system implemented in Kick Start model Bullet.

- xiv. All Models have been upgraded to OBD requirements and EU V norms.
- xv. Introduction of ACW (Automotive Composite Wire) on Twins model for the RR unit as an improvement.
- xvi. Introduction of Abrasion Resistant Sticker on Classic Model Fuel Tank to avoid Paint fading due to Seat rubbing.

The expenditure incurred on Research and Development:

- a) Revenue: Rs. 103.40 crores.
- b) Capital: Rs. 195.70 crores.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, total exports (FOB value) were Rs. 682.82 crores (Previous year Rs. 709.47 crores). Foreign Exchange amounting to Rs. 337.27 crores (Previous year Rs. 392.75 crores) was used on account of import of components, spare parts, capital goods, salaries & wages, advertisement, business travel and consulting fees during the year under review.

ANNEXURE-2

FORM AOC-1 STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

[Pursuant to First Proviso to Sub-Section (3) of Section 129 Read
with Rule 5 of the Companies (Accounts) Rules, 2014]

PART A - SUBSIDIARIES

Sl. No.	Name of Subsidiary	VE Commercial Vehicles Ltd. (VECV)	VECV Lanka (Private) Ltd	VECV South Africa (PTY) Ltd.	Royal Enfield Brasil Comércio de Motocicletas Ltda	Royal Enfield (Thailand) Limited	Royal Enfield North America Limited (RENA)	Royal Enfield Canada Limited	Royal Enfield UK Limited	Eicher Group Foundation (Licence under Section 8(1) of the Companies Act, 2013)	Rs. in Crores
		Subsidiary of the Company u/s 2(87) and accounted for as JV as per the Accounting Standards	Subsidiary of VECV	Subsidiary of VECV	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of RENA	Subsidiary of the Company	Subsidiary of the Company (50% shares by the Company and remaining 50% held by VECV)	
1	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period.**	-	-	-	-	-	-	-	-	-	-
2	The date since when subsidiary was acquired	March 07, 2008	April 09, 2013	January 22, 2016	August 18, 2014	September 18, 2018	March 23, 2015	April 19, 2016	August 20, 2019	November 19, 2015	
3	Reprting currency and exchange rate as on last date of the relevant financial year in case of foreign subsidiaries.	INR	LKR 1 LKR = Rs. 0.365	ZAR 1 ZAR = Rs. 4.907	BRL 1 BRL = Rs. 12.80	THB 1 THB = Rs. 2.34	USD 1 USD = Rs. 73.23	USD 1 USD = Rs. 73.23	GBP 1 GBP = Rs. 100.81	INR	
4	Share Capital	10.00	5.43	11.50	6.03	19.58	38.39	0.10	1.01	0.05	
5	Other Equity	3,538.26	(5.47)	(1.61)	(81.70)	(7.49)	(77.45)	0.63	(5.24)	73.43	
6	Total Assets	8,446.22	0.84	26.89	37.39	51.79	82.84	1.28	25.92	74.62	
7	Total Liabilities	4,897.96	0.88	17.00	113.06	39.71	121.90	0.55	30.15	1.14	
8	Investments	17.07	-	-	-	-	0.10	-	-	-	
9	Turnover (Gross)	8,652.66	1.09	37.53	46.86	98.75	141.82	11.91	42.74	-	
10	Contribution received	-	-	-	-	-	-	-	-	61.99	
11	Profit before Taxation	83.18	(1.32)	5.67	(26.82)	1.41	22.20	0.37	(4.86)	2.58	
12	Provision for Taxation	28.67	0.54	0.91	-	-	-	0.09	-	-	
13	Profit after Taxation	54.51	(1.86)	4.76	(26.82)	1.41	22.20	0.28	(4.86)	2.58	
14	Proposed Dividend	-	-	-	-	-	-	-	-	-	
15	% of Shareholding ***	54.40%	54.40%	54.40%	99.99%	99.99%	100.00%	100.00%	100.00%	50.00%	

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

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

PART B - JOINT VENTURE

Sl. No	Name of Joint Venture	Eicher Polaris Private Limited (EPPL)
1	Latest audited Balance sheet	March 31, 2021
2	Date on which joint venture was associated/acquired	October 10, 2012
3	Shares of Joint Venture held by the company on the year end No. as on March 31, 2021	32,54,89,000 Shares
	Amount of Investment in Joint Venture - Rs. Crores	325.49
	Extend of Holding %	50%
4	Description of how there is significant influence	There is no significant influence by Eicher Motors Limited since it is a joint venture company with 50% shareholding
5	Reason why joint venture is not consolidated	Not Applicable
6	Net worth attributable to Shareholding as per latest audited Balance Sheet - Rs. Crores	6.93
7	Profit/Loss for the year	
	i. Considered in Consolidation - Rs. Crores	Refer Note below
	ii. Not Considered in Consolidation - Rs. Crores	Refer Note below

Note:

- During the current year the Company has not considered any impairment loss (year ended March 31, 2020, year ended March 31, 2019 and year ended March 31, 2018 : Rs. Nil, Rs. 17.52 crores and Rs. 311.98 crores respectively). The cumulative impairment till March 31, 2021 is Rs. 329.50 crores, including an amount of Rs. 4.01 crores towards the Company share of cost to wind down the operations.
- EPPL incurred a loss of Rs. 17.59 crores during the current year of which the Company's share of loss is Rs. 8.80 crores.

ANNEXURE-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

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

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

Following CSR themes are given preference while formulating Annual Actions Plans:

- i. Local Area Development
- ii. Social Mission - Responsible Travel
- iii. Road Safety

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

The Company ensures that every programme has:

- i. Clearly defined objectives consistent with the Policy
- ii. A System for monitoring actual spending by the grantees
- iii. Impact assessment, wherever required
- iv. A reporting framework/ system

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

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

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

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

2. COMPOSITION OF CSR COMMITTEE

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee which the member were eligible to attend during the year	Number of meetings of CSR Committee attended during the year
1	Mr. S. Sandilya	Chairman, Non-Executive Independent Director	3	3
2	Mr. Siddhartha Lal	Member, Managing Director	3	3
3	Mr. Inder Mohan Singh	Member, Non-Executive Independent Director	3	3
4	Ms. Manvi Sinha*	Member, Non-Executive Independent Director	0	NA

*Appointed on March 31, 2021. No CSR Committee meetings were held in the financial year 2020-21 after such date.

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

Composition of the CSR committee shared above and is available on the Company's website on <https://www.eicher.in/consitution-of-board-committee>

CSR Policy of the Company is available at http://www.eicher.in/uploads/1623138899_eicher-corporate-social-responsibility-policy.pdf

CSR Projects approved by the Board is available at https://www.eicher.in/uploads/1626852323_details-of-csr-projects-2020-21.pdf

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT)

Not Applicable

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
		NIL	

6. Average net profit of the company as per section 135(5): Rs. 2818.5 crore

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 56.37 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 56.37 crore

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (Rs. in crore)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
56.37	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project State District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency Name CSR Registration number
1.										NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project State. District.	Amount spent for the project (Rs. in lakh)	Mode of implementation – Direct (Yes / No)	Mode of implementation – Through implementing agency Name. CSR registration number.
1.	Donation of helmets	Promoting healthcare and Road Safety	No	West Bengal Calcutta	9.7	No	Eicher Group Foundation CSR00005785
2.	Donation of clothes	Rural development	No	Multiple State Multiple District	192.4	Yes	NA NA
3.	Covid-19 relief and management activities	Promoting healthcare including preventive healthcare, disaster management	Yes	Tamil Nadu Haryana	2,081.7	No	Eicher Group Foundation CSR00005785
			No	Multiple State Multiple District	193.4	No	Eicher Group Foundation CSR00005785
4.	Covid-19 relief and management activities	Contribution to PM Care Fund	NA	NA NA	625.0	No	Eicher Group Foundation CSR00005785
TOTAL					3,102.2		

(d) Amount spent in Administrative Overheads : Rs. 187.3 lakh

(e) Amount spent on Impact Assessment, if applicable: NIL

(ea) Amount spent during the financial year on ongoing projects as approved in the previous years*: Rs. 2,347.7 lakh

*Details are provided under para 9(b) below.

(f) Total amount spent for the financial year (8b+8c+8d+8e+8ea): Rs. 5,637.2 lakh

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	56.37
(ii)	Total amount spent for the financial year	56.37
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Rs. in lakh)	Amount spent on the project in the reporting financial year (Rs in lakh)	Cumulative amount spent at the end of reporting financial year (Rs. in lakh)	Status of the project - Completed / Ongoing
1.	E1004	Improve employment opportunities for school dropout unemployed youth by skill building	2016-17	Continuing	850.0	79.5	712.3	Ongoing
2.	E1009	Eradication of blindness and deafness	2015-16	Continuing	5,329.9	1,017.7	2,391.7	Ongoing
3.	E1006	Infrastructure development and operational expenses for School	2015-16	Continuing	4,415.7	575.0	2,777.3	Ongoing
4.	E1002	Electrification of Villages in Himalayas	2017-18	Continuing	1,020.0	226.6	823.4	Ongoing
5.	E1012	Greening of highways	2018-19	Continuing	268.0	32.5	193.0	Ongoing
6.	E1013	Holistic maternal and child well-being	2018-19	Continuing	300.0	0.1	162.8	Ongoing
7.	E1018 & E1021	Royal Enfield Centre for Skill Development	2019-20	Continuing	5,798.0	354.5	845.4	Ongoing
8.	E1023	Village upgradation program covering activities relating to education, environment, livelihood, safe drinking water and others	2016-17	Continuing	731	61.7	541.4	Ongoing
TOTAL					18,712.6	2,347.7	8,447.3	

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR (ASSET-WISE DETAILS)

(a)	Date of creation or acquisition of the capital asset(s).	NIL
(b)	Amount of CSR spent for creation or acquisition of capital asset.	NIL
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NIL
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NIL

Note: The Company or Eicher Group Foundation (Implementing Agency) are not having any capital assets registered in their names which are created/ acquired from the CSR funds.

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(S)

The total CSR obligation of the Company for the financial year 2020-21 pursuant to Section 135 of the Company Act, 2013 was Rs. 56.37 Crore. The Company has discharged its entire obligation by spending Rs. 56.37 Crore on projects specified under para 8(c) and 9(b) and considering overheads as mentioned under para 8(d).

Date: May 27, 2021

Siddhartha Lal
Managing Director
DIN: 00037645
Place: London, UK

S. Sandilya
Chairman, CSR Committee
DIN: 00037542
Place: Chennai, Tamil Nadu

ANNEXURE-4

FORM MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Eicher Motors Limited,
(CIN: L34102DL1982PLC129877)
3rd Floor, Select Citywalk,
A-3, District Centre, Saket,
New Delhi - 110017

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- i) The Companies Act, 2013 ('the Act') and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 ('FEMA') and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - There was no reportable event requiring compliance during the Audit Period;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - There was no reportable event requiring compliance during the Audit Period;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - There was no reportable event requiring compliance during the Audit Period;
- (i) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 - There was no reportable event requiring compliance during the Audit Period;
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - There was no reportable event requiring compliance during the Audit Period; and
- vi) Other laws as may be applicable specifically to the Company shall include all the laws which are applicable to 'automobile products and components' industry i.e. The Motor Vehicles Act, 1988 and rules made thereunder, primarily in respect of vehicles manufactured by the Company.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India, and
- ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We have also noted that during the financial year ended March 31, 2021, meeting of the Risk Management Committee was not held within the prescribed time.

During the Audit Period, save as otherwise provided elsewhere in this report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs and such other regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time and issued for compliances during the pandemic situation.

We further report that during the Audit Period, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including an Independent Woman Director. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings including Committee Meetings, agenda and detailed notes on agenda were sent properly before the scheduled meeting(s), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting(s).

All the decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and therefore, no dissenting views were required to be captured and recorded as part of minutes.

We further report that, during the Audit Period, we are of the opinion that the Company has in place adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that, during the Audit Period, the Company had allotted equity shares to its employees and officers of the Company pursuant to Employee Stock Option Plan, 2006 and Restricted Stock Unit Plan, 2019 and necessary compliances of the Act and FEMA were made.

For **Shweta Banerjee & Associates**
Company Secretaries

Shweta Banerjee

Proprietor

ACS No.: 54680,

CP No.: 20179

PR: 711/2020

Place: New Delhi

Date: May 20, 2021

UDIN: A054680C000348292

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

ANNEXURE

To,
The Members,
Eicher Motors Limited,
(CIN: L34102DL1982PLC129877)
3rd Floor, Select Citywalk,
A-3, District Centre, Saket,
New Delhi - 110017

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2021 is to be read along with this letter.

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

- Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of the events etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.

For **Shweta Banerjee & Associates**
Company Secretaries

Shweta Banerjee

Proprietor

ACS No.: 54680,

CP No.: 20179

PR: 711/2020

Place: New Delhi

Date: May 20, 2021

UDIN: A054680C000348292

ANNEXURE-5

FORM MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
VE Commercial Vehicles Limited
CIN: U74900DL2008PLC175032
Registered Office:
3rd Floor Select City Walk
A-3, District Centre, Saket
New Delhi - 110 017

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- i) The Companies Act, 2013 ('the Act') and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 ('FEMA') and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings - Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment;

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- vi) Other laws as may be applicable specifically to the Company shall include all the laws which are applicable to 'automobile products and components' industry i.e. The Motor Vehicles Act, 1988 and rules made thereunder, primarily in respect of vehicles manufactured by the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and the codes and policies adopted by the Company.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs and such other regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time and issued for compliances during the pandemic situation.

We further report that during the Audit Period, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director, and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings including committee meetings, agenda and detailed notes on agenda were sent properly before the scheduled meeting(s), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting(s).

All the decisions at Board Meetings and committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and therefore, no dissenting views were required to be captured and recorded as part of minutes.

We further report that during the Audit Period, based on the review of compliance mechanism established by the Company and on the basis of compliance certificate(s) issued by the company secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Company has in place adequate systems and processes which commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company did not have any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **Shweta Banerjee & Associates**
Company Secretaries

Shweta Banerjee

Proprietor

ACS No.: 54680,

CP No.: 20179

PR: 711/2020

UDIN: A054680C000238787

Place: New Delhi
Date: May 04, 2021

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

ANNEXURE

To,
The Members,
VE Commercial Vehicles Limited
CIN: U74900DL2008PLC175032
Registered Office:
3rd Floor Select City Walk
A-3, District Centre, Saket
New Delhi - 110 017

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2021 is to be read along with this letter.

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

5. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of the events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

For **Shweta Banerjee & Associates**
Company Secretaries

Shweta Banerjee

Proprietor

ACS No.: 54680,

CP No.: 20179

PR: 711/2020

UDIN: A054680C000238787

Place: New Delhi
Date: May 04, 2021

CORPORATE GOVERNANCE REPORT

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

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

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

The Code of Conduct(s)/Company's Policies and the governance are based on the corporate principles and strong emphasis laid on transparency, accountability, integrity and compliance.

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

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

2. BOARD OF DIRECTORS

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

The Board is responsible for the management of the affairs of the Company. As on March 31, 2021, the Board consists of six directors comprising three Non-Executive Independent Directors of which one is a woman Director, one Non-executive Non-Independent Director and two Executive Directors. Seven Board meetings were held during the Financial Year ended March 31, 2021, on May 6, 2020, June 12, 2020, August 13, 2020, November 12, 2020, December 11, 2020, February 10, 2021 and March 31, 2021. In the wake of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, the directors participated in the meetings of the Board and Committees through video conferencing/ other audio visual means.

Details about attendance in the Board meetings and other details of the directors are given below:

Sl. No.	Name of the Director	Category	No. of Board Meetings attended	Whether attended the 38 th AGM held on August 10, 2020	Number of Directorship held in other Companies#	Number of Committee Memberships /Chairpersonships held in other Companies#	
						Memberships*	Chairpersonship*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr. S. Sandilya DIN: 00037542^®	Chairman-Non-Executive Independent Director	7	Yes	3	3	3
2.	Mr. Siddhartha Lal DIN: 00037645	Promoter-Managing Director	7	Yes	1	1	1
3.	Mr. Vinod K. Dasari DIN: 00345657	Whole Time Director & Chief Executive Officer-Royal Enfield	7	Yes	2	-	-
4.	Mr. Vinod K. Aggarwal DIN: 00038906	Non-Executive Non-Independent Director	7	Yes	1	-	-
5.	Ms. Manvi Sinha DIN: 07038675^	Non-Executive Independent Director	7	Yes	-	-	-
6.	Mr. Inder Mohan Singh DIN: 07114750	Non-Executive Independent Director	7	Yes	2	2	-

Notes:

^Mr. S. Sandilya and Ms. Manvi Sinha has been re-appointed as Independent Directors of the Company, w.e.f. February 13, 2020, for a period of 5 consecutive years, with requisite approval of the shareholders obtained at the 38th Annual General Meeting held on August 10, 2020.

®In addition to the details given in table above, Mr. S. Sandilya is also the Chairman of Audit Committee of Evolutionary Systems Private Limited (deemed public company).

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

*For the purpose of reckoning the limit, chairpersonship(s)/ membership(s) of the Audit Committee and the Stakeholders' Relationship Committee alone are considered. Number of membership of a Director in a Committee under column no. 7 of the table above also includes his/her membership held through chairpersonship position in Committees.

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

Mr. Sandilya is a Non-Executive Independent Director in Mastek Limited (Chairman), Rane Brake Lining Limited and GMR Infrastructure Limited. Mr. Inder Mohan Singh is a Non-Executive Independent Director in JTEKT India Limited. Mr. Vinod K. Dasari is a Non-Executive Independent Director in Pidilite Industries Limited. All of the above being listed companies. All Independent Directors of the Company have valid registrations with the Independent Director's databank maintained by Indian Institute of Corporate Affairs.

No independent director serves as a Whole-time Director/Managing Director in any other listed company. Further, none of the Non-Executive Director of the Company, holds Directorship/Independent Directorship in more than seven listed companies and the Executive Directors of the Company does not hold Independent Directorship in more than three listed companies as provided under Regulation 17A of SEBI (LODR) Regulations, 2015.

Your Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors with one Independent Woman Director, as per the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015. The composition of the Board is as per the requirements of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. In the opinion of the Board, the Independent Directors of the company meet all the criteria and conditions specified by SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and are Independent of the management of the Company. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI or Ministry of Corporate Affairs or any other such authority. The Company has also obtained a certificate of the Practicing Company Secretary in this regard and a copy of the same is enclosed with this report.

The Company has appointed separate persons to the post of the Chairman and the Chief Executive Officer. Mr S. Sandilya is the Chairman of the Board of Directors and Mr. Siddhartha Lal is the Managing Director and Chief Executive Officer of the Company. Mr. Sandilya is not related to Mr. Siddhartha Lal as per the definition of the term "relative" defined under the Companies Act, 2013.

2.2. Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms

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

While appointing directors and other senior officers, the Board seeks to ensure business continuity with due weightage to succession planning.

2.3. Information supplied to the Board

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

2.4. Separate Meeting of Independent Directors

Due to the COVID-19 pandemic and related challenges and pursuant to the relaxation provided vide MCA circular no. 11/2020 dated 24th March 2020, a separate meeting of Independent Directors of the Company for the financial year 2019-20 was not conducted by the Company.

2.5. Shareholding of Non-Executive Directors

As on March 31, 2021, Mr. S. Sandilya, Chairman and Non-Executive Independent Director of the Company holds 1,19,860 equity shares of face value of Re. 1 each, Mr. Vinod Kumar Aggarwal, Non-Executive Director holds 37,000 equity shares of face value of Re. 1 each and Mr. Inder Mohan Singh, Non-Executive Independent Director holds 50 equity shares of face value of Re. 1 each in the Company. Ms. Manvi Sinha, Non-Executive Independent Director, does not hold any shares in the Company. The Company has not issued any convertible instruments.

2.6. Familiarization Programme for Independent Directors

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

2.7. Skills/expertise/competencies of the Board

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

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

Amongst the above listed competencies, our Directors possess the relevant skills/expertise as mentioned below:

Name of Directors	Corporate Governance	Finance & Accounts	Corporate Strategy	Engineering-technical Skills	Experience/knowledge of Automobile Industry	Media	Legal	General Management	Public Relations
Mr. S. Sandilya	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes
Mr. Siddhartha Lal	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
Mr. Vinod K. Dasari	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
Ms. Manvi Sinha	Yes	Yes	Yes	-	-	Yes	-	Yes	Yes
Mr. Vinod K. Aggarwal	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes
Mr. Inder Mohan Singh	Yes	Yes	Yes	-	Yes	-	Yes	-	-

3. AUDIT COMMITTEE

Composition and terms of reference of the Audit Committee of Directors of the Company are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, with all members being financially literate and most having accounting or related financial management expertise. As on March 31, 2021, Audit Committee consists of three Non-Executive Independent Directors and one Executive Director. The role of the Audit Committee is *inter alia* to provide directions to and oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and carry out such other matters as are required in terms of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

3.1 Major terms of reference

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services;
- (iii) Reviewing with the management the quarterly, half yearly and annual financial statements and auditors' report/limited review report thereon before submission to the Board for approval;
- (iv) Reviewing the Company's financial and risk management policies;
- (v) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- (vi) Approval or any subsequent modification of transactions of the Company with related parties;
- (vii) Scrutiny of inter-corporate loans and investments;
- (viii) Valuation of assets of the company, whenever it is necessary;

- (ix) Evaluation of internal financial controls and risk management systems;
- (x) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xi) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xii) Discussion with internal auditors of any significant findings and follow up thereon;
- (xiii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xiv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xv) To review the functioning of the whistle blower mechanism;
- (xvi) Reviewing the utilization of loans and/ or advances to /investment in the subsidiary company exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- (xvii) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and the shareholders;
- (xviii) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews

information as required under SEBI LODR Regulations, 2015, including the following:

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of related party transactions submitted by management;
- (iii) internal audit reports relating to internal control weaknesses;
- (iv) management letters/ letters of internal control weaknesses issued by the statutory auditors, if any.

3.2 Meetings and Attendance

Seven Meetings of the Audit Committee of Directors were held during the Financial Year ended March 31, 2021 on May 6, 2020, June 12, 2020, August 13, 2020, November 12, 2020, December 11, 2020, February 10, 2021 and March 31, 2021. The name of Members, Chairperson of the Committee and their attendance details are as under:

Sl. No.	Name of Members	Chairperson/ Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1.	Mr. S. Sandilya	Chairman	7	7
2.	Mr. Siddhartha Lal	Member	7	7
3.	Ms. Manvi Sinha	Member	7	7
4.	Mr. Inder Mohan Singh	Member	7	7

Mr. S. Sandilya, Chairman of the Audit Committee was present at the last Annual General Meeting for answering the shareholder's queries.

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

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of Regulation 20 of the SEBI (LODR) Regulations, 2015, the Company has a Stakeholders' Relationship Committee which, as on March 31, 2021, consists of three Non-Executive Independent Directors. The Committee looks into the redressal of shareholders' complaints relating to transmission of shares, transfer of shares, Non-receipt of Annual Report, Non-receipt of dividends, issue of new/duplicate certificates, general meetings etc., review of measures taken for effective

exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices, if any, by the shareholders of the Company.

4.1 Meetings and Attendance

Four Meetings of the Stakeholders' Relationship Committee of Directors were held during the Financial Year ended March 31, 2021 on June 12, 2020, August 13, 2020, November 12, 2020 and February 10, 2021. The name of the Member and Chairperson of the Committee and attendance details are as under:

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

Ms. Manvi Sinha, Chairperson of the Committee was present at the last Annual General meeting for answering the shareholders queries.

The Managing Director and the Chief Financial Officer are invited at the Stakeholders' Relationship Committee meetings as required. Mr. Manhar Kapoor, General Counsel & Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee and is also the compliance officer of the Company.

4.2 Status of Complaints

Sl. No.	Particulars	Numbers
1.	Complaints received	54
2.	Complaints resolved	54
3.	Pending complaints	NIL

5. NOMINATION & REMUNERATION COMMITTEE

The Company has a Nomination & Remuneration Committee comprising three Directors as at March 31, 2021, all being Non-Executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

5.1 Major terms of Reference

- (i) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment, removal and all remuneration, in whatever form, payable to senior management;
- (ii) Laying down the evaluation criteria for performance evaluation of Individual Directors, Board as whole and its Committees;
- (iii) Review the implementation and compliance of the performance evaluation process in the Company;
- (iv) To decide on whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors;
- (v) Devising a policy on diversity of Board of Directors;
- (vi) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to the Remuneration of the Directors, Key Managerial Personnel and other employees;
- (vii) To undertake and perform all such functions, powers of administration and superintendence of Employee Stock Option Plan – 2006 (ESOP, 2006) and Restricted Stock Units Plan, 2019 (RSU Plan, 2019), as contained under SEBI (Share Based Employee Benefits) Regulations, 2014 including any amendments thereof;
- (viii) To review and approve any other matter relating to the aforesaid ESOP, 2006 and RSU Plan, 2019 which may be considered necessary and incidental thereto.

5.2 Meetings and Attendance

Seven Meetings of the Nomination & Remuneration Committee of Directors of the Company were held during the Financial Year ended March 31, 2021 on May 6, 2020, June 12, 2020, August 13, 2020, November 12, 2020, December 11, 2020, February 10, 2021 and March 31, 2021. The names of the Members, Chairperson of the Committee and attendance details are as under:

Sl. No.	Name of Members	Chairperson/ Member	No. of meetings which the member was eligible to attend	No. of meetings attended
1.	Ms. Manvi Sinha	Chairperson	7	7
2.	Mr. S. Sandilya	Member	7	7
3.	Mr. Inder Mohan Singh	Member	7	7

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

5.3 Performance Evaluation Criteria for Independent Directors

The Company has adopted an Evaluation policy to evaluate performance of Individual Directors, the Board as a whole and its committees. Nomination and Remuneration Committee of the Company has specified the manner for effective evaluation of performance of Board, its committees and Individual Directors. Amongst others, evaluation of Individual Directors including Independent Directors is carried out by the entire Board in accordance with the applicable provisions. Evaluation factors include various criteria including thought contribution, business insight, applied knowledge, etc.

During the Financial Year under review, formal annual evaluation of the Board, its committees, the Chairman and Individual Directors including Independent Directors was carried out at the Board Meeting held on February 10, 2021.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a Corporate Social Responsibility Committee of Directors comprising three Non-Executive Independent Directors and one Executive Director as at March 31, 2021. The composition and the role of the Committee are in conformity with the provisions of Section 135 of Companies Act, 2013 and the Rules made thereunder.

6.1 Major terms of Reference

- (i) Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subjects specified in Schedule VII to the Companies Act, 2013;
- (ii) Recommending the amount of expenditure to be incurred on the activities referred to in Company's CSR policy;
- (iii) Monitoring the CSR Policy of the Company from time to time;
- (iv) Formulating and recommending to the Board, an annual action plan in pursuance of Company's CSR policy.

6.2 Meetings and Attendance

Three meetings of the Corporate Social Responsibility Committee of the Company were held during the Financial Year ended March 31, 2021, on May 6, 2020, November 12, 2020 and February 10, 2021. The names

of the Members, Chairperson of the Committee and their attendance details are as under:

Sl. No.	Name of Members	Chairperson/ Member	No. of meetings which the member was eligible to attend	No. of meeting attended
1.	Mr. S. Sandilya	Chairman	3	3
2.	Mr. Siddhartha Lal	Member	3	3
3.	Mr. Inder Mohan Singh	Member	3	3
4.	Ms. Manvi Sinha*	Member	0	NA

*The Board at its Meeting held on March 31, 2021, appointed Ms. Manvi Sinha, Non-Executive Independent Director as Member of the Corporate Social Responsibility Committee.

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

7. RISK MANAGEMENT COMMITTEE

In terms of Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company has a Risk Management Committee. The constitution of the Risk Management Committee is in compliance with the above provisions. As on March 31, 2021, the Risk Management Committee consists of three Directors and the Chief Financial Officer, as follows:

Sl. No.	Name of the Member	Chairperson/ Member
1.	Mr. Siddhartha Lal (Managing Director)	Chairman
2.	Mr. S. Sandilya (Chairman and Non-Executive Independent Director)	Member
3.	Mr. Vinod Kumar Dasari (Whole Time Director & Chief Executive Officer-Royal Enfield)*	Member
4.	Mr. Kaleeswaran Arunachalam (Chief Financial Officer)*	Member

*Mr. Vinod Kumar Dasari, Whole Time Director & Chief Executive Officer-Royal Enfield and Mr. Kaleeswaran Arunachalam, Chief Financial Officer were appointed as Member of the Risk Management Committee w.e.f May 6, 2020 and August 13, 2020 respectively.

Mr. Lalit Malik, Chief Commercial Officer ceased to be a member of the Risk Management Committee w.e.f. August 13, 2020.

The process of risk prioritisation and mitigation has been presented, discussed and reviewed at the Board level regularly at meetings attended by the Committee members. Various measures have been adopted as outcome of such discussions, a comprehensive risk inventory drawn, mitigation framework being designed, Centre of Excellence – Internal Controls set up etc. While

a separate meeting exclusively of the members of the Risk Management Committee has not been held in the relevant period during the financial year ended March 31, 2021, its members have been actively involved in fulfilling the terms of reference. Furthermore, given the fact that review of industrial operations is considered key, holding a meeting / review of such operations has been a challenge in the wake of Covid crisis and travel restrictions (and risks associated with it).

Major Terms of Reference:

- (i) To assist the Board in formulating the Risk Management Plan and Practices;
- (ii) To monitor and review risk management plan and practices of the Company as approved by the Board;
- (iii) To monitor and review the risks & measures related to cyber security;
- (iv) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
 - (c) Business continuity plan.
- (v) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (vi) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (vii) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (viii) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (ix) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

8. SHARES COMMITTEE

As at March 31, 2021, the Shares Committee of the Company consists of three members i.e. Mr. Kaleeswaran Arunachalam- Chief Financial Officer, Mr. Manhar Kapoor-General Counsel & Company Secretary and Mr. Bharat Chaba- Head- Corporate Strategy & Planning, to look after and approve requests for transfer/ transmission of equity shares, dematerialization, issue of duplicate share certificates, etc. During the year under review, all valid requests for transfer & transmission of shares in physical form, issue of duplicate share certificate were processed within prescribed time.

During the Financial Year ended March 31, 2021, 12 meetings of the Committee were held to approve transfer of 2,170 shares, name deletion for 18,610 shares, issue of duplicate share certificates for 1,39,820 shares, transmission of 1,07,700 shares and dematerialisation of 2,15,200 shares and rematerialisation of 10 shares, of face value of Re. 1 each. This also includes duplicate share certificates issued for 94,680 equity shares of face value of Re. 1 each which were subsequently dematerialized for the purpose of transfer to the

Investor Education and Protection Fund Authority ("IEPF Authority") pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 (Act) and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules).

Further, the Committee approved transfer of 18,220 equity shares of face value of Re. 1 each lying in Company's Suspense Account and 9,170 equity shares of face value of Re. 1 each held in demat accounts of the shareholders to the IEPF Authority in terms of Section 124 and 125 of the aforesaid Act and Rules.

9. REMUNERATION OF DIRECTORS

9.1 Remuneration to Managing Director and Whole-time Director

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 of Managing Director and Whole-time Director for the Financial Year ended March 31, 2021 is as under:

Name of the Director	Salary	Commission	Perquisites	Service Contract	
				Tenure	Notice period
				(Rs. in Crores)	
Mr. Siddhartha Lal, Managing Director	7.38	6.70	7.04	5 years (Members at their 3 months' notice or salary in AGM held on June 18, 2016, lieu of notice for 3 months or for approved re-appointment of such period which falls short of Mr. Siddhartha Lal as Managing Director w.e.f. May 1, 2016 up to April 30, 2021)*	3 months
Mr. Vinod K. Dasari, Whole-time Director and CEO-Royal Enfield	25.33	0.00	0.04	5 years (Members at their 3 months' notice or salary in AGM held on August 1, 2019, lieu of notice for 3 months or for approved appointment of Mr. such period which falls short of Vinod K. Dasari as Whole-time Director w.e.f. April 1, 2019 up to March 31, 2024)	3 months

* The Nomination & Remuneration Committee and the Board at their respective meetings held on February 10, 2021 have, subject to the approval of the shareholders and the Central Government, approved the re-appointment of Mr. Siddhartha Lal as Managing Director of the Company, liable to retire by rotation, for a term of 5 years with effect from May 1, 2021.

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

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

No sitting fees has been paid to Mr. Siddhartha Lal and Mr. Vinod K. Dasari. Mr. Vinod K. Dasari has been granted 50,000 Restricted Stock Units pursuant to his terms of appointment on March 31, 2021, effective from

April 1, 2021 under the Company's Restricted Stock Units Plan, 2019 ("RSU Plan") which shall be exercisable after the end of 1 year from the effective date of grant in accordance with the Plan. None of the options granted to Mr. Dasari have been issued on discount. No stock options have been granted to Mr. Siddhartha Lal under the Company's Employees Stock Option Plan, 2006 or Restricted Stock Unit Plan, 2019, during the Financial Year ended March 31, 2021.

9.2 Remuneration to Non-Executive and Independent Directors

The remuneration comprising sitting fees and commission to Non-Executive and Independent

Directors for the Financial Year ended March 31, 2021 is as under:

Name of the Director	(Rs. In Lakh)	
	Remuneration	
	Sitting fees	Commission
Mr. S. Sandilya – Chairman and Non-Executive Independent Director	5.60	63.25
Ms. Manvi Sinha – Non-Executive Independent Director	5.30	12.08
Mr. Inder Mohan Singh – Non-Executive Independent Director	5.60	12.08
Total	16.50	87.41

Criteria of making payment to Non-Executive Directors:

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

Shareholders at their 37th Annual General Meeting held on August 1, 2019, approved payment of remuneration by way of commission to the Non-Executive Directors of the Company not exceeding 1% of the annual net profits of the Company for each Financial Year, calculated in accordance with the provisions of the Companies Act, 2013, in such proportion and in such manner as may be determined by the Board of Directors.

The aforesaid annual commission approved by the Board and payable to Non-Executive Independent Directors is subject to approval of annual financial statements by the shareholders at the forthcoming Annual General Meeting of the Company. Independent Directors are not entitled to any stock options.

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

10. SUBSIDIARY COMPANIES

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

- (i) Financial statements, in particular, the investments made by the subsidiary companies are periodically reviewed by the Audit Committee of the Company;
- (ii) Utilization of loans and/or advances from/ investment by the Company in the subsidiary companies as per the threshold specified under SEBI (LODR) Regulations, 2015, are periodically reviewed by the Audit Committee;
- (iii) Minutes of Board meetings of subsidiary companies are periodically placed before the Company's Board;
- (iv) All significant transactions and arrangements entered into by the subsidiary companies are reviewed periodically by the Board of the Company;
- (v) Mr. Inder Mohan Singh, a Non-Executive Independent Director of the Company is an Independent Director on the Board of VE Commercial Vehicles Limited ("VECV")*, an unlisted material subsidiary company of the Company, incorporated in India.

The Company has also formulated a policy for determining material subsidiary as required under Regulation 16 of the SEBI (LODR) Regulations, 2015, and the same is disclosed on the Company's website and the web link for the same is www.eicher.in/uploads/1554285869_policy-for-determining-material-subidiaries.pdf

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

11. OTHER DISCLOSURES

11.1 Related Party Transactions

In terms of Indian Accounting Standard-24 on "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013, the Company has identified the related parties and suitable disclosures relating to details of transactions with such related parties have been disclosed in Note No. 45 to the Standalone Accounts forming part of this Annual Report.

All contracts/arrangements/ transactions entered into by the Company during the Financial Year with the Related Parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and do not have potential conflicts with the interest of the Company. Related Party Transactions are also placed in the Audit Committee Meeting(s) for its prior approval. Audit Committee also reviews related party transactions entered into by the Company on quarterly basis. There are no materially significant related party transactions entered into during the Financial Year ended March 31, 2021.

The Company has also formulated a policy on materiality of and dealing with Related Party Transactions (RPT Policy). This RPT Policy is available on the website of the Company and the weblink for the same is http://www.eicher.in/uploads/1554285759_policy-on-materiality-of-and-dealing-with-related-party-transactions-3-4-19.pdf. All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013, Regulation 23 of the SEBI (LODR) Regulations, 2015 and the Company's RPT Policy.

11.2 Compliances by the Company

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

11.3 Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management which is strictly adhered to and the same is available on Company's website at www.eicher.in/uploads/1458646029_eicher-code-of-conduct-directors-and-senior-management.pdf. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Managing Director & Chief Executive Officer.

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

11.4 Code on Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company, *inter alia*, adopted a Code of Conduct for Regulating, Monitoring and Reporting trading by an Insider (Code). All Designated Persons of the Company, its material subsidiary and their immediate relatives, as per the Code, who could have access to the unpublished price sensitive information of the Company, are governed by this code. Amongst others, the trading window for dealing in securities of the Company is closed and opened as per the provisions of the said Code.

11.5 CEO / CFO Certification

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

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

The Company complies with the following non-mandatory requirements:

1. The Non-Executive Chairman of the Company is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
2. The Statutory Auditors have expressed no qualification in their reports on financial statements of the Company.
3. The Internal Auditor reports directly to the Audit Committee on quarterly basis.

11.7 Accounting treatment in preparation of the financial statements

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

11.8 Vigil Mechanism/ Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy to establish a vigil mechanism for the Directors, employees, vendors and dealers of the Company, to report genuine concerns or grievances including instances of leak or suspected leak of unpublished price sensitive information pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is available on Company's website at www.eicher.in/uploads/1581075167_whistle_blower_policy.pdf. No person has been denied access to the Audit Committee.

11.9 Dividend Distribution Policy

In Compliance with Regulation 43A of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has adopted a Dividend Distribution Policy of the Company.

The said Policy is available on the Company's website www.eicher.in/uploads/1491545619_dividend-distribution-policy.pdf.

11.10 Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act") and the Rules made thereunder. All employees (permanent,

contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up, in accordance with the aforesaid Act, to redress complaints received on sexual harassment. During the Financial Year under review, the Company received two complaints of sexual harassment. The said complaints were investigated and disposed of in accordance with the Act and the Company's Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace.

The Company also conducts various programs in the organization on a continuous basis in order to build awareness in this area. During the year under review, approximately 6,641 employees / trainees were given awareness training on prevention of sexual harassment at workplace. The training structure included training through workshops, e-learning modules and as part of new hires induction programme.

11.11 Commodity price risk or foreign exchange risk and hedging activities:

The Company procures the components & services from Tier -1 Suppliers, who in turn procure the inputs from the raw material suppliers. Hence direct purchase of raw materials / commodities by the company is very marginal except for consumables. However, in order to facilitate suppliers to procure the right quality of raw materials at competitive prices, Company organises quarterly / half yearly price settlements for tentative forecast of consolidated quantum with steel mills / aluminium alloy suppliers and pass on the recommendations to Tier -1 suppliers, which will be the basis for the component pricing thereupon.

Tier-1 (component / aggregate) suppliers avail the prices negotiated by the Company to procure the inputs / raw material either from the recommended steel mills / aluminium alloy suppliers or from their own sources. However, Tier-1 supplier's own raw material sources require pre-approval from the Company involving quality audits and limited testing, wherever necessary. In this way, both quality standards and price controls are adhered to, as per the Company's norms.

The order for raw material scheduled quantity is placed by the Tier-1 suppliers on the raw material suppliers and physical transaction takes place between them. The adjustment in the raw material prices for the Tier-1 suppliers are carried out on the basis of the prices settled by the Company, taking into account the demand -supply gap if any. The raw material prices are settled by the Company, periodically, based on domestic market price movements and international price data.

Price increases, if any are mitigated by VAVE initiatives, continuous cost optimization and process improvement initiatives. The Company has not entered into any commodity derivatives with any of the bankers and

hence the disclosure of exposure in commodity risks faced by the Company is not applicable.

In addition, the Company manages majority foreign currency collections and payments through EEFC (Exchange Earners' Foreign Currency Account) and has relatively insignificant foreign exchange exposure. Further, no hedging activities (by way of derivatives) have been undertaken by the Company for foreign currency risk.

11.12 The Company and its subsidiaries have paid a total fees of Rs. 3.63 crores excluding GST on a consolidated basis during the Financial Year 2020-21 to M/s. S.R. Batliboi & Co., LLP, Statutory Auditors of the Company and to its network firms, for all kind services rendered by them to the Company and to its subsidiaries.

12. MEANS OF COMMUNICATION

- (i) The consolidated quarterly and annual results are generally published in the Business Standard (English) - All editions and Business Standard (Hindi), Delhi edition, having wide circulation. The Standalone and Consolidated quarterly and annual results of the Company along with limited review reports of the Auditors thereon and/or Auditors' Report are available on the Company's website at www.eichermotors.com. In addition, the Company sends standalone and consolidated quarterly and annual results to all shareholders whose email ids are registered with the Company.
- (ii) The Standalone and Consolidated quarterly and annual results along with limited review reports/ Audit Reports of the Auditors thereon, are promptly filed with the Stock Exchanges in terms of Regulation 30 and 33 of SEBI (LODR) Regulations, 2015.
- (iii) Public releases are also available on the Company's website. Schedule of Analyst or Institutional investor meetings and/or conference call information, presentations made to them, if any, and the transcripts of quarterly results calls are promptly posted on the website of the Company.
- (iv) The Company also disseminate on its website all disclosures filed with the stock exchanges under Regulation 30 of SEBI (LODR) Regulations, 2015 and all other information and documents that are required to be placed on the website of the Company.
- (v) The following are displayed on the Website of the Company i.e. www.eichermotors.com:
 - ◆ Business of the Company
 - ◆ Terms and conditions of appointment of Independent Directors
 - ◆ Composition of various committees of the Board
 - ◆ Whistle Blower Policy
 - ◆ Dividend Distribution Policy
 - ◆ Annual Reports of the Company

- ◆ Policy on materiality of and dealing with related party transactions
 - ◆ Policy for determining material subsidiaries
 - ◆ Details of familiarization programmes for Independent Directors
 - ◆ Shareholding Patterns
 - ◆ Company Profile
- ◆ Press Releases
 - ◆ Code of Conduct for the Directors and Senior Management
 - ◆ Contact information - for resolving any investor's queries
 - ◆ Other information as required under Regulation 46 of SEBI (LODR) Regulations, 2015

13. GENERAL SHAREHOLDER INFORMATION

13.1 Day, date, time and venue of the Annual General Meeting

Tuesday, August 17, 2021 at 1:00 P.M. Indian Standard Time (IST) through Video Conferencing/Other Audio Visual Means.

13.2 Financial Year

The Financial Year under review is of 12 (twelve) months from April 1, 2020 to March 31, 2021.

13.3 General Body Meetings

Year	Date	Day	Time	Location	Whether passed any Special Resolution
April 1, 2019 – March 31, 2020	10.08.2020 (38 th AGM)	Monday	1:00 P.M.	Video conferencing (VC)/Other Audio Visual Means (Deemed venue of the meeting: 3 rd Floor- Select Citywalk, A-3 District Centre, Saket, New Delhi- 110 017)	Yes-4
April 1, 2018 – March 31, 2019	1.08.2019 (37 th AGM)	Thursday	10:00 A.M	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	Yes-4
April 1, 2017 - March 31, 2018	10.08.2018 (36 th AGM)	Friday	11:00 A.M	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	No

Notes:

- Four Special Resolutions were passed at the 38th AGM held on August 10, 2020 related to (i) re-appointment of Ms. Manvi Sinha as an Independent Director of the Company for an another term of 5 consecutive years with effect from February 13, 2020 (ii) re-appointment of Mr. S. Sandilya as an Independent Director of the Company for an another term of 5 consecutive years with effect from February 13, 2020 (iii) payment of remuneration to Mr. S. Sandilya, Chairman (Non-Executive & Independent Director) for the Financial Year 2019-20, which exceeds fifty per cent of the total remuneration payable to all the Non-Executive Directors of the Company and; (iv) adoption of new set of Articles of Association of the Company.
- Four Special Resolutions were passed at the 37th AGM held on August 1, 2019 related to (i) payment of remuneration by way of commission to Non-Executive Directors (NEDs) (ii) payment of remuneration to Mr. S. Sandilya, Chairman, (Non-Executive & Independent Director) for the Financial Year 2018- 19, which exceed 50% of the total remuneration payable to all NEDs (iii) approval of Company's Restricted Stock Unit Plan, 2019 ("RSU 2019") and; (iv) extension of benefits under RSU, 2019 to employees of subsidiary companies. There were no special resolutions passed at the 36th AGM.
- No Special Resolution was passed through postal ballot last year. Also, no Special Resolutions are proposed to be conducted through postal ballot.

13.4 Financial Calendar – 2020-2021

Adoption of Quarterly/ Annual Results for the quarter/year ended	Date of Board Meetings	Date of publication	Name of Newspapers
June 30, 2020 (Quarterly Results)	13/08/2020	14/08/2020	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
September 30, 2020 (Quarterly Results)	12/11/2020	13/11/2020	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
December 31, 2020 (Quarterly Results)	10/02/2021	11/02/2021	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition
March 31, 2021 (Quarterly & Annual Results)	27/05/2021	28/05/2021	Business Standard- All Editions (English), and Business Standard (Hindi), Delhi Edition (Proposed)

Tentative Financial Calendar – for the Financial Year ending March 31, 2022

Quarterly results for the quarters ending June 30, 2021, September 30, 2021, December 31, 2021 and quarterly/annual results for the quarter/year ending March 31, 2022 will be approved in the Board Meetings which will be tentatively held in the month of August 2021, November 2021, February 2022 and May 2022 respectively (subject to the finalisation of dates by the Board of Directors). Annual General Meeting for the Financial Year 2021-22 will be tentatively held in between July-August 2022. The Consolidated quarterly and annual results will likely be published in the Business Standard (English) in all Editions and in Business Standard (Hindi), Delhi Edition. The Standalone and Consolidated quarterly and annual results will be submitted with the Stock Exchanges. Additionally, the same will be posted on the Company's website at www.eichermotors.com.

13.5 Book Closure & Dividend Payment Date:

As mentioned in the Notice of this AGM

13.6 Listing on Stock Exchanges

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

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400 001, www.bseindia.com

National Stock Exchange of India Ltd.

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

The annual listing fees has been paid to both the stock exchanges for the Financial Year 2021-2022.

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

Name of the depository	ISIN No.
National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL)	INE 066A 01021

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

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

13.8 Registrar and Share Transfer Agent / Address for correspondence:

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

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

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

13.9 Market Price Data at BSE and NSE:

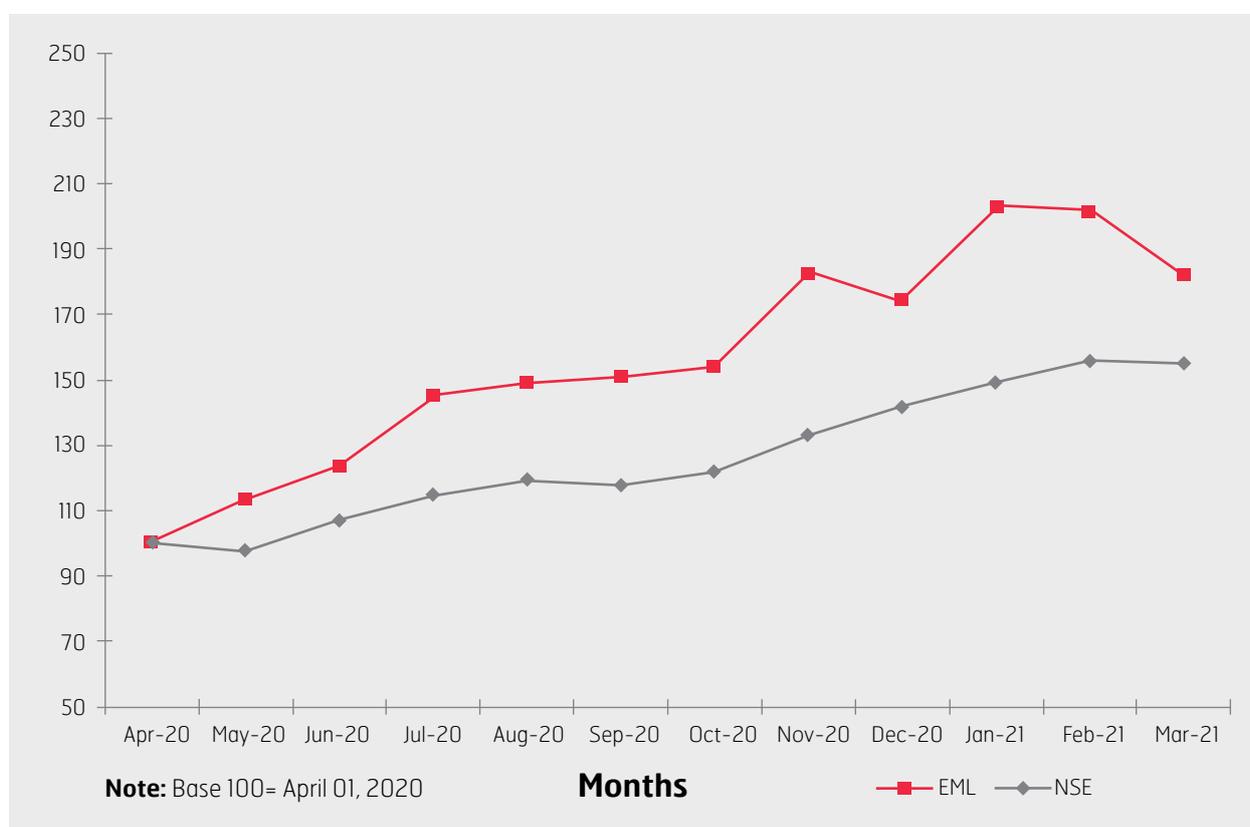
April 2020 to March 2021	BSE			NSE		
	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)	High (Rs. per share)	Low (Rs. per share)	Volume (No. of Shares)
April 2020	14,939.05	12,460.00	2,46,934	14,977.95	12,450.10	44,12,635
May 2020	17,000.00	12,852.00	98,675	16,996.95	12,855.45	53,88,527
June 2020	18,550.10	15,451.00	1,69,759	18,551.10	15,591.10	63,49,185
July 2020	21,732.50	17,973.50	1,68,027	21,725.00	17,970.00	61,15,016
August 2020*	22,343.45	2,073.70	10,15,020	22,339.95	2,072.75	2,88,16,855
September 2020*	2,259.50	2,024.00	14,88,220	2,260.00	2,023.00	3,09,58,860
October 2020*	2,302.60	2,054.70	20,66,329	2,303.00	2,070.55	2,68,69,223
November 2020*	2,724.90	2,016.00	11,56,359	2,727.00	2,015.20	4,01,81,047
December 2020*	2,609.15	2,341.55	8,01,669	2,609.00	2,340.60	2,98,76,014
January 2021*	3,035.50	2,518.00	13,00,076	3,037.00	2,515.80	3,87,65,884
February 2021*	3,018.80	2,400.10	21,09,475	3,018.00	2,450.00	3,31,56,740
March 2021*	2,715.00	2,496.30	9,34,483	2,716.00	2,497.15	2,19,72,225

*Each equity share of face value of Rs. 10 each has been sub-divided into 10 equity shares of face value of Re. 1 each with effect from August 25, 2020 (record date for sub-division).

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



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



13.10 Share transfer system

During the Financial Year ended March 31, 2021, shares of the Company have been transferred through Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company and the Shares Committee of the Company approved the said share transfers. All valid requests for transfer/transmission of Equity shares held in physical form are processed within a period of 15 days from the date of receipt of complete documents/ verification and the share certificates duly transferred are immediately returned to the transferee/ lodger.

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

In terms of amended provisions of Regulation 40 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfer of shares held in physical form is not permitted. Accordingly, the Company has not been accepting requests for transfer of shares held in physical form since the said cut-off date of April 1, 2019 in terms of aforesaid provisions except those already lodged with the Company before the said date and returned due to deficiency in the documentation. Further, the members were informed that SEBI has vide its circular dated September 7, 2020, notified March 31, 2021 as the cut-off date for re-lodgment of transfer deeds originally lodged prior to April 1, 2019 with the Company. In addition, the shares that are re-lodged for transfer shall be issued to the transferee only in demat mode. Shareholders of the Company may please note that the

above amended provisions are not applicable in case of requests for transmission (i.e. transfer of title of shares by way of inheritance/succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders).

In terms of provisions of SEBI circular SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated April 20, 2018, members holding shares in physical form are requested to register and/or update their PAN/ Bank account details with the Company's Registrar & Share Transfer Agent and those holding shares in electronic form shall register/update such details with their Depository Participants (DPs).

13.11 Dematerialization of shares and liquidity

As per SEBI's circular dated February 21, 2000, the Company's equity shares are under the Compulsory Demat Category and can only be traded in the dematerialised form w.e.f. March 22, 2000.

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

As on March 31, 2021, 27,07,61,412 shares constituting 99.06% of the total paid up equity share capital of the Company have been dematerialised with NSDL and CDSL.

13.12 Distribution of shareholding as on March 31, 2021

Category	No. of shareholders	% holders	No. of shares of face value of Re. 1/- each	% Shareholding
1-500	2,52,702	96.47	95,01,779	3.48
501-1,000	4,513	1.72	37,11,215	1.36
1,001-2,000	2,469	0.94	40,18,836	1.47
2,001-3,000	695	0.27	17,21,281	0.63
3,001-4,000	310	0.12	11,13,852	0.41
4,001-5,000	198	0.08	9,06,882	0.33
5,001-10,000	322	0.12	23,53,426	0.86
10,001-50,000	391	0.15	89,46,454	3.27
50,001-1,00,000	119	0.05	85,19,227	3.12
1,00,001 and above	223	0.09	23,25,42,970	85.08
Total	2,61,942	100	27,33,35,922	100

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

13.13 Transfer of Unclaimed / Unpaid Dividend to Investor Education and Protection Fund Authority

The Company shall be transferring the unclaimed/unpaid dividends as mentioned hereunder to the Investor Education and Protection Fund Authority, established by the Central Government, in terms of the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

For the Financial Year	Due date for transfer to the Central Government
2014 (January to December)	April 25, 2022
2015-16 (January to March)*	April 18, 2023
2016-17 (April to March)	September 12, 2024
2017-18 (April to March)	September 14, 2025
2018-19 (April to March)	August 30, 2026
2019-20 (April to March)*	April 12, 2027

*Interim Dividend declared by the Board of Directors on March 12, 2016 and March 11, 2020, respectively.

Members who have not encashed their Dividend Warrants for the above Financial Years/period may approach the Company's Registrar & Share Transfer Agent for encashment of their unclaimed dividend.

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

In compliance with the provisions of Section 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("the Rules"), as on date the Company has transferred 21,69,420 (0.79%) equity shares of face value of Re. 1 each, on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, belonging to 2,881 shareholders, to the Investor Education and Protection Fund Authority (IEPF Authority).

The requirement of transfer of shares to IEPF Authority does not apply to shares in respect of which there is a

specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

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

13.15 Unclaimed Shares Suspense Account

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

The details with respect to the unclaimed shares of the Company for the Financial Year ended March 31, 2021 are as under:

Sl. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year	61	2190 [#]
(ii)	Number of shareholders who approached the Company for transfer of shares from the Suspense Account during the year	Nil	Nil
(iii)	Number of shareholders to whom shares were transferred from the Suspense Account during the year	Nil	Nil
(iv)	Number of shareholders whose shares were transferred to Investor Education and Protection Fund Authority in compliance with the provisions of Section 124 & 125 of the Companies Act, 2013 and the rules framed thereunder	52	1822 [#]
(v)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	9	3680 ^{##}

[#] No of shares of face value of Rs. 10/- each till August 25, 2020 (Before sub division of shares)

^{##} No of shares of face value of Re. 1/- each share w.e.f. August 26, 2020 (After sub division of each equity share of face value of Rs. 10/- each into 10 equity shares of face value of Re. 1/- each, pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020)

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

13.16 Nomination facility

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

13.17 Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Share Transfer Agent at the address given at Para 13.8, indicating the folio numbers to be consolidated.

13.18 National Electronic Clearing Services (NECS) Mandate

Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrar and Share Transfer Agent. The Form for intimating Bank and/or NECS mandate is available on the website of the Company www.eichermotors.com.

13.19 Registered Office

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

13.20 Corporate Office

#96, Sector 32,
Gurugram- 122 001, Haryana, India.
Tel. No. (0124)- 4415600

Headquarters

Royal Enfield Global Headquarters
#296, Rajiv Gandhi Salai,
Sholinganallur, Chennai-600119,
Tamil Nadu, India

13.21 Plant locations

- (i) Thiruvottiyur High Road,
Thiruvottiyur, Chennai - 600 019
(Tamil Nadu)
- (ii) A-19/1, SIPCOT Industrial Growth Centre,
Oragadam, Kanchipuram - 602 105
(Tamil Nadu)
- (iii) G 121 & 122, SIPCOT Industrial Park,
Vallam Vadagal, Kanchipuram- 602105
(Tamil Nadu)

This Corporate Governance Report of the Company for the Financial Year ended March 31, 2021 is in compliance with the requirements of Corporate Governance under SEBI (LODR) Regulations, 2015. Further, save as otherwise provided in this report, the Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the said Regulations.

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

For **Eicher Motors Limited**

Siddhartha Lal
Managing Director
& Chief Executive Officer
DIN: 00037645
Place: London, UK

S. Sandilya
Chairman
DIN:00037542
Chennai, Tamil Nadu

Date: May 27, 2021

DECLARATION

As per Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct for Board of Directors and Senior Management for the Financial Year ended March 31, 2021.

For **Eicher Motors Limited**

Siddhartha Lal

Managing Director &
Chief Executive Officer
DIN:00037645

Place: London, UK
Date: May 27, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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

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

1. The Corporate Governance Report prepared by Eicher Motors Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 1, 2020 to March 31, 2021:

- (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
- v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. We were informed by the management that the risk management committee matters were discussed in the board meetings and due to operational challenges caused by COVID-19 the Company could not held the Risk Management Committee meetings.
 - ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Basis for Qualified Opinion

9. As explained in note 7 of the corporate governance report of the Board of Directors, for the year ended March 31, 2021 the Company has not held the Risk Management Committee meetings as required by Regulation 21(3A) of the Listing Regulations due to operational challenges caused by Covid-19 pandemic.

Qualified Opinion

10. Based on the procedures performed by us, as referred in paragraph 7 and sub point 7(viii) above, and according to the information and explanations given to us, except for the matter stated in paragraph 9 above, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

11. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
12. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Vij**

Partner

Membership Number: 095169

UDIN: 21095169AAAABC7873

Place of Signature: Gurugram

Date: May 27, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

Eicher Motors Limited

3rd Floor, Select Citywalk, A-3, District

Centre, Saket, New Delhi- 110017

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Eicher Motors Limited (CIN: L34102DL1982PLC129877) having its registered office at 3rd floor, Select Citywalk, A-3 District Centre, Saket, New Delhi- 110017 produced before me by the company for the purpose of issuing this certificate, in accordance with regulation 34(3) read together with Sub-clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below as on 1st April, 2021 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. NO.	Name of the Directors	Director Identification Number (DIN)	Designation	Date of appointment in the company
1.	Siddhartha Vikram Lal	00037645	Managing Director	01-05-2006
2.	Vinod Kumar Dasari	00345657	Wholetime Director	01-04-2019
3.	Srinivasan Sandilya	00037542	Director	26-10-1999
4.	Vinod Kumar Aggarwal	00038906	Director	01-04-2019
5.	Manvi Sinha	07038675	Director	13-02-2015
6.	Inder Mohan Singh	07114750	Director	12-11-2018

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi
Date: May 19, 2021

Malavika Bansal
Company Secretary in Practice
FCS- 8231
CoP No.- 9159
UDIN: F008231C000346195

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Siddhartha Lal - Chief Executive Officer and Managing Director and Kaleeswaran Arunachalam - Chief Financial Officer, hereby certify that:

- (a) We have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2021 are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
 - (i) there have not been any significant changes in internal controls over financial reporting during the year ended March 31, 2021;
 - (ii) there have not been any significant changes in accounting policies during the year ended March 31, 2021; and
 - (iii) there has not been any instance during the financial year ended March 31, 2021 of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Siddhartha Lal

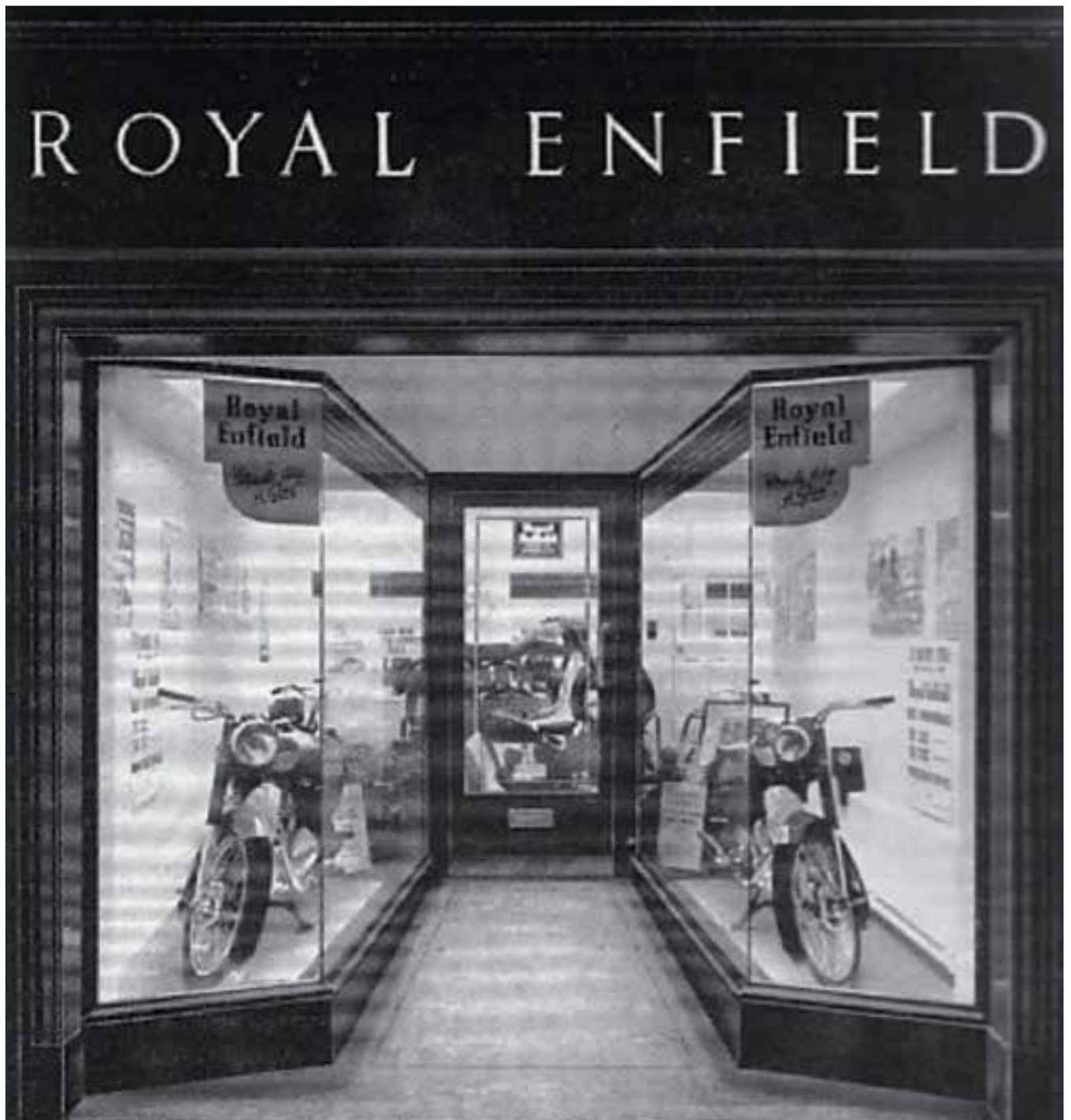
Managing Director & Chief Executive Officer

Place: London, UK
Date: May 27, 2021

Kaleeswaran Arunachalam

Chief Financial Officer

Place: Coimbatore, India



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120

YEARS OF PURE
MOTORCYCLING

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Eicher Motors Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters

How our audit addressed the key audit matter

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

The Company has various internally generated intangible projects under development. Initial recognition of the expenditure under these projects are based on assessing each project in relation to specific recognition criteria, including the possible effects from the pandemic relating to Covid-19 that needs to be met for capitalization. In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments.

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

Key audit matters	How our audit addressed the key audit matter
Due to the materiality of the assets under development recognized and the level of management judgement involved, initial recognition and measurement of internally generated intangible assets has been considered as a key audit matter.	<ul style="list-style-type: none"> ◆ We performed test of details of development expenditure capitalized by reviewing the key assumptions including the authorization of the stage of the project in the development phase, the accuracy of costs included and assessing the useful economic life attributed to the asset and possible effect of Covid-19 impact on such capitalization. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. ◆ We tested the disclosure relating to research and development expenditure in the standalone financial statements.
Revenue Recognition (Refer to the accounting policies in Note 3 to the standalone financial statements)	
Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter.	<ul style="list-style-type: none"> ◆ Our audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". ◆ We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers. ◆ We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms. ◆ We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period. ◆ Audit procedures relating to revenue recognition were extended to a longer period to ensure that there is no impact on the revenue numbers reported based on the possible effects of pandemic relating to Covid-19.

We have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report including Annexures to the Board's Report and Management Discussion and Analysis, Corporate Governance and General Shareholder Information and Business Responsibility report included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other

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

Responsibilities of Management for the Standalone Financial Statements.

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

the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- ♦ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating

effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

UDIN: 21095169AAAABA3201

Place of Signature: Gurugram

Date: May 27, 2021

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

Re: Eicher Motors Limited ('the Company')

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

Particulars	Carrying value as at March 31, 2021 (Rs. Crore)	Remarks
Freehold land located at Alwar, Rajasthan and Jhajjar, Haryana	0.74	Pending registration in the name of the Company

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them during the year and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) The Company has granted loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest

has been stipulated for the loans granted and the receipts are regular.

- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of certain products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other statutory dues applicable to it have been generally regularly deposited with the appropriate authorities through there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Forum where it is pending	Period to which it relates	Amount involved (Rs. crores)	Amount unpaid (Rs. crores)
Central Excise Act, 1944	Excise Duty	Up to Commissioner (Appeals)'s level	1995-96 to 1996-97	0.02	0.01
	Excise Duty	CESTAT	1983-84 to 2000-01, 2012-13 to 2015-16, 2016-17 to 2017-18	18.95	18.21
	Excise Duty	Punjab and Haryana High Court	1995-96 to 1998-99	0.18	-
The Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals)	1986-87 to 1987-88, 1994-95 to 2002-03, 2004-05 to 2005-06, 2008-09 to 2010-11, 2013-14 to 2015-16	1.56	0.52
	Sales Tax	Sales Tax Appellate Tribunal	1988-89, 1991-92 to 1995-96, 1997-98 to 1999-00, 2002-03 to 2004-05, 2006-07 to 2007-08, 2014-15	1.94	0.85
	Sales Tax	Allahabad High Court, Rajasthan High Court, Patna High Court, Madhya Pradesh High Court	1984-85, 1985-86, 2000-01, 2004-05	0.83	0.39
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Commissioner of Sales Tax (Appeals)	2010-11, 2013-14	0.76	0.48
Bihar Finance Act, 1981	Sales Tax	Commissioner of Sales Tax (Appeals)	2000-01	0.78	0.30
	Sales Tax	Patna High Court	2001-02	0.46	0.44
Uttar Pradesh Sales Tax Act, 1948, Uttar Pradesh VAT Act, 2008	Sales Tax / Value added Tax	Appellate Tribunal	1991-92, 1993-94 to 1995-96, 1999-00, 2001-02	0.22	0.19
	Sales Tax / Value added Tax	Allahabad High Court	2000-01	0.43	0.29
Rajasthan Sales Tax Act, 1994, Rajasthan Value Added Tax Act, 2003	Sales Tax / Value added Tax	Commissioner of Sales Tax (Appeals)	1996-97, 2000-01, 2002-03, 2014-15	0.28	0.22
	Sales Tax / Value added Tax	Sales Tax Appellate Tribunal	1990-2000	0.05	0.05
	Sales Tax / Value added Tax	Rajasthan High Court	1993-94	0.03	0.01
	Sales Tax / Value added Tax	Supreme Court of India	1986-87 to 1988-89, 1990-91, 1991-92, 2001-02 to 2003-04	1.96	1.41

Name of Statute	Nature of Dues	Forum where it is pending	Period to which it relates	Amount involved (Rs. crores)	Amount unpaid (Rs. crores)
Delhi Sales Tax Act, 1975	Sales Tax	Sales Tax Appellate Tribunal	1991-92, 1992-93, 2000-01, 2002-03	0.35	0.31
The Madhya Pradesh General Sales Tax Act, 1958, The Madhya Pradesh VAT Act, 2002	Sales Tax / Value added Tax	Commissioner of Sales Tax (Appeals)	2000-01, 2008-09	0.02	0.02
	Sales Tax / Value added Tax	Appellate Tribunal	2002-03, 2004-05	0.26	0.16
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	Commissioner of Sales Tax (Appeals)	2012-13	0.04	0.03
The Odisha Sales Tax Act, 1947	Value Added Tax	Commissioner of Sales Tax (Appeals)	2000-01	0.01	0.00
The Kerala Value Added Tax 2003	Value Added Tax	Commissioner of Sales Tax (Appeals)	2012-13	0.03	0.03
The Telangana Value Added Tax 2005	Value Added Tax	Commissioner of Sales Tax (Appeals)	2005-06	0.12	0.00
Goods and Service Tax Act 2017	GST	Commissioner of GST (Appeals)	2017-18 to 2018-19	0.31	0.27
Finance Act, 1994	Service Tax	CESTAT	2006-07 to 2011-12	0.39	0.36
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2014-15, 2015-16 and 2017-18	5.27	3.52
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2013-14 and 2014-15	1.18	0.19

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

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

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

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

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

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

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of

shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the

Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Membership Number: 095169

UDIN: 21095169AAAABA3201

Place: Gurugram

Date: May 27, 2021

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Eicher Motors Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting

with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

UDIN: 21095169AAAABA3201

Place: Gurugram

Date: May 27, 2021

BALANCE SHEET**AS AT MARCH 31, 2021**

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,888.30	1,996.60
(b) Capital work-in-progress	5	59.78	26.75
(c) Investment property	6	-	3.16
(d) Intangible assets	7	338.89	184.83
(e) Right of use assets	51	196.17	184.16
(f) Intangible assets under development	8	250.38	285.42
(g) Investments in subsidiaries & joint ventures	9	68.86	68.86
(h) Financial assets			
(i) Investments	10	899.85	1,344.22
(ii) Other financial assets	12	22.75	23.90
(i) Non-current tax assets	24	51.33	46.52
(j) Other non-current assets	17	100.91	77.99
Total non-current assets		3,877.22	4,242.41
Current assets			
(a) Inventories	13	769.13	518.05
(b) Financial assets			
(i) Investments	10	1,076.08	2,512.50
(ii) Loans	11	459.16	0.12
(iii) Trade receivables	14	256.18	133.97
(iv) Cash and cash equivalents	15	62.67	19.00
(v) Bank balances other than (iv) above	16	5,736.24	2,907.38
(vi) Other financial assets	12	214.91	92.85
(c) Other current assets	17	173.32	152.73
Total current assets		8,747.69	6,336.60
Total assets		12,624.91	10,579.01
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	27.33	27.30
(b) Other equity	19	9,677.67	8,248.04
Total equity		9,705.00	8,275.34
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	51	45.97	76.23
(ii) Other financial liabilities	20	14.62	12.66
(b) Provisions	22	22.56	21.20
(c) Deferred tax liabilities (net)	23	221.13	252.04
(d) Government grant	25	63.42	60.02
(e) Other non-current liabilities	27	123.50	26.39
Total non-current liabilities		491.20	448.54
Current liabilities			
(a) Financial liabilities			
(i) Lease liability	51	14.23	24.43
(ii) Trade payables	21		
Total outstanding dues of micro and small enterprises		45.83	18.42
Total outstanding dues of creditors other than micro and small enterprises		1,471.56	982.51
(iii) Other financial liabilities	20	174.74	167.64
(b) Provisions	22	89.73	73.68
(c) Current tax liabilities	24	130.88	90.06
(d) Government grant	25	15.61	13.52
(e) Contract liability	26	227.24	349.81
(f) Other current liabilities	27	258.89	135.06
Total current liabilities		2,428.71	1,855.13
Total liabilities		2,919.91	2,303.67
Total equity and liabilities		12,624.91	10,579.01

See accompanying notes forming part of the financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Sanjay Vij

Partner

Membership No : 095169

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

Manhar Kapoor
Company Secretary**Kaleeswaran Arunachalam**
Chief Financial Officer**Vinod K. Dasari**
Whole-time Director &
CEO of Royal Enfield
DIN: 00345657**Siddhartha Lal**
Managing Director
DIN: 00037645**S. Sandilya**
Chairman
DIN: 00037542**Vinod Aggarwal**
Director
DIN: 00038906Place: Gurugram
Date: May 27, 2021

Date: May 27, 2021

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from contract with customers		8,571.64	9,008.69
Other operating income		47.40	68.78
Revenue from operations	28	8,619.04	9,077.47
Other income	29	452.03	615.34
Total Income		9,071.07	9,692.81
EXPENSES			
Cost of raw material and components consumed	30	5,052.57	4,661.17
Purchases of traded goods	31	204.58	214.25
Change in inventories of finished goods, work-in-progress and traded goods	32	(154.76)	110.35
Employee benefits expense	33	803.95	765.12
Finance costs	34	9.20	10.86
Depreciation and amortisation expense	35	446.03	377.92
Other expenses	36	926.19	1,122.80
Total Expenses		7,287.76	7,262.47
Profit before tax		1,783.31	2,430.34
Tax expense			
Current tax	37	492.61	548.82
Deferred tax	37	(39.00)	(22.30)
Total tax expense		453.61	526.52
Net profit after tax		1,329.70	1,903.82
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		31.37	9.64
Income tax effect	37	(7.90)	(2.43)
		23.47	7.21
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		0.77	(0.25)
Income tax effect	37	(0.19)	0.06
		0.58	(0.19)
Total Comprehensive income for the year		1,353.75	1,910.84
Earnings per equity share of Re. 1 each (in Rs.)			
(a) Basic	43	48.68	69.75
(b) Diluted	43	48.61	69.72

See accompanying notes forming part of the financial statements

As per our report of even date
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 301003E/E300005
per Sanjay Vij
Partner
Membership No : 095169

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

Manhar Kapoor
Company Secretary

Kaleeswaran Arunachalam
Chief Financial Officer

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

Siddhartha Lal
Managing Director
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906

Place: Gurugram
Date: May 27, 2021

Date: May 27, 2021

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A EQUITY SHARE CAPITAL

	Number of Shares	Amount
Balance as at March 31, 2019	2,72,82,570	27.28
Changes in equity share capital during the year		
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 48)	22,000	0.02
Balance as at March 31, 2020	2,73,04,570	27.30
Changes in equity share capital during the year		
Adjustment for Sub-Division of Equity Shares*	24,57,41,130	-
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 48)	2,90,222	0.03
Balance as at March 31, 2021	27,33,35,922	27.33

* Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020.

B OTHER EQUITY

Particulars	Reserves and surplus					Retained earnings	Items of OCI Foreign currency translation reserve	Total equity Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserve			
Balance as at March 31, 2019	0.25	1.41	115.11	339.89	58.75	6,576.63	7.13	7,099.17
Impact on accounting for leases on opening balance	-	-	-	-	-	(12.87)	-	(12.87)
Tax impact on above	-	-	-	-	-	4.50	-	4.50
Balance as on April 01, 2019	0.25	1.41	115.11	339.89	58.75	6,568.26	7.13	7,090.80
Profit for the year	-	-	-	-	-	1,903.82	-	1,903.82
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	(0.19)	7.21	7.02
Total comprehensive income for the year	-	-	-	-	-	1,903.63	7.21	1,910.84
Share-based payments (refer note 48)	-	-	-	-	25.75	-	-	25.75
Payment of dividend	-	-	-	-	-	(682.43)	-	(682.43)
Payment of dividend tax	-	-	-	-	-	(126.30)	-	(126.30)
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	28.88	-	-	-	-	28.88
ESOP expense transferred to subsidiary company	-	-	-	-	0.50	-	-	0.50
Transfer to securities premium on issue of shares	-	-	15.01	-	(15.01)	-	-	-
Balance as at March 31, 2020	0.25	1.41	159.00	339.89	69.99	7,663.16	14.34	8,248.04
Profit for the year	-	-	-	-	-	1,329.70	-	1,329.70
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	0.58	23.47	24.05
Total comprehensive income for the year	-	-	-	-	-	1,330.28	23.47	1,353.75
Share-based payments (refer note 48)	-	-	-	-	37.49	-	-	37.49
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	38.33	-	-	-	-	38.33
ESOP expense transferred to subsidiary company	-	-	-	-	0.06	-	-	0.06
Transfer to securities premium on issue of shares	-	-	27.67	-	(27.67)	-	-	-
Balance as at March 31, 2021	0.25	1.41	225.00	339.89	79.87	8,993.44	37.81	9,677.67

See accompanying notes forming part of the financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Sanjay Vij**

Partner

Membership No: 095169

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

Manhar Kapoor
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Managing Director
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S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906

Place: Gurugram
Date: May 27, 2021

Date: May 27, 2021

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	1,783.31	2,430.34
Adjustments for:		
Depreciation and amortisation expenses	446.03	377.92
Gain on disposal of property, plant and equipment	(0.40)	(0.21)
Property, plant and equipment discarded	-	0.35
Loss on sale of property, plant and equipment	1.92	2.55
Dividend from joint venture company	-	(68.00)
Gain on financial instruments at fair value through profit or loss	(106.69)	(302.98)
Interest income recognised in profit or loss	(310.19)	(220.58)
Expenses recognised in respect of equity-settled share-based payments	37.41	25.02
Exchange difference on conversion of foreign branch	31.37	9.64
Exchange difference on reinstatement of property, plant and equipment	(0.74)	(6.78)
Unrealised foreign exchange difference	2.53	(3.96)
Finance income on lease	(1.24)	-
Gain on exercise of termination option of leases	(3.25)	-
Provision for doubtful debts and advances	18.12	-
Finance costs recognized in profit or loss	9.20	10.86
Operating profit before changes in working capital	1,907.38	2,254.17
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	8.14	2.99
Other assets	(18.50)	1.69
Adjustments for (increase) / decrease in current assets:		
Inventories	(251.08)	87.29
Trade receivables	(124.02)	(23.40)
Loans	0.08	1.17
Other financial assets	(1.88)	5.84
Other assets	(38.71)	23.97
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	1.96	2.70
Provisions	0.59	(2.92)
Government grant	3.40	(2.64)
Other liabilities	97.11	25.78
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	515.73	(238.66)
Other financial liabilities	33.14	7.90
Provisions	16.82	15.78
Government grant	2.09	1.94
Contract liability	(122.57)	272.35
Other liabilities	123.83	(89.55)
Cash generated from operating activities	2,153.51	2,346.40
Direct taxes paid	(456.60)	(628.31)
Net cash flow from operating activities (A)	1,696.91	1,718.09
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment	(543.58)	(548.90)
Proceeds from disposal of property, plant and equipment	16.91	7.58
Investment in subsidiary company	-	(0.93)
Investment in a joint venture company	-	(0.99)

CASH FLOW STATEMENT (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Proceeds from sale of investments	0.09	-
Proceeds from sale of debt mutual funds	5,970.50	8,176.17
Purchases of debt mutual funds	(3,983.10)	(8,746.27)
Investments in fixed deposit	(4,976.87)	(4,681.98)
Maturity proceeds from fixed deposit	2,145.87	4,017.00
Bill discounting without recourse on behalf of a related party (refer note 45)	(459.12)	-
Dividend from joint venture company	-	68.00
Interest received	192.17	204.06
Net cash flow used in investing activities (B)	(1,637.13)	(1,506.26)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Short term borrowings availed	-	211.93
Re-payment of short term borrowings	-	(277.08)
Interest paid	(1.89)	(0.87)
Proceeds from issue of equity share capital under employee stock option plan / restricted stock units plan (refer note 19C and 48) (including security premium)	40.36	29.41
Lease receivables	(10.83)	-
Interest on lease liability paid	(6.54)	(8.87)
Repayment of lease liabilities	(37.21)	(28.64)
Dividend paid	-	(682.43)
Tax on dividend paid	-	(126.30)
Net cash flow used in financing activities (C)	(16.11)	(882.85)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	43.67	(671.02)
Cash and cash equivalents at the beginning of the year	19.00	690.03
Cash and cash equivalents at the end of the year	62.67	19.00

Particulars	As at March 31, 2021	As at March 31, 2020
Components of cash and cash equivalents		
Cash on hand	0.05	0.07
Balances with banks:		
In current accounts	62.62	18.93
Cash and cash equivalents as per balance sheet (refer note 15)	62.67	19.00

See accompanying notes forming part of the financial statements

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

per **Sanjay Vij**
Partner
Membership No : 095169

Place: Gurugram
Date: May 27, 2021

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

Manhar Kapoor
Company Secretary

Siddhartha Lal
Managing Director
DIN: 00037645

Date: May 27, 2021

Kaleeswaran Arunachalam
Chief Financial Officer

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Vinod K. Dasari
Whole-time Director &
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DIN: 00345657

Vinod Aggarwal
Director
DIN: 00038906

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

1. CORPORATE INFORMATION

Eicher Motors Limited ("the Company") is a public company domiciled and incorporated in India under the provisions of the Companies Act, 1956. The Company is engaged in the manufacturing and selling of motorcycles, spare parts and related services. The Company has its registered office at New Delhi, India and its corporate office at Gurugram, Haryana, India. The Company has its equity shares listed on the BSE Limited and National Stock Exchange of India Limited. The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 27, 2021.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of Compliance

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

2.2 Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. The financial statements are presented in Indian Rupees and all values are rounded to the nearest two decimals of crore, except otherwise indicated.

2.3 Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet on current / non-current

classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

3.2 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ♦ In the principal market for the asset or liability, or
- ♦ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

The fair value of an asset or a liability is measured using the assumptions, that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ◆ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ◆ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ◆ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Company.

Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

3.3 Revenue from contract with customers

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

Sale of goods

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

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance (RSA), Free Service Coupons (FSC), etc.). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Variable consideration

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

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section 3.16 Provisions.

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

Agency services

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional

(i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.17 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Leases

The Company assesses at the contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e.,

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Buildings	2 to 25 years
Land	99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.13 Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental

borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset are classified as finance leases.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

In case of finance lease, as a lessor, the company recognises, at the commencement date, assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Interest rate implicit is used to measure the net investment in the lease. Initial direct costs, other than those incurred by the company, are included in the initial

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is arrived in such a way that the initial direct costs are included automatically in the net investment in the lease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

(a) fixed payments less any lease incentives payable, (b) variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date; (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee, (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

At the commencement date, as a manufacturer or dealer the Company recognises the following for each of its finance leases:

(a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest; (b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and (c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which Ind AS 115 applies. The company also recognise selling profit or loss on a finance lease at the commencement date, regardless of whether the company transfers the underlying asset as described in Ind AS 115.

The company as a manufacturer or dealer lessor recognises as an expense costs incurred in connection with obtaining a finance lease at the commencement date because they are mainly related to earning the manufacturer or dealer's

selling profit. Costs incurred by the company in connection with obtaining a finance lease are excluded from the definition of initial direct costs and, thus, are excluded from the net investment in the lease.

Subsequent measurement:

The company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The finance income is allocated over the lease term on a systematic and rational basis. The company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The company applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The company reviews regularly estimated unguaranteed residual values used in computing the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, the company revises the income allocation over the lease term and recognises immediately any reduction in respect of amounts accrued.

3.5 Foreign currencies

The financial statements are presented in Indian Rupees, which is also the functional currency of the Company. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Transactions in foreign currencies are initially recorded by the foreign operation at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operation, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for practical reasons, the Company uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

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

- ♦ Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are initially recognised in the financial statements of the Company in the other comprehensive income. These exchange differences are reclassified from equity (Foreign currency translation reserve) to profit or loss on disposal of the net investment.
- ♦ Tax charges and credits attributable to exchange differences on those monetary items are also recorded in Other Comprehensive Income (OCI).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. When the grant relates to an expense item, it is recognised as income on a

systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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

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

3.8 Retirement and other employee benefits

Provident fund

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

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

- (ii) The employees, who are not covered under the scheme stated in 3.8 (i) above, are covered in a defined contribution scheme wherein their portion of provident fund is contributed to the government administered provident fund. The Company has no obligation, other than the contribution payable to the provident fund.

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The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

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

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement

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

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

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this

calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.9 Share-based payment arrangements

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

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 48.

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

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that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

3.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures,

when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would

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follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.11 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Freehold land is not depreciated.

Capital work in progress is stated at cost, net of impairment loss, if any. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic

useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act as provided below and except in respect of moulds and dies which are depreciated over their estimated useful life of 1 to 7 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The useful lives for various property, plant and equipment are given below:

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

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

3.12 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are

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acquired separately and intangible assets not yet available for use are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Internally-generated intangible assets – research and development expenditure

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

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

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

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected

from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 5 to 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 3 years or less depending on the estimated useful life of asset. The useful lives for intangible assets are given below:

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

3.13 Impairment of non-financial assets

At the end of each reporting period, the Company assesses, whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.14 Investment property

Investment property is a property held to earn rentals and capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model. The Company depreciates building component of investment property over 30 years from the date of capitalisation.

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

3.15 Inventories

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

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

3.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

3.17 Financial instruments

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.18 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss or fair value through other comprehensive income, depending on the classification of the financial assets.

Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's

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right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in subsidiaries and joint ventures are carried at cost in the separate financial statements.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

3.19 Financial liabilities and equity instruments

Classification as financial liability or equity

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

Equity instruments

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

Financial liabilities

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in the other comprehensive income. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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3.20 Cash and cash equivalent

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

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

3.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.22 Cash dividend

The Company recognises a liability to make dividend distributions to equity holders of the

Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India a distribution is authorised when it is approved by the shareholders, However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

3.23 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Cost							
At March 31, 2019	85.95	643.31	1,546.69	27.43	139.16	60.27	2,502.81
Additions	-	133.50	411.30	7.54	49.34	21.56	623.24
Disposals	-	0.23	32.99	1.09	2.34	6.00	42.65
Adjustments (Exchange difference)		1.55	1.54	0.04	0.45	0.26	3.84
At March 31, 2020	85.95	778.13	1,926.54	33.92	186.61	76.09	3,087.24
Additions	-	22.58	171.17	3.67	31.29	17.55	246.26
Disposals	-	2.12	15.77	0.47	16.32	4.62	39.30
Transfer from Investment property (refer note 6)	-	10.12	-	-	-	-	10.12
Adjustments (Exchange difference)	-	4.80	4.78	0.12	1.57	1.08	12.35
At March 31, 2021	85.95	813.51	2,086.72	37.24	203.15	90.10	3,316.67
Accumulated depreciation							
At March 31, 2019	-	69.57	635.64	12.19	72.33	24.76	814.49
Charge for the year	-	33.30	230.25	3.96	28.96	12.76	309.23
Disposals	-	0.23	26.37	0.80	2.28	4.33	34.01
Adjustments (Exchange difference)		0.15	0.33	0.01	0.29	0.15	0.93
At March 31, 2020	-	102.79	839.85	15.36	99.30	33.34	1,090.64
Charge for the year	-	35.77	259.83	4.66	33.15	15.18	348.59
Disposals	-	1.78	14.17	0.26	1.89	2.78	20.88
Transfer from Investment property (refer note 6)	-	6.96	-	-	-	-	6.96
Adjustments (Exchange difference)	-	0.50	1.01	0.05	0.97	0.53	3.06
At March 31, 2021	-	144.24	1,086.52	19.81	131.53	46.27	1,428.37
Carrying amount							
At March 31, 2020	85.95	675.34	1,086.69	18.56	87.31	42.75	1,996.60
At March 31, 2021	85.95	669.27	1,000.20	17.43	71.62	43.83	1,888.30

* Title deeds for land and other properties Rs. 0.74 Crores (Rs. 0.74 Crores) at Alwar and Jhajjar are pending for mutation in favour of the Company.

5. CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2021	As at March 31, 2020
Capital work-in-progress*	59.78	26.75
	59.78	26.75

* Capital work in progress as at March 31, 2021 comprises expenditure for plant in the course of construction and machineries yet to be installed.

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6. INVESTMENT PROPERTY

Particulars	Building	Total
Cost		
At March 31, 2019	10.12	10.12
Additions	-	-
Disposals	-	-
At March 31, 2020	10.12	10.12
Additions	-	-
Disposals	-	-
Transfer to self occupied property (refer note 4)	(10.12)	(10.12)
At March 31, 2021	-	-
Accumulated depreciation		
At March 31, 2019	6.61	6.61
Charge for the year	0.35	0.35
Disposals	-	-
At March 31, 2020	6.96	6.96
Charge for the year	-	-
Disposals	-	-
Transfer to self occupied property (refer note 4)	(6.96)	(6.96)
At March 31, 2021	-	-
Carrying amount		
At March 31, 2020	3.16	3.16
At March 31, 2021	-	-

Fair value of the Investment property

The fair value of the Company's investment properties as at March 31, 2020 have been arrived at on the basis of valuation carried out on the respective dates by Mr. Purshotam Khandelwal, independent valuer not related to the Company. Mr. Purshotam Khandelwal is a registered valuer with the authority which governs the valuers in India, and they have appropriate qualifications and experience in the valuation of properties in the relevant location.

For the building located in Jaipur, India, the fair value of structure as on March 31, 2020 was determined based on S.O. No.X-3/2015 dated 15/07/2015 of State P.W.D.B&R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since July 2015 to average mean period of construction. The items not covered under Standing Order No. X-3/2015 have been valued on the rates of State PWD BSR June 2014.

During the year 2020-21, the company started using the said property for its own operations and hence the same has been reclassified as buildings under Property, plant and equipment.

Detail of the investment properties and information about the fair value hierarchy as at March 31, 2021 and March 31, 2020 are as follows :-

Particulars	Level 2	
	Fair value as at March 31, 2021	Fair value as at March 31, 2020
Building located at Jaipur, India	NA	4.05

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Information regarding income and expenditure of Investment property

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental income derived from investment properties	-	-
Direct operating expenses	-	-
Profit arising from investment properties before depreciation and indirect expenses	-	-
Less: Depreciation	-	0.35
Profit / (loss) arising from investment properties before indirect expenses	-	(0.35)

7. INTANGIBLE ASSETS

Particulars	Product designs, prototypes etc.	Computer softwares	Total
Cost			
At March 31, 2019	175.84	72.44	248.28
Additions	19.52	20.27	39.79
Disposals / write off	0.02	0.01	0.03
Adjustments (Exchange difference)	2.74	0.20	2.94
At March 31, 2020	198.08	92.90	290.98
Additions	178.48	42.29	220.77
Disposals / write off	-	0.29	0.29
Adjustments (Exchange difference)	8.38	0.62	9.00
At March 31, 2021	384.94	135.52	520.46
Accumulated amortisation			
At March 31, 2019	23.87	45.43	69.30
Charge for the year	20.27	15.93	36.20
Disposals / write off	-	0.01	0.01
Adjustments (Exchange difference)	0.49	0.17	0.66
At March 31, 2020	44.63	61.52	106.15
Charge for the year	49.51	23.29	72.80
Disposals / write off	-	0.27	0.27
Adjustments (Exchange difference)	2.30	0.59	2.89
At March 31, 2021	96.44	85.13	181.57
Carrying amount			
At March 31, 2020	153.45	31.38	184.83
At March 31, 2021	288.50	50.39	338.89

8. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets under development*	250.38	285.42
	250.38	285.42

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

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9. INVESTMENTS IN SUBSIDIARIES & JOINT VENTURES

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Non-Current	Non-Current
Unquoted Investments		
(a) Investment in equity instruments of subsidiary companies (at cost)		
47,13,569 (March 31, 2020 : 47,13,569) shares of Brazilian Real 1 each fully paid up of Royal Enfield Brasil Comércio de Motocicletas Ltda	9.82	9.82
1,00,000 (March 31, 2020 : 1,00,000) shares of Royal Enfield North America Limited (no face value)	34.17	34.17
1,67,50,000 (March 31, 2020 : 1,67,50,000) shares of Thai Bhat 5 each fully paid up of Royal Enfield (Thailand) Limited	18.50	18.50
10,000 (March 31, 2020 : 10,000) shares of GBP 10 each fully paid up of Royal Enfield UK Limited	0.93	0.93
Sub-total (A)	63.42	63.42
(b) Investment in equity instruments of joint venture companies (at cost)		
54,40,000 (March 31, 2020 : 54,40,000) Equity shares of Rs.10 each fully paid up of VE Commercial Vehicles Limited	5.44	5.44
32,54,89,000 (March 31, 2020 : 32,45,00,000) Equity shares of Rs.10 each fully paid up of Eicher Polaris Private Limited	325.49	324.50
Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013)*	-	-
Sub-total	330.93	329.94
Less: Impairment in value of investments in Eicher Polaris Private Limited	(325.49)	(324.50)
Sub-total (B)	5.44	5.44
Total (A+B)	68.86	68.86

* Cost of investment is stated as Rs. Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of Rs. 2,50,000 has been charged to the Statement of Profit and Loss in the financial year 2015-16.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

FINANCIAL ASSETS :

10. INVESTMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non-Current	Current	Non-Current	Current
Unquoted Investments				
(a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL) 16,80,000 (March 31, 2020 : 16,84,750) Equity shares of Rs. 10 per share fully paid up of Suryadev Alloys and Power Private Limited	5.04	-	5.13	-
Sub-total (A)	5.04	-	5.13	-
Quoted Investments				
(b) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	827.33	1,065.74	1,297.88	2,512.50
Sub-total (B)	827.33	1,065.74	1,297.88	2,512.50
(c) Investment in bonds carried at amortized cost	67.48	10.34	41.21	-
Sub-total (C)	67.48	10.34	41.21	-
Total (A+B+C)	899.85	1,076.08	1,344.22	2,512.50
Aggregate carrying value of quoted investments	894.81	1,076.08	1,339.09	2,512.50
Aggregate market value of quoted investments	900.59	1,076.01	1,345.11	2,512.50
Aggregate carrying value of unquoted investments	5.04	-	5.13	-
Category-wise investments - as per Ind AS 109 Classifications				
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in equity instruments	5.04	-	5.13	-
Quoted				
Investment in mutual funds	827.33	1,065.74	1,297.88	2,512.50
Financial assets carried at amortized cost				
Quoted				
Investment in bonds	67.48	10.34	41.21	-

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

11. LOANS

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, considered good		
Loans to employees	0.04	0.12
Bill discounting without recourse on behalf of a related party# (refer note 45)	459.12	-
Total	459.16	0.12

Disclosure required under Sec 186(4) of the Companies Act, 2013

Represents VECV bills discounted at 5.69% to 9.90% per annum, with a credit period of no more than 120 days. The loan has been utilized for meeting their working capital requirements.

12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Security deposits	15.76	23.90
Lease receivables	6.99	-
Total	22.75	23.90
Current		
Unsecured, considered good		
Insurance claim receivable	2.40	0.11
Interest accrued on fixed deposits and bonds	204.63	86.60
Share application money pending allotment	-	0.99
Lease receivables	5.08	-
Others	2.80	5.15
Total	214.91	92.85

13. INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials [includes in transit Rs. 24.43 crores (previous year Rs. 26.46 crores)]	280.88	185.94
Work in progress	39.42	42.29
Finished goods	345.08	225.66
Traded goods	81.69	43.48
Stores and spares	17.38	18.17
Loose tools	4.68	2.51
Total	769.13	518.05

Write-downs of inventories to net realisable value resulted in net loss of Rs. 5.33 crores (March 31, 2020 : Rs. 1.54 crores). These were recognised as an expense during the year in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 3.15.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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14. TRADE RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	150.18	75.74
Receivables from related parties (refer note 45)	106.00	58.23
Total	256.18	133.97
Current		
Considered good - secured	12.42	0.66
Considered good - unsecured	243.76	133.31
Receivables - credit impaired	0.74	0.62
	256.92	134.59
Less: Provision for doubtful receivables	(0.74)	(0.62)
Total	256.18	133.97

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

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

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

For terms and condition for related party sales refer note 45

15. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.05	0.07
Balances with banks:		
In current accounts	62.62	18.93
Total	62.67	19.00

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

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.05	0.07
Balances with banks:		
In current accounts	62.62	18.93
Cash and cash equivalents as per statement of cash flows	Total	
	62.67	19.00

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Changes in liabilities arising from financing activities

Particulars	April 1, 2020	Net cash flows	Others	March 31, 2021
Interest accrued but not due	-	(1.89)	1.89	-
Obligation under finance lease	100.66	(29.15)	(11.31)	60.20
Total liabilities from financing activities	100.66	(31.04)	(9.42)	60.20

Particulars	April 1, 2019	Net cash flows	Others	March 31, 2020
Short term borrowings	65.15	(65.15)	-	-
Interest accrued but not due	-	(0.87)	0.87	-
Obligation under finance lease	123.44	(37.51)	14.73	100.66
Dividend payable including tax on dividend	-	(808.73)	808.73	-
Total liabilities from financing activities	188.59	(912.26)	824.33	100.66

16. OTHER BANK BALANCES

Particulars	As at March 31, 2021	As at March 31, 2020
In unpaid dividend accounts	14.26	16.40
On deposit accounts		
- Original maturity between three and twelve months	755.75	164.00
- Original maturity greater than twelve months	4,966.23	2,726.98
Total	5,736.24	2,907.38

17. OTHER ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Capital advances	76.12	71.70
Prepaid expenses	17.90	-
Balance with government authorities	6.89	6.29
Total	100.91	77.99
Current		
Unsecured, considered good		
Advance to suppliers		
Considered good	94.34	68.36
Considered doubtful	18.00	-
	112.34	68.36
Less: Provision for doubtful advances	(18.00)	-
	94.34	68.36
Advance to employees	4.44	6.66
Prepaid expenses	30.61	20.63
Balance with government authorities		
Considered good	41.67	43.27
Considered doubtful	1.11	1.11
	42.78	44.38
Less: Provision for doubtful balance	(1.11)	(1.11)
	41.67	43.27
Government grant receivable	2.26	13.81
Total	173.32	152.73

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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18. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Equity share capital		
30,00,00,000 Equity shares of Rs. 1 each (March 31, 2020 : 3,00,00,000 Equity shares of Rs. 10 each)	30.00	30.00
Total	30.00	30.00
Issued, subscribed and fully paid up		
27,33,35,922 Equity shares of Rs. 1 each (March 31, 2020 : 2,73,04,570 Equity shares of Rs. 10 each)	27.33	27.30
Total	27.33	27.30

The Company has only one class of equity shares having a par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020.

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

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Nos.	Rs. in Crores	Nos.	Rs. in Crores
At the beginning of the year	2,73,04,570	27.30	2,72,82,570	27.28
Adjustment for Sub-Division of Equity Shares	24,57,41,130	-	-	-
Issued during the year - ESOP (refer note 48)	2,90,222	0.03	22,000	0.02
Outstanding at the end of the year	27,33,35,922	27.33	2,73,04,570	27.30

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust				
At the beginning of the year	1,20,30,648	4.40%	1,20,30,648	44.06%
Adjustment for Sub-Division of Equity Shares	10,82,75,832	39.61%	-	-
Outstanding at the end of the year	12,03,06,480	44.01%	1,20,30,648	44.06%

(iii) Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in note 48.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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(b) Preference share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Preference share capital		
1,01,000 (March 31, 2020 : 1,01,000) Redeemable preference shares of Rs. 100 each	1.01	1.01
Total	1.01	1.01

The Company has not issued any preference shares.

19. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserves	0.25	0.25
Capital redemption reserve	1.41	1.41
Securities premium reserve	225.00	159.00
General reserves	339.89	339.89
Share based payments reserve	79.87	69.99
Foreign currency translation reserve	37.81	14.34
Retained earnings	8,993.44	7,663.16
Total	9,677.67	8,248.04

Particulars	As at March 31, 2021	As at March 31, 2020
A Capital reserve		
Opening balance	0.25	0.25
Add / Less: Movement during the year	-	-
Closing balance	0.25	0.25

Particulars	As at March 31, 2021	As at March 31, 2020
B Capital redemption reserve		
Opening balance	1.41	1.41
Add / Less: Movement during the year	-	-
Closing balance	1.41	1.41

The Capital redemption reserve was created at the time of buy back of shares. The Company can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

Particulars	As at March 31, 2021	As at March 31, 2020
C Securities premium reserve		
Opening balance	159.00	115.11
Add : Proceeds from issue of equity shares	38.33	28.88
Add : Transferred from share options outstanding account	27.67	15.01
Closing balance	225.00	159.00

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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Particulars	As at March 31, 2021	As at March 31, 2020
D General reserves		
Opening balance	339.89	339.89
Add: Amount transferred from retained earnings	-	-
Closing balance	339.89	339.89

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	As at March 31, 2021	As at March 31, 2020
E Share-based payments reserve		
Opening balance	69.99	58.75
Add: ESOP cost during the year	37.49	25.75
Add: ESOP expense transferred to subsidiary company	0.06	0.50
Less: Transferred to securities premium on issue of shares	27.67	15.01
Closing balance	79.87	69.99

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share-based payments to employees is set out in note 48.

Particulars	As at March 31, 2021	As at March 31, 2020
F Foreign currency translation reserve		
Opening balance	14.34	7.13
Add: Exchange differences in translation of foreign operations	23.47	7.21
Closing balance	37.81	14.34

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Particulars	As at March 31, 2021	As at March 31, 2020
G Retained earnings		
Opening balance	7,663.16	6,576.63
Less: Impact on accounting for leases on opening balance	-	(12.87)
Add: Tax impact on above	-	4.50
Add: Profit for the year	1,329.70	1,903.82
Add: Other Comprehensive income: from Remeasurement of defined benefit obligation net of income tax	0.58	(0.19)
Less: Interim dividend for FY 2019-20 (amount per share Rs. 125)	-	341.32
Less: Tax on interim dividend	-	70.16
Less: Dividend for FY 2018-19 paid in FY 2019-20 (amount per share Rs. 125)	-	341.11
Less: Tax on dividend	-	56.14
Total appropriations	-	808.73
Balance at end of year	8,993.44	7,663.16

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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FINANCIAL LIABILITIES :

20. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits received	14.62	12.66
Total	14.62	12.66
Current		
Employee dues	117.73	85.49
Capital creditors	32.12	55.03
Unpaid dividend *	14.26	16.40
Provision for constructive obligation towards the discontinued operations of a joint venture	4.01	5.00
Others	6.62	5.72
Total	174.74	167.64

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

21. TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 41)	45.83	18.42
Sub-total (A)	45.83	18.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	-	26.18
Other trade payables	1,414.82	897.52
Trade payables to related parties (refer note 45)	56.74	58.81
Sub-total (B)	1,471.56	982.51
Total (A+B)	1,517.39	1,000.93

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

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

22. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Employee benefits - refer note (i) below	6.07	5.08
Warranties - refer note (ii) below	16.49	16.12
Total	22.56	21.20
Current		
Employee benefits - refer note (i) below		
Compensated absences	15.93	12.31
Other employee benefits	0.09	0.05
Sub-total (A)	16.02	12.36
Warranties - refer note (ii) below	73.71	61.32
Sub-total (B)	73.71	61.32
Total (A+B)	89.73	73.68

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.

(ii) Movement in warranties provision

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	77.44	65.62
Additions during the year	53.24	55.62
Amount utilized during the year	41.25	44.92
Unwinding of discount	0.77	1.12
Closing balance	90.20	77.44

The provision for warranty claims represents the present value of the management's best estimate of the future economic costs that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

23. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	205.33	193.63
Investments measured at FVTPL	36.12	75.17
Others	8.04	2.66
Sub-total (A)	249.49	271.46
Less: Deferred tax assets on		
Accrued expenses deductible on payment	1.18	1.11
Deferred revenue	11.90	8.50
Provision for compensated absences and other employee benefits	4.01	3.10
Provision for doubtful debts and advances	5.40	0.43
Lease	3.18	3.81
Others	2.69	2.47
Sub-total (B)	28.36	19.42
Total (A-B)	221.13	252.04

Movement of deferred tax liabilities/assets For the year ended March 31, 2021

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	193.63	11.70	-	205.33
Investments measured at FVTPL	75.17	(39.05)	-	36.12
Others	2.66	5.38	-	8.04
Sub-total (A)	271.46	(21.97)	-	249.49
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.11	0.07	-	1.18
Deferred revenue	8.50	3.40	-	11.90
Provision for compensated absences and other employee benefits	3.10	0.91	-	4.01
Exchange differences in translating the financial statements of foreign operations	-	7.90	(7.90)	-
Remeasurement of defined benefit obligation	-	0.19	(0.19)	-
Provision for doubtful debts and advances	0.43	4.97	-	5.40
Lease	3.81	(0.63)	-	3.18
Others	2.47	0.22	-	2.69
Sub-total (B)	19.42	17.03	(8.09)	28.36
Total (A-B)	252.04	(39.00)	8.09	221.13

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ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

For the year ended March 31, 2020

Particulars	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	250.38	(56.75)	-	193.63
Investments measured at FVTPL	46.25	28.92	-	75.17
Others	0.68	1.98	-	2.66
Sub-total (A)	297.31	(25.85)	-	271.46
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.55	(0.44)	-	1.11
Deferred revenue	10.73	(2.23)	-	8.50
Provision for compensated absences and other employee benefits	3.75	(0.65)	-	3.10
Exchange differences in translating the financial statements of foreign operations	-	2.43	(2.43)	-
Remeasurement of defined benefit obligation	-	(0.06)	0.06	-
Provision for doubtful debts and advances	0.65	(0.22)	-	0.43
Lease	4.50	(0.69)	-	3.81
Others	4.16	(1.69)	-	2.47
Sub-Total (B)	25.34	(3.55)	(2.37)	19.42
Total (A-B)	271.97	(22.30)	2.37	252.04

24. CURRENT TAX LIABILITIES / NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Tax liabilities		
Provision for current tax (net)	130.88	90.06
Total	130.88	90.06
Tax assets		
Advance income tax (net)	51.33	46.52
Total	51.33	46.52

25. GOVERNMENT GRANT

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	63.42	60.02
Total	63.42	60.02
Current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	15.61	13.52
Total	15.61	13.52

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

- The benefit received by the United Kingdom (UK) Branch of the Company from the Government of UK - Department for Business Innovation & Skills and Department for Her Majesty's Revenue & Customs.
 - Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant.
- These grants will be recognized in statement of profit and loss on a systematic basis over the useful life of the related fixed assets.

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(ii) Movement in Government grant

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	73.54	74.24
Additions during the year	31.57	36.62
Amount recognised as income during the year	26.08	37.32
Closing balance	79.03	73.54

26. CONTRACT LIABILITY

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Contract liability	227.24	349.81
Total	227.24	349.81

27. OTHER LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred revenue	123.50	26.39
Total	123.50	26.39
Current		
Advance from customers	136.99	60.41
Deferred revenue	47.29	33.79
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	65.16	37.26
Others	9.45	3.60
Total	258.89	135.06

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28. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations		
Revenue from contract with customers (Goods transferred at a point in time)		
Manufactured goods	8,079.09	8,514.65
Traded goods	440.78	432.13
Revenue from contract with customers (Services transferred over time)		
Others	51.77	61.91
Sub-total (A)	8,571.64	9,008.69
Other operating revenue		
Government grant (Export incentives)	26.08	37.32
Scrap sale	17.82	17.38
Income from other operating revenues	3.50	14.08
Sub-total (B)	47.40	68.78
Total (A+B)	8,619.04	9,077.47

Also refer accounting policy 3.3 on Revenue from contract with customers

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Details of products sold		
Manufactured goods		
Two wheelers	7,531.93	7,885.68
Spare parts and other components	547.16	628.97
Total	8,079.09	8,514.65
Traded goods		
Accessories and other allied products	440.78	432.13
Total	440.78	432.13
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	8,731.74	9,147.04
Adjustments:		
- Trade Discount	34.28	32.36
- Incentives	56.43	37.75
- Deferral of revenue - FSC, RSA	68.89	68.24
- Significant financing component	0.50	-
	8,571.64	9,008.69

Contract Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	256.18	133.97
Contract liabilities	227.24	349.81
Amount of Revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	349.81	77.45

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29. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets carried at amortized cost		
Bank deposits and bonds	299.97	218.26
Interest income on bill discounting (refer note 45)	9.52	-
Others	0.70	2.32
	310.19	220.58
Dividend income		
Dividend from joint venture company	-	68.00
	-	68.00
Gain on financial instruments at fair value through profit or loss	106.69	302.98
Other non-operating income		
Other income	28.26	18.99
Profit on sale of property, plant and equipment	0.40	0.21
Finance income on lease	1.24	-
Gain on exercise of termination option of leases	3.25	-
Exchange gain (net)	2.00	4.58
	35.15	23.78
Total	452.03	615.34

30. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	185.94	166.09
Add: Purchases	5,445.39	4,850.88
	5,631.33	5,016.97
Less: Inventory at the end of the year	280.88	185.94
Less: Material cost of vehicles capitalised	1.68	2.73
	5,348.77	4,828.30
Less: Sale of raw materials to suppliers on cost-to-cost basis	296.20	167.13
Total	5,052.57	4,661.17

31. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accessories and other allied products	204.58	214.25
Total	204.58	214.25

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year		
Finished goods	345.08	225.66
Work-in-progress	39.42	42.29
Traded goods	81.69	43.48
A	466.19	311.43
Inventories at the beginning of the year		
Finished goods	225.66	359.71
Work-in-progress	42.29	21.68
Traded goods	43.48	40.39
B	311.43	421.78
Net change (B-A)	(154.76)	110.35

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33. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	699.45	666.99
Contribution to provident and other funds (refer note 42)	23.57	27.18
Share-based payments (refer note 48)	37.41	25.02
Staff welfare expenses	43.52	45.93
Total	803.95	765.12

34. FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense		
On other borrowings	1.89	0.87
Unwinding of discount on provisions	0.77	1.12
Interest on lease liabilities (refer note 51)	6.54	8.87
Total	9.20	10.86

35. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 4)	348.59	309.23
Depreciation of investment property (refer note 6)	-	0.35
Amortization of intangible assets (refer note 7)	72.80	36.20
Amortization of right of use assets (refer note 51)	24.64	32.14
Total	446.03	377.92

36. OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of Stores and machinery spares (including loose tools and packing material)	139.31	156.27
Loss on sale of property, plant and equipment and intangible assets	1.92	2.55
Property, plant and equipment discarded	-	0.35
Power and fuel	52.94	62.82
Insurance	23.82	15.57
Repairs and maintenance		
Buildings	3.76	3.57
Plant and equipment	43.80	42.88
Others	63.18	53.13
Rates and taxes	3.99	3.30
Advertisement	8.74	14.12
Freight and handling charges	104.87	134.15
Warranty	53.87	55.63
Other selling and distribution expenses	175.42	240.42
Expense related to short term leases	11.43	12.67
Legal and professional charges*	53.28	54.00
Travelling expenses	31.52	87.58
Development expenses	8.75	10.97
Corporate social responsibility expenditure (refer note 50)	56.37	55.39
Bad debts / advances written off	0.17	-
Provision for doubtful debts and advances	18.12	-
Miscellaneous expenses	70.93	117.43
Total	926.19	1,122.80

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditors:		
a) For audit	0.35	0.25
b) For limited reviews of unaudited financial results	0.23	0.18
c) For other services	0.18	0.12
d) For reimbursement of expenses	-	0.05
Total	0.76	0.60
In other capacity:		
a) For other services	0.12	0.09
Total	0.12	0.09

37. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	492.61	548.82
Sub-total (A)	492.61	548.82
Deferred tax		
Relating to origination and reversal of temporary differences	(39.00)	(22.30)
Sub-total (B)	(39.00)	(22.30)
Total income tax expense recognized in the current year	Total (A+B)	526.52

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	1,783.31	2,430.34
Income tax expense calculated at 25.168% (previous year @ 25.168%)	448.82	611.67
Effect on long-term capital gain from investment in mutual funds	18.71	(45.60)
Effect of ESOP expenses not deductible in determining taxable profits	9.42	6.30
Effect of income exempt from taxation	(0.78)	(17.86)
Effect of change in tax rate from 34.944% to 25.168% in FY 2019-20	-	(65.23)
Effect of mark to market on mutual funds	(39.49)	28.92
Effect of CSR Expenses	14.19	-
Others	2.74	8.32
	453.61	526.52
Income tax expense recognised in statement of profit and loss	453.61	526.52
Income tax rate :		
Basic rate	22.000%	22.000%
Surcharge - 10% (applied on basic rate)	2.200%	2.200%
Cess - 4% (applied on basic plus surcharge)	0.968%	0.968%
	25.168%	25.168%

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the previous year and re-measured its Deferred tax liability basis the rate prescribed in the said section. Accordingly, deferred tax liability had reduced by Rs.65.23 crores in the previous year and the tax credit for the year ended March 31, 2020 had increased by Rs. 65.23 crores.

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Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax charge/(benefit)		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	7.90	2.43
Remeasurement of defined benefit obligation	0.19	(0.06)
Total income tax recognized in other comprehensive income	8.09	2.37
Bifurcation of the income tax recognized in other comprehensive income into:		
Items that may be reclassified to profit or loss	7.90	2.43
Items that will not be reclassified to profit or loss	0.19	(0.06)
Total	8.09	2.37

38. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

Recoverability of intangible assets and intangible assets under development

The Company has various internally generated intangible assets either capitalised or under development. Initial recognition of the expenditure under these assets are based on assessing each asset in relation to the specific recognition criteria to be met for capitalisation, for e.g. technological and economic feasibility and the ability of the asset to generate economic benefits in the future. In addition, the management also assesses any indications of impairment of the carrying value of the assets. This requires the management's judgement and assumptions, which are affected by future market or economic developments. The management has analysed the recognition criteria and future market conditions and is confident that these assets do not require any adjustments to their carrying value at the year end.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 48.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

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39. RESEARCH AND DEVELOPMENT EXPENSES:

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 103.40 crores (March 31, 2020 : Rs. 83.74 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 195.70 crores (March 31, 2020 : Rs. 173.62 crores).

40. CONTINGENT LIABILITIES NOT PROVIDED FOR:

Particulars	As at March 31, 2021	As at March 31, 2020
a) In respect of the following:		
- Excise duty matters	18.97	1.29
- Sales tax matters	7.29	7.41
- Service tax matters	0.39	0.39
- Customs duty matters	3.48	3.48
b) Claims against the Company not acknowledged as debts	10.44	10.36
c) Guarantees given:	229.61	226.11
to bank/others for credit facility granted to 100% subsidiary Company		
- Dues outstanding	157.41	144.43

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	45.60	17.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	0.02	0.01
(iii) The amount of payment made to the supplier beyond the appointed day	24.10	64.91
(iv) The amount of interest due and payable for the year	0.21	0.28
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.23	0.58
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

42. EMPLOYEE BENEFIT PLANS

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

A. Defined Contribution Plans

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Detail of amount recognized as expense for defined contribution plans is given below:-		
a) Provident fund*	17.38	20.25
b) Superannuation fund	1.19	1.14
c) Employee State Insurance Corporation	0.06	1.08
d) Other funds	12.43	11.26
Total	31.06	33.73

*includes Rs. 1.58 crores (March 31, 2020: Rs. 0.19 crores) capitalized during the year and Rs. 5.91 crores (March 31, 2020: Rs. 6.36 crores) considered in pre-operative expenditure (pending allocation).

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Out of the total contribution made for employees' provident fund, Rs. 6.80 crores (March 31, 2020: Rs. 6.57 crores) is made to Eicher Executive Provident Fund Trust, while the remaining contribution has been made to government administered provident fund.

B. Defined Benefit Plans:

The Defined benefit plan of the Company includes entitlement of gratuity and provident fund scheme.

This plan typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by Mr. K.K.Dharni (FIAI M.No. 00051), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Provident fund:

The provident fund is governed by the Provident Fund Act, 1952. Under the defined benefit plan, the Company contributes to the "Eicher Executive Provident Fund Trust", for certain designation. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Company does not have additional obligation as at March 31, 2021.

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

Principal assumptions	Provident fund	
	As at March 31, 2021	As at March 31, 2020
Discount rate	6.85%	6.85%
Retirement age	58 years	58 years
Rate of withdrawal	2.00%	3.00%
In service mortality	IALM (2012-14)	IALM (2012-14)

Gratuity:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.

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

Principal assumptions	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Discount rate	6.85%	6.85%
Future salary increase	6.50%	6.50%
Retirement age	58 years	58 years
Rate of withdrawal	2.00%	2.00%
In service mortality	IALM (2012 - 14)	IALM (2012-14)

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

Particulars	Gratuity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Service cost:		
Current service cost	5.08	4.44
Net Interest expense	-	-
Components of defined benefit costs recognised in profit or loss	5.08	4.44
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.10)	(0.45)
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	0.00
Actuarial (gains)/ losses arising from experience adjustments	(0.67)	0.70
Components of defined benefit costs recognized in other comprehensive income	(0.77)	0.25
Total	4.31	4.69

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Present Value of funded defined benefit obligation	29.20	25.65
Fair value of plan assets	29.20	25.65
Net liability arising from defined benefit obligation	-	-

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

Particulars	Gratuity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined obligation	25.65	21.65
Current service cost	5.08	4.44
Interest cost	1.75	1.69
Actuarial (gains)/ losses	(0.67)	0.51
Benefits paid	(2.61)	(2.64)
Closing defined benefit obligation	29.20	25.65

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

Particulars	Gratuity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of plan assets [®]	25.65	21.65
Interest income	1.75	1.69
Actuarial gains/ (losses)	0.10	0.25
Contribution	4.31	4.70
Benefit paid	(2.61)	(2.64)
Closing fair value of plan assets [®]	29.20	25.65

[®]Funds managed by EML Employees Company Gratuity Scheme (Trust).

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

The Fair value of the plan assets at the end of reporting period for each category are as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Government securities	13.19	8.82
Debt instruments categorized by issuers' credit rating:		
AAA	12.03	13.58
AA+	1.50	2.06
AA	1.07	1.02
Cash, deposits, etc.	1.41	0.17
Total	29.20	25.65

The fair values of the above instruments are determined based on quoted market prices in active market. The actual return on plan assets was Rs. 1.85 crores for the year ended March 31, 2021.

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

- ♦ If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 1.87 crores (increase by Rs. 2.06 crores) [as at March 31, 2020: Decrease by Rs. 1.80 crores (increase by Rs. 2.00 crores)].
- ♦ If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 2.06 crores (decrease by Rs. 1.88 crores) [as at March 31, 2020: Increase by Rs. 2.00 crores (decrease by Rs. 1.82 crores)].

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

Sensitivity Analysis

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Average duration of the defined benefit obligation (in years)	20.08	20.05

The estimated contribution during next year is Rs. 6.03 crores (March 31, 2020 : Rs. 5.19 crores) to the defined benefit plan.

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43. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic earnings per share (in Rs.)	48.68	69.75
Diluted earnings per share (in Rs.)	48.61	69.72
Basic earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year, per statement of profit and loss (Rs. in crores)	1,329.70	1,903.82
Weighted average number of equity shares for the purposes of basic earnings per share	27,31,78,699	27,29,47,381
Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
Profit for the year, per statement of profit and loss (Rs. in crores)	1,329.70	19,03.82
Weighted average number of equity shares for the purposes of basic earnings per share	27,31,78,699	27,29,47,381
Shares deemed to be issued for no consideration in respect of:		
- employee stock option plan / restricted stock units plan	3,48,741	133,281
Weighted average number of equity shares for the purposes of diluted earnings per share	27,35,27,440	27,30,80,662

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Standalone Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

44. SEGMENT REPORTING DISCLOSURE

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Particulars	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2021	7,873.08	745.96	8,619.04
For the year ended March 31, 2020	8,322.68	754.79	9,077.47
Revenue from operations - External			
For the year ended March 31, 2021	7,873.08	512.95	8,386.03
For the year ended March 31, 2020	8,322.68	642.90	8,965.58
Non-current segment assets			
As at March 31, 2021	2,400.29	554.33	2,954.62
As at March 31, 2020	2,399.37	474.92	2,874.29

- Domestic segment includes sales and services to customers located in India.
- Overseas segment includes sales and services rendered to customers located outside India.
- Non-current segment assets represents total non current assets excluding non current financial assets.
- The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

Information about major customers

No customer individually accounted for more than 10% of the revenue.

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45. RELATED PARTY DISCLOSURES UNDER IND AS 24

a. Related party disclosures:

Name of related parties and their relationship:

Name of related party		Nature of Relationship
Royal Enfield North America Ltd.	(RENA)	Subsidiary company
Royal Enfield Canada Ltd.	(RECA)	100% subsidiary company of RENA
Royal Enfield Brasil Comercio de Motocicletas Ltda	(RE Brasil)	Subsidiary company
Royal Enfield (Thailand) Ltd.	(RET)	Subsidiary company
Royal Enfield (UK) Ltd	(REUK)	Subsidiary company
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
VECV Lanka (Private) Limited	(VECV Lanka)	Subsidiary company of VECVL
VECV South Africa (PTY) Ltd.	(VECV Africa)	Subsidiary company of VECVL
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation	(EGF)	Joint venture company
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
Eicher Goodearth India Private Limited	(EGIPL)	Entity under the control of the key management personnel
Nicobar Design Private Limited	(NDPL)	Entity under the control of the key management personnel
Eicher Executive Provident Fund	(EPPF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETESSF)	Post employment benefit plan
Eicher Motors Limited Employees Gratuity Trust	(EMLEGT)	Post employment benefit plan
The Simran Siddhartha Tara Benefit Trust	(SSTBT)	Managing Director is a trustee
Sunshine Automobiles		Directors' relative is a partner
Ms. Natasha Jamal		Relative of KMP

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. Vinod K. Dasari	Whole-time Director & CEO of Royal Enfield
Mr. S. Sandilya	Chairman
Ms. Manvi Sinha	Independent director
Mr. Inder Mohan Singh	Independent director
Mr. Vinod Aggarwal	Non-executive director
Mr. Lalit Malik	Chief Commercial Officer (Chief Financial Officer till May 06, 2020)
Mr. Kaleeswaran Arunachalam	Chief Financial Officer (Appointed w.e.f May 06, 2020)
Mr. Manhar Kapoor	Company Secretary

NOTES**FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

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

Particulars	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Siddhartha Lal	Managerial remuneration		
	Short-term benefits*	21.12	19.21
Mr. Vinod K. Dasari	Managerial remuneration		
	Short-term benefits	25.37	28.35
	Post-employment benefits	0.40	0.39
	Other long-term benefits	0.16	0.12
		25.93	28.86
Mr. S. Sandilya	Sitting fees	0.06	0.05
	Commission	0.63	0.57
Ms. Manvi Sinha	Sitting fees	0.05	0.05
	Commission	0.12	0.11
Mr. Inder Mohan Singh	Sitting fees	0.06	0.05
	Commission	0.12	0.11
Mr. Lalit Malik	Remuneration		
	Short-term benefits	0.28	3.69
	Post-employment benefits	-	0.07
	Other long-term benefits	-	0.06
		0.28	3.82
Mr. Kaleeswaran Arunachalam	Remuneration		
	Short-term benefits	1.85	-
	Post-employment benefits	0.02	-
	Other long-term benefits	0.02	-
		1.89	-
Mr. Manhar Kapoor	Remuneration		
	Short-term benefits	1.38	1.28
	Post-employment benefits	0.02	0.02
	Other long-term benefits	0.02	0.02
		1.42	1.32

*excludes National Insurance payable to HMRC UK on commission

Post-employment benefits and other long-term benefits mentioned above were accrued and not paid as on March 31, 2021

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d. Transactions with the related parties

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
VE Commercial Vehicles Limited	Purchase of raw materials and components / services	127.37	146.56
	Expenses reimbursed	0.22	0.50
	Corporate service charges paid	1.69	1.58
	Tooling advance given	-	0.60
	Dividend income	-	68.00
	Vendor bills discounting (interest income)	9.52	-
Eicher Polaris Private Limited	Advance towards Investment in equity share capital	-	0.99
	Investment in equity share capital - Allotted	0.99	-
	Purchase of Property, plant and equipment	-	0.55
Eicher Goodearth Private Limited	Corporate service charges paid	0.73	0.97
	Rent	4.72	4.81
Eicher Goodearth India Private Limited	Brand fees	21.54	22.62
Royal Enfield North America Ltd	Guarantee given / forex revaluation	4.23	12.20
	Sale of products	102.82	60.89
	Expenses recovered	0.06	0.50
	Expenses reimbursed	9.56	9.50
Royal Enfield Brasil Comercio de Motocicletas Ltda	Guarantee given / forex revaluation	2.16	26.97
	Sale of products	34.72	33.91
	Expenses reimbursed	1.93	0.55
Royal Enfield (Thailand) Ltd	Guarantee given / forex revaluation	9.89	-
	Sale of products	48.23	17.09
	Expenses reimbursed	0.06	0.19
Royal Enfield UK Limited	Investment in shares capital of subsidiary company	-	0.93
	Sale of products	47.24	-
	Expenses recovered	0.08	-
	Sales and marketing service expense	0.43	-
Eicher Group Foundation	Corporate social responsibility expenditure	56.37	53.40
Eicher Executive Provident Fund	Contribution to provident fund	6.80	6.57
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	0.30	0.44
Eicher Motors Limited Employees Gratuity Trust	Contribution to gratuity fund	4.31	4.70
	Benefits paid	(2.61)	(2.64)
Sunshine Automobiles	Sale of motorcycles, spares, Apparel and accessories	30.52	33.82
	Payment for Free service coupon and warranty claims	0.41	0.46
	Security deposit received	0.01	-
Ms. Natasha Jamal	Sale of vehicle	-	0.30

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Balance outstanding at the year end

Name of related party	Nature	As at March 31, 2021	As at March 31, 2020
VE Commercial Vehicles Limited	Trade payables	30.04	35.36
	Advances	-	0.60
	Bill discounting without recourse	459.12	-
Eicher Goodearth Private Limited	Security deposits receivable	1.09	1.09
Eicher Goodearth India Private Limited	Trade payables	21.54	22.62
Royal Enfield North America Ltd	Trade receivables	31.76	19.28
	Other financial assets	-	1.89
	Trade payables	4.68	0.83
	Guarantee given (including forex revaluation)	143.75	147.98
Royal Enfield Brasil Comercio de Motocicletas Ltda	Trade receivables	34.91	24.62
	Guarantee given (including forex revaluation)	73.23	75.39
Royal Enfield (Thailand) Ltd	Trade receivables	20.23	14.33
	Trade Payables	0.06	-
	Guarantee given (including forex revaluation)	9.89	-
Royal Enfield UK Limited	Trade receivables	19.10	-
	Trade Payables	0.42	-
Mr. Siddhartha Lal	Commission payable	6.70	5.07
Mr. Vinod K. Dasari	Variable pay	4.03	3.73
Non-executive and independent directors	Commission payable	0.87	0.79
Sunshine Automobiles	Security deposit payable	0.02	0.01
	Advances received towards Vehicles, spares, apparel and accessories sales	0.93	1.31

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020 : Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company provides a credit period of 30 days to 240 days with respect to receivables from RET, RENA and RE Brasil.

The Company has a credit period of 45 days with respect to payables to VE Commercial Vehicles Limited. Brand fees payable to Eicher Goodearth India Private Limited upon approval by Shareholders at its Annual General Meeting.

Rent payable to Eicher Goodearth India Private Limited on due basis.

46. FINANCIAL INSTRUMENTS

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options. The Company uses the operational cash flows and equity to meet its capital requirements.

The Company is not subject to any externally imposed capital requirements.

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The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers risks associated with the movement in the working capital.

The following table summarizes the capital of the Company:

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	-	-
Less: cash and cash equivalents (refer note 15)	(62.67)	(19.00)
Net debt*	-	-
Share capital	27.33	27.30
Other equity	9,677.67	8,248.04
Total Equity	9,705.00	8,275.34
Gearing ratio	-	-

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

46.1 Categories of financial instruments

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	5.04	5.13
Investments in mutual funds	827.33	1,297.88
Current		
Investments in mutual funds	1,065.74	2,512.50
Financial assets at amortised cost		
Non-current		
Investments in bonds	67.48	41.21
Other financial assets	22.75	23.90
Current		
Investments in bonds	10.34	-
Trade receivables	256.18	133.97
Cash and bank balances	5,798.91	2,926.38
Loans	459.16	0.12
Other financial assets	214.91	92.85
Financial liabilities at amortized cost		
Non-current		
Lease liability	45.97	76.23
Other financial liabilities	14.62	12.66
Current		
Lease liability	14.23	24.43
Trade payables	1,517.39	1,000.93
Other financial liabilities	174.74	167.64

As the carrying values of the financial instruments disclosed above are reasonable approximations of the fair value of the respective items, the fair values have not been disclosed separately.

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46.2 Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorizing the financial instruments measured at fair value into Level 1 to Level 3 :-

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Quantitative disclosures fair value measurement hierarchy for assets:

There are certain Company's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:-

Particulars	Fair value as at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	5.04
Investments in mutual funds	827.33	-	-
Current			
Investments in mutual funds	1,065.74	-	-

Particulars	Fair value as at March 31, 2020		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	5.13
Investments in mutual funds	1,297.88	-	-
Current			
Investments in mutual funds	2,512.50	-	-

* represents the investments in the equity of Suryadev Alloys & Power Private Limited. As per the share purchase agreement between the Company and Suryadev Alloys & Power Private Limited, in case of termination or as the case may be, the Company shall transfer the equity shares to the Nominated person as may be prescribed and consideration to receive in this regard shall be the same amount as paid by the Company.

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Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the standalone financial statements approximate their fair values.

Particulars	March 31, 2021		March 31, 2020	
	Carrying amount	Fair value (Level 1)	Carrying amount	Fair value (Level 1)
Financial assets at amortized cost				
Non-current				
Investments in bonds	67.48	73.26	41.21	47.23
Current				
Investments in bonds	10.34	10.27	-	-

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- The fair value of bonds is based on quoted prices and market observable inputs.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

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Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency exposure	(Amount in foreign currency in crores)			
	As at March 31, 2021		As at March 31, 2020	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	1.28	0.64	0.79	0.39
EURO	1.02	0.06	0.73	0.11
GBP	0.30	0.18	0.10	0.13
JPY	-	2.68	-	4.16
Others	8.65	0.12	6.28	0.18

Foreign currency sensitivity

The company uses the sensitivity rate of 5% when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. In the opinion of the management, the sensitivity of increase or decrease of Rs. 8.19 crores (March 31, 2020: Rs. 5.06 crores) against the relevant foreign currencies is not material to the financial statements.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

Movement in the expected credit loss allowance of financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	0.62	0.74
Add: Provided during the year	18.12	-
Less: amounts written off	-	0.12
Balance at end of the year	18.74	0.62

Other price risks including interest rate risk

The Company has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, etc. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

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NAV price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower, the profit for the year ended March 31, 2021 would increase/decrease by Rs.18.93 crores (for the year ended March 31, 2020: increase/decrease by Rs. 38.10 crores).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Since the Company's borrowings which are affected by interest rate fluctuation is very insignificant to the size and operations of the Company, therefore, a change in interest rate risk does not have a material impact on the Company's financial statements in relation to fair value of financial instruments.

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

Particulars	As at March 31, 2021			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current				
(i) Lease liability	-	28.39	17.58	45.97
(ii) Other financial liabilities	-	-	14.62	14.62
Current				
(i) Lease liability	14.23	-	-	14.23
(ii) Trade payables	1,517.39	-	-	1,517.39
(iii) Other financial liabilities	174.74	-	-	174.74

Particulars	As at March 31, 2020			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current				
(i) Lease liability		36.89	39.34	76.23
(ii) Other financial liabilities	-	-	12.66	12.66
Current				
(i) Lease liability	24.43	-	-	24.43
(ii) Trade payables	1,000.93	-	-	1,000.93
(iii) Other financial liabilities	167.64	-	-	167.64

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities with in the maturity period.

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48. SHARE-BASED PAYMENTS

Employee Stock Option Plan, 2006 of the Company

Pursuant to the approval accorded by shareholders at their Annual General Meeting held on July 5th 2006, the Nomination and Remuneration Committee of the Company formulated Employee Stock Option Plan 2006' ("ESOP, 2006") of the Company.

ESOP, 2006 is applicable to all permanent and full-time employees (as defined in the Plan), excluding employee who is a Promoter or belonging to Promoter Group of the Company and other exclusions as per SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations"). The eligibility of employees to receive grants under the Plan is decided by the Nomination and Remuneration Committee, from time to time at its sole discretion.

Vesting of the options shall take place in the manner as may be determined by the Nomination and Remuneration Committee at the time of grant, provided, the vesting period shall not be less than 1 year from the date of grant or such other period as may be prescribed, from time to time, under the aforesaid SEBI Regulations.

Vesting of options shall be subject to the conditions that the Grantee shall be in continuous employment with the Company (or its subsidiary company, as the case may be) and subject to such other conditions and exceptions as provided under Company's ESOP, 2006.

The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant, provided that the Exercise Price shall not be less than the closing market price of the shares of the Company on NSE/BSE on the day preceding the date of grant of Options.

The options vested can be exercised at any time until completion of seven years from the date of vesting. Any options remaining unexercised at the end of the exercise period shall lapse. At the time of exercise, the participant may pay the exercise price in the form as approved by the Nomination and Remuneration Committee in accordance with the terms of the ESOP, 2006.

Each stock option, when exercised, is convertible into one equity share of the Company. No amount is payable by the option grantee on grant of option. The options carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

Details of the Employee Stock Option Plan, 2006 of the Company

The following share-based payment arrangements were in existence during the current and prior years :

Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(ii)	20,89,000	22-Oct-07	3 Years	21-Oct-17	46.20	24.39
(iii)	4,00,000	29-Apr-10	1 Year	28-Apr-18	69.50	15.46
(iv)	1,54,000	8-Nov-10	3 Years	7-Nov-20	141.10	24.39
(v)	10,82,000	6-May-11	3-5 Years	5-May-21	116.20	62.51
(vi)	54,000	11-Feb-12	3-5 Years	10-Feb-22	177.00	96.71
(vii)	50,000	16-Dec-13	3-5 Years	15-Dec-23	491.50	252.20
(viii)	1,60,000	11-Aug-14	3-5 Years	10-Aug-24	847.75	433.63
(ix)	54,000	12-Nov-14	3-5 Years	11-Nov-24	1,299.37	655.57
(x)	20,000	12-Jan-15	1 Year	11-Jan-25	1,473.90	762.66
(xi)	2,03,000	12-Jan-15	3-5 Years	11-Jan-25	1,473.90	739.39
(xii)	45,000	20-Mar-15	3-5 Years	20-Mar-25	1,611.20	829.56
(xiii)	5,30,000	8-May-15	3-5 Years	7-May-25	1,480.70	774.20
(xiv)	65,900	21-Jul-15	3-5 Years	20-Jul-25	2,124.80	1,111.25
(xv)	78,000	6-Nov-15	3-5 Years	5-Nov-25	1,767.80	901.05

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Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(xvi)	42,000	5-Feb-16	3-5 Years	4-Feb-26	1,689.40	856.59
(xvii)	24,000	27-Apr-16	3-5 Years	26-Apr-26	2,014.80	1,005.58
(xviii)	21,000	28-Jul-16	3-5 Years	27-Jul-26	2,034.00	1,043.71
(xix)	30,000	28-Oct-16	3-5 Years	27-Oct-26	2,449.20	1,175.40
(xx)	18,000	1-Feb-17	3-5 Years	31-Jan-27	2,302.80	1,087.56
(xxi)	35,000	27-Mar-17	3-5 Years	26-Mar-27	2,435.00	1,160.12
(xxii)	13,500	9-Aug-17	3-5 Years	8-Aug-27	3,212.10	1,497.35
(xxiii)	15,000	14-Nov-17	3-5 Years	13-Nov-27	3,058.50	1,452.09
(xxiv)	21,000	7-Feb-18	3-5 Years	6-Feb-28	2,757.90	1,272.97
(xxv)	45,000	2-Apr-18	3-5 Years	1-Apr-28	2,837.30	1,293.48
(xxvi)	12,500	9-May-18	3-5 Years	8-May-28	3,042.70	1,409.20
(xxvii)	24,000	9-Aug-18	3-5 Years	8-Aug-28	2,759.40	1,288.71
(xxviii)	28,000	12-Nov-18	3-5 Years	11-Nov-28	2,249.60	1,046.94
(xxix)	12,500	11-Feb-19	3-5 Years	10-Feb-29	2,084.80	961.54
(xxx)	10,00,000	1-Apr-19	3-7 Years	31-Mar-33	2,054.80	762.89
(xxxi)	36,000	1-Aug-19	3-5 Years	31-Jul-31	1,634.90	745.52
(xxxii)	82,500	6-May-20	3-5 Years	5-May-32	1,381.10	446.24
(xxxiii)	4,27,500	6-May-20	3 Years	5-May-30	1,381.10	386.16
(xxxiv)	6,000	13-Aug-20	3 Years	12-Aug-30	2,211.70	639.70
(xxxv)	10,000	10-Feb-21	3 Years	9-Feb-31	2,948.00	875.95

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is Rs. 407.79 (March 31, 2020 : Rs. 762.29). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model

Particulars	Option series	
	(xxx)	(xxxii)
Grant date share price	2,054.77	1,634.81
Exercise price	2,054.80	1,634.90
Expected volatility	28.82%-31.45%	30.66%-31.41%
Option life	7 Years	10 Years
Dividend yield	0.78%	0.75%
Risk-free interest rate	6.77%-7.43%	6.69%-6.77%

Particulars	(xxxii)	(xxxiii)	(xxxiv)	(xxxv)
Grant date share price	1,381.10	1,381.10	2,211.70	2,948.00
Exercise price	1,381.10	1,381.10	2,211.70	2,948.00
Expected volatility	33.48%-34.90%	34.90%	36.17%	37.28%
Option life	5 Years	3 Years	3 Years	3 Years
Dividend yield	0.67%	0.67%	0.67%	0.67%
Risk-free interest rate	4.69%-5.64%	4.69%	4.87%	4.98%

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Movements in share options during the year

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	1,62,638	19,890.41	94,903	17,824.66
Adjustment for Sub-Division of Equity Shares	14,63,742	-	-	-
Outstanding at the beginning of the year (Post-split)	16,26,380	1,989.04	-	-
Granted during the year	5,26,000	1,420.36	1,03,600	20,402.09
Forfeited during the year	(14,500)	1,947.12	(13,865)	20,283.91
Exercised during the year	(2,40,222)	1,596.43	(22,000)	13,140.74
Balance at end of the year	18,97,658	1,881.43	1,62,638	19,890.41
Exercisable at the end of the year	1,96,158	1,760.27	20,057	15,775.64

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Share-based payments*	28.51	19.67

* Excludes Rs. 0.07 crores (Rs. 0.73 crores for the year ended March 31, 2020) of share-based payment capitalised in intangible assets under development.

Share options exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise price Rs.
For the year ended March 31, 2021			
(viii) Granted on August 11, 2014	4,500	13-Aug-20	847.75
(xii) Granted on March 20, 2015	5,000	13-Aug-20	1,611.20
(xiii) Granted on May 08, 2015	1,14,920	13-Aug-20	1,480.70
(viii) Granted on August 11, 2014	4,600	12-Nov-20	847.75
(x) Granted on January 12, 2015	4,500	12-Nov-20	1,473.90
(xiii) Granted on May 08, 2015	13,080	12-Nov-20	1,480.70
(xv) Granted on November 06, 2015	5,500	12-Nov-20	1,767.80
(xiii) Granted on May 08, 2015	14,000	10-Feb-21	1,480.70
(xv) Granted on November 06, 2015	45,922	10-Feb-21	1,767.80
(xix) Granted on October 28, 2016	10,000	10-Feb-21	2,449.20
(xiv) Granted on February 05, 2016	6,000	10-Feb-21	1,689.40
(xiv) Granted on July 21, 2015	6,000	10-Feb-21	2,124.80
(xvii) Granted on April 27, 2016	3,000	10-Feb-21	2,014.80
(xviii) Granted on July 28, 2016	3,200	10-Feb-21	2,034.00
	2,40,222		
Weighted average exercise price	1,596.43		

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Option series	Number exercised	Exercise date	Exercise price Rs.
For the year ended March 31, 2020			
(xiii) Granted on May 08, 2015	3881	10-May-19	14,807.00
(vii) Granted on December 16, 2013	668	10-May-19	4,915.00
(viii) Granted on August 11, 2014	930	10-May-19	8,477.50
(ix) Granted on November 12, 2014	370	31-Jul-19	12,993.65
(x) Granted on January 12, 2015	400	31-Jul-19	14,739.00
(viii) Granted on August 11, 2014	3774	08-Nov-19	8,477.50
(xiii) Granted on May 08, 2015	9200	08-Nov-19	14,807.00
(xv) Granted on November 06, 2015	1366	08-Nov-19	17,678.00
(xii) Granted on March 20, 2015	500	08-Nov-19	16,112.00
(viii) Granted on August 11, 2014	656	06-Feb-20	8,477.50
(xiii) Granted on May 08, 2015	255	06-Feb-20	14,807.00
	22,000		
Weighted average exercise price	13,140.74		

Share options outstanding at end of the year:

Option series		Options outstanding		Remaining contractual life in years		Exercise price Rs.
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
(ii)	22-Oct-07	-	-	-	-	46.20
(iii)	29-Apr-10	-	-	-	-	69.50
(iv)	8-Nov-10	-	-	-	-	141.10
(v)	6-May-11	-	-	-	-	116.20
(vi)	11-Feb-12	-	-	-	-	177.00
(vii)	16-Dec-13	-	-	-	-	491.50
(viii)	11-Aug-14	20,000	29,100	3.36	4.36	847.75
(ix)	12-Nov-14	8,600	8,600	3.61	4.62	1,299.37
(x)	12-Jan-15	-	-	-	-	1,473.90
(xi)	12-Jan-15	10,800	15,300	3.78	4.79	1,473.90
(xii)	20-Mar-15	-	5,000	-	4.97	1,611.20
(xiii)	8-May-15	53,140	1,99,140	4.10	5.10	1,480.70
(xiv)	21-Jul-15	46,400	62,900	4.30	5.31	2,124.80
(xv)	6-Nov-15	9,918	61,340	4.60	5.60	1,767.80
(xvi)	5-Feb-16	15,000	21,000	4.85	5.85	1,689.40
(xvii)	27-Apr-16	9,000	12,000	5.07	6.07	2,014.80
(xviii)	28-Jul-16	17,800	21,000	5.32	6.33	2,034.00
(xix)	28-Oct-16	5,000	15,000	5.58	6.58	2,449.20
(xx)	1-Feb-17	-	-	-	-	2,302.80
(xxi)	27-Mar-17	-	-	-	-	2,435.00
(xxii)	9-Aug-17	13,500	13,500	6.36	7.36	3,212.10
(xxiii)	14-Nov-17	15,000	15,000	6.62	7.62	3,058.50
(xxiv)	7-Feb-18	21,000	21,000	6.85	7.86	2,757.90
(xxv)	2-Apr-18	13,500	13,500	7.00	8.01	2,837.30
(xxvi)	9-May-18	12,500	12,500	7.10	8.11	3,042.70
(xxvii)	9-Aug-18	24,000	24,000	7.36	8.36	2,759.40
(xxviii)	12-Nov-18	28,000	28,000	7.62	8.62	2,249.60

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Option series		Options outstanding		Remaining contractual life in years		Exercise price Rs.
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
(xxix)	11-Feb-19	12,500	12,500	7.87	8.87	2,084.80
(xxx)	1-Apr-19	10,00,000	10,00,000	12.00	13.01	2,054.80
(xxxii)	1-Aug-19	36,000	36,000	10.33	11.34	1,634.90
(xxxiii)	6-May-20	82,500	-	11.10	-	1,381.10
(xxxiv)	6-May-20	4,27,500	-	9.10	-	1,381.10
(xxxv)	13-Aug-20	6,000	-	9.37	-	2,211.70
(xxxvi)	10-Feb-21	10,000	-	9.87	-	2,948.00
		18,97,658	16,26,380			

Restricted Stock Units Plan, 2019 ("RSU 2019")

Pursuant to approval accorded by shareholders at their Annual General Meeting held on August 1, 2019, the Nomination and Remuneration Committee of the Company formulated 'Eicher Motors Limited - Restricted Stock Units Plan 2019' ("RSU Plan 2019") for grant of Restricted Stock Units ("RSU"), in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations").

RSU Plan 2019 is applicable to (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company, whether whole-time or not; and (iii) an employee, as defined in (i) or (ii) of this Para, of a Subsidiary Company, in India or outside India, excluding such category of persons as defined under RSU Plan 2019 of the Company and/or SEBI Regulations. The eligibility of employees or eligibility criteria to receive grants under RSU Plan 2019 is decided by Nomination and Remuneration Committee, from time to time.

The Nomination and Remuneration Committee shall specify the vesting criteria based on continued employment with the Company (or its subsidiary, as the case may be) and/or certain performance criteria to be fulfilled for vesting of RSU and/or any other criteria as it may deems fit and subject to such other conditions and exceptions as provided under RSU Plan, 2019.

Vesting of RSU shall take place in the manner as may be determined by the Nomination and Remuneration Committee at the time of grant, provided that the vesting shall not take place earlier than minimum vesting period of one year but not later than maximum vesting period of seven years from the date of grant of such RSU.

Exercise Price of each grant shall be the face value of the share as on date of exercise of RSU. The exercise period of a vested RSU shall be a maximum of seven years from the date of vesting of RSU, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee at time of Grant and as set out in the letter of Grant, subject to such other conditions and exceptions as provided under Company's RSU Plan, 2019. Any RSU remaining unexercised at the end of the exercise period shall lapse. At the time of exercise, the participant may pay the exercise price in a form as approved by the Nomination and Remuneration Committee in accordance with the terms of the RSU Plan, 2019.

Each RSU, when exercised, is convertible into one equity share of the Company. No amount is payable by the RSU grantee on grant of RSU. RSU carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

Detail of Restricted Stock Units Plan, 2019 ("RSU 2019")

The following share-based payment arrangements were in existence during the current year

Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(i)	50,000	1-Aug-19	1 Year	31-Jul-27	1.00	1,579.61
(ii)	50,000	1-Apr-20	1 Year	31-Mar-28	1.00	1,270.20

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Fair value of share options granted in the year

The weighted average fair value of the stock units granted during the financial year is Rs. 1,270.20 (March 31, 2020 : Rs. 1,579.61). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model model

Particulars	Option series	
	(i)	(ii)
Grant date share price	1,634.81	1,309.60
Exercise price	1.00	1.00
Expected volatility	30.62%	32.32%
Option life	4.5 years	4.5 years
Dividend yield	0.75%	0.67%
Risk-free interest rate	6.52%	5.86%

Movements in share options during the year

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	5,000	10.00	-	-
Adjustment for Sub-Division of Equity Shares	45,000	-	-	-
Outstanding at the beginning of the year (Post-split)	50,000	1.00	-	-
Granted during the year	50,000	1.00	5,000	10.00
Forfeited during the year	-	-	-	-
Exercised during the year	(50,000)	1.00	-	-
Expired during the year	-	-	-	-
Balance at end of the year	50,000	1.00	5,000	10.00
Exercisable at the end of the year	50,000	1.00	-	-

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Share-based payments	8.90	5.35

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Stock units exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Option series
			Exercise Price Rs.
For the year ended March 31, 2021			
(i) Granted on August 1, 2019	50,000	13-Aug-20	1.00
For the year ended March 31, 2020			
There were no stock units exercised during the year			

Share options outstanding at end of the year

Option series		Options outstanding		Remaining contractual life		Exercise price Rs.
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
(i)	1-Aug-19	-	50,000	-	7.34	1.00
(ii)	1-Apr-20	50,000	-	7.01	-	1.00
		50,000	50,000			

49. CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 297.30 crores (March 31, 2020 : Rs. 216.45 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.

50. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Gross amount required to be spent	56.37	55.39
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above*	56.37	55.39
*Includes administrative expenses	1.87	1.60

Details related to unspent amount

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	-	-
Amount deposited in Specified Fund of Sch. VII	-	-
Amount required to be spent during the year	56.37	55.39
Amount spent during the year	56.37	55.39

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

51. IND AS 116 LEASES

A. As a lessee

The Company has lease contracts for various buildings used in its operations. Leases of buildings generally have lease terms between 2 to 25 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options which are further discussed below.

The Company also has certain leases of buildings with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(i) Movement in the carrying value of the Right to Use Asset

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	95.72	88.44	184.16	88.19	113.71	201.90
Depreciation charge for the Period	(1.08)	(23.56)	(24.64)	(0.97)	(31.17)	(32.14)
Additions during the Period	51.32	-	51.32	8.50	6.03	14.53
Adjustment/Deletion	-	(14.67)	(14.67)	-	(0.13)	(0.13)
Closing Balance	145.96	50.21	196.17	95.72	88.44	184.16

(ii) Classification of current and non current liabilities of the lease liabilities

Particulars	As at March 31, 2021			As at March 31, 2020		
	Land	Buildings	Total	Land	Buildings	Total
Current liabilities	-	14.23	14.23	-	24.43	24.43
Non Current Liabilities	-	45.97	45.97	-	76.23	76.23
Total Lease liabilities	-	60.20	60.20	-	100.66	100.66

(iii) Movement in the carrying value of the Lease Liability

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	-	100.66	100.66	-	123.44	123.44
Interest Expense	-	6.54	6.54	-	8.87	8.87
Lease Payments [Total Cash Outflow]	-	(29.15)	(29.15)	-	(37.51)	(37.51)
Termination options exercised	-	(18.57)	(18.57)	-	-	-
Additions during the year	-	-	-	-	5.86	5.86
Adjustments	-	0.72	0.72	-	-	-
Closing Balance	-	60.20	60.20	-	100.66	100.66

(iv) Contractual Maturities of Lease liability outstanding

Particulars	As at March 31, 2021			As at March 31, 2020		
	Land	Buildings	Total	Land	Buildings	Total
Less than one year	-	14.23	14.23	-	24.43	24.43
One to five Years	-	28.39	28.39	-	36.89	36.89
More than Five years	-	17.59	17.59	-	39.34	39.34
Total	-	60.20	60.20	-	100.66	100.66

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Lease expenses relating to short term leases aggregated to Rs. 11.43 crores during the year ended March 31, 2021 (Rs. 12.67 crores during the year ended March 31, 2020).

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 9.5% per annum.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amortisation of right-of-use assets	24.64	32.14
Interest expense on lease liabilities	6.54	8.87
Expense relating to short-term leases (included in other expenses)	11.43	12.67

B. As a lessor

Finance Lease

During the year ended March 31, 2021, the Company has given office equipments on finance lease for operational use by the dealers for servicing the customers of the Company. During the year ended March 31, 2021, the Company recognised interest income on lease receivables of Rs. 1.24 crores (March 31, 2020: nil). The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Maturity analysis of Lease receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year		
Total Undiscounted lease receivables	6.07	-
Unearned finance income	1.10	-
Net investment in the lease	5.08	-
One to three years		
Total Undiscounted lease receivables	7.57	-
Unearned finance income	1.62	-
Net investment in the lease	6.99	-

52. The Company has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. Management believes that it has taken into account external and internal information for assessing the possible impact of COVID-19 on various elements of its financial statement, including its liquidity position and the recoverability of assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

- 53.** The Board of Directors of the Company at their meeting held on May 27, 2021, considered and recommended a final dividend aggregating to Rs. 464.67 Crores @ Rs. 17 per share (nominal value Rs. 1 per share) for the financial year 2020-21 (interim dividend paid for previous financial year 2019-20 was Rs. 341.32 Crores @ Rs. 125 per share of nominal value of Rs. 10 per share and final dividend paid for previous year was Rs. Nil).
- 54.** The Board of Directors and shareholders of Eicher Polaris Pvt. Ltd (a joint venture company) ('EPPL') at their respective meetings held on February 18, 2020 approved voluntary liquidation (solvent liquidation) of EPPL and appointed an insolvency professional as the liquidator. The liquidation process is under progress currently.
- 55.** Previous year's figures have been recast/regrouped, wherever necessary to conform with the current period's presentation.

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

per Sanjay Vij
Partner
Membership No : 095169

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

Manhar Kapoor
Company Secretary

Kaleeswaran Arunachalam
Chief Financial Officer

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

Siddhartha Lal
Managing Director
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906

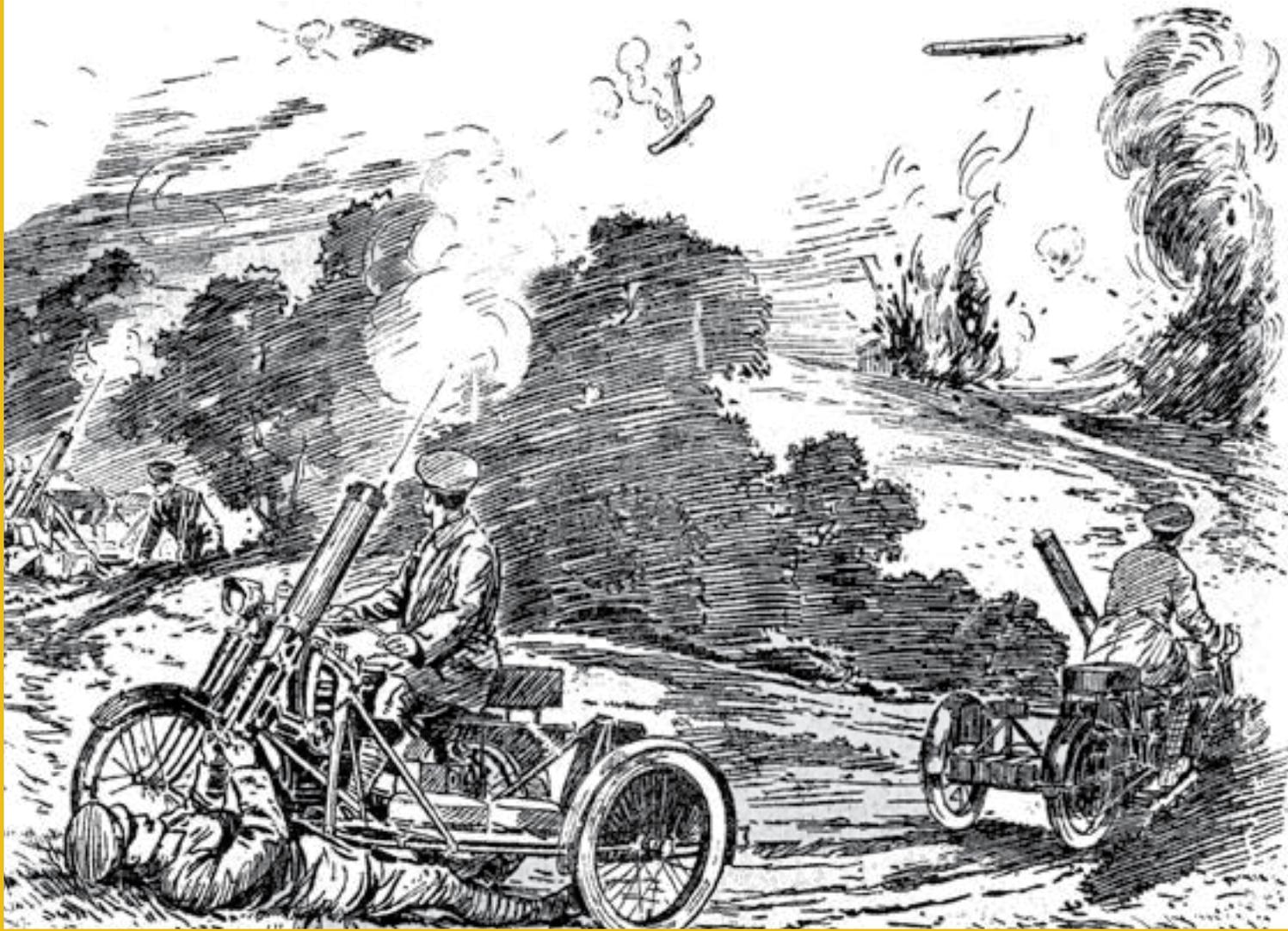
Place: Gurugram
Date: May 27, 2021

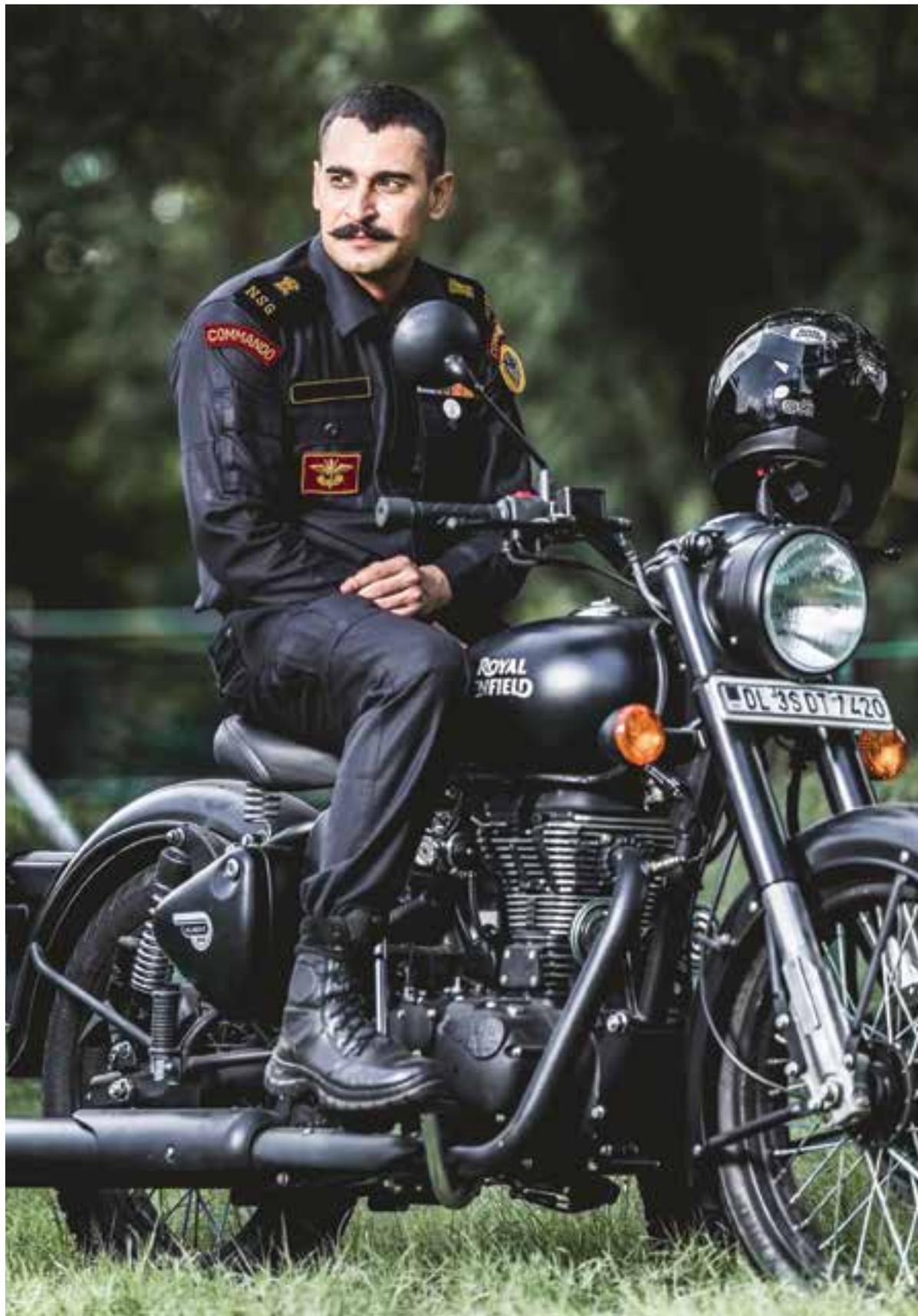
Date: May 27, 2021



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Seen here, an officer of India's Elite National Security Guard Black-Cat Commando Force astride a Royal Enfield Classic Stealth Black

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YEARS OF PURE
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INDEPENDENT AUDITOR'S REPORT

To
The Members of
Eicher Motors Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Eicher Motors Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act.

Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Intangible assets capitalized or under development (Refer to the accounting estimates and judgements in Note 3 and Note 8 to the Consolidated Ind AS Financial Statements)</p> <p>The Group has various internally generated intangible projects under development or capitalized. Initial recognition of the expenditure under these projects are based on assessing each project in relation to specific recognition criteria that needs to be met for capitalization. In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments.</p> <p>Due to the materiality of the assets capitalized or under development and the level of management judgement involved, initial recognition and measurement and valuation of internally generated intangible assets has been considered as a key audit matter.</p> <p>The Group has also considered the various factors that will concern the capitalization of the items of Intangible Assets which are capitalized or under development and the timelines for the capitalization of expenses based on the possible effects from the pandemic relating to Covid-19</p>	<ul style="list-style-type: none"> • Our audit procedures included reading the Group's research and development expenditure accounting policies to assess compliance with Ind AS 38 "Intangible Assets". • We performed test of control over management process of identifying and capitalizing the development expenditure in accordance with the accounting principles of capitalization of expenditure on internally generated intangible assets as per Ind AS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure costs reliably. • We performed test of details of development expenditure capitalized by reviewing the key assumptions including the authorization of the stage of the project in the development phase and the accuracy of costs included and assessing the useful economic life attributed to the asset. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects. • We tested the disclosure relating to research and development expenditure in the Consolidated Financial Statements
<p>Revenue Recognition (Refer to the accounting policies in Note 3 to the Consolidated Financial Statements)</p> <p>Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer, usually on delivery of goods. The Group uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end and therefore revenue recognition has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Our audit procedures included reading the Group's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". • We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers. • We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to ensure that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms. • We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation including dealers' confirmations, where necessary, to establish that sales and corresponding trade receivables are properly recorded in the correct period. • Audit procedures relating to revenue recognition were extended to a longer period to ensure that there is no impact on the revenue numbers reported based on the possible effects of pandemic relating to Covid-19.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises Board's Report including Annexures to the Board's Report and Management Discussion and Analysis, Corporate Governance and General Shareholder Information and Business Responsibility report included in the Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs 89.18 crores as at March 31, 2021, and total revenues of Rs 145.62 crores and net cash inflows of Rs 2.17 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us. The consolidated financial statements also include the Group's share of net loss of Rs. 7.22 crores and total comprehensive loss of Rs. 7.53 crores for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of one joint venture and two subsidiaries of a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and subsidiaries of a joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and subsidiaries of a joint venture, is based solely on the reports of such other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies or its joint ventures, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its joint ventures incorporated in India (other than Eicher Polaris Private Limited which is exempted from reporting on internal controls over financial reporting vide MCA notification no. G.S.R 583 (E) dated June 13, 2017, read with corrigendum dated July 13, 2017), refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint ventures in its consolidated financial statements – Refer Note 41 to the consolidated financial statements;
 - ii. The Group and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and joint ventures incorporated in India during the year ended March 31, 2021.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner

Membership Number: 095169

UDIN: 21095169AAAABB7014

Place of Signature: Gurugram

Date: May 27, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EICHER MOTORS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Eicher Motors Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Eicher Motors Limited (hereinafter referred to as the "Holding Company") and its joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Vij**
Partner

Membership Number: 095169

UDIN: 21095169AAAAABB7014

Place of Signature: Gurugram

Date: May 27, 2021

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,894.51	2,001.77
(b) Capital work-in-progress	5	63.91	26.75
(c) Investment property	6	-	3.16
(d) Intangible assets	7	341.17	184.83
(e) Right of use assets	52	197.62	187.76
(f) Intangible assets under development	8	250.38	285.42
(g) Investments in joint ventures	9	1,926.21	1,892.05
(h) Financial assets			
(i) Investments	10	899.85	1,344.22
(ii) Other financial assets	12	22.86	24.08
(i) Non-current tax assets	25	51.33	46.52
(j) Other non-current assets	17	102.29	78.57
Total non-current assets		5,750.13	6,075.13
Current assets			
(a) Inventories	13	874.60	572.35
(b) Financial assets			
(i) Investments	10	1,076.08	2,512.50
(ii) Loans	11	459.16	0.12
(iii) Trade receivables	14	158.16	86.76
(iv) Cash and cash equivalents	15	94.12	43.21
(v) Bank balances other than (iv) above	16	5,736.24	2,907.38
(vi) Other financial assets	12	214.93	90.98
(c) Other current assets	17	195.19	161.29
Total current assets		8,808.48	6,374.59
Total assets		14,558.61	12,449.72
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	27.33	27.30
(b) Other equity	19	11,410.75	9,953.63
Total equity		11,438.08	9,980.93
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	52	46.12	77.72
(ii) Other financial liabilities	20	14.62	12.73
(b) Provisions	23	22.56	21.20
(c) Deferred tax liabilities (net)	24	221.50	252.15
(d) Government grant	26	63.42	60.02
(e) Other non-current liabilities	28	123.50	26.39
Total non-current liabilities		491.72	450.21
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	157.41	144.43
(ii) Lease liability	52	15.72	26.85
(iii) Trade payables	22		
Total outstanding dues of micro and small enterprises		45.83	18.42
Total outstanding dues of creditors other than micro and small enterprises		1,490.00	989.40
(iv) Other financial liabilities	20	182.30	173.93
(b) Provisions	23	90.19	73.67
(c) Current tax liabilities	25	131.03	90.12
(d) Government grant	26	15.61	13.52
(e) Contract liability	27	227.67	350.16
(f) Other current liabilities	28	273.05	138.08
Total current liabilities		2,628.81	2,018.58
Total liabilities		3,120.53	2,468.79
Total equity and liabilities		14,558.61	12,449.72

See accompanying notes forming part of the financial statements

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

per Sanjay Vij
Partner
Membership No : 095169

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

Manhar Kapoor
Company Secretary

Kaleeswaran Arunachalam
Chief Financial Officer

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

Siddhartha Lal
Managing Director
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906

Place: Gurugram
Date: May 27, 2021

Date: May 27, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from contract with customers		8,661.56	9,073.55
Other operating income		58.79	80.03
Revenue from operations	29	8,720.35	9,153.58
Other income	30	453.19	543.25
Total Income		9,173.54	9,696.83
EXPENSES			
Cost of raw material and components consumed	31	5,052.57	4,661.17
Purchases of traded goods	32	266.10	250.68
Change in inventories of finished goods, work-in-progress and traded goods	33	(205.90)	84.09
Employee benefits expense	34	843.23	795.78
Finance costs	35	16.45	18.88
Depreciation and amortisation expense	36	450.73	381.54
Other expenses	37	983.10	1,181.51
Total expenses		7,406.28	7,373.65
Profit before share of profit of Joint venture and tax		1,767.26	2,323.18
Share of profit of joint venture (VE Commercial Vehicles Limited)		31.13	31.71
Profit before tax and after share of profit of Joint venture		1,798.39	2,354.89
Tax expense			
Current tax	38	492.70	548.86
Deferred tax	38	(41.20)	(21.41)
Total tax expense		451.50	527.45
Net Profit after tax		1,346.89	1,827.44
Other comprehensive income/(expense) (including share of other comprehensive income/(expense) of Joint venture)			
Items that may be reclassified to profit or loss:-			
Exchange differences in translating the financial statements of foreign operations		41.11	17.33
Income tax effect	38	(10.35)	(4.36)
Share of other comprehensive income / (expense) in joint venture (net of tax)		(0.32)	0.30
		30.44	13.27
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/(losses) on defined benefit plans		0.77	(0.25)
Income tax effect	38	(0.19)	0.06
Share of other comprehensive income / (expense) in joint venture (net of tax)		3.33	(1.90)
		3.91	(2.09)
Total Comprehensive income for the year		1,381.24	1,838.62
Profit for the year attributable to:			
- Equity holders of the parent/holding		1,346.89	1,827.44
- Non-controlling interests		-	-
Other comprehensive income for the year attributable to:			
- Equity holders of the parent/holding		34.35	11.18
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
- Equity holders of the parent/holding		1,381.24	1,838.62
- Non-controlling interests		-	-
Earnings per equity share of Re. 1 each (in Rs.)			
(a) Basic	44	49.30	66.95
(b) Diluted	44	49.24	66.92

See accompanying notes forming part of the financial statements

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

per **Sanjay Vij**
Partner
Membership No : 095169

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

Manhar Kapoor
Company Secretary

Kaleeswaran Arunachalam
Chief Financial Officer

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

Siddhartha Lal
Managing Director
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906

Place: Gurugram
Date: May 27, 2021

Date: May 27, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

A EQUITY SHARE CAPITAL

	Number of Shares	Amount
Balance as at March 31, 2019	2,72,82,570	27.28
Changes in equity share capital during the year		
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	22,000	0.02
Balance as at March 31, 2020	2,73,04,570	27.30
Changes in equity share capital during the year		
Adjustment for Sub-Division of Equity Shares	24,57,41,130	-
Issue of equity shares under employee stock option plan / restricted stock units plan (refer note 49)	2,90,222	0.03
Balance as at March 31, 2021	27,33,35,922	27.33

* Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020.

B OTHER EQUITY

Particulars	Reserves and surplus					Retained earnings	Items of OCI Foreign currency translation reserve	Total equity Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share based payments reserve			
Balance as at March 31, 2019	0.25	1.41	115.11	339.89	58.75	8,368.11	7.92	8,891.44
Impact on accounting for leases on opening balance	-	-	-	-	-	(13.47)	-	(13.47)
Tax impact on above	-	-	-	-	-	4.62	-	4.62
Balance as on April 01, 2019	0.25	1.41	115.11	339.89	58.75	8,359.26	7.92	8,882.59
Profit for the year	-	-	-	-	-	1,827.44	-	1,827.44
Other comprehensive income / (expense) for the year, net of income tax	-	-	-	-	-	(2.09)	13.27	11.18
Total comprehensive income for the year	-	-	-	-	-	1,825.35	13.27	1,838.62
Share-based payments (refer note 49)	-	-	-	-	26.25	-	-	26.25
Payment of dividend	-	-	-	-	-	(682.43)	-	(682.43)
Payment of dividend tax	-	-	-	-	-	(140.28)	-	(140.28)
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	28.88	-	-	-	-	28.88
Transfer to securities premium on issue of shares	-	-	15.01	-	(15.01)	-	-	-
Balance as at March 31, 2020	0.25	1.41	159.00	339.89	69.99	9,361.90	21.19	9,953.63
Profit for the year	-	-	-	-	-	1,346.89	-	1,346.89
Other comprehensive income for the year, net of income tax	-	-	-	-	-	3.91	30.44	34.35
Total comprehensive income for the year	-	-	-	-	-	1,350.80	30.44	1,381.24
Share-based payments (refer note 49)	-	-	-	-	37.55	-	-	37.55
Proceeds from issue of equity shares under employee stock option plan / restricted stock units plan	-	-	38.33	-	-	-	-	38.33
Transfer to securities premium on issue of shares	-	-	27.67	-	(27.67)	-	-	-
Balance as at March 31, 2021	0.25	1.41	225.00	339.89	79.87	10,712.70	51.63	11,410.75

See accompanying notes forming part of the financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per **Sanjay Vij**

Partner

Membership No : 095169

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

Manhar Kapoor
Company Secretary

Kaleeswaran Arunachalam
Chief Financial Officer

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

Siddhartha Lal
Managing Director
DIN: 00037645

S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906

Place: Gurugram
Date: May 27, 2021

Date: May 27, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax and after share of profit of Joint venture	1,798.39	2,354.89
Adjustments for:		
Share of profit of joint venture	(31.13)	(31.71)
Depreciation and amortisation expenses	450.73	381.54
Gain on disposal of property, plant and equipment	(0.50)	(0.27)
Property, plant and equipment discarded	-	0.42
Loss on sale of property, plant and equipment	1.98	2.54
Gain on financial instruments at fair value through profit or loss	(106.69)	(302.98)
Interest income recognised in profit or loss	(310.29)	(220.66)
Expenses recognised in respect of equity-settled share-based payments	37.48	25.52
Exchange difference on conversion of foreign branch and subsidiaries	41.11	17.33
Exchange difference on reinstatement of property, plant and equipment	(0.65)	(6.99)
Unrealised foreign exchange difference	1.84	(2.02)
Finance income on lease	(1.24)	-
Gain on exercise of termination option of leases	(3.25)	-
Provision for doubtful debts and advances	18.12	-
Finance costs recognized in profit or loss	16.45	18.88
Operating profit before changes in working capital	1,912.35	2,236.49
Changes in working capital:		
Adjustments for (increase) / decrease in non-current assets:		
Other financial assets	8.21	2.97
Other assets	(18.50)	1.69
Adjustments for (increase) / decrease in current assets:		
Inventories	(302.25)	61.03
Trade receivables	(72.55)	(0.45)
Loans	0.08	1.17
Other financial assets	(1.83)	3.46
Other assets	(52.02)	17.23
Adjustments for increase / (decrease) in non-current liabilities:		
Other financial liabilities	1.89	2.74
Provisions	0.59	(2.92)
Government grant	3.40	(2.64)
Other liabilities	97.11	25.78
Adjustments for increase / (decrease) in current liabilities:		
Trade payables	527.32	(234.72)
Other financial liabilities	34.51	7.92
Provisions	17.29	15.77
Government grant	2.09	1.94
Contract liability	(122.49)	272.51
Other liabilities	134.97	(87.54)
Cash generated from operating activities	2,170.17	2,322.43
Direct taxes paid	(456.60)	(628.31)
Net cash flow from operating activities (A)	1,713.57	1,694.12

CASH FLOW STATEMENT (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Payment for property, plant and equipment	(554.82)	(545.90)
Proceeds from disposal of property, plant and equipment	17.28	1.42
Investment in a joint venture company	-	(0.99)
Proceeds from sale of investments	0.09	-
Proceeds from sale of debt mutual funds	5,970.50	8,176.17
Purchases of debt mutual funds	(3,983.10)	(8,746.27)
Investments in fixed deposit	(4,976.87)	(4,681.98)
Maturity proceeds from fixed deposit	2,145.87	4,017.00
Bill discounting without recourse on behalf of a related party (refer note 46)	(459.12)	-
Dividend from joint venture company	-	68.00
Interest received	192.27	204.14
Net cash flow used in investing activities (B)	(1,647.90)	(1,508.41)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Short term borrowings availed	39.76	267.22
Re-payment of short term borrowings	(26.78)	(298.32)
Interest paid	(9.07)	(7.51)
Proceeds from issue of equity share capital under employee stock option plan / restricted stock units plan (refer note 19C and note 49) (including security premium)	38.36	28.90
Lease receivables	(10.83)	-
Interest on lease liability paid	(6.71)	(9.16)
Repayment of lease liabilities	(39.49)	(30.65)
Dividend paid	-	(682.43)
Tax on dividend paid	-	(126.30)
Net cash flow used in financing activities (C)	(14.76)	(858.25)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	50.91	(672.54)
Cash and cash equivalents at the beginning of the year (less bank overdraft)	43.21	715.75
Cash and cash equivalents at the end of the year	94.12	43.21

Particulars	As at March 31, 2021	As at March 31, 2020
Components of cash and cash equivalents		
Cash on hand	0.05	0.08
Balances with banks:		
In current accounts	94.07	43.13
Cash and cash equivalents as per balance sheet (refer note 15)	94.12	43.21

See accompanying notes forming part of the financial statements

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

per Sanjay Vij
Partner
Membership No : 095169

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

Manhar Kapoor
Company Secretary

Kaleeswaran Arunachalam
Chief Financial Officer

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

Siddhartha Lal
Managing Director
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S. Sandilya
Chairman
DIN: 00037542

Vinod Aggarwal
Director
DIN: 00038906

Place: Gurugram
Date: May 27, 2021

Date: May 27, 2021

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

1. CORPORATE INFORMATION

Eicher Motors Limited ("the Holding Company") is a public Company domiciled and incorporated under the provisions of the Companies Act, 1956. The Holding Company and its subsidiaries (hereinafter referred to as "the Group") are engaged in the manufacturing and selling of motorcycles, spare parts and related services. The Holding Company has its registered office at New Delhi, India and its corporate office at Gurugram, Haryana, India. The Group is a leading two wheeler manufacturer and has a dominant presence in domestic market. The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 27, 2021.

2. BASIS OF PREPARATION AND PRESENTATION

2.1 Statement of Compliance

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

2.2 Accounting convention

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The consolidated financial statements are presented in Indian Rupees and all values are rounded to the nearest two decimals of crore, except otherwise indicated.

2.3 Operating Cycle

Based on the nature of products/ activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and entities jointly controlled by the Holding Company and its subsidiaries. Control is achieved when the Company:

- ♦ has power over the investee;
- ♦ is exposed, or has rights, to variable return from its involvement with the investee; and
- ♦ has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- ♦ The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- ♦ Potential voting rights held by the Group, other vote holders or other parties; rights arising from other contractual arrangements; and
- ♦ Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended March 31, 2021. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares,

for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.1.1 The following subsidiary companies are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Voting power held as at March 31, 2021	Voting power held as at March 31, 2020
Royal Enfield North America Limited (RENA) (Incorporated on March 23, 2015)	U.S.A.	100%	100%
Royal Enfield Brasil Comercio De Motocicletas LTDA (Incorporated on August 18, 2014)	Brazil	99.99%	99.99%
Royal Enfield Canada Limited (100% subsidiary Company of RENA) (Incorporated on April 19, 2016)	Canada	100%	100%
Royal Enfield (Thailand) Limited (RET) (Incorporated on September 18, 2018)	Thailand	99.99%	99.99%
Royal Enfield (UK) Limited (REUK) (Incorporated on August 20, 2019)	United Kingdom	100%	-

3.2 Investment in Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The following joint venture companies are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Voting power held as at March 31, 2021	Voting power held as at March 31, 2020
VE Commercial Vehicles Limited	India	54.4%	54.4%
Eicher Polaris Private Limited	India	50.0%	50.0%

3.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

3.4 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ◆ In the principal market for the asset or liability, or
- ◆ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions, that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ◆ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ◆ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ◆ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Group. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed

as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

3.5 Revenue from contract with customers

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

Sale of goods

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

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Road Side Assistance (RSA), Free Service Coupons (FSC), etc.). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

contracts for the sale of traded goods provide customers with a right of return for which, the consideration is estimated based on goods expected to be returned. The rights of return give rise to variable consideration. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability.

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section 3.18 Provisions.

The Group provides a one to two years warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the goods and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised on the service-type warranty to the extent of actual cost incurred on rendering the warranty service.

Agency services

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

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3.19 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a

customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.6 Leases

The Group assesses at the contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- Buildings 2 to 25 years
- Others 99 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.15 Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g.,

changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset are classified as finance leases.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

In case of finance lease, as a lessor, the Group recognises, at the commencement date, assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Interest rate implicit is used to measure the net investment in the lease. Initial direct costs, other than those incurred by the Group, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is arrived in such a way that the initial direct costs are included automatically in the net investment in the lease.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

(a) fixed payments less any lease incentives payable, (b) variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date; (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee, (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

At the commencement date, as a manufacturer or dealer the Group recognises the following for each of its finance leases: (a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest; (b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and (c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which Ind AS 115 applies. The Group also recognise selling profit or loss on a finance lease at the commencement date, regardless of whether the Group transfers the underlying asset as described in Ind AS 115.

The Group as a manufacturer or dealer lessor recognises as an expense costs incurred in connection with obtaining a finance lease at the commencement date because they are mainly related to earning the manufacturer or dealer's selling profit. Costs incurred by the Group in connection with obtaining a finance lease are excluded from the definition of initial direct costs and, thus, are excluded from the net investment in the lease.

Subsequent measurement:

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The finance income is allocated over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The Group applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Group reviews regularly estimated unguaranteed residual values used in computing the gross investment in the lease. If there has been a reduction in the estimated unguaranteed residual value, the Group revises the income allocation over the lease term and recognises immediately any reduction in respect of amounts accrued.

3.7 Foreign currencies

The financial statements are presented in Indian Rupees, which is also the functional currency of the Group. In preparing the financial statements of the Group, transactions in currencies other than the group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Transactions in foreign currencies are initially recorded by the foreign operations at the functional currency spot rates at the date the transaction first qualifies for recognition. In respect of foreign operations, the assets and liabilities are translated into INR at the rate of exchange prevailing at the reporting date and their statement of profit and loss at the rates prevailing on the date of the transactions. However, for practical reasons, the Group uses an average rate to translate the income and expense items, if the average approximates the actual rate at the date of the transaction.

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

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- ♦ Exchange differences arising on monetary items that forms part of a reporting entity's net investment in foreign operations are initially recognised in the financial statements of the Group in the other comprehensive income. These exchange differences are reclassified from equity (Foreign currency translation reserve) to profit or loss on disposal of the net investment.
- ♦ Tax charges and credits attributable to exchange differences on those monetary items are also recorded in Other Comprehensive Income (OCI).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Government grants

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

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

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

3.10 Retirement and other employee benefits

Provident fund

- i. The Group operates a scheme of provident fund for eligible employees, which is a defined benefit plan. Both the employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a part of the contributions to the "Eicher Executive Provident Fund Trust". The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.
- ii. The cost of providing benefits under above mentioned defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
- iii. The employees, who are not covered under the scheme stated in 3.10 (i) above, are covered in a defined contribution scheme wherein their portion of provident fund is contributed to the government administered provident fund. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

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Gratuity

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);
- net interest expense or income; and
- re-measurement

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

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

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.11 Share-based payment arrangements

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

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 49.

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

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

3.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss

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because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises

from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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3.13 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Freehold land is not depreciated.

Capital work in progress is stated at cost, net of impairment loss, if any. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act as provided below and except in respect of moulds and dies which are depreciated over their estimated useful life of 1 to 7 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The useful lives for various property, plant and equipment are given below:

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

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

3.14 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Internally-generated intangible assets - research and development expenditure

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

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

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

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the statement of profit or loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 5 to 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 3 years or less depending on the estimated useful life of asset. The useful lives for intangible assets are given below:

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

3.15 Impairment of non-financial assets

At the end of each reporting period, the Group assesses, whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount

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does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.16 Investment property

Investment property is a property held to earn rentals and capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured in accordance with Ind AS 16's requirements for cost model. The Group depreciates building component of investment property over 30 years from the date of capitalisation.

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

3.17 Inventories

Inventories comprising Raw materials, work-in-progress, stores and spares, loose tools, traded goods and finished goods are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving average.

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

3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

3.19 Financial instruments

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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3.20 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss or fair value through other comprehensive income, depending on the classification of the financial assets.

Classification of financial assets

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

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

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

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

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

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

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

Impairment of financial assets

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

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on

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that financial instrument has increase significantly since initial recognition.

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

Derecognition of financial assets

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

3.21 Financial liabilities and equity instruments

Classification as financial liability or equity

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

Equity instruments

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

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

3.22 Cash and cash equivalent

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

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

3.23 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.24 Cash dividend

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

3.25 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land*	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Cost							
At March 31, 2019	85.95	643.86	1,547.87	27.91	139.70	63.57	2,508.86
Additions	-	134.21	411.34	7.58	49.83	23.97	626.93
Disposals	-	0.23	33.00	1.09	2.37	6.94	43.63
Adjustments (Exchange difference)	-	1.48	1.65	0.05	0.47	0.40	4.05
At March 31, 2020	85.95	779.32	1,927.86	34.45	187.63	81.00	3,096.21
Additions	-	22.59	171.67	3.67	31.59	20.40	249.92
Disposals	-	2.45	15.77	0.47	16.35	5.17	40.21
Transfer from Investment property (refer note 6)	-	10.12	-	-	-	-	10.12
Adjustments (Exchange difference)	-	4.78	4.74	0.10	1.54	0.97	12.13
At March 31, 2021	85.95	814.36	2,088.50	37.75	204.41	97.20	3,328.17
Accumulated depreciation							
At March 31, 2019	-	69.64	636.47	12.34	72.65	25.69	816.79
Charge for the year	-	33.46	230.62	4.07	29.13	13.59	310.87
Disposals	-	0.23	26.38	0.80	2.31	4.58	34.30
Adjustments (Exchange difference)	-	0.10	0.41	0.02	0.31	0.24	1.08
At March 31, 2020	-	102.97	841.12	15.63	99.78	34.94	1,094.44
Charge for the year	-	36.13	260.13	4.73	33.45	16.36	350.80
Disposals	-	2.11	14.21	0.26	1.91	2.97	21.46
Transfer from Investment property (refer note 6)	-	6.96	-	-	-	-	6.96
Adjustments (Exchange difference)	-	0.46	1.01	0.04	0.94	0.47	2.92
At March 31, 2021	-	144.41	1,088.05	20.14	132.26	48.80	1,433.66
Carrying amount							
At March 31, 2020	85.95	676.35	1,086.74	18.82	87.85	46.06	2,001.77
At March 31, 2021	85.95	669.95	1,000.45	17.61	72.15	48.40	1,894.51

* Title deeds for land and other properties Rs. 0.74 Crores (Rs. 0.74 Crores) at Alwar and Jhajjar are pending for mutation in favour of the Group.

5. CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2021	As at March 31, 2020
Capital work-in-progress*	63.91	26.75
	63.91	26.75

* Capital work in progress as at March 31, 2021 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed.

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6. INVESTMENT PROPERTY

Particulars	Building	Total
Cost		
At March 31, 2019	10.12	10.12
Additions	-	-
Disposals	-	-
At March 31, 2020	10.12	10.12
Additions	-	-
Disposals	-	-
Transfer to self occupied property (refer note 4)	(10.12)	(10.12)
At March 31, 2021	-	-
Accumulated depreciation		
At March 31, 2019	6.61	6.61
Charge for the year	0.35	0.35
Disposals	-	-
At March 31, 2020	6.96	6.96
Charge for the year	-	-
Disposals	-	-
Transfer to self occupied property (refer note 4)	(6.96)	(6.96)
At March 31, 2021	-	-
Carrying amount		
At March 31, 2020	3.16	3.16
At March 31, 2021	-	-

Fair value of the Investment property

The fair value of the Group's investment properties as at March 31, 2020 have been arrived at on the basis of valuation carried out on the respective dates by Mr. Purshotam Khandelwal, independent valuer not related to the Group. Mr. Purshotam Khandelwal is a registered valuer with the authority which governs the valuers in India, and they have appropriate qualifications and experience in the valuation of properties in the relevant location.

For the building located in Jaipur, India, the fair value of structure as on March 31, 2020 was determined based on S.O. No.X-3/2015 dated 15/07/2015 of State P.W.D.B&R issued by Chief Engineer, PWD Building and Roads, Government of Rajasthan, Jaipur with suitable adjustments for rise in cost index since July 2015 to average mean period of construction. The items not covered under Standing Order No. X-3/2015 have been valued on the rates of State PWD BSR.

During the year 2020-21, the company started using the said property for its own operations and hence the same has been reclassified as buildings under Property, plant and equipment.

Detail of the investment properties and information about the fair value hierarchy as at March 31, 2020 and March 31, 2019 are as follows :-

Particulars	Level 2	
	Fair value as at March 31, 2021	Fair value as at March 31, 2020
Building located at Jaipur, India	NA	4.05

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Information regarding income and expenditure of Investment property

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental income derived from investment properties		
Direct operating expenses	-	-
Profit arising from investment properties before depreciation and indirect expenses	-	-
Less: Depreciation	-	0.35
Profit / (loss) arising from investment properties before indirect expenses	-	(0.35)

7. INTANGIBLE ASSETS

Particulars	Product designs, prototypes etc.	Computer softwares	Total
Cost			
At March 31, 2019	175.84	72.48	248.32
Additions	19.52	20.27	39.79
Disposals/ write off	0.02	0.01	0.03
Adjustments (Exchange difference)	2.74	0.20	2.94
At March 31, 2020	198.08	92.94	291.02
Additions	178.48	44.91	223.39
Disposals / write off	-	0.29	0.29
Adjustments (Exchange difference)	8.38	0.62	9.00
At March 31, 2021	384.94	138.18	523.12
Accumulated amortisation			
At March 31, 2019	23.87	45.45	69.32
Charge for the year	20.27	15.93	36.20
Disposals/ write off	-	0.01	0.01
Adjustments (Exchange difference)	0.50	0.18	0.68
At March 31, 2020	44.64	61.55	106.19
Charge for the year	49.51	23.66	73.17
Disposals / write off	-	0.27	0.27
Adjustments (Exchange difference)	2.30	0.56	2.86
At March 31, 2021	96.45	85.50	181.95
Carrying amount			
At March 31, 2020	153.44	31.39	184.83
At March 31, 2021	288.49	52.68	341.17

8. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets under development*	250.38	285.42
	250.38	285.42

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

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9. INVESTMENTS IN JOINT VENTURES

Particulars	As at March 31, 2021	As at March 31, 2020
Unquoted Investments		
VE Commercial Vehicles Limited :		
54,40,000 (March 31, 2020 : 54,40,000) Equity shares of Rs.10 each fully paid up		
Cost of investment	5.44	5.44
Group's share of net assets	1,920.77	1,886.61
Sub-total (A)	1,926.21	1,892.05
Eicher Polaris Private Limited :		
32,54,89,000 (March 31, 2020 : 32,45,00,000) Equity shares of Rs.10 each fully paid up		
Cost of investment	325.49	324.50
Group's share of net assets	(325.49)	(324.50)
Sub-total (B)	-	-
Total (A+B)	1,926.21	1,892.05

- i) In addition to the above investment, the Group has made an investment of Rs. 2,50,000 in a joint venture entity, Eicher Group Foundation (License under Section 8(1) of the Companies Act, 2013) which has been charged to the Statement of Profit and Loss in the financial year 2015-16.
- ii) Pursuant to the decision of the Board of Directors of the joint venture company, Eicher Polaris Private Limited at their meeting held on March 9, 2018 to wind down the operations with immediate effect, the underlying consolidated financial statements include an amount of Rs. 220.05 crores of exceptional nature representing the Group's share of loss for the year ended March 31, 2018. This included an amount of Rs. 17.48 crores recorded by the Group towards its share of cost to wind down the operations.

During the FY 2018-19, the Group has recorded Rs.17.52 crores of exceptional nature representing the Group's share of loss for the year ended March 31, 2019. This includes an amount of Rs. 4.01 crores towards its share of cost to wind down the operations (refer note 20).

The Board of Directors and shareholders of Eicher Polaris Pvt. Ltd (a joint venture company) ('EPPL') at their respective meetings held on February 18, 2020 approved voluntary liquidation (solvent liquidation) of EPPL and appointed an insolvency professional as the liquidator. The liquidation process is under progress currently.

iii) Information relating to interest in joint ventures

a) Details of material joint ventures

Name of the Company	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group	
			As at March 31, 2021	As at March 31, 2020
VE Commercial Vehicles Limited	Manufacturing and sales of Commercial Vehicles	India	54.40%	54.40%
Eicher Polaris Private Limited	Manufacturing and sales of personal utility vehicles	India	50.00%	50.00%

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

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b) Summarised financial information in respect of the Group's material joint ventures.

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

VE Commercial Vehicles Limited	As at March 31, 2021	As at March 31, 2020
Non-current assets	3,676.44	3,597.10
Current assets	4,764.73	3,359.92
Non-current liabilities	579.26	207.31
Current liabilities	4,321.12	3,271.69

VE Commercial Vehicles Limited	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	8,676.37	8,524.43
Profit for the year	57.23	58.29
Other comprehensive income / (expense) for the year	5.54	(2.96)
Total Comprehensive income for the year	62.77	55.33
Dividends received from the joint venture during the year	-	68.00

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

VE Commercial Vehicles Limited	As at March 31, 2021	As at March 31, 2020
Net assets of the joint venture	3,540.79	3,478.02
Proportion of the Group's ownership interest in the joint venture	1,926.21	1,892.05
Carrying amount of the Group's interest in the joint venture	1,926.21	1,892.05

Eicher Polaris Private Limited	As at March 31, 2021	As at March 31, 2020
Non-current assets	-	-
Current assets	15.46	33.55
Non-current liabilities	-	-
Current Liabilities	1.60	2.09

Eicher Polaris Private Limited	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	-	0.33
Profit/(loss) for the year	(17.59)	0.46
Total Comprehensive income for the year	(17.59)	0.46

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Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

Eicher Polaris Private Limited	As at	
	March 31, 2021	March 31, 2020
Net assets of the joint venture	13.86	31.45
Proportion of the Group's ownership interest in the joint venture	6.93	15.73
Less:- Amount of interest in the joint venture not considered for consolidation	(6.93)	(15.73)
Less:- Advances given for investment in shares	-	0.99
Add : Provision for constructive obligation disclosed as Other Financial Liabilities	-	(0.99)
Carrying amount of the Group's interest in the joint venture (refer note 20)	-	-

As at the year end, the joint venture is in the process of winding up and the net assets will be fully utilised towards such winding up. Accordingly, the Group's share of net assets of the joint venture has not been consolidated.

FINANCIAL ASSETS :

10. INVESTMENTS

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	Non-Current	Current	Non-Current	Current
Unquoted Investments				
(a) (a) Investment in equity instruments of companies at fair value through profit or loss (FVTPL) 16,80,000 (March 31, 2020 : 16,84,750) Equity shares of Rs. 10 per share fully paid up of Suryadev Alloys and Power Private Limited	5.04	-	5.13	-
Sub-total (A)	5.04	-	5.13	-
Quoted Investments				
(b) Investments in mutual funds carried at fair value through profit or loss (FVTPL)	827.33	1,065.74	1,297.88	2,512.50
Sub-total (B)	827.33	1,065.74	1,297.88	2,512.50
(c) Investment in bonds carried at amortized cost	67.48	10.34	41.21	-
Sub-total (C)	67.48	10.34	41.21	-
Total (A+B+C)	899.85	1,076.08	1,344.22	2,512.50
Aggregate carrying value of quoted investments	894.81	1,076.08	1,339.09	2,512.50
Aggregate market value of quoted investments	900.59	1,076.01	1,345.11	2,512.50
Aggregate carrying value of unquoted investments	5.04	-	5.13	-
Category-wise investments - as per Ind AS 109 Classifications				
Financial assets carried at fair value through profit or loss (FVTPL)				
Unquoted				
Investment in equity instruments	5.04	-	5.13	-
Quoted				
Investment in mutual funds	827.33	1,065.74	1,297.88	2,512.50
Financial assets carried at amortized cost				
Quoted				
Investment in bonds	67.48	10.34	41.21	-

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11. LOANS

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, considered good		
Loans to employees	0.04	0.12
Bill discounting without recourse on behalf of a related party# (refer note 46)	459.12	-
Total	459.16	0.12

Disclosure required under Sec 186(4) of the Companies Act, 2013

Represents VECV bills discounted at 5.69% to 9.90% per annum, with a credit period of no more than 120 days. The loan has been utilized for meeting their working capital requirements.

12. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Security deposits	15.87	24.08
Lease receivables	6.99	-
Total	22.86	24.08
Current		
Unsecured, considered good		
Security deposits	0.02	0.02
Insurance claim receivable	2.40	0.11
Interest accrued on fixed deposits and bonds	204.63	86.60
Share application money pending allotment	-	0.99
Lease receivables	5.08	-
Others	2.80	3.26
Total	214.93	90.98

13. INVENTORIES

(At lower of cost and net realizable value)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials [includes in transit Rs. 24.43 crores (previous year Rs. 26.46 crores)]	280.91	185.94
Work in progress	39.42	42.29
Finished goods	350.14	228.95
Traded goods	182.07	94.49
Stores and spares	17.38	18.17
Loose tools	4.68	2.51
Total	874.60	572.35

Write-downs of inventories to net realisable value resulted in net loss of Rs. 5.83 crores (March 31, 2020 : Rs. 2.11 crores). These were recognised as an expense during the year in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 3.17

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14. TRADE RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Considered good - secured	12.42	0.66
Considered good - unsecured	145.74	86.10
Receivables - credit impaired	0.74	0.62
	158.90	87.38
Less: Provision for doubtful receivables	(0.74)	(0.62)
Total	158.16	86.76

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

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

Export sales carries credit period of 0 to 90 days, depending on the contractual terms with respective customers.

15. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.05	0.08
Balances with banks:		
In current accounts	94.07	43.13
Total	94.12	43.21

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

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.05	0.08
Balances with banks:		
In current accounts	94.07	43.13
Cash and cash equivalents as per statement of cash flows	Total	43.21
	94.12	

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Changes in liabilities arising from financing activities

Particulars	April 1, 2020	Net cash flows	Others	March 31, 2021
Short term borrowings	144.43	12.98	-	157.41
Interest accrued but not due	2.47	(9.07)	8.97	2.37
Obligation under finance lease	104.57	(31.40)	(11.33)	61.84
Total liabilities from financing activities	251.47	(27.49)	(2.36)	221.62

Particulars	April 1, 2019	Net cash flows	Others	March 31, 2020
Short term borrowings	175.53	(31.10)	-	144.43
Interest accrued but not due	1.37	(7.51)	8.61	2.47
Obligation under finance lease	126.05	(39.82)	18.34	104.57
Dividend payable including tax on dividend	-	(808.73)	808.73	-
Total liabilities from financing activities	302.95	(887.16)	835.68	251.47

16. OTHER BANK BALANCES

Particulars	As at March 31, 2021	As at March 31, 2020
In unpaid dividend accounts	14.26	16.40
On deposit accounts		
- Original maturity between three and twelve months	755.75	164.00
- Original maturity greater than twelve months	4,966.23	2,726.98
Total	5,736.24	2,907.38

17. OTHER ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Capital advances	77.50	72.28
Prepaid expenses	17.90	-
Balance with government authorities	6.89	6.29
Total	102.29	78.57
Current		
Unsecured, considered good		
Advance to suppliers		
Considered good	99.71	69.86
Considered doubtful	18.00	-
	117.71	69.86
Less: Provision for doubtful advances	(18.00)	-
	99.71	69.86
Advance to employees	4.48	7.08
Prepaid expenses	31.52	22.96
Balance with government authorities		
Considered good	57.02	47.58
Considered doubtful	1.11	1.11
	58.13	48.69
Less: Provision for doubtful balance	(1.11)	(1.11)
	57.02	47.58
Government grant receivable	2.26	13.81
Total	195.19	161.29

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18. SHARE CAPITAL

(a) Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Equity share capital		
30,00,00,000 Equity shares of Rs. 1 each (March 31, 2020 : 3,00,00,000 Equity shares of Rs. 10 each)	30.00	30.00
Total	30.00	30.00
Issued, subscribed and fully paid up		
27,33,35,922 Equity shares of Rs. 1 each (March 31, 2020 : 2,73,04,570 Equity shares of Rs. 10 each)	27.33	27.30
Total	27.33	27.30

The Company has only one class of equity shares having a par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020.

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

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Nos.	Rs. in Crores	Nos.	Rs. in Crores
At the beginning of the year	2,73,04,570	27.30	2,72,82,570	27.28
Adjustment for Sub-Division of Equity Shares	24,57,41,130	-	-	-
Issued during the year - ESOP (refer note 49)	2,90,222	0.03	22,000	0.02
Outstanding at the end of the year	27,33,35,922	27.33	2,73,04,570	27.30

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	% holding in the class	Nos.	% holding in the class
The Simran Siddhartha Tara Benefit Trust				
At the beginning of the year	1,20,30,648	4.40%	1,20,30,648	44.06%
Adjustment for Sub-Division of Equity Shares	10,82,75,832	39.61%	-	0.00%
Outstanding at the end of the year	12,03,06,480	44.01%	1,20,30,648	44.06%

(iii) Share options granted under the Group's employee share option plan carry no rights to dividend and no voting rights. Further details of the employee share option plan are provided in note 49.

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(b) Preference share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Preference share capital		
1,01,000 (March 31, 2020 : 1,01,000) Redeemable preference shares of Rs. 100 each	1.01	1.01
Total	1.01	1.01

The Group has not issued any preference shares.

19. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserves	0.25	0.25
Capital redemption reserve	1.41	1.41
Securities premium reserve	225.00	159.00
General reserves	339.89	339.89
Share based payments reserve	79.87	69.99
Foreign currency translation reserve	51.63	21.19
Retained earnings	10,712.70	9,361.90
Total	11,410.75	9,953.63

Particulars	As at March 31, 2021	As at March 31, 2020
A Capital reserve		
Opening balance	0.25	0.25
Add / Less: Movement during the year	-	-
Closing balance	0.25	0.25

Particulars	As at March 31, 2021	As at March 31, 2020
B Capital redemption reserve		
Opening balance	1.41	1.41
Add / Less: Movement during the year	-	-
Closing balance	1.41	1.41

The Capital redemption reserve was created at the time of buy back of shares. The Group can utilize the same for the purpose of issue of fully paid-up bonus shares to its members.

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Particulars	As at March 31, 2021	As at March 31, 2020
C Securities premium reserve		
Opening balance	159.00	115.11
Add : Proceeds from issue of equity shares	38.33	28.88
Add : Transferred from share options outstanding account	27.67	15.01
Closing balance	225.00	159.00

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Particulars	As at March 31, 2021	As at March 31, 2020
D General reserves		
Opening balance	339.89	339.89
Add: Amount transferred from retained earnings	-	-
Closing balance	339.89	339.89

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Particulars	As at March 31, 2021	As at March 31, 2020
E Share based payments reserve		
Opening balance	69.99	58.75
Add : ESOP expense during the year	37.55	26.25
Less : Transferred to securities premium on issue of shares	27.67	15.01
Closing balance	79.87	69.99

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share-based payments to employees is set out in note 49.

Particulars	As at March 31, 2021	As at March 31, 2020
F Foreign currency translation reserve		
Opening balance	21.19	7.92
Add : exchange differences in translating the financial statements of foreign operations	30.44	13.27
Closing balance	51.63	21.19

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

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Particulars	As at March 31, 2021	As at March 31, 2020
G Retained earnings		
Opening balance	9,361.90	8,368.11
Less: Impact on accounting for leases on opening balance	-	(13.47)
Add: Tax impact on above	-	4.62
Add: Profit for the year	1,346.89	1,827.44
Add: Other Comprehensive income from Remeasurement of defined benefit obligation net of income tax	3.91	(2.09)
Less: Interim dividend for FY 2019-20 (amount per share Rs. 125)	-	341.32
Less: Tax on interim dividend	-	70.16
Less: Dividend for FY 2018-19 paid in FY 2019-20 (amount per share Rs. 125)	-	341.11
Less: Tax on dividend	-	70.12
Total appropriations	-	822.71
Balance at end of year	10,712.70	9,361.90

FINANCIAL LIABILITIES :

20. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits received	14.62	12.73
Total	14.62	12.73
Current		
Employee dues	122.92	89.32
Capital creditors	32.12	55.03
Unpaid dividend *	14.26	16.40
Interest accrued but not due	2.37	2.47
Provision for constructive obligation towards the discontinued operations of a joint venture (refer note 9)	4.01	5.00
Others	6.62	5.71
Total	182.30	173.93

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

21. BORROWINGS

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Short-term Loan#	157.41	144.43
Total	157.41	144.43

#Secured short term loans of subsidiary company viz., Royal Enfield North America Ltd as at March 31, 2021 of Rs. 78.36 crores (March 31, 2020 : Rs. 82.92 crores), average repayment period being 6 months, carrying interest @ LIBOR + 1.70% p.a., Royal Enfield Thailand Ltd. as at March 31, 2021 of Rs. 6.54 Crores (March 31, 2020 : Nil), average repayment period being 4 months, carrying interest @ 1.10% and Royal Enfield Brasil Comercio de Motocicletas Ltda as at March 31, 2021 of Rs. 72.50 crores (March 31, 2020 : Rs. 61.51 crores), average repayment period being 12 months, carrying interest @ 4.69 % p.a (March 31, 2020 : 3.53% p.a). These loans are against corporate guarantees given by the Holding Company, Eicher Motors Limited.

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22. TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises		
Dues to micro and small enterprises (refer note 42)	45.83	18.42
Sub-total (A)	45.83	18.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	-	26.18
Other trade payables	1,438.42	905.24
Trade payables to related parties (refer note 46)	51.58	57.98
Sub-total (B)	1,490.00	989.40
Total (A+B)	1,535.83	1,007.82

For terms and conditions pertaining to related party dues, refer note 46

23. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Employee benefits - refer note (i) below		
Other employee benefits	6.07	5.08
Warranties - refer note (ii) below	16.49	16.12
Total	22.56	21.20
Current		
Employee benefits - refer note (i) below		
Compensated absences	16.39	12.31
Other employee benefits	0.09	0.04
Sub-total (A)	16.48	12.35
Warranties - refer note (ii) below	73.71	61.32
Sub-total (B)	73.71	61.32
Total (A+B)	90.19	73.67

(i) The provision for employee benefits includes earned leave, sick leave and vested long service reward.

(ii) Movement in warranties provision

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	77.44	65.62
Additions during the year	53.24	55.62
Amount utilized during the year	41.25	44.92
Unwinding of discount	0.77	1.12
Closing balance	90.20	77.44

The provision for warranty claims represents the present value of the management's best estimate of the future economic costs that will be required under the Group's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

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24. DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities on		
Property, plant and equipment and intangible assets	205.33	193.63
Investments measured at FVTPL	36.12	75.17
Others	8.04	2.66
Sub-total (A)	249.49	271.46
Less: Deferred tax assets on		
Accrued expenses deductible on payment	1.18	1.11
Deferred revenue	11.90	8.50
Provision for compensated absences and other employee benefits	4.01	3.10
Provision for doubtful debts and advances	5.40	0.43
Lease	3.18	3.81
Others	2.32	2.36
Sub-total (B)	27.99	19.31
Total (A-B)	221.50	252.15

Movement of deferred tax liabilities/assets For the year ended March 31, 2021

Particulars	Opening balance	Recognized in profit or loss	Recognized in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	193.63	11.70	-	205.33
Investments measured at FVTPL	75.17	(39.05)	-	36.12
Others	2.66	5.38	-	8.04
Sub-total (A)	271.46	(21.97)	-	249.49
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.11	0.07	-	1.18
Deferred revenue	8.50	3.40	-	11.90
Provision for compensated absences and other employee benefits	3.10	0.91	-	4.01
Exchange differences in translating the financial statements of foreign operations	-	10.35	(10.35)	-
Remeasurement of defined benefit obligation	-	0.19	(0.19)	-
Provision for doubtful debts and advances	0.43	4.97	-	5.40
Lease	3.81	(0.63)	-	3.18
Others	2.36	(0.03)	-	2.32
Sub-total (B)	19.31	19.23	(10.55)	27.99
Total (A-B)	252.15	(41.20)	10.55	221.50

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For the year ended March 31, 2020

Particulars	Opening balance	Recognized in profit or loss	Recognized in Other comprehensive income	Closing balance
Deferred tax liabilities on				
Property, plant and equipment and intangible assets	250.38	(56.75)	-	193.63
Investments measured at FVTPL	46.25	28.92	-	75.17
Others	0.68	1.98	-	2.66
Sub-total (A)	297.31	(25.85)	-	271.46
Less: Deferred tax assets on				
Accrued expenses deductible on payment	1.55	(0.44)	-	1.11
Deferred revenue	10.73	(2.23)	-	8.50
Provision for compensated absences and other employee benefits	3.75	(0.65)	-	3.10
Exchange differences in translating the financial statements of foreign operations	-	4.36	(4.36)	-
Remeasurement of defined benefit obligation	-	(0.06)	0.06	-
Provision for doubtful debts and advances	0.65	(0.22)	-	0.43
Lease	4.62	(0.81)	-	3.81
Others	6.74	(4.38)	-	2.36
Sub-total (B)	28.04	(4.43)	(4.30)	19.31
Total (A-B)	269.26	(21.41)	4.30	252.15

At March 31, 2021, there was no recognised deferred tax liability (March 31, 2020 : Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's joint venture. The Group has determined that undistributed profits of its joint ventures will not be distributed in the foreseeable future. The Group's joint ventures will not distribute its profits until it obtains the consent from all venture partners.

25. CURRENT TAX LIABILITIES / NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Tax liabilities		
Provision for current tax (net)	131.03	90.12
Total	131.03	90.12
Tax assets		
Advance income tax (net)	51.33	46.52
Total	51.33	46.52

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26. GOVERNMENT GRANT

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	63.42	60.02
Total	63.42	60.02
Current		
Deferred revenue arising from Government grant (refer note (i) and (ii) below)	15.61	13.52
Total	15.61	13.52

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

- The benefit received by the United Kingdom (UK) Branch of the Company from the Government of UK - Department for Business Innovation & Skills and Department for Her Majesty's Revenue & Customs.
- Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant.

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

(ii) Movement in Government grant

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	73.54	74.24
Additions during the year	31.57	36.62
Amount recognised as income during the year	26.08	37.32
Closing balance	79.03	73.54

27. CONTRACT LIABILITY

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Contract liability	227.67	350.16
Total	227.67	350.16

28. OTHER LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred revenue	123.50	26.39
Total	123.50	26.39
Current		
Advance from customers	137.42	60.95
Deferred revenue	47.29	33.79
Statutory remittances (contributions to PF and ESIC, withholding taxes, GST, etc.)	78.89	39.74
Others	9.45	3.60
Total	273.05	138.08

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29. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations		
Revenue from contract with customers (Goods transferred at a point in time)		
Manufactured goods	8,174.66	8,576.19
Traded goods	435.13	435.45
Revenue from contract with customers (Services transferred over time)		
Others	51.77	61.91
Sub-total (A)	8,661.56	9,073.55
Other operating revenue		
Government grant (Export incentives)	26.08	37.32
Scrap sale	17.82	17.38
Income from other operating revenues	14.89	25.33
Sub-total (B)	58.79	80.03
Total (A+B)	8,720.35	9,153.58

Refer note 3.5 - Revenue from contract with customers

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Details of products sold		
Manufactured goods		
Two wheelers	7,628.96	7,947.72
Spare parts and other components	545.70	628.47
Total	8,174.66	8,576.19
Traded goods		
Accessories and other allied products	435.13	435.45
Total	435.13	435.45
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	8,822.58	9,214.74
Adjustments:		
- Trade Discount	35.20	35.20
- Incentives	56.43	37.75
- Deferral of revenue - FSC, RSA	68.89	68.24
- Significant financing component	0.50	-
Total	8,661.56	9,073.55

Contract Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	158.16	86.76
Contract liabilities	227.67	350.16
Amount of Revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	350.16	77.65

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30. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on financial assets carried at amortized cost		
Bank deposits and bonds	300.00	218.34
Interest income on bill discounting (refer note 46)	9.52	-
Others	0.77	2.32
	310.29	220.66
Gain on financial instruments at fair value through profit or loss	106.69	302.98
Other non-operating income		
Other income	31.22	19.34
Profit on sale of property, plant and equipment	0.50	0.27
Finance income on lease	1.24	-
Gain on exercise of termination option of leases	3.25	-
	36.21	19.61
Total	453.19	543.25

31. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	185.94	166.09
Add: Purchases	5,445.39	4,850.88
	5,631.33	5,016.97
Less: Inventory at the end of the year	280.88	185.94
Less: Material cost of vehicles capitalised	1.68	2.73
	5,348.77	4,828.30
Less: Sale of raw materials to suppliers on cost-to-cost basis	296.20	167.13
Total	5,052.57	4,661.17

32. PURCHASES OF TRADED GOODS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accessories and other allied products	266.10	250.68
Total	266.10	250.68

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year		
Finished goods	350.14	228.95
Work-in-progress	39.42	42.29
Traded goods	182.07	94.49
A	571.63	365.73
Inventories at the beginning of the year		
Finished goods	228.95	383.49
Work-in-progress	42.29	21.68
Traded goods	94.49	44.65
B	365.73	449.82
Net change (B-A)	(205.90)	84.09

34. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	735.54	692.60
Contribution to provident and other funds (refer note 43)	25.76	30.22
Share-based payments (refer note 49)	37.48	25.52
Staff welfare expenses	44.45	47.44
Total	843.23	795.78

35. FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense		
On bills discounting	1.09	1.03
On borrowings	7.88	7.57
Unwinding of discount on provisions	0.77	1.12
Interest on Lease Liabilities (refer note 52)	6.71	9.16
Total	16.45	18.88

36. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 4)	350.80	310.87
Depreciation of investment property (refer note 6)	-	0.35
Amortization of intangible assets (refer note 7)	73.17	36.20
Amortization of right of use assets (refer note 52)	26.76	34.12
Total	450.73	381.54

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37. OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of Stores and machinery spares (including loose tools and packing material)	139.51	156.38
Loss on sale of property, plant and equipment and intangible assets	1.98	2.54
Property, plant and equipment discarded	-	0.42
Power and fuel	52.98	62.86
Insurance	25.94	17.50
Repairs and maintenance		
Buildings	3.77	3.57
Plant and equipment	43.83	42.88
Others	63.74	53.75
Rates and taxes	5.12	3.98
Advertisement	18.20	21.76
Freight and handling charges	121.10	144.91
Warranty	53.87	55.63
Other selling and distribution expenses	180.93	244.73
Expense related to short term leases	14.45	14.37
Legal and professional charges*	59.61	60.18
Travelling expenses	33.00	92.29
Development expenses	8.93	11.12
Corporate social responsibility expenditure (refer note 50)	56.37	55.39
Bad debts / advances written off	0.17	-
Provision for doubtful debts and advances	18.12	-
Exchange loss (net)	7.99	17.54
Miscellaneous expenses	73.49	119.71
Total	983.10	1,181.51

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditors:		
a) For Audit	0.35	0.25
b) For Limited reviews of unaudited financial results	0.23	0.18
c) For other services	0.18	0.12
d) For reimbursement of expenses	-	0.05
Total	0.76	0.60
In other capacity:		
a) For other services	0.12	0.09
Total	0.12	0.09

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38. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	492.70	548.86
Sub-total (A)	492.70	548.86
Deferred tax		
Relating to origination and reversal of temporary differences	(41.20)	(21.41)
Sub-total (B)	(41.20)	(21.41)
Total income tax expense recognized in the current year	Total (A+B)	527.45

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax and after share of profit of Joint venture	1,798.39	2,354.89
Income tax expense calculated at 25.168% (previous year @ 25.168%)	452.62	592.68
Effect on long-term capital gain from investment in mutual funds	18.71	(45.60)
Effect of ESOP expenses not deductible in determining taxable profits	9.42	6.30
Effect of income exempt from taxation	(0.78)	(1.03)
Effect of change in tax rate from 34.944% to 25.168% in FY 2019-20	-	(65.23)
Effect of mark to market on mutual funds	(39.49)	28.92
Deferred tax asset not created on carried forward business loss of subsidiary companies	1.85	11.07
Impact of share of profit of joint venture included in profit before tax	(7.84)	(7.98)
Effect of CSR Expenses	14.19	-
Others	2.82	8.32
	451.50	527.45
Income tax expense recognised in statement of profit and loss	451.50	527.45
Income tax rate :		
Basic rate	22.000%	22.000%
Surcharge - 10% (applied on basic rate)	2.200%	2.200%
Cess - 4% (applied on basic plus surcharge)	0.968%	0.968%
	25.168%	25.168%

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the previous year and re-measured its Deferred tax liability basis the rate prescribed in the said section. Accordingly, deferred tax liability had reduced by Rs.65.23 crores in the previous year and the tax credit for the year ended March 31, 2020 had increased by Rs. 65.23 crores.

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Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax charge/(benefit)		
Arising on income and expenses recognized in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	10.35	4.36
Remeasurement of defined benefit obligation	0.19	(0.06)
Total income tax recognized in other comprehensive income	10.54	4.30
Bifurcation of the income tax recognized in other comprehensive income into:		
Items that may be reclassified to profit or loss	10.35	4.36
Items that will not be reclassified to profit or loss	0.19	(0.06)
	10.54	4.30

39. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:-

Control over VE Commercial Vehicles Limited

VE Commercial Vehicles Limited (VECVL) is a joint venture Company of Eicher Motors Limited (EML) and Aktiebolaget Volvo (PUBL), Volvo (AB Volvo). EML holds 54.4% in VECVL, however, the composition of the Board of Directors for the management of VECVL is jointly controlled by both the investors i.e. EML and AB Volvo. Further, EML is also not meeting the criteria of control as given in Ind-AS 110, for e.g. EML exposure/ right to variable returns from its involvement in VECVL, ability to use its power over VECV to affect the amount of returns, etc. and therefore, VECVL is considered as joint venture instead of a subsidiary company for EML.

The arrangement shall be treated as a joint arrangement under Ind AS 111 "Joint Arrangements".

Ind AS 111 classifies joint arrangements into:

- Joint operations whereby the parties have joint control over the rights and obligations of the arrangement. It also includes an arrangement which is not structured through a separate vehicle.
- Joint venture whereby the parties have joint control over the net assets of the arrangement.

Joint Control has been described to be existing only when decisions about relevant activities require the unanimous consent of the parties that collectively control the arrangement. The contractual arrangement requires a minimum proportion of the voting rights to make relevant decisions.

As per the above description, the arrangement between EML and AB Volvo shall be classified as a Joint Venture as it has been structured through a separate vehicle (i.e. VECVL) and also the parties do not have control over specific rights and obligations rather they have joint control over the net assets.

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Recoverability of intangible assets and intangible assets under development

The Group has various internally generated intangible assets either capitalised or under development. Initial recognition of the expenditure under these assets are based on assessing each asset in relation to the specific recognition criteria to be met for capitalisation, for e.g. technological and economic feasibility and the ability of the asset to generate economic benefits in the future. In addition, the management also assesses any indications of impairment of the carrying value of the assets. This requires the management's judgement and assumptions, which are affected by future market or economic developments. The management has analysed the recognition criteria and future market conditions and is confident that these assets do not require any adjustments to their carrying value at the year end.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

40. RESEARCH AND DEVELOPMENT EXPENSES:

Revenue expenditure on research and development incurred and expensed off during the year through the appropriate heads of account aggregate Rs. 103.40 crores (March 31, 2020 : Rs. 83.74 crores). The capital expenditure incurred during the year for research and development purposes aggregate Rs. 195.70 crores (March 31, 2020 : Rs. 173.62 crores).

41. CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2021	As at March 31, 2020
a) In respect of the following:		
- Excise duty matters	18.97	1.29
- Sales tax matters	7.29	7.41
- Service tax matters	0.39	0.39
- Customs duty matters	3.48	3.48
b) Claims against the Group not acknowledged as debts	10.44	10.36
c) Guarantees given to bank/others	2.74	2.74
d) Contingent liabilities arising from its interests in joint ventures	104.52	100.53

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

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	45.60	17.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	0.02	0.01
(iii) The amount of payment made to the supplier beyond the appointed day	24.10	64.91
(iv) The amount of interest due and payable for the year	0.21	0.28
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.23	0.58
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

43. EMPLOYEE BENEFIT PLANS

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

A. Defined Contribution Plans

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Detail of amount recognized as expense for defined contribution plans is given below:		
a) Provident fund*	17.38	20.25
b) Superannuation fund	1.19	1.14
c) Employee State Insurance Corporation	0.06	1.08
d) Other funds	14.62	14.30
Total	33.25	36.77

*includes Rs. 1.58 crores (March 31, 2020: Rs. 0.19 crores) capitalized during the year and Rs. 5.91 crores (March 31, 2020: Rs. 6.36 crores) considered in pre-operative expenditure (pending allocation).

Out of the total contribution made for employees' provident fund, Rs. 6.80 crores (March 31, 2020: Rs. 6.57 crores) is made to Eicher Executive Provident Fund Trust, while the remaining contribution has been made to government administered provident fund.

B. Defined Benefit Plans:

The Defined benefit plan of the Group includes entitlement of gratuity and provident fund scheme.

This plan typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by Mr. K.K.Dharni (FIAI M.No. 00051), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

Provident fund:

The provident fund is governed by the Provident Fund Act, 1952. Under the defined benefit plan, the Group contributes to the "Eicher Executive Provident Fund Trust". The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Actuary has provided a valuation for Provident Fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below, the Group does not have additional obligation as at March 31, 2021.

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

Principal assumptions	Provident fund	
	As at March 31, 2021	As at March 31, 2020
Discount rate	6.85%	6.85%
Retirement age	58 years	58 years
Rate of withdrawal	2.00%	3.00%
In service mortality	IALM (2012 - 14)	IALM (2012-14)

Gratuity:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.

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

Principal assumptions	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Discount rate	6.85%	6.85%
Future salary increase	6.50%	6.50%
Retirement age	58 years	58 years
Rate of withdrawal	2.00%	2.00%
In service mortality	IALM (2012 - 14)	IALM (2012-14)

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

Particulars	Gratuity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Service cost:		
Current service cost	5.08	4.44
Net Interest expense	-	-

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Particulars	Gratuity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Components of defined benefit costs recognized in profit or loss	5.08	4.44
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(0.10)	(0.45)
Actuarial (gains)/ losses arising from experience adjustments	(0.67)	0.70
Components of defined benefit costs recognized in other comprehensive income	(0.77)	0.25
Total	4.31	4.69

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Present Value of funded defined benefit obligation	29.20	25.65
Fair value of plan assets	29.20	25.65
Net liability arising from defined benefit obligation	-	-

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

Particulars	Gratuity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined obligation	25.65	21.65
Current service cost	5.08	4.44
Interest cost	1.75	1.69
Actuarial (gains)/ losses	(0.67)	0.51
Benefits paid	(2.61)	(2.64)
Closing defined benefit obligation	29.20	25.65

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

Particulars	Gratuity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of plan assets [®]	25.65	21.65
Interest income	1.75	1.69
Actuarial gains/ (losses)	0.10	0.25
Contribution	4.31	4.70
Benefit paid	(2.61)	(2.64)
Closing fair value of plan assets [®]	29.20	25.65

[®]Funds managed by EML Employees Company Gratuity Scheme (Trust).

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

The Fair value of the plan assets at the end of reporting period for each category are as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Government securities	13.19	8.82
Debt instruments categorized by issuers' credit rating:		
AAA	12.03	13.58
AA+	1.50	2.06
AA	1.07	1.02
Cash, deposits, etc.	1.41	0.17
Total	29.20	25.65

The fair values of the above instruments are determined based on quoted market prices in active market. The actual return on plan assets was Rs. 1.85 crores for the year ended March 31, 2021.

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

- ♦ If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 1.87 crores (increase by Rs. 2.06 crores) [as at March 31, 2020: Decrease by Rs. 1.80 crores (increase by Rs. 2.00 crores)].
- ♦ If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by Rs. 2.06 crores (decrease by Rs. 1.88 crores) [as at March 31, 2020: Increase by Rs. 2.00 crores (decrease by Rs. 1.82 crores)].

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

Sensitivity Analysis

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Other disclosures

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Average duration of the defined benefit obligation (in years)	20.08	20.05

The estimated contribution during next year is Rs. 6.03 crores (March 31, 2020 : Rs. 5.19 crores) to the defined benefit plan.

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44. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic earnings per share (in Rs.)	49.30	66.95
Diluted earnings per share (in Rs.)	49.24	66.92
Basic earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Net Profit for the year	1,346.89	1,827.44
Weighted average number of equity shares for the purposes of basic earnings per share	27,31,78,699	27,29,47,381
Diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:		
Net Profit for the year	1,346.89	1,827.44
Weighted average number of equity shares for the purposes of basic earnings per share	27,31,78,699	27,29,47,381
Shares deemed to be issued for no consideration in respect of :		
- employee stock option plan / restricted stock units plan	3,48,741	1,33,281
Weighted average number of equity shares for the purposes of diluted earnings per share	27,35,27,440	27,30,80,662

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 10, 2020, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., August 25, 2020. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Consolidated Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

45. SEGMENT REPORTING DISCLOSURE

The Group primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of two-wheelers as well as sale of related parts and accessories.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Particulars	Domestic	Overseas	Total
Revenue from operations			
For the year ended March 31, 2021	7,873.08	847.27	8,720.35
For the year ended March 31, 2020	8,322.68	830.90	9,153.58
Non-current segment assets			
As at March 31, 2021	4,320.96	506.46	4,827.42
As at March 31, 2020	4,285.96	420.87	4,706.83

- Domestic segment includes sales and services to customers located in India.
- Overseas segment includes sales and services rendered to customers located outside India.
- Non-current segment assets represents total non current assets excluding non current financial assets.
- The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue have been identified to segments on the basis of their relationship to the operating activities of the segment.

Information about major customers

No customer individually accounted for more than 10% of the revenue.

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46. RELATED PARTY DISCLOSURES UNDER IND AS 24

a. Related party disclosures:

Name of related parties and their relationship:

Name of related party		Nature of Relationship
VE Commercial Vehicles Limited	(VECVL)	Joint venture company
VECV Lanka (Private) Limited	(VECV Lanka)	Subsidiary company of VECVL
VECV South Africa (PTY) Ltd.	(VECV Africa)	Subsidiary company of VECVL
Eicher Polaris Private Limited	(EPPL)	Joint venture company
Eicher Group Foundation	(EGF)	Joint venture company
Eicher Goodearth Private Limited	(EGPL)	Entity under the control of the key management personnel
Eicher Goodearth India Private Limited	(EGIPL)	Entity under the control of the key management personnel
Nicobar Design Private Limited	(NDPL)	Entity under the control of the key management personnel
Eicher Executive Provident Fund	(EEPF)	Post employment benefit plan
Eicher Tractors Executive Staff Superannuation Fund	(ETESSF)	Post employment benefit plan
Eicher Motors Limited Employees Gratuity Trust	(EMLEGT)	Post employment benefit plan
The Simran Siddhartha Tara Benefit Trust	(SSTBT)	Managing Director is a trustee
Sunshine Automobiles		Directors' relative is a partner
Ms. Natasha Jamal		Relative of KMP

b. Key management personnel:

Mr. Siddhartha Lal	Managing Director
Mr. Vinod K. Dasari	Whole-time Director & Chief Executive Officer of Royal Enfield
Mr. S. Sandilya	Chairman
Ms. Manvi Sinha	Independent director
Mr. Inder Mohan Singh	Independent director
Mr. Vinod Aggarwal	Non-executive director
Mr. Lalit Malik	Chief Commercial Officer (Chief Financial Officer till May 06, 2020)
Mr. Kaleeswaran Arunachalam	Chief Financial Officer (Appointed w.e.f May 06, 2020)
Mr. Manhar Kapoor	Company Secretary

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

Particulars	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Siddhartha Lal	Managerial remuneration		
	Short-term benefits*	21.12	19.21
Mr. Vinod K. Dasari	Managerial remuneration		
	Short-term benefits	25.37	28.35
	Post-employment benefits	0.40	0.39
	Other long-term benefits	0.16	0.12
		25.93	28.86
Mr. S. Sandilya	Sitting fees	0.06	0.05
	Commission	0.63	0.57
Ms. Manvi Sinha	Sitting fees	0.05	0.05
	Commission	0.12	0.11
Mr. Inder Mohan Singh	Sitting fees	0.06	0.05
	Commission	0.12	0.11
Mr. Lalit Malik	Remuneration		
	Short-term benefits	0.28	3.69
	Post-employment benefits	-	0.07
	Other long-term benefits	-	0.06
		0.28	3.82
Mr. Kaleeswaran Arunachalam	Remuneration		
	Short-term benefits	1.85	-
	Post-employment benefits	0.02	-
	Other long-term benefits	0.02	-
		1.89	-
Mr. Manhar Kapoor	Remuneration		
	Short-term benefits	1.38	1.28
	Post-employment benefits	0.02	0.02
	Other long-term benefits	0.02	0.02
		1.42	1.32

*excludes National Insurance payable to HMRC UK on commission

Post-employment benefits and other long-term benefits mentioned above were accrued and not paid as on March 31, 2021

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d. Transactions with the related parties:

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
VE Commercial Vehicles Limited	Purchase of raw materials and components / services	127.37	146.56
	Expenses reimbursed	0.22	0.50
	Corporate service charges paid	1.69	1.58
	Tooling advance given	-	0.60
	Vendor bills discounting (interest income)	9.52	-
Eicher Polaris Private Limited	Advance towards Investment in equity share capital	-	0.99
	Investment in equity share capital - Allotted	0.99	-
	Purchase of Property, plant and equipment	-	0.55
Eicher Goodearth Private Limited	Corporate service charges paid	0.73	0.97
	Rent	4.72	4.81
	Brand fees	-	-
Eicher Goodearth India Private Limited	Brand fees	21.54	22.62
Eicher Group Foundation	Corporate social responsibility expenditure	56.37	53.40
Eicher Executive Provident Fund	Contribution to provident fund	6.80	6.57
Eicher Tractors Executive Staff Superannuation Fund	Contribution to superannuation fund	0.30	0.44
Eicher Motors Limited Employees Gratuity Trust	Contribution to gratuity fund	4.31	4.70
	Benefits paid	(2.61)	(2.64)
Sunshine Automobiles	Sale of motorcycles, spares, Apparel and accessories	30.52	33.82
	Payment for Free service coupon and warranty claims	0.41	0.46
	Security deposit received	0.01	-
Ms. Natasha Jamal	Sale of vehicle	-	0.30

Balance outstanding at the year end:

Name of related party	Nature	As at March 31, 2021	As at March 31, 2020
VE Commercial Vehicles Limited	Trade payables	30.04	35.36
	Advances	-	0.60
	Bill discounting without recourse	459.12	-
Eicher Goodearth Private Limited	Security deposits receivable	1.09	1.09
Eicher Goodearth India Private Limited	Trade payables	21.54	22.62
Mr. Siddhartha Lal	Commission payable	6.70	5.07
Mr. Vinod K. Dasari	Variable pay	4.03	3.73
Non-executive and independent directors	Commission payable	0.87	0.79
Sunshine Automobiles	Security deposit payable	0.02	0.01
	Advances received towards Vehicles, spares, apparel and accessories sales	0.93	1.31

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020 : Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company has a credit period of 45 days with respect to payables to VE Commercial Vehicles Limited.

Brand fees payable to Eicher Goodearth India Private Limited upon approval by Shareholders at its Annual General Meeting.

Rent payable to Eicher Goodearth India Private Limited on due basis.

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47. FINANCIAL INSTRUMENTS

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options. The Group uses the operational cash flows and equity to meet its capital requirements.

The Group is not subject to any externally imposed capital requirements.

The management of the Group reviews the capital structure of the Group on regular basis. As part of this review, the management of the Group considers risks associated with the movement in the working capital.

The following table summarizes the capital of the Group:

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (refer note no. 21)	157.41	144.43
Less: cash and cash equivalents (refer note no. 15)	(94.12)	(43.21)
Net debt	63.29	101.22
Share capital	27.33	27.30
Other equity	11,410.75	9,953.63
Total Equity	11,438.08	9,980.93
Gearing ratio	0.55%	1.01%

47.1 Categories of financial instruments

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at fair value through profit or loss		
Non-current		
Investments in equity	5.04	5.13
Investments in mutual funds	827.33	1,297.88
Current		
Investments in mutual funds	1,065.74	2,512.50
Financial assets at amortised cost		
Non-current		
Investments in bonds	67.48	41.21
Other financial assets	22.86	24.08
Current		
Investments in bonds	10.34	-
Trade receivables	158.16	86.76
Cash and bank balances	5,830.36	2,950.59
Loans	459.16	0.12
Other financial assets	214.93	90.98

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Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities at amortized cost		
Non-current		
Lease liability	46.12	77.72
Other financial liabilities	14.62	12.73
Current		
Borrowings	157.41	144.43
Lease liability	15.72	26.85
Trade payables	1,535.83	1,007.82
Other financial liabilities	182.30	173.93

As the carrying values of the financial instruments disclosed above are reasonable approximations of the fair value of the respective items, the fair values have not been disclosed separately.

47.2 Fair value measurements

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorizing the financial instruments measured at fair value into Level 1 to Level 3:-

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Quantitative disclosures fair value measurement hierarchy for assets:

There are certain Group's financial assets which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets are determined:-

Particulars	Fair value as at March 31, 2021		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	5.04
Investments in mutual funds	827.33	-	-
Current			
Investments in mutual funds	1,065.74	-	-

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Particulars	Fair value as at March 31, 2020		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Non-current			
Investments in equity*	-	-	5.13
Investments in mutual funds	1,297.88	-	-
Current			
Investments in mutual funds	2,512.50	-	-

*represents the investments in the equity of Suryadev Alloys & Power Private Limited. As per the share purchase agreement between the Company and Suryadev Alloys & Power Private Limited, in case of termination or as the case may be, the Company shall transfer the equity shares to the Nominated person as may be prescribed and consideration shall be the same as paid by the Company in this regard.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

Particulars	March 31, 2021		March 31, 2020	
	Carrying amount	Fair value (Level 1)	Carrying amount	Fair value (Level 1)
Financial assets at amortized cost				
Non-current				
Investments in bonds	67.48	73.26	41.21	47.23
Current				
Investments in bonds	10.34	10.27	-	-

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- ♦ Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.
- ♦ The fair value of bonds is based on quoted prices and market observable inputs.
- ♦ Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ♦ Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- ♦ There were no transfers between Level 1, Level 2 and Level 3 during the year.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives

The Group's management monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/ liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign currency exposure	(Amount in foreign currency in crores)			
	As at March 31, 2021		As at March 31, 2020	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	1.41	2.83	0.31	2.10
EURO	1.02	0.06	0.73	0.11
GBP	0.35	0.22	0.11	0.13
JPY	-	2.68	-	4.16
Others	16.30	9.02	6.57	2.22

Foreign currency sensitivity

The Group uses the sensitivity rate of 5% when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. In the opinion of the management, the sensitivity of increase or decrease of Rs. 11.10 crores (March 31, 2020 Rs. 10.06 crores) against the relevant foreign currencies is not material to the financial statements.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances. None of the financial instruments of the Group result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

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Movement in the expected credit loss allowance of financial assets:

Particulars	As at	
	March 31, 2021	March 31, 2020
Balance at beginning of the year	0.62	0.74
Add: Provided during the year	18.12	-
Less: amounts written off	-	0.12
Balance at end of the year	18.74	0.62

Other price risks including interest rate risk

The Group has deployed its surplus funds into various financial instruments including units of mutual funds, bonds, etc. The Group is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in interest rates, liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower, the profit for the year ended March 31, 2021 would increase/decrease by Rs. 18.93 crores (for the year ended March 31, 2020: increase/decrease by Rs. 38.10 crores).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Since the Group's borrowings which are affected by interest rate fluctuation is very insignificant to the size and operations of the Group, therefore, a change in interest rate risk does not have a material impact on the Group's financial statements in relation to fair value of financial instruments.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

Particulars	As at March 31, 2021			
	Less than 1 year	1 to 5 years	>5 Years	Total
Non-current				
(i) Lease liability	-	28.54	17.58	46.12
(ii) Other financial liabilities	-	-	14.62	14.62
Current				
(i) Borrowings	157.41	-	-	157.41
(ii) Lease liability	15.72	-	-	15.72
(iii) Trade payables	1,535.83	-	-	1,535.83
(iv) Other financial liabilities	182.30	-	-	182.30

Particulars	As at March 31, 2020			
	Less than 1 year	1 to 5 years	>5 years	Total
Non-current				
(i) Lease liability	-	38.38	39.34	77.72
(ii) Other financial liabilities	-	-	12.73	12.73
Current				
(i) Borrowings	144.43	-	-	144.43
(ii) Lease liability	26.85	-	-	26.85
(iii) Trade payables	1,007.82	-	-	1,007.82
(iv) Other financial liabilities	173.93	-	-	173.93

The surplus funds with the Group and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

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49. SHARE-BASED PAYMENTS

Employee Stock Option Plan, 2006 of the Company

Pursuant to the approval accorded by shareholders at their Annual General Meeting held on July 5th 2006, the Nomination and Remuneration Committee of the Company formulated Employee Stock Option Plan 2006' ("ESOP, 2006") of the Company.

ESOP, 2006 is applicable to all permanent and full-time employees (as defined in the Plan), excluding employee who is a Promoter or belonging to Promoter Group of the Company and other exclusions as per SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations"). The eligibility of employees to receive grants under the Plan is decided by the Nomination and Remuneration Committee, from time to time at its sole discretion.

Vesting of the options shall take place in the manner as may be determined by the Nomination and Remuneration Committee at the time of grant, provided, the vesting period shall not be less than 1 year from the date of grant or such other period as may be prescribed, from time to time, under the aforesaid SEBI Regulations.

Vesting of options shall be subject to the conditions that the Grantee shall be in continuous employment with the Company (or its subsidiary company, as the case may be) and subject to such other conditions and exceptions as provided under Company's ESOP, 2006.

The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant, provided that the Exercise Price shall not be less than the closing market price of the shares of the Company on NSE/BSE on the day preceding the date of grant of Options.

The options vested can be exercised at any time until completion of seven years from the date of vesting. Any options remaining unexercised at the end of the exercise period shall lapse. At the time of exercise, the participant may pay the exercise price in the form as approved by the Nomination and Remuneration Committee in accordance with the terms of the ESOP, 2006.

Each stock option, when exercised, is convertible into one equity share of the Company. No amount is payable by the option grantee on grant of option. The options carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

Details of the Employee Stock Option Plan, 2006 of the Company

The following share-based payment arrangements were in existence during the current and prior years :

Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(ii)	20,89,000	22-Oct-07	3 Years	21-Oct-17	46.20	24.39
(iii)	4,00,000	29-Apr-10	1 Year	28-Apr-18	69.50	15.46
(iv)	1,54,000	8-Nov-10	3 Years	7-Nov-20	141.10	24.39
(v)	10,82,000	6-May-11	3-5 Years	5-May-21	116.20	62.51
(vi)	54,000	11-Feb-12	3-5 Years	10-Feb-22	177.00	96.71
(vii)	50,000	16-Dec-13	3-5 Years	15-Dec-23	491.50	252.20
(viii)	1,60,000	11-Aug-14	3-5 Years	10-Aug-24	847.75	433.63
(ix)	54,000	12-Nov-14	3-5 Years	11-Nov-24	1,299.37	655.57
(x)	20,000	12-Jan-15	1 Year	11-Jan-25	1,473.90	762.66
(xi)	2,03,000	12-Jan-15	3-5 Years	11-Jan-25	1,473.90	739.39
(xii)	45,000	20-Mar-15	3-5 Years	20-Mar-25	1,611.20	829.56

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Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(xiii)	5,30,000	8-May-15	3-5 Years	7-May-25	1,480.70	774.20
(xiv)	65,900	21-Jul-15	3-5 Years	20-Jul-25	2,124.80	1,111.25
(xv)	78,000	6-Nov-15	3-5 Years	5-Nov-25	1,767.80	901.05
(xvi)	42,000	5-Feb-16	3-5 Years	4-Feb-26	1,689.40	856.59
(xvii)	24,000	27-Apr-16	3-5 Years	26-Apr-26	2,014.80	1,005.58
(xviii)	21,000	28-Jul-16	3-5 Years	27-Jul-26	2,034.00	1,043.71
(xix)	30,000	28-Oct-16	3-5 Years	27-Oct-26	2,449.20	1,175.40
(xx)	18,000	1-Feb-17	3-5 Years	31-Jan-27	2,302.80	1,087.56
(xxi)	35,000	27-Mar-17	3-5 Years	26-Mar-27	2,435.00	1,160.12
(xxii)	13,500	9-Aug-17	3-5 Years	8-Aug-27	3,212.10	1,497.35
(xxiii)	15,000	14-Nov-17	3-5 Years	13-Nov-27	3,058.50	1,452.09
(xxiv)	21,000	7-Feb-18	3-5 Years	6-Feb-28	2,757.90	1,272.97
(xxv)	45,000	2-Apr-18	3-5 Years	1-Apr-28	2,837.30	1,293.48
(xxvi)	12,500	9-May-18	3-5 Years	8-May-28	3,042.70	1,409.20
(xxvii)	24,000	9-Aug-18	3-5 Years	8-Aug-28	2,759.40	1,288.71
(xxviii)	28,000	12-Nov-18	3-5 Years	11-Nov-28	2,249.60	1,046.94
(xxix)	12,500	11-Feb-19	3-5 Years	10-Feb-29	2,084.80	961.54
(xxx)	10,00,000	1-Apr-19	3-7 Years	31-Mar-33	2,054.80	762.89
(xxxi)	36,000	1-Aug-19	3-5 Years	31-Jul-31	1,634.90	745.52
(xxxii)	82,500	6-May-20	3-5 Years	5-May-32	1,381.10	446.24
(xxxiii)	4,27,500	6-May-20	3 Years	5-May-30	1,381.10	386.16
(xxxiv)	6,000	13-Aug-20	3 Years	12-Aug-30	2,211.70	639.70
(xxxv)	10,000	10-Feb-21	3 Years	9-Feb-31	2,948.00	875.95

Fair value of share options granted in the year:

The weighted average fair value of the share options granted during the financial year is Rs. 407.79 (March 31, 2020 : Rs. 762.29). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model:

Particulars	Option series	
	(xxx)	(xxxi)
Grant date share price	2,054.77	1,634.81
Exercise price	2,054.80	1,634.90
Expected volatility	28.82%-31.45%	30.66%-31.41%
Option life	7 Years	10 Years
Dividend yield	0.78%	0.75%
Risk-free interest rate	6.77%-7.43%	6.69%-6.77%

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Particulars	Option series			
	(xxxii)	(xxxiii)	(xxxiv)	(xxxv)
Grant date share price	1,381.10	1,381.10	2,211.70	2,948.00
Exercise price	1,381.10	1,381.10	2,211.70	2,948.00
Expected volatility	33.48%-34.90%	34.90%	36.17%	37.28%
Option life	5 Years	3 Years	3 Years	3 Years
Dividend yield	0.67%	0.67%	0.67%	0.67%
Risk-free interest rate	4.69%-5.64%	4.69%	4.87%	4.98%

Movements in share options during the year

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		Rs.		Rs.
Balance at beginning of the year	1,62,638	19,890.41	94,903	17,824.66
Adjustment for Sub-Division of Equity Shares	14,63,742	-	-	-
Outstanding at the beginning of the year (Post-split)	16,26,380	1,989.04	-	-
Granted during the year	5,26,000	1,420.36	1,03,600	20,402.09
Forfeited during the year	(14,500)	1,947.12	(13,865)	20,283.91
Exercised during the year	(2,40,222)	1,596.43	(22,000)	13,140.74
Balance at end of the year	18,97,658	1,881.43	1,62,638	19,890.41
Exercisable at the end of the year	1,96,158	1,760.27	20,057	15,775.64

Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Share-based payments*	28.58	20.17

*Excludes Rs. 0.07 crores (Rs. 0.73 crores for the year ended March 31, 2020) of share-based payment capitalised in intangible assets under development.

Share options exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Exercise price Rs.
For the year ended March 31, 2021			
(viii) Granted on August 11, 2014	4,500	13-Aug-20	847.75
(xii) Granted on March 20, 2015	5,000	13-Aug-20	1,611.20
(xiii) Granted on May 08, 2015	1,14,920	13-Aug-20	1,480.70
(viii) Granted on August 11, 2014	4,600	12-Nov-20	847.75
(x) Granted on January 12, 2015	4,500	12-Nov-20	1,473.90
(xiii) Granted on May 08, 2015	13,080	12-Nov-20	1,480.70
(xv) Granted on November 06, 2015	5,500	12-Nov-20	1,767.80
(xiii) Granted on May 08, 2015	14,000	10-Feb-21	1,480.70

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Option series	Number exercised	Exercise date	Exercise price
			Rs.
(xv) Granted on November 06, 2015	45,922	10-Feb-21	1,767.80
(xix) Granted on October 28, 2016	10,000	10-Feb-21	2,449.20
(xiv) Granted on February 05, 2016	6,000	10-Feb-21	1,689.40
(xiv) Granted on July 21, 2015	6,000	10-Feb-21	2,124.80
(xvii) Granted on April 27, 2016	3,000	10-Feb-21	2,014.80
(xviii) Granted on July 28, 2016	3,200	10-Feb-21	2,034.00
	2,40,222		
Weighted average exercise price	1,596.43		
For the year ended March 31, 2020			
(xiii) Granted on May 08, 2015	3,881	10-May-19	14,807.00
(vii) Granted on December 16, 2013	668	10-May-19	4,915.00
(viii) Granted on August 11, 2014	930	10-May-19	8,477.50
(ix) Granted on November 12, 2014	370	31-Jul-19	12,993.65
(x) Granted on January 12, 2015	400	31-Jul-19	14,739.00
(viii) Granted on August 11, 2014	3,774	08-Nov-19	8,477.50
(xiii) Granted on May 08, 2015	9,200	08-Nov-19	14,807.00
(xv) Granted on November 06, 2015	1,366	08-Nov-19	17,678.00
(xii) Granted on March 20, 2015	500	08-Nov-19	16,112.00
(viii) Granted on August 11, 2014	656	06-Feb-20	8,477.50
(xiii) Granted on May 08, 2015	255	06-Feb-20	14,807.00
	22,000		
Weighted average exercise price	13,140.74		

Share options outstanding at end of the year:

Option series		Options outstanding		Remaining contractual life in years		Exercise price Rs.
		As at	As at	As at	As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
(ii)	22-Oct-07	-	-	-	-	46.20
(iii)	29-Apr-10	-	-	-	-	69.50
(iv)	8-Nov-10	-	-	-	-	141.10
(v)	6-May-11	-	-	-	-	116.20
(vi)	11-Feb-12	-	-	-	-	177.00
(vii)	16-Dec-13	-	-	-	-	491.50
(viii)	11-Aug-14	20,000	29,100	3.36	4.36	847.75
(ix)	12-Nov-14	8,600	8,600	3.61	4.62	1,299.37
(x)	12-Jan-15	-	-	-	-	1,473.90
(xi)	12-Jan-15	10,800	15,300	3.78	4.79	1,473.90
(xii)	20-Mar-15	-	5,000	-	4.97	1,611.20
(xiii)	8-May-15	53,140	1,99,140	4.10	5.10	1,480.70
(xiv)	21-Jul-15	46,400	62,900	4.30	5.31	2,124.80
(xv)	6-Nov-15	9,918	61,340	4.60	5.60	1,767.80
(xvi)	5-Feb-16	15,000	21,000	4.85	5.85	1,689.40
(xvii)	27-Apr-16	9,000	12,000	5.07	6.07	2,014.80
(xviii)	28-Jul-16	17,800	21,000	5.32	6.33	2,034.00
(xix)	28-Oct-16	5,000	15,000	5.58	6.58	2,449.20
(xx)	1-Feb-17	-	-	-	-	2,302.80

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Option series		Options outstanding		Remaining contractual life in years		Exercise price Rs.
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
(xxi)	27-Mar-17	-	-	-	-	2,435.00
(xxii)	9-Aug-17	13,500	13,500	6.36	7.36	3,212.10
(xxiii)	14-Nov-17	15,000	15,000	6.62	7.62	3,058.50
(xxiv)	7-Feb-18	21,000	21,000	6.85	7.86	2,757.90
(xxv)	2-Apr-18	13,500	13,500	7.00	8.01	2,837.30
(xxvi)	9-May-18	12,500	12,500	7.10	8.11	3,042.70
(xxvii)	9-Aug-18	24,000	24,000	7.36	8.36	2,759.40
(xxviii)	12-Nov-18	28,000	28,000	7.62	8.62	2,249.60
(xxix)	11-Feb-19	12,500	12,500	7.87	8.87	2,084.80
(xxx)	1-Apr-19	10,00,000	10,00,000	12.00	13.01	2,054.80
(xxxi)	1-Aug-19	36,000	36,000	10.33	11.34	1,634.90
(xxxii)	6-May-20	82,500	-	11.10	-	1,381.10
(xxxiii)	6-May-20	4,27,500	-	9.10	-	1,381.10
(xxxiv)	13-Aug-20	6,000	-	9.37	-	2,211.70
(xxxv)	10-Feb-21	10,000	-	9.87	-	2,948.00
		18,97,658	16,26,380			

Restricted Stock Units Plan, 2019 ("RSU 2019")

Pursuant to approval accorded by shareholders at their Annual General Meeting held on August 1, 2019, the Nomination and Remuneration Committee of the Company formulated 'Eicher Motors Limited - Restricted Stock Units Plan 2019' ("RSU Plan 2019") for grant of Restricted Stock Units ("RSU"), in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Regulations").

RSU Plan 2019 is applicable to (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company, whether whole-time or not; and (iii) an employee, as defined in (i) or (ii) of this Para, of a Subsidiary Company, in India or outside India, excluding such category of persons as defined under RSU Plan 2019 of the Company and/or SEBI Regulations. The eligibility of employees or eligibility criteria to receive grants under RSU Plan 2019 is decided by Nomination and Remuneration Committee, from time to time.

The Nomination and Remuneration Committee shall specify the vesting criteria based on continued employment with the Company (or its subsidiary, as the case may be) and/or certain performance criteria to be fulfilled for vesting of RSU and/or any other criteria as it may deems fit and subject to such other conditions and exceptions as provided under RSU Plan, 2019.

Vesting of RSU shall take place in the manner as may be determined by the Nomination and Remuneration Committee at the time of grant, provided that the vesting shall not take place earlier than minimum vesting period of one year but not later than maximum vesting period of seven years from the date of grant of such RSU.

Exercise Price of each grant shall be the face value of the share as on date of exercise of RSU. The exercise period of a vested RSU shall be a maximum of seven years from the date of vesting of RSU, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee at time of Grant and as set out in the letter of Grant, subject to such other conditions and exceptions as provided under Company's RSU Plan, 2019. Any RSU remaining unexercised at the end of the exercise period shall lapse. At the time of exercise, the participant may pay the exercise price in a form as approved by the Nomination and Remuneration Committee in accordance with the terms of the RSU Plan, 2019.

Each RSU, when exercised, is convertible into one equity share of the Company. No amount is payable by the RSU grantee on grant of RSU. RSU carry neither rights to dividends nor voting rights until they are exercised & converted into shares.

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Detail of Restricted Stock Units Plan, 2019 ("RSU 2019")

The following share-based payment arrangements were in existence during the current year

Option series	Number	Grant date	Vesting period	Expiry date	Exercise Price	Fair value of options at grant date
					Rs.	Rs.
(i)	50,000	1-Aug-19	1 Year	31-Jul-27	1.00	1,579.61
(ii)	50,000	1-Apr-20	1 Year	31-Mar-28	1.00	1,270.20

Fair value of share options granted in the year

The weighted average fair value of the stock units granted during the financial year is Rs. 1,270.20 (March 31, 2020 : Rs. 1,579.61). Options were priced using Black Scholes options pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected Volatility was determined by taking the daily volatility of the share price on NSE, over a period prior to the date of grant, corresponding to the expected life of the options for each vesting.

Inputs into the Black Scholes options pricing model model

Particulars	Option series	
	(i)	(ii)
Grant date share price	1,634.81	1,309.60
Exercise price	1.00	1.00
Expected volatility	30.62%	32.32%
Option life	4.5 years	4.5 years
Dividend yield	0.75%	0.67%
Risk-free interest rate	6.52%	5.86%

Movements in share options during the year

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		Rs.		
Balance at beginning of the year	5,000	10.00	-	-
Adjustment for Sub-Division of Equity Shares	45,000	-	-	-
Outstanding at the beginning of the year (Post-split)	50,000	1.00	-	-
Granted during the year	50,000	1.00	5,000	10.00
Forfeited during the year	-	-	-	-
Exercised during the year	(50,000)	1.00	-	-
Expired during the year	-	-	-	-
Balance at end of the year	50,000	1.00	5,000	10.00
Exercisable at the end of the year	50,000	1.00	-	-

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Effect of share-based payment transactions on the entity's Profit or Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Share-based payments	8.90	5.35

Stock units exercised during the year

The following share options were exercised during the year and previous year:

Option series	Number exercised	Exercise date	Option series
			Exercise Price Rs.
For the year ended March 31, 2021			
(i) Granted on August 1, 2019	50,000	13-Aug-20	1.00
For the year ended March 31, 2020			
There were no stock units exercised during the year			

Share options outstanding at end of the year

Option series		Options outstanding		Remaining contractual life		Exercise price Rs.
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
(i)	1-Aug-19	-	50,000	-	7.34	1.00
(ii)	1-Apr-20	50,000	-	7.01	-	1.00
		50,000	50,000			

50. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Gross amount required to be spent	56.37	55.39
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above*	56.37	55.39
*Includes administrative expenses	1.87	1.60

Details related to unspent amount

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	-	-
Amount deposited in Specified Fund of Sch. VII	-	-
Amount required to be spent during the year	56.37	55.39
Amount spent during the year	56.37	55.39

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51. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entity	Share of net assets As at March 31, 2021		Share of profit or loss For the year ended March 31, 2021	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	84.09%	9,618.74	98.29%	1,323.82
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-0.34%	(39.06)	1.65%	22.20
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	-0.66%	(75.67)	-1.99%	(26.82)
3. Royal Enfield (Thailand) Limited	0.11%	12.09	0.10%	1.41
4. Royal Enfield UK Limited	-0.04%	(4.23)	-0.36%	(4.86)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	16.84%	1,926.21	2.31%	31.13
2. Eicher Polaris Private Limited	-	-	-	-

Name of the entity	Share of other comprehensive income For the year ended March 31, 2021		Share of total comprehensive income For the year ended March 31, 2021	
	As % of consolidated Other Comprehensive Income	Rs. in crores	As % of consolidated Total Comprehensive Income	Rs. in crores
Parent				
Eicher Motors Limited	89.08%	30.60	98.06%	1,354.42
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-13.77%	(4.73)	1.26%	17.47
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	26.52%	9.11	-1.28%	(17.71)
3. Royal Enfield (Thailand) Limited	-3.33%	(1.14)	0.02%	0.27
4. Royal Enfield UK Limited	-7.28%	(2.50)	-0.53%	(7.36)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	8.78%	3.02	2.47%	34.15
2. Eicher Polaris Private Limited	-	-	-	-

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Name of the entity	Share of net assets As at March 31, 2020		Share of profit or loss For the year ended March 31, 2020	
	As % of consolidated net assets	Rs. in crores	As % of consolidated profit or loss	Rs. in crores
Parent				
Eicher Motors Limited	82.13%	8,197.29	100.68%	1,839.86
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-0.63%	(62.76)	0.19%	3.52
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	-0.57%	(56.88)	-2.25%	(41.06)
3. Royal Enfield (Thailand) Limited	0.11%	10.48	-0.35%	(6.42)
4. Royal Enfield UK Limited	0.01%	0.75	-0.01%	(0.18)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	18.95%	1,892.05	1.74%	31.71
2. Eicher Polaris Private Limited	-	-	-	-

Name of the entity	Share of other comprehensive income For the year ended March 31, 2020		Share of total comprehensive income For the year ended March 31, 2020	
	As % of consolidated Other Comprehensive Income	Rs. in crores	As % of consolidated Total Comprehensive Income	Rs. in crores
Parent				
Eicher Motors Limited	62.83%	7.02	100.45%	1,846.88
Subsidiaries				
Foreign				
1. Royal Enfield North America Limited	-34.41%	(3.85)	-0.02%	(0.33)
2. Royal Enfield Brasil Comercio de Motocicletas Ltda	80.67%	9.02	-1.74%	(32.04)
3. Royal Enfield (Thailand) Limited	5.32%	0.59	-0.32%	(5.83)
4. Royal Enfield UK Limited	-0.02%	(0.00)	-0.01%	(0.18)
Joint Ventures (investment as per the equity method)				
Indian				
1. VE Commercial Vehicles Limited	-14.39%	(1.61)	1.64%	30.10
2. Eicher Polaris Private Limited	-	-	-	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

52. IND AS 116 LEASES

As a lessee

The Group has lease contracts for various buildings used in its operations. Leases of buildings generally have lease terms between 2 to 25 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options which are further discussed below.

The Group also has certain leases of buildings with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(i) Movement in the carrying value of the Right to Use Asset

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	95.72	92.04	187.76	88.19	116.03	204.22
Depreciation charge for the Period	(1.08)	(25.68)	(26.76)	(0.97)	(33.15)	(34.12)
Additions during the Period	51.32	-	51.32	8.50	9.37	17.87
Adjustment/Deletion	-	(14.70)	(14.70)	-	(0.21)	(0.21)
Closing Balance	145.96	51.66	197.62	95.72	92.04	187.76

(ii) Classification of current and non current liabilities of the lease liabilities

Particulars	As at March 31, 2021			As at March 31, 2020		
	Land	Buildings	Total	Land	Buildings	Total
Current liabilities	-	15.72	15.72	-	26.85	26.85
Non Current Liabilities	-	46.12	46.12	-	77.72	77.72
Total Lease liabilities	-	61.84	61.84	-	104.57	104.57

(iii) Movement in the carrying value of the Lease Liability

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Land	Buildings	Total	Land	Buildings	Total
Opening Balance	-	104.57	104.57	-	126.05	126.05
Interest Expense	-	6.71	6.71	-	9.16	9.16
Lease Payments [Total Cash Outflow]	-	(31.40)	(31.40)	-	(39.82)	(39.82)
Termination options exercised	-	(18.73)	(18.73)	-	-	-
Additions during the year	-	0.69	0.69	-	9.18	9.18
Closing Balance	-	61.84	61.84	-	104.57	104.57

(iv) Contractual Maturities of Lease liability outstanding

Particulars	As at March 31, 2021			As at March 31, 2020		
	Land	Buildings	Total	Land	Buildings	Total
Less than one year	-	15.71	15.71	-	26.85	26.85
One to five Years	-	28.54	28.54	-	38.38	38.38
More than Five years	-	17.59	17.59	-	39.34	39.34
Total	-	61.84	61.84	-	104.57	104.57

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Lease expenses relating to short term leases aggregated to Rs. 14.45 crores during the year ended March 31, 2021 (Rs. 14.37 crores during the year ended March 2020.)

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 9.5% per annum.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amortisation of right-of-use assets	26.76	34.12
Interest expense on lease liabilities	6.71	9.16
Expense relating to short-term leases (included in other expenses)	14.45	14.37

As a Lessor

Finance Lease

During the year ended March 31, 2021, the Group has given office equipments on finance lease for operational use by the dealers for servicing the customers of the Group. During the year ended March 31, 2021, the Group recognised interest income on lease receivables of Rs. 1.24 crores (March 31, 2020: nil). The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Maturity analysis of Lease receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year		
Total Undiscounted lease receivables	6.07	-
Unearned finance income	1.10	-
Net investment in the lease	5.08	-
One to three years		
Total Undiscounted lease receivables	7.57	-
Unearned finance income	1.62	-
Net investment in the lease	6.99	-

53. CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 300.13 crores (March 31, 2020 : Rs. 217.12 crores).

The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services, employee's benefits including union agreement in normal course of business. The Group does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

54. The Group has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. Management believes that it has taken into account external and internal information for assessing the possible impact of COVID-19 on various elements of its financial statement, including its liquidity position and the recoverability of assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

NOTES**FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

55. The Board of Directors of the Company at their meeting held on May 27, 2021, considered and recommended a final dividend aggregating to Rs. 464.67 Crores @ Rs. 17 per share (nominal value Rs. 1 per share) for the financial year 2020-21 (interim dividend paid for previous financial year 2019-20 was Rs. 341.32 Crores @ Rs. 125 per share of nominal value of Rs. 10 per share and final dividend paid for previous year was Rs. Nil).

56. Previous year's figures have been recast/regrouped, wherever necessary to conform with the current period's presentation.

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

per Sanjay Vij
Partner
Membership No : 095169

Place: Gurugram
Date: May 27, 2021

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

Manhar Kapoor
Company Secretary

Siddhartha Lal
Managing Director
DIN: 00037645

Date: May 27, 2021

Kaleswaran Arunachalam
Chief Financial Officer

S. Sandilya
Chairman
DIN: 00037542

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

Vinod Aggarwal
Director
DIN: 00038906

OVERVIEW OF PERFORMANCE

VE COMMERCIAL VEHICLES LIMITED

A SUBSIDIARY OF THE COMPANY

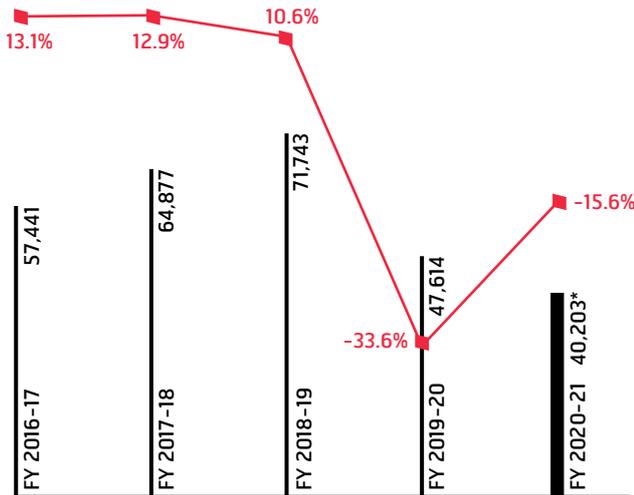
363-371



PERFORMANCE HIGHLIGHTS

OF VE COMMERCIAL VEHICLES LIMITED

Chart 1: Eicher Commercial Vehicles and growth

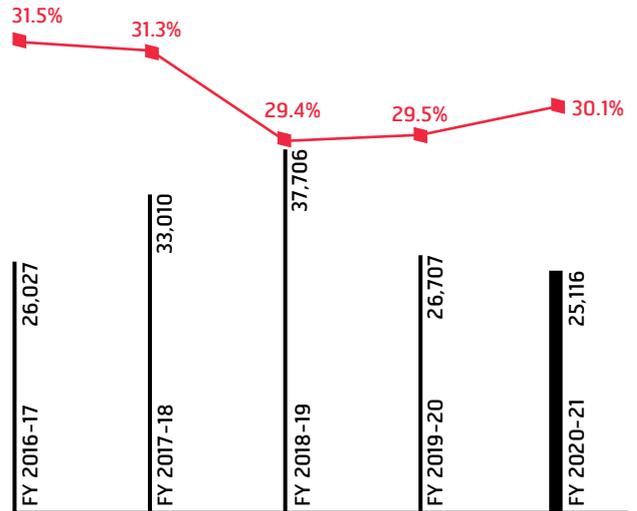


■ Eicher Commercial Vehicles (Nos.)

— Growth (%)

Note: Volvo Trucks (Domestic) volume shown separately in Chart 6
*include 15 Nos. of Volvo Buses sold in FY 2020-21

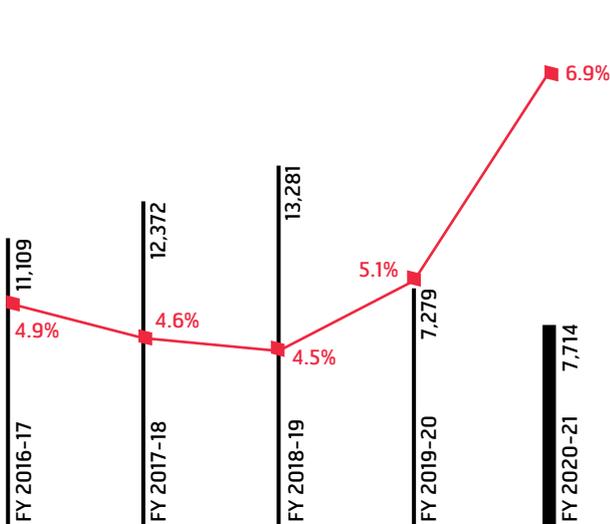
Chart 2: Eicher 3.5-15 Tonne Cargo Domestic and Market Share



■ Eicher 3.5-15 Tonne Cargo Domestic (Nos.)

— Market Share (%)

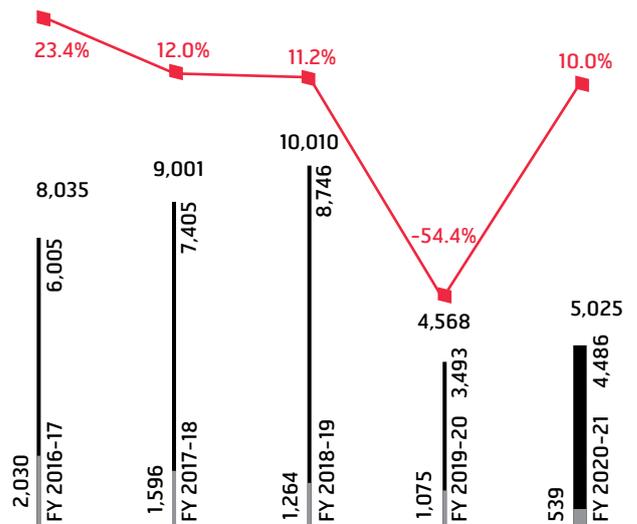
Chart 3: Eicher 16 Tonne and above Cargo Domestic and Market Share



■ Eicher 16 Tonne and above (Nos.)

— Market Share (%)

Chart 4: Eicher Exports: Cargo/Buses and Growth



■ Buses

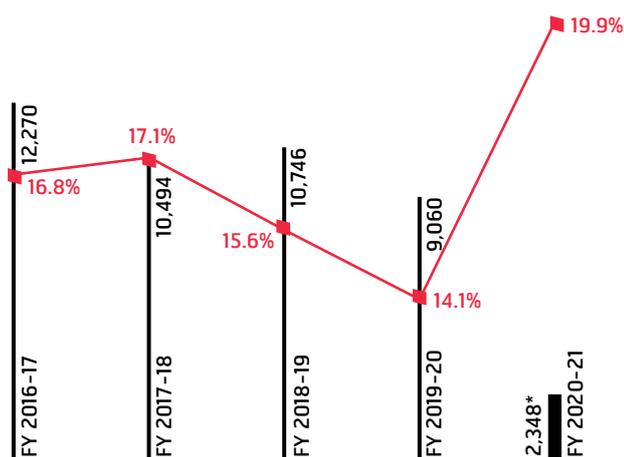
■ Cargo

— Growth (%)

PERFORMANCE HIGHLIGHTS

OF VE COMMERCIAL VEHICLES LIMITED

Chart 5: Eicher Buses Domestic and Market Share

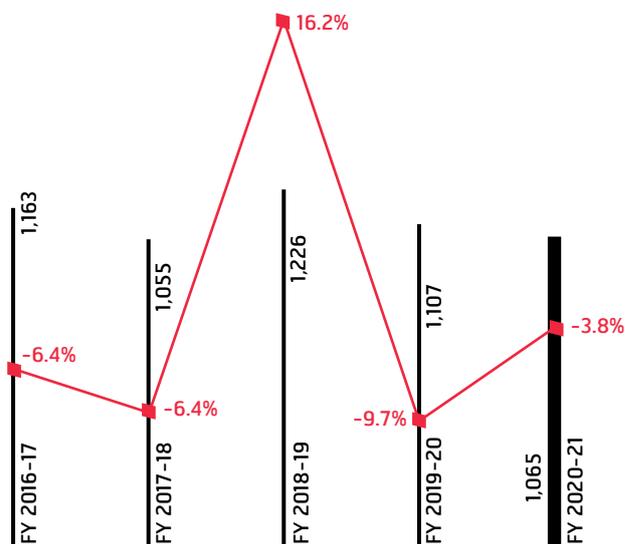


■ Eicher Buses Domestic (Nos.)

—■ Market Share (%)

*include 15 Nos. of Volvo Buses sold in FY 2020-21

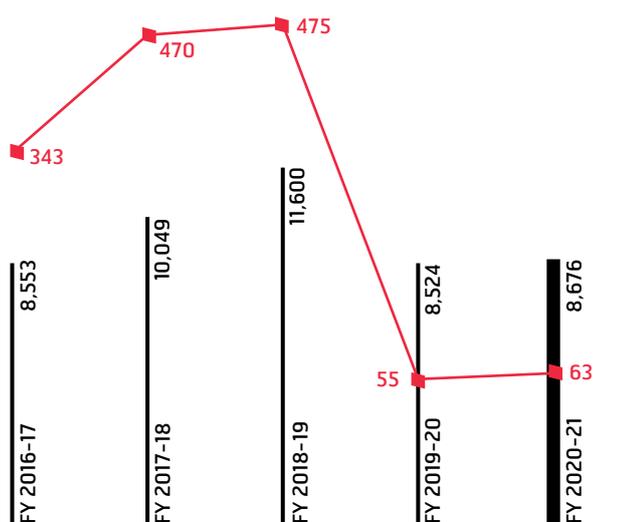
Chart 6: Volvo Trucks Domestic and Growth



■ Volvo Trucks Domestic (Nos.)

—■ Growth (%)

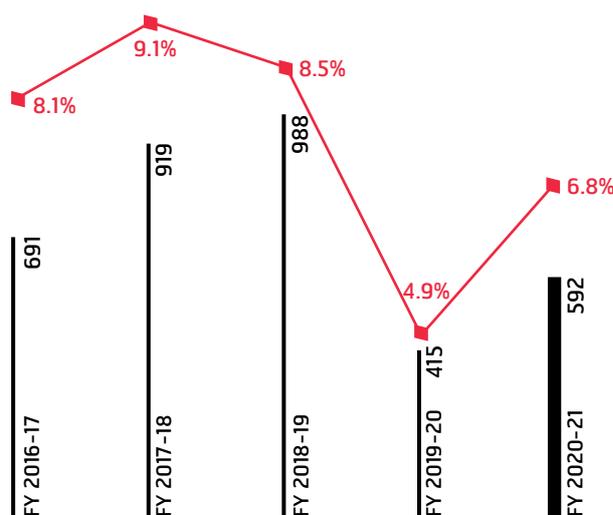
Chart 7: Net Revenue from operations and Total Comprehensive Income (Consolidated)



■ Net Revenue from operations (Consolidated) (Rs. In crores)

—■ Total Comprehensive Income (Consolidated) (Rs. In crores)

Chart 8: Earnings before Interest, Taxes, Depreciation and Amortisation* (EBITDA) and percentage to Net Revenue from Operations (Consolidated)



■ Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) (Consolidated) (Rs. In crores)

—■ % to Net Revenue from operations

*For the purpose of EBITDA computation, only interest income (part of other income) has been excluded from Total Income

BUSINESS HIGHLIGHTS AND FUTURE PROSPECTS



BRIEF DESCRIPTION OF THE STATE OF COMPANY'S AFFAIRS

VECV Performance

The Company has just completed what has probably been the most challenging year in its history. With the announcement of lockdown, in April, 2020, a downside Business Plan was prepared quickly along with a detailed action plan to combat the crisis. With the involvement of every team member of the Company, several actions as highlighted below were implemented:

- Successful transition to BSVI emission standards with very positive customer feedback
- First commercial vehicle Company in India to offer 100% connected vehicles
- Successful commencement of commercial vehicle production from greenfield Bhopal plant
- Substantially improved parts availability, uptime services and enhanced customer-connect using the digital tools & media

As a result of these initiatives the Company has been able to gain the confidence of its customers and gain market-share as well. At the same time, steps have been taken to reduce costs and conserve cash, while not compromising on any of our long term initiatives.

OUR BUSINESSES, MARKET AND FUTURE PROSPECTS

As a consequence of the nationwide lockdown implemented by the Indian government, the Company started the financial year 2020-21 with just 85 units of vehicle sales in April 2020. With gradual business recovery, and with strong market performance, sales volumes clocked 7,037 units in March, 2021.

Eicher Trucks and Buses (ETB)

Eicher Trucks and Buses (ETB) has achieved sales of 40,203 (including 15 units of Volvo Buses sold in FY 2020-21) units in the financial year 2020-21 as compared to 47,614 units in the financial year 2019-20, a decline of 15.6%. On the exports front, ETB has sold 5,025 units in the financial year 2020-21, as compared to 4,568 units in the financial year 2019-20, a growth of 10%.

Light Medium Duty (LMD) trucks (5 – 15T) market share improved from 29.8% to 30.6% in the financial year 2020-21, Heavy Duty trucks market share for VECV (Eicher and Volvo) achieved an all-time high of 7.9% in the financial year 2020-21. In the bus segment, LMD bus market share improved from 20.4% to 24.9%.

On the quality front significant improvements were made in roll-out quality of vehicles.

Bhopal Plant

A world class green field plant in Bhopal was inaugurated on December 5, 2020. Ramping up at a record pace, the new plant has produced 3,043 vehicles and 16,241 BSVI engines in the financial year.

Volvo Trucks India (VTI)

VTI managed a very resilient performance in the financial year 2020-21. Though the total industry volume in premium trucks (400+ HP) declined by 15% Year over Year to 1,208 units, VTI sold 1,065 trucks, which is marginally (3.8%) lower than financial year 2019-20. The Company maintained its strong brand image and leadership position in the premium trucks segment with 88% market share. Additionally, VTI successfully delivered the largest ever order of 230 Mining trucks in the financial year 2020-21.

Eicher Engineering Components (EEC)

EEC continued to strengthen the customer and supplier relationships and grow the business with the key global OEM customers, through enhanced share of existing businesses and new business acquisitions. To help grow the overall business and profitability, EEC implemented rapid new product developments and smooth ramp up in production with the implementation of stage-gate process, focus on cost and working capital management, optimize and expedite investments, improve productivity and meet requirements of domestic and global OEM customers. During the financial year under review, EEC received awards from key global OEM customers for excellence in quality, delivery, new product development and capacity ramp up.

VE Powertrain (VEPT)

VEPT delivered 28,901 engines in the financial year 2020-21 as compared to 28,383 engines in the financial year 2019-20, thus registering a growth of 1.8%. With this, VEPT has delivered 1,94,265 engines since its inception to customers across the world.

Despite disruptions in complete automotive industry due to Covid-19, VEPT ensured on-time supplies and zero delivery loss globally. A positive surge in demand foreseen for customers all around, including Europe and Asia and especially with the migration to BSVI in India, there has been an increase in supplies of engines for Eicher branded vehicles.

Bus Business

The CV industry has started growing however, bus industry remained depressed due to school not opening in full swing, work from home advisories and limited travel due to continued Covid-19 situation.

1,605 Eicher brand buses were delivered through the bus plant in the financial year 2020-21 as compared to 3,473 in the financial year 2019-20, a decline of 54%.

New products including the Skyline Pro with wider body and a 72-seater school bus was launched to cater an emerging segment. A 20.15 LHD with new facia and other improvements was developed for the Middle East market. Additionally, Skyline Pro LHD has also been established in international markets, which will enhance the volume in Middle East and Africa region.

International Business

The Company recorded exports of 5,025 units of trucks and buses during the financial year 2020-21 as against 4,568 vehicles in the financial year 2019-20. Though the industry drop was 28.9%, VECV registered a 10% growth in overall volumes along with increase in market shares across all regions of South Asia, Africa, Middle East, and ASEAN. Introduction of new products and variants, opening of new markets and segment-focused digital marketing helped shore up volumes despite drop in industry. Twenty-six new market-specific products and variants were introduced in new-generation Pro2000, Pro3000, Pro6000 trucks and Skyline bus range.

CONSOLIDATED BALANCE SHEET

VE COMMERCIAL VEHICLES LIMITED AS AT MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	As at March 31, 2021	As at March 31, 2020
ASSETS		
Non-current assets		
(a) Property, plant and equipment	2,237.90	2,046.79
(b) Capital work-in-progress	90.87	214.98
(c) Other Intangible assets	812.61	896.18
(d) Right-of-use assets	178.98	204.08
(e) Intangible assets under development	103.61	72.09
(f) Financial assets		
(i) Investments	0.14	0.14
(ii) Loans	1.99	1.64
(iii) Other financial assets	201.20	83.32
(g) Other assets	49.14	77.88
Total non-current assets	3,676.44	3,597.10
Current assets		
(a) Inventories	1,366.96	961.03
(b) Financial assets		
(i) Trade receivables	1,526.69	814.45
(ii) Loans	3.56	2.53
(iii) Cash and cash equivalents	372.70	242.60
(iv) Bank balances other than (iii) above	1,100.59	967.20
(v) Other financial assets	237.95	157.52
(c) Other current assets	156.28	214.59
Total current assets	4,764.73	3,359.92
Total assets	8,441.17	6,957.02
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	10.00	10.00
(b) Other equity	3,530.79	3,468.02
Total equity	3,540.79	3,478.02
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	362.50	-
(ii) Lease liabilities	57.50	75.39
(iii) Other financial liabilities	8.27	7.05
(b) Provisions	100.18	108.10
(c) Deferred tax liabilities (net)	44.00	11.04
(d) Other liabilities	6.81	5.73
Total non-current liabilities	579.26	207.31
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	12.62
(ii) Lease liabilities	12.36	18.73
(iii) Trade payables		
- Total outstanding dues of micro and small enterprises	121.98	85.78
- Total outstanding dues of creditors other than micro and small enterprises	3,448.93	2,517.97
(iv) Other financial liabilities	323.76	268.17
(b) Provisions	102.69	60.97
(c) Liabilities for current tax (net)	37.94	53.41
(d) Other liabilities	273.46	254.04
Total current liabilities	4,321.12	3,271.69
Total liabilities	4,900.38	3,479.00
Total equity and liabilities	8,441.17	6,957.02

Note: Consolidated financial statement represents financial statements of VE Commercial Vehicles Limited and its Subsidiaries, viz. VECV Lanka (Private) Limited and VECV South Africa (PTY) Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME		
Revenue from operations	8,676.37	8,524.43
Other income	45.65	85.37
Total Income	8,722.02	8,609.80
EXPENSES		
Cost of raw materials and components consumed	5,530.97	4,891.94
Purchases of traded goods	1,229.67	1,135.81
Change in inventories of finished goods, work-in-progress and stock-in-trade	(268.96)	398.44
Employee benefits expenses	777.92	784.72
Depreciation and amortisation expenses	510.02	409.52
Finance costs	38.73	25.29
Other expenses	816.32	912.28
Total expenses	8,634.67	8,558.00
Profit before tax	87.35	51.80
Tax expense		
Current tax	-	64.29
Tax adjustment relating to earlier years	1.21	-
Deferred tax charge/(benefit)	28.91	(70.78)
Total tax expense	30.12	(6.49)
Profit for the year	57.23	58.29
Other comprehensive income		
Items that will not be reclassified to profit or loss:-		
Re-measurement losses on defined benefit plans	9.42	(5.38)
Income tax effect	(3.29)	1.88
Net other comprehensive income not to be reclassified to profit or loss	6.13	(3.50)
Items that may be reclassified to profit or loss:-		
Exchange differences in translating the financial statements of foreign operations	(0.90)	0.84
Income tax effect	0.31	(0.30)
	(0.59)	0.54
Net other comprehensive income not to be reclassified to profit or loss	5.54	(2.96)
Total Comprehensive income for the year, net of tax	62.77	55.33
Earnings per share (of Rs.10 each) in Rs.		
Basic/ diluted	57.23	58.29

CONSOLIDATED CASH FLOW STATEMENT

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	87.35	51.80
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	510.02	409.52
Loss on discard of property, plant and equipment and intangible assets	1.30	1.93
Loss on sale of property, plant and equipment (net)	0.59	0.16
Exchange differences in translating the financial statements of foreign operations	(0.90)	0.84
Re-measurement losses on defined benefit plans	9.42	(5.38)
Interest income	(43.97)	(71.18)
Impairment on doubtful debts	8.30	4.99
Finance costs	38.73	25.29
Operating profit before changes in working capital	610.84	417.97
Working capital adjustments:		
Adjustments for (increase) / decrease assets:		
Non-current		
Loans	(0.36)	0.38
Other financial assets	(126.18)	(54.67)
Other assets	(0.75)	0.16
Current		
Inventories	(405.93)	324.74
Trade receivables	(712.24)	450.03
Loans	(1.03)	1.14
Other financial assets	(77.22)	79.60
Other assets	48.23	(36.43)
Adjustments for increase / (decrease) in liabilities:		
Non-current		
Other financial liabilities	1.22	(0.01)
Provisions	(7.92)	(16.20)
Other liabilities	1.08	1.81
Current		
Trade payables	967.17	(402.50)
Provisions	41.72	(33.78)
Other financial liabilities	71.44	(33.59)
Other liabilities	29.50	(57.55)
Cash generated from operating activities	439.57	641.10
Income taxes paid	(15.61)	(37.23)
Net cash flow from operating activities (A)	423.96	603.87

CONSOLIDATED CASH FLOW STATEMENT

VE COMMERCIAL VEHICLES LIMITED FOR THE YEAR ENDED MARCH 31, 2021

ALL AMOUNTS ARE IN RS. CRORES UNLESS OTHERWISE STATED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances)	(531.19)	(719.56)
Proceeds from sale of property, plant and equipment	13.07	8.80
Investment in fixed deposits	(133.39)	27.78
Interest received (finance income)	40.76	76.68
Net cash flow used in investing activities (B)	(610.75)	(606.30)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in borrowings	550.00	670.00
Repayment of borrowings	(170.31)	(953.26)
Interest paid	(31.59)	(16.50)
Payment of finance lease liabilities	(31.21)	(31.42)
Dividends paid to equity holders	-	(125.00)
Dividend distribution tax	-	(25.69)
Net cash flow from financing activities (C)	316.89	(481.87)
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	130.10	(484.30)
Cash and cash equivalents at the beginning of the year	242.60	726.90
Cash and cash equivalents at the end of the year	372.70	242.60

Particulars	As at March 31, 2021	As at March 31, 2020
Components of cash and cash equivalents		
Cash on hand	0.33	0.31
Cheques/ drafts on hand	6.79	0.85
Balances with banks:		
In current accounts	61.25	35.43
In deposit accounts	304.33	206.01
Total cash and cash equivalents	372.70	242.60

NOTICE OF 39TH (THIRTY NINTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 39th (Thirty Ninth) Annual General Meeting of the members of Eicher Motors Limited is scheduled to be held on Tuesday, August 17, 2021, at 1.00 P.M. Indian Standard Time (IST) through Video Conferencing/Other Audio Visual means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs. 17/- per equity share of face value of Re. 1/- each for the Financial Year ended March 31, 2021.
3. To appoint Mr. Siddhartha Lal (DIN: 00037645), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS:

4. To consider and ratify remuneration of Cost Auditor payable for the Financial Year 2020-21:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, remuneration payable to M/s. Jyothi Satish & Co., Cost Accountants (Firm registration No. 101197), appointed by the Board of Directors as Cost Auditor of the Company to conduct audit of the relevant cost records of the Company for the Financial Year 2020-21, amounting to Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand only), plus taxes as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby ratified and confirmed."

5. To consider and approve re-appointment of Mr. Siddhartha Lal as Managing Director and payment of remuneration:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of

the Companies Act, 2013 ("the Act"), the rules framed thereunder read with Schedule V of the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other provisions as may be applicable and subject to the approval of the Central Government and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Siddhartha Lal (DIN: 00037645) as Managing Director of the Company, liable to retire by rotation, for a period of 5 (five) years, with effect from May 1, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to decide the terms & conditions of re-appointment including alteration of such terms & conditions as it may deem appropriate and to determine the remuneration to be paid to Mr. Siddhartha Lal in the capacity of Managing Director of the Company during his tenure of 5 years (until April 30, 2026) on the recommendations of Nomination & Remuneration Committee of the Company, provided the total remuneration payable to Mr. Siddhartha Lal for any Financial Year shall not exceed three percent (3%) of the net profits of the Company calculated in the manner provided under Section 197 read with Section 198 and subject to other provisions of the Companies Act, 2013 and the rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. To consider and approve payment of remuneration to Mr. S. Sandilya, Chairman (Non-Executive & Independent Director) for the Financial Year 2020-21, which may exceed fifty per cent of the total remuneration payable to all the Non-Executive Directors of the Company:

In this regard, it is proposed to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended, approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. S. Sandilya (DIN: 00037542), Chairman (Non-Executive and Independent Director), for the Financial Year 2020-21, which may exceed fifty per cent of the total remuneration that may be payable to all Non-Executive Directors of the Company for the Financial Year 2020-21.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be

necessary, expedient and desirable for the purpose of giving effect to this resolution.”

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary

Place: Gurugram, Haryana Membership No. FCS 5564

Date: May 27, 2021

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: 0124-4415600

Website: www.eichermotors.com,

E-mail: investors@eichermotors.com

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the meeting, is annexed herewith and forms part of this Notice.
2. Re-appointment of Director: Brief resume of the Director proposed to be re-appointed (item no. 3 and 5 of the Notice) pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is given hereunder:

Name	Mr. Siddhartha Lal
DIN	00037645
Age	47 Years
Qualification	Mr. Siddhartha Lal is Graduate in Economics from St. Stephens College, Delhi University, holds Post-Graduate Diploma in Mechanical Engineering from Cranfield University, UK and a Masters of Science in Automotive Engineering from the University of Leeds, UK
Experience (including expertise in specific functional area) / Brief Resume	Mr. Siddhartha Lal possess vast experience in Automobile industry. Please refer Company's website: https://www.eicher.in/bod for his detailed profile
Date of first appointment on the Board	May 1, 2006
Directorships held in other public companies	VE Commercial Vehicles Limited
Memberships/ Chairmanships of committees of other companies	VE Commercial Vehicles Limited - Chairman of Audit Committee, Corporate Social Responsibility Committee and Nomination & Remuneration Committee
Number of Equity Shares held in the Company	Mr. Siddhartha Lal holds 29,46,940 (1.08%) equity shares of face value of Re. 1 each in the Company. He is part of Promoter & Promoter Group of the Company which in aggregate holds 13,45,64,270 equity shares of face value of Re. 1 each in the Company constituting 49.23% of Company's total equity share capital
Relationship between Directors and other KMPs inter-se	None
Number of meetings of the Board attended during the last Financial Year	Mr. Siddhartha Lal attended all 7 (Seven) Board Meetings held during the Financial Year 2020-21
Remuneration last drawn	For remuneration details, please refer Corporate Governance Report which is part of the Annual Report
Remuneration proposed to be paid	As per the details provided under the resolution and explanatory statement for business item no. 5
Terms and conditions of Appointment/ Re-appointment	As per the details provided under the resolution and explanatory statement for business item no. 5

In terms of Section 152 of the Companies Act, 2013, Mr. Siddhartha Lal, Managing Director, retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The proposal to reappoint him as Managing Director w.e.f May 1, 2021 for a period of 5 years is also placed before the shareholders for approval (item no. 5). Mr. Siddhartha Lal and his relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested in the business item no. 3 and 5 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Business set out under business item no. 3 and 5 respectively of the Notice.

3. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs has vide its circulars dated April 8, 2020, April 13, 2020 read with circular dated May 5, 2020 and clarification circular dated January 13, 2021 (collectively referred to as “**MCA Circulars**”) has permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means (“**VC / OAVM**”), without physical presence of the Members at a common venue.
4. In compliance with applicable provisions of the Companies Act, 2013 (“the Act”) read with the MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 39th Annual General Meeting of the Company is being conducted through VC/OAVM (hereinafter referred to as “**e-AGM**”). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification note dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the e-AGM.
5. In terms of the MCA circulars, since the physical attendance of members has been dispensed with, the facility of appointment of proxies by Members will not be available. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain close from August 11, 2021 to August 17, 2021 (both days inclusive).
7. The dividend, if approved by the shareholders shall be paid in the following manner:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available

by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on August 10, 2021;

- b) To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/transmission requests properly lodged with the Company on or before the close of business hours on August 10, 2021.
8. Pursuant to the amendments as per the Income Tax Act, 1961 (“the IT Act”) by the Finance Act, 2020, dividend income is taxable in the hands of the shareholders from April 1, 2020 and the Company is required to deduct tax at source (“TDS”) from dividend paid to the Members at prescribed rates in the IT Act. To enable the Company to comply with the TDS requirements, Members are requested to complete and / or update their Residential Status, Income Tax PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company's Registrar & Share Transfer Agent. For details, Members may refer to the “Communication on TDS on Dividend” appended to this Notice of 39th AGM.
 9.
 - a) The amount of dividend remaining unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund Authority (IEPF Authority), constituted by the Central Government. The Company had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to Financial Year 2013 (January – December) to the IEPF Authority within the stipulated time period.

Members who have not encashed their dividend warrants pertaining to the Financial Year 2014 (January – December) and onwards are advised to write to the Registrar & Share Transfer Agent of the Company, immediately for claiming dividends declared by the Company.
 - b) As at March 31, 2021, the Company has transferred 21,69,420 (0.79%) equity shares of face value of Re. 1 each on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, belonging to 2,881 shareholders, to the IEPF Authority within the specified time pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 (“the Act”) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (“the Rules”). The said requirement of transfer of shares, does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

Any person whose share(s)/ unpaid dividend has been transferred to the IEPF Authority may claim the share(s)/ dividend from the IEPF Authority pursuant to the said Act and the Rules by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in Simultaneously, claimant shall be required to submit a copy of Form IEPF-5 submitted with IEPF Authority duly signed and accompanied by all requisite documents to the Company at its registered office address at 3rd floor, Select Citywalk, A-3 District Centre, Saket, New Delhi- 110017, in an envelope marked as "Claim for refund from IEPF Authority" for verification. Shareholders are requested to go through the provisions of said Act and the Rules and also the information provided on the website www.iepf.gov.in. Shareholders may also write to the Company or its Registrar & Share Transfer Agent for any further information/clarification in this regard.

10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to Company's Registrar & Share Transfer Agent i.e. Link Intime India Pvt. Ltd. at Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 or visit portal of Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent of the Company at https://linkintime.co.in/emailreg/email_register.html and upload the requisite documents thereat. Beneficial owners holding shares in electronic form are requested to intimate change in address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP). To support the "Green Initiative", members are requested to register/ update their e-mail addresses with the Registrar & Share Transfer Agent of the Company in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form.
11. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated submission of Permanent Account Number (PAN) and Bank account details by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and Bank account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN and Bank account details to the Registrar & Share Transfer Agent of the Company along with supporting documents.
12. Pursuant to the provisions of Section 72 of the Companies Act 2013, a member(s) holding shares in physical form may nominate, in the prescribed Form SH-13, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in physical form may write to the Company/ Registrar & Share Transfer Agent for this facility. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/ MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In light of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or its Registrar & Share Transfer Agent i.e. Link Intime India Pvt. Ltd., for any assistance in this regard.
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its Registrar & Share Transfer Agent the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
15. The Register of Directors & Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which Directors are interested under Section 189 and any other document referred in the notice of this Annual General Meeting will be made available for inspection by members of the Company, up to the date of the Annual General Meeting, basis email request received on investors@eichermotors.com. Certificate(s) from the Auditors of the Company certifying that Employee Stock Option Plan, 2006 and Restricted Stock Units Plan, 2019 are being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection on the website of the Company under "Investors" Section on the date of Annual General Meeting.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

16. In compliance with the aforesaid MCA circulars and SEBI circulars dated May 12, 2020 read with circular dated January

15, 2021, Notice of the e-AGM along with the Annual Report for the Financial Year ended on March 31, 2021, are being sent only through electronic mode to members whose e-mail address is registered with the Company or with the Depository Participant(s). The aforesaid Notice and Annual Report has been uploaded on the website of the Company i.e.

www.eichermotors.com, the same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and are also available on the website of NSDL (agency providing the remote e-Voting facility) at www.evoting.nsdl.com.

17. Members holding shares in physical mode and who have not updated their e-mail addresses with the Company are requested to visit portal of Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent of the Company at https://linkintime.co.in/emailreg/email_register.html and upload the requisite documents thereat. Members holding shares in dematerialised mode are requested to register/ update their email addresses with the relevant Depository Participants.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

18. As the AGM is being conducted through VC, for the smooth conduct of proceedings of the e-AGM, members are encouraged to express their views/send their queries related to Annual Report or any other matter concerning the Company in advance on the email id AGM2021@eichermotors.com, from their registered email address, mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card. Questions that will be received by the Company by Tuesday, August 10, 2021 upto 5.00 p.m. IST shall only be considered and responded during the e-AGM.
19. Members who would like to express their views or ask questions during the e-AGM may register themselves as a speaker by sending a request in advance on the email id AGM2021@eichermotors.com, from their registered email address mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card by Tuesday August 10, 2021 upto 5.00 p.m. IST. Please note that only those shareholders who have registered themselves as a speaker in advance will only be allowed to express their views/ask questions during the meeting.
20. The Company reserves the right to restrict the number of questions/queries/clarifications to be addressed at the e-AGM and restrict number of speakers, as appropriate, for smooth conduct of the e-AGM.

PROCEDURE FOR JOINING THE E-AGM THROUGH VIDEO CONFERENCING:

21. Member will be provided with a facility to attend the e-AGM through the NSDL e-Voting system. Members may access by following the steps mentioned below for

Access to NSDL e-Voting system. After successful login, members can access the link placed under **“Join General meeting”** menu against company name to attend e-AGM. The link will be available in Member login where the EVEN- 116376 of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this notice.

22. Members are encouraged to join the Meeting through laptops/desktops for better experience. Further, members will be required to allow Camera and use Internet with a good speed for better experience.
23. Please note that participants connecting from mobile devices or tablets or through laptops/desktops connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection for better experience.
24. The members can join the e-AGM through VC from 12:30 P.M. (IST) by following the procedure mentioned in this Notice. The facility of participation at the e-AGM through VC will be made available for 1,000 members on first come first served basis. However, this restriction is not applicable on Shareholders holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Board Committees and Auditors etc. who are allowed to attend the e-AGM without the restriction of first come first served basis. Corporates members/other entities intending to appoint their respective authorized representative to attend e-AGM through VC are requested to send a certified true copy of the Board Resolution/authorization letter to the Company on email id AGM2021@eichermotors.com.
25. Institutional Investors are encouraged to attend and vote at the e-AGM through VC. In case any Institutional Investor faces any issue in participating in e-AGM, they can write to AGM2021@eichermotors.com.
26. Members who need assistance for participating in the e-AGM, can contact Ms. Soni Singh, Assistant Manager, NSDL at evoting@nsdl.co.in or at telephonic number 1800 102 0990 and 1800 22 4430.
27. Members attending the e-AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

28. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as

amended and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on business items to be transacted at the 39th Annual General Meeting by electronic means. The facility of casting the votes by the members using an electronic voting system ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- 29.** Pursuant to SEBI (LODR) Regulations, 2015 and such other provisions as may be applicable, the Company had fixed August 10, 2021 as cut-off date for determining the Members who shall be entitled to vote through remote e-voting or through e-voting on the day of e-AGM through VC. The remote e-voting period commences on August 14, 2021 (9:00 am IST) and ends on August 16, 2021 (5:00 pm IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 10, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

- 30.** The details of the process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system

Details on Step 1 are mentioned below:

A) Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDEAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDEAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. <p>B. e-Voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & e-Voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/>

with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 116376 then user ID is 116376001***

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial

password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. If your e-mail ID is not registered, please follow steps mentioned under Para 17 of these foregoing notes.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - (a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Click on "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select EVEN - 116376 of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE E-AGM ARE AS UNDER:

31. The procedure for e-Voting on the day of the e-AGM is same as mentioned above for remote e-voting.
32. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the e-AGM or participating in e-AGM. Only those members, who will be present in the e-AGM through VC facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the e-AGM. Members who have voted through remote e-Voting will also be eligible to attend the e-AGM, however, they will not be eligible to vote again at the e-AGM. In case a member casts its vote through both the modes, voting done through remote e-voting shall prevail and e-voting done at the e-AGM shall be treated as invalid.
33. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the e-AGM shall be the same person mentioned for remote e-voting and/or e-AGM through VC under Para 26 of these foregoing notes.

34. GENERAL GUIDELINES FOR SHAREHOLDERS FOR VOTING:

- (a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through remote e-voting or e-voting at the e-AGM, to the Scrutinizer by e-mail to vijaygupta.vkgn@gmail.com with a copy marked to evoting@nsdl.co.in and investors@eicheromotors.com.
- (b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon

five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- (c) In case of any queries related to voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.
- (d) The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of August 10, 2021. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to attend e-AGM through VC and vote.
- (e) Any person, who acquires shares of the Company and become member of the Company after sending of the notice and holding shares as of the cut-off date i.e. August 10, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in and investors@eichermotors.com. However, if a member is already registered with NSDL eservices i.e. IDEAS, he can log-in at <https://eservices.nsdl.com/> with his existing IDEAS login. If the member forgets his password, he can reset his password by using above instructions for remote e-voting.

35. Mr. Vijay Gupta, Chartered Accountant, or in his absence, Mr. Akshay Kakkar, Company Secretary, shall act as the Scrutinizer(s) to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.

36. During the 39th AGM, the Chairman, after submitting response to the questions raised by the members in advance, shall formally propose to the members

participating through VC facility to vote on the business items as set out in the Notice of the 39th AGM through the e-Voting system. After the Members participating through VC Facility, eligible to cast votes, have casted their votes, the e-Voting will be closed and the AGM shall stand concluded.

- 37.** The Scrutinizer shall after the conclusion of the 39th Annual General Meeting, will unblock the votes cast through remote e-voting and e-voting held at the e-AGM in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report within the prescribed time, of the total votes cast in favor or against, if any, and submit the report to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 38.** Results of voting shall be declared within 48 hours from the time of conclusion of the meeting. The results along with the Scrutinizers' report would be intimated to the Stock Exchanges where securities of the Company are listed, Depositories and Registrar & Share Transfer Agent and will be displayed on the Company's website www.eichermotors.com and on the website of NSDL www.evoting.nsdl.com.

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary

Place: Gurugram, Haryana

Membership No. FCS 5564

Date: May 27, 2021

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: 0124-4415600

Website: www.eichermotors.com,

E-mail: investors@eichermotors.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Board of Directors of the Company at its meeting held on August 13, 2020 approved appointment of M/s. Jyothi Satish & Co., Cost Accountants (Firm registration No. 101197), to conduct audit of relevant cost records of the Company for the Financial Year 2020-21. The Board of Directors at its meeting held on May 27, 2021, decided to recommend to the shareholders for ratification, payment of remuneration of Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand only), plus taxes as applicable and reimbursement

of out of pocket expenses to M/s. Jyothi Satish & Co., Cost Accountants for audit of cost records of the Company for the Financial Year 2020-21. The Board recommends the Resolution as set out under business item no. 4 in the notice of this meeting for the approval of the members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 5:

Mr. Siddhartha Lal was re-appointed as the Managing Director of the Company for a period of five years effective from May 1, 2016 till April 30, 2021, liable to retire by rotation, and the

said re-appointment was approved by the Shareholders at the 34th Annual General Meeting held on June 18, 2016.

Considering the significant contribution made by Mr. Siddhartha Lal towards the growth of the Company during last five years, the Board of Directors of the Company at its meeting held on February 10, 2021 has, subject to the approval of the Shareholders and the Central Government, re-appointed Mr. Siddhartha Lal as Managing Director of the Company for another term of 5 (five) years with effect from May 1, 2021 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

The shareholders of the Company in the Annual General Meeting held on August 8, 2017 has authorised the Board of Directors of the Company to approve/ revise the remuneration to be paid to Mr. Siddhartha Lal during his remaining term as Managing Director (until April 30, 2021) on the recommendations of the Nomination and Remuneration Committee provided the overall remuneration payable every year to Mr. Siddhartha Lal by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits. etc., as the case may be, shall not exceed in the aggregate three percent (3%) of the net profits of the Company, in terms of Section 197 of the Companies Act, 2013 and computed in the manner laid down in Section 198 of the Companies Act, 2013. Accordingly, remuneration in the form of fixed compensation (which includes salary and allowance, perquisites and statutory contribution & retirement benefits) and annual commission is paid to Mr. Siddhartha Lal which is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time. Details of remuneration of Mr. Siddhartha Lal for the Financial Year 2020-21 is provided in the Corporate Governance Report which is part of the Annual Report.

For the proposed five years term of Mr. Siddhartha Lal (May 1, 2021 to April 30, 2026), similar approval is sought from the shareholders to authorise the Board of Directors of the Company to approve/ revise from time to time the remuneration to be paid to Mr. Siddhartha Lal on the recommendations of the Nomination and Remuneration Committee.

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 Act and the rules made thereunder or under SEBI (LODR) Regulations, 2015.

Mr. Siddhartha Lal, being a Non-resident Indian, his re-appointment as Managing Director shall be subject to the

approval of the Central Government. Mr. Siddhartha Lal shall be liable to retire by rotation 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.

Brief profile of Mr. Siddhartha Lal:

Mr. Siddhartha Lal is a graduate in Economics from St. Stephens College, Delhi University. He holds a Post-Graduate Diploma in Mechanical Engineering from Cranfield University, UK and has done Masters of Science in Automotive Engineering from the 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. Under the leadership of Mr. Siddhartha Lal, the Company has witnessed significant growth, both in terms of revenue and profits.

Revenue from operations of the Company has increased from Rs. 7,944.06 crores in Financial Year 2016-17 to Rs. 8,619.04 crores in Financial Year 2020-21. Despite Covid-19 pandemic which impacted the business throughout the year, the Company managed to sell 6,12,350 motorcycles during the Financial Year 2020-21.

Major Awards & Recognitions of Mr. Siddhartha Lal in recent time:

Ernst and Young award - EY Entrepreneur of the Year Award 2018-19

Under the leadership of Mr. Siddhartha Lal, Eicher Motors Limited has won several awards and accolades in recent times. These include:

- Indian Motorcycle of Year (IMOTY 2021) won by the company's most recent introduction, Meteor 350;
- Interceptor 650 winning the 'Indian Motorcycle of the Year award for 2019';
- Grand Prix Group in Thailand awarded Himalayan as the 'Best Tourer in the Lightweight' segments for the year 2020 & 2021; and
- MCN Magazine, UK awarded Interceptor 650 as the 'Best Retro Bike of The Year' consecutively for 2020 & 2021

Mr. Siddhartha Lal re-appointment as Managing Director may be terminated by either party by giving 3 (three) 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.

The appointment and remuneration of Mr. Siddhartha Lal is in compliance with the provisions of Sections 196, 197, the Rules made thereunder read with Schedule V of the Act and other relevant and applicable provisions, if any, of the Act and the Articles of Association of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and also eligible to act as Managing Director of the Company pursuant to applicable provisions of the Act. The Company has received his consent to act as Managing Director of the Company.

The Notice read with Explanatory Statement should be considered as written Memorandum setting out the terms of appointment and remuneration of Mr. Siddhartha Lal as Managing Director as required under Section 190 of the Companies Act, 2013.

Mr. Siddhartha Lal is not related to any Director or Key Managerial Personnel of the Company. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolution.

Shareholders' approval is hereby sought for the re-appointment and remuneration payable to Mr. Siddhartha Lal as Managing Director of the Company for a period of 5 (five) years effective from May 1, 2021. The Board recommends the Resolution as set out under business item no. 5 in the notice of this meeting for approval of the Members by means of a Special Resolution.

Item No. 6:

Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), every listed entity is required to obtain approval of members of the Company by way of Special Resolution for payment of remuneration to a Non-Executive Director which is in excess of fifty percent of the total remuneration payable to all Non-Executive Directors of the Company during a year.

Shareholders at their 37th Annual General Meeting held on August 1, 2019, approved payment of remuneration by way of commission to the Non-Executive Directors of the Company, not exceeding 1% of the annual net profits of the Company for each Financial Year, calculated in accordance with the

provisions of the Companies Act, 2013 and the rules made thereunder, in such proportion and in such manner as may be determined by the Board of Directors.

Mr. S. Sandilya has vast experience in the automobile industry. With his in-depth knowledge in areas of finance, technology, general management and corporate governance, he provides strategic guidance to the Company and steers the Board functioning in the Company's best interests. The remuneration payable to Mr. S. Sandilya for the financial year 2020-21 may exceed fifty percent of the total remuneration that may be payable to all Non-Executive Directors of the Company and thus it is necessary to take approval of shareholders by way of Special Resolution.

Taking into account the experience and contribution made towards the Company by Mr. S. Sandilya, the Board recommends the Resolution as set out under business item no. 6 in the notice of this meeting for approval of the Members by means of a Special Resolution. The details of remuneration of Mr. S. Sandilya for the Financial Year 2020-21, is given under the Corporate Governance Report forming part of the Annual Report. Mr. S. Sandilya holds 1,19,860 equity shares in the Company. Mr. S. Sandilya and his relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested in the resolution to the extent of remuneration that he may receive. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the said Resolution.

By order of the Board of Eicher Motors Limited

Manhar Kapoor

General Counsel & Company Secretary

Place: Gurugram, Haryana

Membership No. FCS 5564

Date: May 27, 2021

CIN: L34102DL1982PLC129877

Regd. Off: 3rd Floor-Select Citywalk

A-3 District Centre, Saket

New Delhi – 110017

Phone: 0124-4415600

Website: www.eichermotors.com

E-mail: investors@eichermotors.com

(Refer Note 8 of the Notice of 39th AGM)

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND

In accordance with the provisions of the Income-tax Act, 1961 ("IT Act") as amended from time to time, read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared by the Company is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") on dividend at the applicable rates.

Please take note of the below TDS provisions and information/document requirements for each member:

A. RESIDENT MEMBERS:

- A.1 No tax shall be deducted on payment of dividend to the resident individual members, if the total dividend for a financial year does not exceed Rs. 5,000 (Rupees Five Thousand).
- A.2 Tax shall be deducted from Dividend paid to resident members (other than category prescribed under A.1 above) as per the details provided below:

Particulars	Applicable rate of Tax	Declaration/ documents required
Where valid PAN is updated with the Depository Participant (<i>in case shares are held in dematerialized form</i>) or with Company's Registrar and Transfer Agent ("RTA") i.e. Link Intime India Private Limited (<i>in case shares are held in physical form</i>) and no exemption is sought by the resident member	10%	N.A.
No PAN/ Invalid PAN with the Depository Participant or RTA or member has not filed his Income Tax return for last two years and TDS in his personal case was exceeding Rs. 50,000 in each those years, pursuance to section 206AB of Income Tax Act and no exemption sought by member	20%	N.A.
Where lower/ nil tax deduction certificate is issued by Income Tax Department under section 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none"> ◆ Copy of PAN card ◆ Copy of lower tax withholding certificate obtained from Income Tax Department

- A.3 No tax shall be deducted on Dividend to resident members if the members submit documents mentioned in the below table with the RTA:

Particulars	Declaration/ documents required
Member (other than a Company or a Firm) furnishing Form 15G/ 15H	<ul style="list-style-type: none"> ◆ Copy of PAN card ◆ Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Format of Form 15G and 15H are given in the link below
Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)	<ul style="list-style-type: none"> ◆ Copy of PAN card ◆ Self-declaration along with lower/NIL withholding tax certificate obtained from tax authority
Members (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable	<ul style="list-style-type: none"> ◆ Copy of PAN card ◆ Self-declaration along with adequate documentary evidence to the effect that no tax withholding is required pursuant to the provisions of Section 194 of the Act
Category I and II Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> ◆ Copy of PAN card ◆ Self-declaration that the AIF is registered with SEBI as per SEBI Regulations along with copy of registration certificate and that their income is exempted from Tax
Persons covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	<ul style="list-style-type: none"> ◆ Copy of PAN card ◆ Self-declaration along with documentary evidence that the person is covered under said Section 196 of the Act

B. NON-RESIDENT MEMBERS:

As per Section 90 of the Income Tax Act, the non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the member, if they are more beneficial to them. Please refer to the below table for the details of documents to avail Tax Treaty benefits:

Particulars	Applicable rate	Declaration/ documents required
Non-resident Members (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs))	20% plus applicable surcharge and cess OR Tax Treaty Rate (whichever is lower)	If the member wants to avail the tax rates as per the tax treaty, following documents would be required: <ul style="list-style-type: none"> ♦ Self-attested copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax authorities ♦ Self-attested copy of Tax Residency Certificate (TRC) issued by the competent authority of the country of member's residency, evidencing and certifying the tax residency status of the member in the country of residency during the Financial Year 2021-22 ♦ Completed and duly signed Form 10F in the format given in the link ♦ Self-declaration in the format given in the link below, certifying that – <ol style="list-style-type: none"> i. You will continue to remain a tax resident of the country of your residency during the Financial Year 2021-22; ii. You are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company; iii. You have no reason to believe that your claim for the benefits of the DTAA is impaired in any manner; iv. You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company; and v. You do not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22
Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority

Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident members.

For all members who are seeking exemption from tax on dividend:

The aforementioned forms (duly completed, signed and scanned) shall be submitted to by clicking the URL <https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> and declaration (duly completed, signed and scanned) by clicking the URL <https://web.linkintime.co.in/DTAT/form.html> with our RTA, Link Intime India Private Limited by August 13, 2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax, as may be applicable.

Please note that all the Tax related documents should be uploaded through above link only and documents, if sent on other email ids will not be entertained.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at delhi@linkintime.co.in.

To view / download Form 15G click here https://linkintime.co.in/website/GoGreen/2021/Update/Eicher_Motors_Limited/FORM_15G.pdf

To view / download Form 15H click here https://linkintime.co.in/website/GoGreen/2021/Update/Eicher_Motors_Limited/FORM_15H.pdf

To view / download Form 10F click here https://linkintime.co.in/website/GoGreen/2021/Update/Eicher_Motors_Limited/Form_10F.pdf

To view / download - Self declaration click here https://linkintime.co.in/website/GoGreen/2021/Update/Eicher_Motors_Limited/Deduction_of_Tax_at_Source_from_Dividend.pdf

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

GRI INDEX

Disclosures	Description	Status	Reference
Organization Profile			
GRI 102-1	Name of the organization	Reported	Cover Page
GRI 102-2	Activities, brands, products, and services	Reported	Manufacturing Excellence – Our Products
GRI 102-3	Location of headquarters	Reported	Manufacturing Excellence – Business Presence
GRI 102-4	Location of operations	Reported	Manufacturing Excellence – Business Presence
GRI 102-5	Ownership and legal form	Reported	Corporate Review – About Eicher Motors Limited – Shareholding Pattern
GRI 102-6	Markets served	Reported	Manufacturing Excellence – Business Presence
GRI 102-7	Scale of the organization	Reported	Across the report
GRI 102-8	Information on employees and other workers	Reported	Employee Well being - Employment
GRI 102-9	Supply chain	Reported	Creating Shared Value – Sustainability in Procurement
GRI 102-10	Significant changes to the organization and its supply chain	Reported	Creating Shared Value – Sustainability in Procurement
GRI 102-11	Precautionary Principle or approach	Reported	Management Discussion & Analysis – Risk Management Framework
GRI 102-12	External initiatives	Reported	SDG Alignment
GRI 102-13	Membership of associations	Reported	Business Responsibility Report – Principle 7
GRI 102-14	Statement from senior decision-maker	Reported	Corporate Review – Message to the shareholders
GRI 102-15	Key impacts, risks, and opportunities	Reported	Management Discussion & Analysis – Risk Management Framework
Ethics and Integrity			
GRI 102-16	Values, principles, standards, and norms of behavior	Reported	Corporate Governance Report
Governance			
GRI 102-18	Governance structure	Reported	Corporate Governance Report
GRI 102-19	Delegating authority	Reported	Corporate Governance Report
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Reported	Sustainability @EML – Governance Mechanism
GRI 102-32	Highest governance body's role in sustainability reporting	Reported	This Integrated Report is reviewed by the senior management & members of the board
Stakeholder engagement			
GRI 102-40	List of stakeholder groups	Reported	Stakeholder Engagement
GRI 102-41	Collective bargaining agreements	Reported	Employee Well being – Freedom of Association
GRI 102-42	Identifying and selecting stakeholders	Reported	Stakeholder Engagement
GRI 102-43	Approach to stakeholder engagement	Reported	Stakeholder Engagement
GRI 102-44	Key topics and concerns raised	Reported	Stakeholder Engagement
Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	Reported	Corporate Review - About Eicher Motors Limited
GRI 102-46	Defining report content and topic Boundaries	Reported	Corporate Review - About the report
GRI 102-47	List of material topics	Reported	Materiality
GRI 102-48	Restatements of information	Reported	There are no restatements of information over the previous sustainability report FY 19-20
GRI 102-49	Changes in reporting	Reported	Sustainability @EML, Materiality
GRI 102-50	Reporting period	Reported	Corporate Review - About the report
GRI 102-51	Date of most recent report	Reported	EML published the Sustainability Report for the FY 19-20 in accordance with the 'core' criteria of the Global Reporting Initiative (GRI) Standards.
GRI 102-52	Reporting cycle	Reported	Annually
GRI 102-53	Contact point for questions regarding the report		Creating Shared Value – Investor's relation
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Reported	Corporate Review - About the report
GRI 102-55	GRI content index	Reported	GRI Index
GRI 102-56	External assurance	Reported	While this report has not been externally assured, we have developed internal mechanisms to validate & review data in-line with the GRI standards and <IR> Framework. We plan to take a 3 rd party assurance for the subsequent years.
Economic Disclosures			
GRI 103	Management Approach	Reported	Economic Performance – Financial Review
GRI 201: Economic Performance			
GRI 201-1	Direct economic value generated and distributed	Reported	Economic Performance - Economic Value Generated & Distributed

Disclosures	Description	Status	Reference
GRI 204: Procurement Practices			
GRI 204-1	Proportion of spending on local suppliers	Reported	Creating Shared Value – Suppliers
GRI 205: Anti-Corruption			
GRI 205-2	Communication and training about anti-corruption policies and procedures	Reported	Creating Shared Value – Ethical business practices
GRI 205-3	Confirmed incidents of corruption and actions taken	Reported	Creating Shared Value – Ethical business practices
Environmental Disclosures			
GRI 103	Management Approach	Reported	Greener Business Operations – EML's Approach
GRI 301: Materials			
GRI 301-1	Materials used by weight or volume	Reported	Greener Business Operations – Materials
GRI 302: Energy			
GRI 302 - 1	Energy consumption within the organization	Reported	Greener Business Operations – Energy Management
GRI 302 - 3	Energy intensity	Reported	Greener Business Operations – Energy Management
GRI 302 - 4	Reduction of energy consumption	Reported	Greener Business Operations – Energy Management
GRI 303: Water and Effluent			
GRI 303 - 1	Interaction with water as a shared resource	Reported	Greener Business Operations – Water Management
GRI 303 - 2	Management of water discharge related impacts	Reported	Greener Business Operations – Water Management
GRI 303 - 3	Water Withdrawal	Reported	Greener Business Operations – Water Management
GRI 303 - 4	Water Discharge	Reported	Greener Business Operations – Water Management
GRI 303 - 5	Water consumption	Reported	Greener Business Operations – Water Management
GRI 305: Emissions			
GRI 305 - 1	Direct (Scope 1) GHG emissions	Reported	Greener Business Operations – Emissions
GRI 305 - 2	Energy indirect (Scope 2) GHG emissions	Reported	Greener Business Operations – Emissions
GRI 305 - 4	GHG emissions intensity	Reported	Greener Business Operations – Emissions
GRI 305 - 5	Reduction of GHG emissions	Reported	Greener Business Operations – Emissions
GRI 305 - 7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Reported	Greener Business Operations – Emissions
GRI 306: Waste			
GRI 306 - 1	Waste generation and significant waste-related impacts	Reported	Greener Business Operations – Waste Management
GRI 306 - 2	Management of significant waste-related impacts	Reported	Greener Business Operations – Waste Management
GRI 306 - 3	Waste generated	Reported	Greener Business Operations – Waste Management
GRI 306 - 4	Waste diverted from disposal	Reported	Greener Business Operations – Waste Management
GRI 306 - 5	Waste directed to disposal	Reported	Greener Business Operations – Waste Management
GRI 307: Environmental Compliance			
GRI 307 - 1	Non-compliance with environmental laws and regulations	Reported	Greener Business Operations – Environmental Compliance
GRI 308: Supplier Environmental Assessment			
GRI 308 - 1	New suppliers that were screened using environmental criteria	Reported	Creating Shared Value – Suppliers – 3 new suppliers were assessed on environmental and social criteria
GRI 308 - 2	Negative environmental impacts in the supply chain and actions taken	Reported	Creating Shared Value – Suppliers
Social Disclosures			
GRI 103	Management Approach	Reported	Employee Well being – EML's Approach
GRI 401: Employment			
GRI 401-1	New employee hires and employee turnover	Reported	Employee Well being – Talent Management
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Reported	Employee Well being – Benefits provided to the employees
GRI 401-3	Parental leave	Reported	Employee Well being – Parental Leave
GRI 403: Occupational Health and Safety			
GRI 403-1	Occupational health and safety management system	Reported	Employee Well being – Occupational Health and Safety
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Reported	Employee Well being – Occupational Health and Safety
GRI 403-3	Occupational health services	Reported	Employee Well being – Occupational Health and Safety
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Reported	Employee Well being – Occupational Health and Safety
GRI 403-5	Worker training on occupational health and safety	Reported	Employee Well being – Occupational Health and Safety
GRI 403-6	Promotion of worker health	Reported	Employee Well being – Occupational Health and Safety

Disclosures	Description	Status	Reference
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Reported	Employee Well being – Occupational Health and Safety
GRI 403 - 8	Workers covered by an occupational health and safety management system	Reported	Employee Well being – Occupational Health and Safety
GRI 403 - 9	Work-related injuries	Reported	Employee Well being – Occupational Health and Safety
GRI 403 - 10	Work-related ill health	Reported	Employee Well being – Occupational Health and Safety
GRI 404: Training and Education			
GRI 404-1	Average hours of training per year per employee	Reported	Employee Well being – Learning and Development
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Reported	Employee Well being – Learning and Development
GRI 404 - 3	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period	Reported	Employee Well being – Learning and Development
GRI 405: Diversity and Equal Opportunity			
GRI 405-1	Diversity of governance bodies and employees	Reported	Employee Well being – Diversity and Equal Opportunity
GRI 405 -2	Ratio of basic salary and remuneration of women to men	Reported	Employee Well being – Diversity and Equal Opportunity
GRI 406: Non-discrimination			
GRI 406-1	Incidents of discrimination and corrective actions taken	Reported	Employee Well being – Human Rights
GRI 407: Freedom of Association And Collective Bargaining			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Reported	Employee Well being – Freedom of Association
GRI 408: Child Labor			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Reported	Employee Well being – Human Rights
GRI 409: Forced or Compulsory Labor			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Reported	Employee Well being – Human Rights
GRI 412: Human Rights			
GRI 412-2	Employee training on human rights policies or procedures	Reported	Employee Well being – Human Rights
GRI 413: Local Communities			
GRI 413 - 1	Operations with local community engagement, impact assessments, and development programs	Reported	Creating Shared Value - Communities
GRI 413 - 2	Operations with significant actual and potential negative impacts on local communities	Reported	Creating Shared Value - Communities
GRI 414: Supplier Social Assessment			
GRI 414-1	New suppliers that were screened using social criteria	Reported	Creating Shared Value – Suppliers - 3 new suppliers were assessed on environmental and social criteria
GRI 414-2	Negative social impacts in the supply chain and actions taken	Reported	Creating Shared Value - Suppliers
GRI 416: Customer Health and Safety			
GRI 416-1	Assessment of the health and safety impacts of product and service category	Reported	Creating Shared Value – Customer Centricity – We comply with all applicable regulatory standards on product safety in addition to ergonomic improvements for product safety & stability. We also carry out regular inspections of part & assemblies for defects in quality & functionality
GRI 417: Marketing and Labelling			
GRI 417-1	Requirements for product and service information and labelling	Reported	Creating Shared Value – Customer Centricity – We comply with all applicable regulatory standards on product labelling and marketing communications.
GRI 419: Socioeconomic Compliance			
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Reported	Employee Well being – EML's Approach

ABBREVIATIONS

ABS	Anti-lock Braking System	NEEM	National Employability Enhancement Mission
AE	Associate Engineers	NGO	Non-Governmental Organization
AGM	Annual General Meeting	NICU	Neonatal Intensive Care Unit
AHU	Air Handling Unit	NOx	Oxides of Nitrogen
BOD	Biochemical Oxygen Demand	NPI	New Product Introduction
BS IV	Bharat Stage 4	NVH	Noise, Vibration and Harshness
CAD	Computer-Aided Design	OEM	Original Equipment Manufacturer
CAE	Computer-Aided Engineering	OHC	Occupational Health Centre
CII	Confederation of Indian Industry	OHS	Occupational Health and Safety
CIIF	CII Foundation	OJT	On-Job Training
CKD	Completely Knocked Down	PAT	Profit After Tax
CNC	Computer Numerical Control	pH	Potential of Hydrogen
COD	Chemical Oxygen Demand	PLM	Product Lifecycle Management
CR&R	Customer Relations and Retailing	PM	Particulate matter
CSR	Corporate Social Responsibility	PPE	Personal Protective Equipment
CTG	Colours, Trims and Graphics	QC	Quality Control
EBIT	Earnings before Interest and Tax	QCD	Quality, Cost and Delivery
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation	QCFI	Quality Circle Forum of India
EGF	Eicher Group Foundation	R&D	Research & Development
ELF	English Learning Foundation	REA	Royal Enfield Assistant
ELV	End-of-Life Vehicle	RO	Reverse Osmosis
EML	Eicher Motors Limited	ROP	Retinopathy of Prematurity
EML	Eicher Motors Limited	RPM	Review and Planning Meetings
ESG	Environmental, Social & Governance	SDG	Sustainable Development Goals
ETP	Effluent Treatment Plant	SIPCOT	State Industries Promotion Corporation of Tamil Nadu
FPO	Farmer Producers Organization	SOC	Staff on Contract
FY	Financial Year	SOx	Oxides of Sulphur
GEF	Goodearth Education Foundation	SPP	Shikshak Pehal Program
GHE	Global Himalayan Expedition	STP	Sewage Treatment Plant
GHG	Greenhouse Gas	SVUP	Sustainable village upliftment program
HDPE	High-Density Polyethylene	TDS	Total Dissolved Solids
HQ	Head Quarter	TNPCB	Tamil Nadu Pollution Control Board
HR	Human Resources	TTRO	Tertiary Treated Reverse Osmosis
Hz	Hazardous	UCE	Unit Construction Engine
ICC	Internal Complaints Committee	UKTC	UK Technical Centre
ICU	Intensive Care Unit	UN SDGs	The United Nations Sustainable Development Goals
IMS	Integrated Management System	USB	Universal Serial Bus
Ind AS	Indian Accounting standards	VECV	VE Commercial Vehicles
ITeS	Information Technology enables Services	VOC	Volatile Organic Compounds
LTIFR	Lost Time Injury Frequency Rate	WASH	Water, Sanitation and Hygiene
LXP	Learning Xperience Platform	WRI	World Resources Institute
MiY	Make it Yours	XLPE	Cross-linked polyethylene
NABL	National Accreditation Board for Testing and Calibration Laboratories	ZLD	Zero Liquid Discharge



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ROYAL
ENFIELD
Motor
Cycles.



ROYAL ENFIELD

1910 circ.

1912

1926

1935



Royal Enfield



Royal Enfield

1935

1936

1948

1948

Royal Enfield



Royal Enfield



1948

1949

1953

1956



Royal
Enfield

Royal Enfield

Royal Enfield

New Interpretation of
1956 Crusader engine logo

1956

1957

1964

Royal
Enfield



1966

1968

1969

1969
Interceptor 11 Series

ROYAL
ENFIELD



ROYAL
ENFIELD

Original 1920s, modern interpretation
used from 1990s to 2000s by RE India

2014

2014

2014

ROYAL ENFIELD



YEARS OF PURE
MOTORCYCLING